

Digital Realty Reports Third Quarter 2024 Results

Austin, TX — October 24, 2024 — Digital Realty (NYSE: DLR), the largest global provider of cloud- and carrier-neutral data center, colocation, and interconnection solutions, announced today financial results for the third quarter of 2024. All per share results are presented on a fully diluted basis.

Highlights

- Reported net income available to common stockholders of \$0.09 per share in 3Q24, compared to \$2.31 in 3Q23
- Reported FFO per share of \$1.55 in 3Q24, compared to \$1.55 in 3Q23
- Reported Core FFO per share of \$1.67 in 3Q24, compared to \$1.62 in 3Q23
- Reported rental rate increases on renewal leases of 15.2% on a cash basis in 3Q24
- Signed total bookings during 3Q24 that are expected to generate \$521 million of annualized GAAP rental revenue, including a \$50 million contribution from the 0–1 megawatt category and \$16 million contribution from interconnection
- Reported backlog of \$859 million of annualized GAAP base rent at the end of 3Q24
- Raised 2024 Core FFO per share outlook to \$6.65 - \$6.75

Financial Results

Digital Realty reported revenues of \$1.4 billion in the third quarter of 2024, a 5% increase from the previous quarter and a 2% increase from the same quarter last year.

The company delivered net income of \$40 million in the third quarter of 2024, and net income available to common stockholders of \$41 million, or \$0.09 per diluted share, compared to \$0.20 per diluted share in the previous quarter and \$2.31 per diluted share in the same quarter last year.

Digital Realty generated Adjusted EBITDA of \$758 million in the third quarter of 2024, a 4% increase from the previous quarter and a 11% increase over the same quarter last year.

The company reported Funds From Operations (FFO) of \$520 million in the third quarter of 2024, or \$1.55 per share, compared to \$1.57 per share in the previous quarter and \$1.55 per share in the same quarter last year.

Excluding certain items that do not represent core expenses or revenue streams, Digital Realty delivered Core FFO per share of \$1.67 in the third quarter of 2024, compared to \$1.65 per share in the previous quarter and \$1.62 per share in the same quarter last year. Digital Realty delivered Constant-Currency Core FFO per share of \$1.66 for the third quarter of 2024 and \$4.99 per share for the nine-month period ended September 30, 2024.

“In the third quarter, Digital Realty posted over \$520 million of new leasing, more than double the record set in the first quarter. Record leasing across both the greater-than-a-megawatt and 0-1 MW plus interconnection segments drove the backlog up nearly 60% above our prior record,” said Digital Realty President & Chief Executive Officer Andy Power. “Our backlog now represents over 20% of annualized in-place data center revenue, enhancing our visibility and positioning Digital Realty for accelerating longer-term growth.”

Leasing Activity

In the third quarter, Digital Realty signed total bookings that are expected to generate \$521 million of annualized GAAP rental revenue, including a \$50 million contribution from the 0–1 megawatt category and a \$16 million contribution from interconnection.

The weighted-average lag between new leases signed during the third quarter of 2024 and the contractual commencement date was 15 months. The backlog of signed-but-not-commenced leases at quarter-end increased to \$859 million of annualized GAAP base rent at Digital Realty's share.

In addition to new leases signed, Digital Realty also signed renewal leases representing \$258 million of annualized cash rental revenue during the quarter. Rental rates on renewal leases signed during the third quarter of 2024 increased 15.2% on a cash basis and 27.5% on a GAAP basis.

New leases signed during the third quarter of 2024 are summarized by region and product as follows:

| | Annualized GAAP Base Rent (in thousands) | Square Feet (in thousands) | GAAP Base Rent per Square Foot | Megawatts | GAAP Base Rent per Kilowatt |
|------------------------------------|--|-------------------------------|-----------------------------------|--------------|--------------------------------|
| Americas | | | | | |
| 0-1 MW | \$23,394 | 83 | \$282 | 7.5 | \$262 |
| > 1 MW | 425,641 | 1,102 | 386 | 158.8 | 223 |
| Other ⁽¹⁾ | 4,684 | 66 | 71 | — | — |
| Total | \$453,719 | 1,251 | \$363 | 166.2 | \$225 |
| EMEA ⁽²⁾ | | | | | |
| 0-1 MW | \$20,406 | 66 | \$308 | 7.5 | \$228 |
| > 1 MW | 17,339 | 80 | 217 | 9.0 | 161 |
| Other ⁽¹⁾ | 168 | 5 | 35 | — | — |
| Total | \$37,913 | 151 | \$252 | 16.5 | \$191 |
| Asia Pacific ⁽²⁾ | | | | | |
| 0-1 MW | \$6,563 | 20 | \$324 | 1.7 | \$315 |
| > 1 MW | 6,764 | 55 | 124 | 4.4 | 129 |
| Other ⁽¹⁾ | 216 | 2 | 87 | — | — |
| Total | \$13,543 | 77 | \$175 | 6.1 | \$182 |
| All Regions ⁽²⁾ | | | | | |
| 0-1 MW | \$50,363 | 169 | \$297 | 16.6 | \$252 |
| > 1 MW | 449,744 | 1,236 | 364 | 172.1 | 218 |
| Other ⁽¹⁾ | 5,068 | 73 | 69 | — | — |
| Total | \$505,174 | 1,479 | \$342 | 188.8 | \$221 |
| Interconnection | \$15,702 | N/A | N/A | N/A | N/A |
| Grand Total | \$520,876 | 1,479 | \$342 | 188.8 | \$221 |

