

In 2Q24, Digital Realty's capex included \$532 million on consolidated development and an additional \$90 million on its share of unconsolidated joint ventures. The company delivered 72 megawatts of new capacity globally while replenishing its development pipeline with 71 megawatts of new starts.

Digital Realty has maintained its capex guidance from 4Q23, with development capex expected to range between \$2B and \$2.5B for 2024. During the first half of the year, the company spent just over \$1B on development capex, aligning closely with its full-year guidance. The second half of 2024 is expected to see an increase in capex due to the ramp-up of newly initiated projects and the typical seasonal uplift in spending.

Equinix

Reported capex (2Q24)	Single quarter: \$648 million (+8.4% YoY) Annualized: \$2.9B (+16.5% YoY)
Annualized capital intensity (2Q24)	35.1% (vs. 33.0% in annualized 2Q23)
Capex spending outlook	2024 capex expected to range between \$2.8B and \$3.1B, including about \$240 million of recurring capex.

Equinix continues to expand its platform with 54 major projects in progress across 36 markets in 24 countries, including 15 xScale projects. Since the last earnings call, the company has launched 10 new projects in 8 metros, adding data centers in Johor (Malaysia), Osaka (Japan), Silicon Valley (US), and Warsaw (Poland). Recent acquisitions include Helsinki 5 (Finland) and Madrid 2 (Spain) assets, as well as land for future development in Atlanta (US), Dallas (US), and Milan (Italy).

For 2024, Equinix's capex is projected to be between \$2.8B and \$3.1B, which includes approximately \$240 million allocated to recurring capex.

Telco capex continued declining at a 5-10% YoY rate in 2Q24

We have not yet published our 2Q24 review of the telco market, or the companion review of telco NI vendor share for the same period. However, we are nearly done with data collection and initial analysis. What's clear is that spending in 2Q24 remained under pressure. That's easiest to see on the vendor side: many major vendors to the telco vertical reported significant declines in telco NI revenues in 2Q24. YoY percent changes among key suppliers include the following: Ericsson, down 10%; Nokia, down 22%; Accenture (-9%); Calix (-24%); and, Ciena (-16%). Telco capex in 2Q24 is moving in a similar direction. While the numbers are not final yet, they are likely to be in a similar range as the previous four quarters, when capex declined by between 5-10% on a YoY basis.

Figure 3 shows the YoY % change in annualized capex in 2Q24 (versus 2Q23) for a sample of telcos across regions, excluding China. The 21 telcos included account for a bit over half of global telco capex, or about 65% of the globe ex-China. For this large sample, annualized capex declined by about 6% YoY in 2Q24.