



Figure 84: QTS's 3Q16 results preview

QTS Income Statement (\$ in 000s, except per share)	3Q15		2Q16		3Q16			2016			
	Actual	Actual	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons
GAAP Revenue	\$88,890	\$98,687			\$104,481	\$102,115		mid-teens		\$405,992	\$401,346
GAAP NOI	\$56,503	\$64,021			\$65,844					\$260,609	
NOI margin	63.6%	64.9%			63.0%					64.2%	
Adjusted EBITDA	\$39,131	\$45,613			\$46,202	\$45,402		\$179,000 - \$187,000		\$184,225	\$180,717
Adjusted EBITDA margin	44.0%	46.2%			44.2%	44.5%				45.4%	45.0%
Operating FFO/sh	\$0.61	\$0.63			\$0.62	\$0.65		\$2.55 - \$2.65		\$2.62	\$2.60
Operating Metrics (in 001%, except per share)	Actual	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons	
MRR at period end	\$26,214	\$28,872			\$31,033						
Churn rate	0.8%	1.3%					5.0% - 8.0%				
Incremental annualized rent, net of downgrades	\$5,583	\$13,310									
Booked-not-billed (annualized rent)	\$61,300	\$49,100									
C2/C3 renewal spread (signed)	-0.7%	2.0%									
Total in progress construction pipeline	\$72,000	\$103,000									
Annualized ROIC	15.7%	15.1%									

Note: consensus estimates are based on Thomson compiled data as of 10/14/16

- Update on leasing activity at the Chicago facility. Phase 1 with 48krsf was opened in July
- Update on NJ facility acquired from DFT
- Management expects a reduction to ROIC as Chicago and NJ are leased up
- Interest in wholesale leases at recently developed facilities
- Expectations for churn as QTS continues the migration from leased to owned facilities
- Tenant conversations regarding C2 and C3 demand and impact from the public cloud
- Development capex spending expectations for the remainder of 2016

Source: Deutsche Bank, company data, Thomson