Note: Totals may not foot due to rounding differences.

(1) Other includes Powered Base Building[®] shell capacity as well as storage and office space within fully improved data center facilities.

(2) Based on quarterly average exchange rates during the three months ended September 30, 2024.

Investment Activity

As previously disclosed, in July, Digital Realty closed on the acquisition of two data centers with a combined IT load of 15 megawatts in the Slough Trading Estate for \$200 million, marking the Company's entry into the west London, UK submarket.

During the quarter, Digital Realty acquired the land and shell of one of its existing data centers in Schiphol Rijk, Amsterdam for €43 million, or approximately \$48 million. The site comprises approximately 15 megawatts of fully leased capacity and was previously operated pursuant to an operating lease.

Subsequent to quarter end, Digital Realty closed on the acquisition of a 6.7-acre parcel in Richardson, Texas, adjacent to Digital Realty's existing campus, for approximately \$15 million to support the development of more than 80 megawatts of incremental IT capacity.

Balance Sheet

Digital Realty had approximately \$17.0 billion of total debt outstanding as of September 30, 2024, comprised of \$16.2 billion of unsecured debt and approximately \$0.8 billion of secured debt and other. At the end of the third quarter of 2024, net debt-to-Adjusted EBITDA was 5.4x, debt-plus-preferred-to-total enterprise value was 24.5% and fixed charge coverage was 4.1x.

Digital Realty completed the following financing transactions during the third quarter:

- In July, the company repaid £250 million (\$316 million) in aggregate principal amount of its 2.75% senior notes;
- In September, the company issued €850 million aggregate principal amount of 3.875% notes due 2033. Net proceeds were approximately €843 million (\$933 million);
- In September, the company repaid €375 million (\$415 million) on the Euro term loan;
- In late September, the company amended, extended, and upsized both its existing global revolving credit facility from \$3.75 billion to \$4.2 billion and its existing Japanese yen-denominated revolving credit facility from ¥33.3 billion (approximately \$232 million) to ¥42.5 billion (approximately \$297 million); and
- The company also sold 5.2 million shares of common stock under its At-The-Market (ATM) equity issuance program at a weighted average price of \$156.19 per share, for net proceeds of approximately \$806 million.

Subsequent to quarter end, the company sold an additional 0.4 million shares of common stock under its ATM program at a weighted average price of \$160.81 per share, for net proceeds of approximately \$62 million.

2024 Outlook

Digital Realty raised its 2024 Core FFO per share and Constant-Currency Core FFO per share outlook to \$6.65 - \$6.75. The assumptions underlying the outlook are summarized in the following table.

