**PRESS RELEASE**

**(FOR IMMEDIATE RELEASE)**

**Data Centers at the Edge of Turbulent Growth:**

**An analysis of data enters in the post-COVID era**

“*The data center industry will continue to experience a robust growth rate of 10~15% CAGR for the next five years—characterized by a drastically changing industry and competitive dynamics accompanied by aggressive acquisitions.”*

New York, July 16th, 2020.

 According to a report that was just issued by M Capital Group - MCG, investors and developers are bullish on the global data center industry despite the overall dim economic outlook out of the COVID-19 pandemic, as the value of data center related M&A deals that closed in the first sixteen weeks of 2020 surpassed that of the total in 2019, reaching an aggregated deal value of $15 billion. The $8.4 billion acquisition of Interxion by Digital Realty, which is the largest ever data center transaction, signifies the start of a new round of industry consolidation and capital injection as traditional suppliers and newly entered global investors rapidly expand their international network through the purchase of smaller facilities. With ongoing M&A activities, a series of changes will be seen in the competitive and industry landscape for the data center industry.

According to MCG and several other sources, the global data center industry is expected to have robust organic growth over the next five years (2020-2025) at a CAGR of 10~15% due to strong drivers: the growth in data traffic from public and private end-users, the trend of transitioning to outsourced data practices for both SEMs and large corporations, the development in connectivity and computing technologies, as well as immense growth in the demand for cloud technologies. North American markets, including major U.S. and Canada cities, will continue to lead the industry along with European markets, while emerging markets in APAC, Latin America, and Arica are quickly catching up with strong growth potentials and investor interests.

In the post-COVID-19 era, providers and end-users are developing a higher focus on cloud services as global quarantines helped to drive up demand in remote access of data. Cloud absorption is taking an increasingly large percentage of major U.S. and global markets and the industry will see more opportunities to work with cloud providers in the near future. On the other hand, traditional retail colocation and wholesale markets are also expected to experience considerable growth across all regions. In the U.S. specifically, the capacity in the primary markets has increased by 17.3% over the past year, accompanied by all-time-high absorption rates.

Christian Mouchbahani, Managing Partner at M Capital Group reflected that: “the data centres industry is one immediate bright spot within and post COVID-19, in a world of challenges and short-term dim outlooks.”

**Please find attached M Capital Group Research Report: Data Center – Between Present and Future – June 2020**

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