

## Equinix Fundamental Analysis

**Presented by:** The Gold Diggers

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**Investment Decision:** Invested **\$14,474** into Equinix in the ESG Fund, using cash

### Introduction:

Our group chose to analyze Equinix (EQIX) due to its dominant role in the digital infrastructure sector, facilitating secure data ecosystems for enterprises worldwide. Equinix benefits from the increasing demand for AI, cloud computing, and digital transformation. With a high percentage of recurring revenue and strong market positioning, the company is well-positioned to capitalize on the growing need for data center infrastructure.

### Company and Valuation Details:

Equinix is the leading global data center REIT, providing colocation, interconnection, and managed infrastructure services. The company has a market cap of **\$87 billion** and a current share price of **\$904.62** (as of 2/28/2025). Our valuation estimates a target price of **\$995.53 by 2027**, reflecting a **10% upside**. While capital expenditures remain high, Equinix's **90% recurring revenue** model and global expansion efforts support long-term profitability.

### Historical Performance:

Equinix has demonstrated consistent revenue growth, fueled by increasing demand for cloud infrastructure. One indicator of financial strength is its dividend growth. Dividends increased from **\$4.26 per quarter in 2023 to \$4.69 per quarter in 2024**, reflecting management's confidence in cash flow stability. While the stock is currently **9.3% below its 52-week high**, previous declines have largely been driven by broader **REIT sector challenges** rather than company-specific weaknesses.

Recent leadership changes reflect Equinix's focus on innovation and operational excellence. The company appointed a **former Google executive as CEO**, bringing deep expertise in digital infrastructure and cloud computing. Additionally, key leadership roles have been filled by experienced executives from **Dell, Visa, and Uber**, further strengthening Equinix's strategic direction.

### Risk Factors:

Key risks include **geopolitical uncertainties**, **regulatory scrutiny on data privacy**, and the **capital-intensive nature** of the data center industry. Rising competition from **hyperscalers like AWS and Meta**, which are developing in-house solutions, could also pressure long-term growth. However, Equinix's **global footprint and customer diversification** help mitigate these risks.