| | As of February 15, 2024 | As of May 2, 2024 | As of July 25, 2024 | As of October 24, 2024 |
|---|----------------------------|---------------------------|---------------------------|---------------------------|
| Top-Line and Cost Structure | | | | |
| Total revenue | \$5.550 - \$5.650 billion | \$5.550 - \$5.650 billion | \$5.550 - \$5.650 billion | \$5.550 - \$5.600 billion |
| Net non-cash rent adjustments ⁽¹⁾ | (\$35 - \$40 million) | (\$35 - \$40 million) | (\$35 - \$40 million) | (\$25 - \$30 million) |
| Adjusted EBITDA | \$2.800 - \$2.900 billion | \$2.800 - \$2.900 billion | \$2.800 - \$2.900 billion | \$2.925 - \$2.975 billion |
| G&A | \$450 - \$460 million | \$450 - \$460 million | \$450 - \$460 million | \$455 - \$460 million |
| Internal Growth | | | | |
| Rental rates on renewal leases | | | | |
| Cash basis | 4.0% - 6.0% | 5.0% - 7.0% | 5.0% - 7.0% | 8.0% - 10.0% |
| GAAP basis | 6.0% - 8.0% | 7.0% - 9.0% | 7.0% - 9.0% | 12.0% - 14.0% |
| Year-end portfolio occupancy | +100 - 200 bps | +100 - 200 bps | +100 - 200 bps | +150 - 200 bps |
| "Same-Capital" cash NOI growth ⁽²⁾ | 2.0% - 3.0% | 2.5% - 3.5% | 2.5% - 3.5% | 2.75% - 3.25% |
| Foreign Exchange Rates | | | | |
| U.S. Dollar / Pound Sterling | \$1.25 - \$1.30 | \$1.25 - \$1.30 | \$1.25 - \$1.30 | \$1.25 - \$1.30 |
| U.S. Dollar / Euro | \$1.05 - \$1.10 | \$1.05 - \$1.10 | \$1.05 - \$1.10 | \$1.05 - \$1.10 |
| External Growth | | | | |
| Dispositions / Joint Venture Capital | | | | |
| Dollar volume | \$1,000 - \$1,500 million | \$1,000 - \$1,500 million | \$1,000 - \$1,500 million | \$1,000 - \$1,500 million |
| Cap rate | 6.0% - 8.0% | 6.0% - 8.0% | 6.0% - 8.0% | 6.0% - 8.0% |
| Development | | | | |
| CapEx (Net of Partner Contributions) ⁽³⁾ | \$2,000 - \$2,500 million | \$2,000 - \$2,500 million | \$2,000 - \$2,500 million | \$2,200 - \$2,400 million |
| Average stabilized yields | 10.0%+ | 10.0%+ | 10.0%+ | 10.0%+ |
| Enhancements and other non-recurring CapEx ⁽⁴⁾ | \$15 - \$20 million | \$15 - \$20 million | \$15 - \$20 million | \$25 - \$30 million |
| Recurring CapEx + capitalized leasing costs ⁽⁵⁾ | \$260 - \$275 million | \$260 - \$275 million | \$260 - \$275 million | \$260 - \$275 million |
| Balance Sheet | | | | |
| Long-term debt issuance | | | | |
| Dollar amount | \$0 - \$1,000 million | \$0 - \$1,000 million | \$0 - \$1,000 million | \$933 million |
| Pricing | 5.0% - 5.5% | 5.0% - 5.5% | 5.0% - 5.5% | 3.875% |
| Timing | Mid-Year | Mid-Year | Mid-Year | Sep-24 |
| Net income per diluted share | | | | |
| | \$1.80 - \$1.95 | \$1.80 - \$1.95 | \$1.40 - \$1.55 | \$1.40 - \$1.50 |
| Real estate depreciation and (gain) / loss on sale | \$4.40 - \$4.40 | \$4.40 - \$4.40 | \$4.75 - \$4.75 | \$4.75 - \$4.75 |
| Funds From Operations / share (NAREIT-Defined) | | | | |
| | \$6.20 - \$6.35 | \$6.20 - \$6.35 | \$6.15 - \$6.30 | \$6.15 - \$6.25 |
| Non-core expenses and revenue streams | \$0.40 - \$0.40 | \$0.40 - \$0.40 | \$0.45 - \$0.45 | \$0.50 - \$0.50 |
| Core Funds From Operations / share | | | | |
| | \$6.60 - \$6.75 | \$6.60 - \$6.75 | \$6.60 - \$6.75 | \$6.65 - \$6.75 |
| Foreign currency translation adjustments | \$0.00 - \$0.00 | \$0.00 - \$0.00 | \$0.00 - \$0.00 | \$0.00 - \$0.00 |
| Constant-Currency Core Funds From Operations / share | | | | |
| | \$6.60 - \$6.75 | \$6.60 - \$6.75 | \$6.60 - \$6.75 | \$6.65 - \$6.75 |

- (1) Net non-cash rent adjustments represent the sum of straight-line rental revenue and straight-line rental expense, as well as the amortization of above- and below-market leases (i.e., ASC 805 adjustments).
- (2) The "Same-Capital" pool includes properties owned as of December 31, 2022 with less than 5% of total rentable square feet under development. It excludes properties that were undergoing, or were expected to undergo, development activities in 2023-2024, properties classified as held for sale, and properties sold or contributed to joint ventures for all periods presented.
- (3) Excludes land acquisitions and includes Digital Realty's share of JV contributions. Figure is net of JV partner contributions.
- (4) Other non-recurring CapEx represents costs incurred to enhance the capacity or marketability of operating properties, such as network fiber initiatives and software development costs.
- (5) Recurring CapEx represents non-incremental improvements required to maintain current revenues, including second-generation tenant improvements and leasing commissions.

