

Northern Data Group

Delivering on 2024 expectations

Northern Data Group has announced a satisfactory end to 2024. Revenues are expected at the lower end of the guided range, but growth in cloud and data centres remains impressive. Adjusted EBITDA is expected towards the upper end of guidance, while cash and equivalents are in line. Management has confirmed progress on the sale of Peak Mining, with a further update to come.

Year end	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (€)	P/E (x)	EV/EBITDA (x)
12/23	77.5	(12.3)	(137.6)	(4.75)	N/A	N/A
12/24e	206.0	55.9	(107.3)	(2.02)	N/A	55.8
12/25e	526.1	269.3	1.1	0.01	N/A	11.6
12/26e	613.4	325.3	52.5	0.56	87.9	9.6

Note: EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments

Q424 revenue of €86m represented an increase of 47% on the prior quarter and an increase of 281% on Q423. Total FY24 revenue of €200m is an increase of 159% y-o-y and in line with the guidance of €200–240m.

Clearly, Q424 revenues were at the lower end of the range implied by the FY24 guidance (€86–126m), although it is perhaps important to acknowledge the challenges as the business strategically pivots towards a pure cloud and data centre business model. Importantly, momentum in cloud and data centres revenue remains impressive, with €55m in Q424 revenue a 16% increase sequentially from Q324 and more than 9x higher than Q423. FY24 cloud and data centres revenue increased by more than 700% to €121m and now represents the majority (60%) of group revenue (63% in Q424).

FY24 adjusted EBITDA is now expected to be €60–80m, representing an increase to the lower end of the previous guidance range of €50–80m.

Liquidity at the year-end was also in line with guidance, with cash and cash equivalents of €120m (the guidance range was €100–200m). Finally, the proposed sale of Peak Mining is progressing, with management noting further updates to come. When completed and the proceeds are known, it will help to clarify future funding requirements, including the recently announced plan (see below) to invest in a new US data centre.

The company continues to enhance the executive management team and has announced the addition of a new group CTO (Adam Low), who joins with more than 30 years' experience in scaling complex global IT infrastructure, with previous roles at Telstra and BT.

Significant strategic initiatives continue to position Northern Data to capitalise on the opportunity in high-performance computing (HPC) and AI infrastructure-as-a-service, with the December 2024 announcement that it will invest in a new best-in-class data centre, purpose-built for HPC in Maysville, Georgia. The site is expected to deliver 120MW of capacity in the near term (mid/late 2026) with potential expansion to 180MW in the longer term (2027). With an estimated \$10–15m/MW capital investment, this project will require >\$1bn in capital funding.

Fully audited FY24 figures are due in late March, at which point the company will formalise guidance for FY25 with an update on strategy. At this stage we make no changes to our forecasts.

FY24 trading update

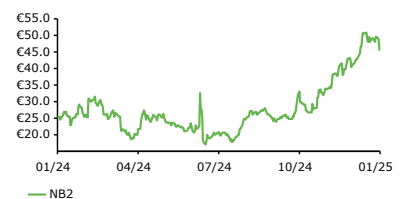
Tech hardware and equipment

22 January 2025

Price €48.95
Market cap €3,191m

Net cash at end FY23	€71.1m
Shares in issue	64.2m
Free float	48.9%
Code	NB2
Primary exchange	FSE
Secondary exchange	N/A

Share price performance



Business description

Northern Data Group is a German-listed company, operating highly energy-efficient data centres across Europe and the US.

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