Note: The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis, where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. Please see Non-GAAP Financial Measures in this document for further discussion.

Non-GAAP Financial Measures

This document contains non-GAAP financial measures, including FFO, Core FFO, Adjusted FFO, Net Operating Income (NOI), “Same-Capital” Cash NOI and Adjusted EBITDA. A reconciliation from U.S. GAAP net income available to common stockholders to FFO, a reconciliation from FFO to Core FFO, a reconciliation from Core FFO to Adjusted FFO, reconciliation from NOI to Cash NOI, and definitions of FFO, Core FFO, Adjusted FFO, NOI and “Same-Capital” Cash NOI are included as an attachment to this document. A reconciliation from U.S. GAAP net income available to common stockholders to Adjusted EBITDA, a definition of Adjusted EBITDA and definitions of net debt-to-Adjusted EBITDA, debt-plus-preferred-to-total enterprise value, cash NOI, and fixed charge coverage ratio are included as an attachment to this document.

The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis, where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact net income attributable to common stockholders per diluted share, which is the most directly comparable forward-looking GAAP financial measure. This includes, for example, external growth factors, such as dispositions, and balance sheet items such as debt issuances, that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Investor Conference Call

Prior to Digital Realty’s investor conference call at 5:00 p.m. ET / 4:00 p.m. CT on October 24, 2024, a presentation will be posted to the Investors section of the company’s website at <https://investor.digitalrealty.com>. The presentation is designed to accompany the discussion of the company’s third quarter 2024 financial results and operating performance. The conference call will feature President & Chief Executive Officer Andy Power and Chief Financial Officer Matt Mercier.

To participate in the live call, investors are invited to dial +1 (888) 317-6003 (for domestic callers) or +1 (412) 317-6061 (for international callers) and reference the conference ID# 0345410 at least five minutes prior to start time. A live webcast of the call will be available via the Investors section of Digital Realty’s website at <https://investor.digitalrealty.com>.

Telephone and webcast replays will be available after the call until November 24, 2024. The telephone replay can be accessed by dialing +1 (877) 344-7529 (for domestic callers) or +1 (412) 317-0088 (for international callers) and providing the conference ID# 4823548. The webcast replay can be accessed on Digital Realty’s website.

About Digital Realty

Digital Realty brings companies and data together by delivering the full spectrum of data center, colocation, and interconnection solutions. PlatformDIGITAL®, the company’s global data center platform, provides customers with a secure data meeting place and a proven Pervasive Datacenter Architecture (PDx®) solution methodology for powering innovation and efficiently managing Data Gravity challenges. Digital Realty gives its customers access to the connected data communities that matter to them with a global data center footprint of 300+ facilities in 50+ metros across 25+ countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on [LinkedIn](#) and [X](#).

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Consolidated Quarterly Statements of Operations
Unaudited and in Thousands, Except Per Share Data



Third Quarter 2024

| | Three Months Ended | | | | | Nine Months Ended | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Rental revenues | \$956,351 | \$912,994 | \$894,409 | \$885,694 | \$886,960 | \$2,763,753 | \$2,627,233 |
| Tenant reimbursements - Utilities | 305,097 | 274,505 | 276,357 | 316,634 | 335,477 | 855,959 | 983,041 |
| Tenant reimbursements - Other | 39,624 | 41,964 | 38,434 | 46,418 | 64,876 | 120,021 | 151,218 |
| Interconnection & other | 112,655 | 109,505 | 108,071 | 106,413 | 107,305 | 330,231 | 313,521 |
| Fee income | 12,907 | 15,656 | 13,010 | 14,330 | 7,819 | 41,572 | 30,596 |
| Other | 4,581 | 2,125 | 862 | 144 | — | 7,568 | 1,819 |
| Total Operating Revenues | \$1,431,214 | \$1,356,749 | \$1,331,143 | \$1,369,633 | \$1,402,437 | \$4,119,106 | \$4,107,428 |
| Utilities | \$356,063 | \$315,248 | \$324,571 | \$366,083 | \$384,455 | \$995,882 | \$1,105,753 |
| Rental property operating | 249,796 | 237,653 | 224,369 | 237,118 | 223,089 | 711,817 | 672,717 |
| Property taxes | 45,633 | 49,620 | 41,156 | 40,161 | 72,279 | 136,408 | 159,420 |
| Insurance | 4,869 | 4,755 | 2,694 | 3,794 | 4,289 | 12,318 | 13,029 |
| Depreciation & amortization | 459,997 | 425,343 | 431,102 | 420,475 | 420,613 | 1,316,442 | 1,274,379 |
| General & administration | 115,120 | 119,511 | 114,419 | 109,235 | 108,039 | 349,051 | 321,769 |
| Severance, equity acceleration and legal expenses | 2,481 | 884 | 791 | 7,565 | 2,682 | 4,156 | 10,489 |
| Transaction and integration expenses | 24,194 | 26,072 | 31,839 | 40,226 | 14,465 | 82,105 | 44,496 |
| Provision for impairment | — | 168,303 | — | 5,363 | 113,000 | 168,303 | 113,000 |
| Other expenses | 4,774 | (529) | 10,836 | 5,580 | 1,295 | 15,080 | 1,949 |
| Total Operating Expenses | \$1,262,928 | \$1,346,860 | \$1,181,776 | \$1,235,598 | \$1,344,206 | \$3,791,564 | \$3,717,001 |
| Operating Income | \$168,286 | \$9,889 | \$149,367 | \$134,035 | \$58,231 | \$327,542 | \$390,426 |
| Equity in earnings / (loss) of unconsolidated joint ventures | (26,486) | (41,443) | (16,008) | (29,955) | (19,793) | (83,936) | 164 |
| Gain / (loss) on sale of investments | (556) | 173,709 | 277,787 | (103) | 810,688 | 450,940 | 900,634 |
| Interest and other income / (expense), net | 37,756 | 62,261 | 9,709 | 50,269 | 24,812 | 109,726 | 18,162 |
| Interest (expense) | (123,803) | (114,756) | (109,535) | (113,638) | (110,767) | (348,095) | (324,103) |
| Income tax benefit / (expense) | (12,427) | (14,992) | (22,413) | (20,724) | (17,228) | (49,832) | (54,855) |
| Loss on debt extinguishment and modifications | (2,636) | — | (1,070) | — | — | (3,706) | — |
| Net Income | \$40,134 | \$74,668 | \$287,837 | \$19,884 | \$745,941 | \$402,639 | \$930,427 |
| Net (income) / loss attributable to noncontrolling interests | 11,059 | 5,552 | (6,329) | 8,419 | (12,320) | 10,282 | (9,893) |
| Net Income Attributable to Digital Realty Trust, Inc. | \$51,193 | \$80,220 | \$281,508 | \$28,304 | \$733,621 | \$412,921 | \$920,534 |
| Preferred stock dividends | (10,181) | (10,181) | (10,181) | (10,181) | (10,181) | (30,544) | (30,544) |
| Net Income / (Loss) Available to Common Stockholders | \$41,012 | \$70,039 | \$271,327 | \$18,122 | \$723,440 | \$382,377 | \$889,990 |
| Weighted-average shares outstanding - basic | 327,977 | 319,537 | 312,292 | 305,781 | 301,827 | 319,965 | 296,184 |
| Weighted-average shares outstanding - diluted | 336,249 | 327,946 | 320,798 | 314,995 | 311,341 | 328,641 | 306,735 |
| Weighted-average fully diluted shares and units | 342,374 | 334,186 | 326,975 | 321,173 | 317,539 | 334,830 | 312,867 |
| Net income / (loss) per share - basic | \$0.13 | \$0.22 | \$0.87 | \$0.06 | \$2.40 | \$1.20 | \$3.00 |
| Net income / (loss) per share - diluted | \$0.09 | \$0.20 | \$0.82 | \$0.03 | \$2.31 | \$1.10 | \$2.87 |

Funds From Operations and Core Funds From Operations
Unaudited and in Thousands, Except Per Share Data



Third Quarter 2024

| Reconciliation of Net Income to Funds From Operations (FFO) | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Net Income / (Loss) Available to Common Stockholders | \$41,012 | \$70,039 | \$271,327 | \$18,122 | \$723,440 | \$382,378 | \$889,990 |
| Adjustments: | | | | | | | |
| Non-controlling interest in operating partnership | 1,000 | 1,500 | 6,200 | 410 | 16,300 | 8,700 | 20,300 |
| Real estate related depreciation & amortization ⁽¹⁾ | 449,086 | 414,920 | 420,591 | 410,167 | 410,836 | 1,284,597 | 1,247,072 |
| Reconciling items related to non-controlling interests | (19,746) | (17,317) | (8,017) | (15,377) | (14,569) | (45,081) | (42,101) |
| Unconsolidated JV real estate related depreciation & amortization | 48,474 | 47,117 | 47,877 | 64,833 | 43,215 | 143,468 | 112,320 |
| (Gain) / loss on real estate transactions | 556 | (173,709) | (286,704) | 103 | (810,688) | (459,857) | (908,459) |
| Provision for impairment | — | 168,303 | — | 5,363 | 113,000 | 168,303 | 113,000 |
| Funds From Operations | \$520,382 | \$510,852 | \$451,273 | \$483,621 | \$481,535 | \$1,482,507 | \$1,432,124 |
| Weighted-average shares and units outstanding - basic | 334,103 | 325,777 | 318,469 | 311,960 | 308,024 | 326,154 | 302,316 |
| Weighted-average shares and units outstanding - diluted ⁽²⁾⁽³⁾ | 342,374 | 334,186 | 326,975 | 321,173 | 317,539 | 334,830 | 312,867 |
| Funds From Operations per share - basic | \$1.56 | \$1.57 | \$1.42 | \$1.55 | \$1.56 | \$4.55 | \$4.74 |
| Funds From Operations per share - diluted ⁽²⁾⁽³⁾ | \$1.55 | \$1.57 | \$1.41 | \$1.53 | \$1.55 | \$4.52 | \$4.68 |

| Reconciliation of FFO to Core FFO | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Funds From Operations | \$520,382 | \$510,852 | \$451,273 | \$483,621 | \$481,535 | \$1,482,507 | \$1,432,124 |
| Other non-core revenue adjustments ⁽⁴⁾ | (4,583) | (33,818) | 3,525 | (146) | (27) | (34,876) | 26,540 |
| Transaction and integration expenses | 24,194 | 26,072 | 31,839 | 40,226 | 14,465 | 82,105 | 44,496 |
| Loss on debt extinguishment and modifications | 2,636 | — | 1,070 | — | — | 3,706 | — |
| Severance, equity acceleration and legal expenses ⁽⁵⁾ | 2,481 | 884 | 791 | 7,565 | 2,682 | 4,156 | 10,489 |
| (Gain) / Loss on FX and derivatives revaluation | 1,513 | 32,222 | 33,602 | (24,804) | 451 | 67,337 | (14,195) |
| Other non-core expense adjustments ⁽⁶⁾ | 11,120 | 2,271 | 10,052 | 1,956 | 1,295 | 23,443 | 1,949 |
| Core Funds From Operations | \$557,744 | \$538,482 | \$532,153 | \$508,417 | \$500,402 | \$1,628,378 | \$1,501,403 |
| Weighted-average shares and units outstanding - diluted ⁽²⁾⁽³⁾ | 334,476 | 326,181 | 319,138 | 312,356 | 308,539 | 326,545 | 302,740 |
| Core Funds From Operations per share - diluted ⁽²⁾ | \$1.67 | \$1.65 | \$1.67 | \$1.63 | \$1.62 | \$4.99 | \$4.96 |

| (1) Real Estate Related Depreciation & Amortization | Three Months Ended | | | | | Nine Months Ended | |
|--|--------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Depreciation & amortization per income statement | \$459,997 | \$425,343 | \$431,102 | \$420,475 | \$420,613 | \$1,316,442 | \$1,274,384 |
| Non-real estate depreciation | (10,911) | (10,424) | (10,511) | (10,308) | (9,777) | (31,845) | (27,312) |
| Real Estate Related Depreciation & Amortization | \$449,086 | \$414,920 | \$420,591 | \$410,167 | \$410,836 | \$1,284,597 | \$1,247,072 |

(2) Certain of Teraco's minority indirect shareholders have the right to put their shares in an upstream parent company of Teraco to Digital Realty in exchange for cash or the equivalent value of shares of Digital Realty common stock, or a combination thereof. US GAAP requires Digital Realty to assume the put right is settled in shares for purposes of calculating diluted EPS. This same approach was utilized to calculate FFO/share. The potential future dilutive impact associated with this put right will be excluded from Core FFO and AFFO until settlement occurs – causing diluted share count to be higher for FFO than for Core FFO and AFFO. When calculating diluted FFO, Teraco related minority interest is added back to the FFO numerator as the denominator assumes all shares have been put back to Digital Realty.

| Teraco noncontrolling share of FFO | Three Months Ended | | | | | Nine Months Ended | |
|---|--------------------|-----------------|----------------|----------------|-----------------|-------------------|-----------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Teraco noncontrolling share of FFO | \$9,828 | \$12,453 | \$9,768 | \$7,135 | \$11,537 | \$32,049 | \$32,251 |
| Teraco related minority interest | \$9,828 | \$12,453 | \$9,768 | \$7,135 | \$11,537 | \$32,049 | \$32,251 |

(3) For all periods presented, we have excluded the effect of dilutive series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series J, series K and series L preferred stock, as applicable, which we consider highly improbable. See above for calculations of FFO and the share count detail section that follows the reconciliation of Core FFO to AFFO for calculations of weighted average common stock and units outstanding. For definitions and discussion of FFO and Core FFO, see the Definitions section.

(4) Includes deferred rent adjustments related to a customer bankruptcy, joint venture development fees included in gains, lease termination fees and gain on sale of equity investment included in other income.

(5) Relates to severance and other charges related to the departure of company executives and integration-related severance.

(6) Includes write-offs associated with bankrupt or terminated customers, non-recurring legal expenses and adjustments to reflect our proportionate share of transaction costs associated with noncontrolling interests.

Adjusted Funds From Operations (AFFO)

Third Quarter 2024
Unaudited and in Thousands, Except Per Share Data

| Reconciliation of Core FFO to AFFO | Three Months Ended | | | | | Nine Months Ended | |
|---|---------------------------|------------------|------------------|------------------|------------------|--------------------------|--------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Core FFO available to common stockholders and unitholders | \$557,744 | \$538,482 | \$532,153 | \$508,417 | \$500,402 | \$1,628,378 | \$1,501,403 |
| Adjustments: | | | | | | | |
| Non-real estate depreciation | 10,911 | 10,424 | 10,511 | 10,308 | 9,777 | 31,845 | 27,312 |
| Amortization of deferred financing costs | 4,853 | 5,072 | 5,576 | 5,744 | 5,776 | 15,501 | 15,832 |
| Amortization of debt discount/premium | 1,329 | 1,321 | 1,832 | 973 | 1,360 | 4,481 | 4,000 |
| Non-cash stock-based compensation expense | 15,026 | 14,464 | 12,592 | 9,226 | 14,062 | 42,083 | 41,012 |
| Straight-line rental revenue | (17,581) | 334 | 9,976 | (21,992) | (14,080) | (7,271) | (46,424) |
| Straight-line rental expense | 1,690 | 782 | 1,111 | (4,999) | 1,427 | 3,583 | 1,432 |
| Above- and below-market rent amortization | (742) | (1,691) | (854) | (856) | (1,127) | (3,287) | (3,548) |
| Deferred tax (benefit) / expense | (9,366) | (9,982) | (3,437) | 33,448 | (8,539) | (22,786) | (16,995) |
| Leasing compensation & internal lease commissions | 10,918 | 10,519 | 13,291 | 9,848 | 12,515 | 34,728 | 35,193 |
| Recurring capital expenditures ⁽¹⁾ | (67,308) | (60,483) | (47,676) | (142,808) | (90,251) | (175,467) | (184,214) |
| AFFO available to common stockholders and unitholders ⁽²⁾ | \$507,474 | \$509,241 | \$535,073 | \$407,306 | \$431,322 | \$1,551,788 | \$1,375,001 |
| Weighted-average shares and units outstanding - basic | 334,103 | 325,777 | 318,469 | 311,960 | 308,024 | 326,154 | 302,316 |
| Weighted-average shares and units outstanding - diluted ⁽³⁾ | 334,476 | 326,181 | 319,138 | 312,356 | 308,539 | 326,545 | 302,740 |
| AFFO per share - diluted ⁽³⁾ | \$1.52 | \$1.56 | \$1.68 | \$1.30 | \$1.40 | \$4.75 | \$4.54 |
| Dividends per share and common unit | \$1.22 | \$1.22 | \$1.22 | \$1.22 | \$1.22 | \$3.66 | \$3.66 |
| Diluted AFFO Payout Ratio | 80.4% | 78.1% | 72.8% | 93.6% | 87.3% | 77.0% | 80.6% |
| | Three Months Ended | | | | | Nine Months Ended | |
| Share Count Detail | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 | 30-Sep-24 | 30-Sep-23 |
| Weighted Average Common Stock and Units Outstanding | 334,103 | 325,777 | 318,469 | 311,960 | 308,024 | 326,154 | 302,316 |
| Add: Effect of dilutive securities | 373 | 404 | 669 | 396 | 515 | 391 | 424 |
| Weighted Avg. Common Stock and Units Outstanding - diluted | 334,476 | 326,181 | 319,138 | 312,356 | 308,539 | 326,545 | 302,740 |

- (1) Recurring capital expenditures represent non-incremental building improvements required to maintain current revenues, including second-generation tenant improvements and external leasing commissions. Recurring capital expenditures do not include acquisition costs contemplated when underwriting the purchase of a building, costs which are incurred to bring a building up to Digital Realty's operating standards, or internal leasing commissions.
- (2) For a definition and discussion of AFFO, see the Definitions section. For a reconciliation of net income available to common stockholders to FFO and Core FFO, see above.
- (3) For all periods presented, we have excluded the effect of dilutive series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series J, series K and series L preferred stock, as applicable, which we consider highly improbable. See above for calculations of FFO and for calculations of weighted average common stock and units outstanding.

Consolidated Balance Sheets



Third Quarter 2024

Unaudited and in Thousands, Except Per Share Data

| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | |
| Investments in real estate: | | | | | |
| Real estate | \$28,808,770 | \$27,470,635 | \$27,122,796 | \$27,306,369 | \$25,887,031 |
| Construction in progress | 5,175,054 | 4,676,012 | 4,496,840 | 4,635,215 | 5,020,464 |
| Land held for future development | 23,392 | 93,938 | 114,240 | 118,190 | 179,959 |
| Investments in Real Estate | \$34,007,216 | \$32,240,584 | \$31,733,877 | \$32,059,773 | \$31,087,453 |
| Accumulated depreciation and amortization | (8,777,002) | (8,303,070) | (7,976,093) | (7,823,685) | (7,489,193) |
| Net Investments in Properties | \$25,230,214 | \$23,937,514 | \$23,757,784 | \$24,236,089 | \$23,598,260 |
| Investment in unconsolidated joint ventures | 2,456,448 | 2,332,698 | 2,365,821 | 2,295,889 | 2,180,313 |
| Net Investments in Real Estate | \$27,686,662 | \$26,270,212 | \$26,123,605 | \$26,531,977 | \$25,778,573 |
| Operating lease right-of-use assets, net | \$1,228,507 | \$1,211,003 | \$1,233,410 | \$1,414,256 | \$1,274,410 |
| Cash and cash equivalents | 2,175,605 | 2,282,062 | 1,193,784 | 1,625,495 | 1,062,050 |
| Accounts and other receivables, net ⁽¹⁾ | 1,274,460 | 1,222,403 | 1,217,276 | 1,278,110 | 1,325,725 |
| Deferred rent, net | 641,778 | 613,749 | 611,670 | 624,427 | 586,418 |
| Goodwill | 9,395,233 | 9,128,811 | 9,105,026 | 9,239,871 | 8,998,074 |
| Customer relationship value, deferred leasing costs & other intangibles, net | 2,367,467 | 2,315,143 | 2,359,380 | 2,500,237 | 2,506,198 |
| Assets held for sale | — | — | 287,064 | 478,503 | — |
| Other assets | 525,679 | 563,500 | 501,875 | 420,382 | 401,068 |
| Total Assets | \$45,295,392 | \$43,606,883 | \$42,633,089 | \$44,113,257 | \$41,932,515 |
| Liabilities and Equity | | | | | |
| Global unsecured revolving credit facilities, net | \$1,786,921 | \$1,848,167 | \$1,901,126 | \$1,812,287 | \$1,698,780 |
| Unsecured term loans, net | 913,733 | 1,297,893 | 1,303,263 | 1,560,305 | 1,524,663 |
| Unsecured senior notes, net of discount | 13,528,061 | 12,507,551 | 13,190,202 | 13,422,342 | 13,072,102 |
| Secured and other debt, net of discount | 757,831 | 686,135 | 625,750 | 630,973 | 574,231 |
| Operating lease liabilities | 1,343,903 | 1,336,839 | 1,357,751 | 1,542,094 | 1,404,510 |
| Accounts payable and other accrued liabilities | 2,140,764 | 1,973,798 | 1,870,344 | 2,168,983 | 2,147,103 |
| Deferred tax liabilities, net | 1,223,771 | 1,132,090 | 1,121,224 | 1,151,096 | 1,088,724 |
| Accrued dividends and distributions | — | — | — | 387,988 | — |
| Security deposits and prepaid rents | 423,797 | 416,705 | 413,225 | 401,867 | 385,521 |
| Obligations associated with assets held for sale | — | — | 9,981 | 39,001 | — |
| Total Liabilities | \$22,118,781 | \$21,199,178 | \$21,792,866 | \$23,116,936 | \$21,895,634 |
| Redeemable non-controlling interests | 1,465,636 | 1,399,889 | 1,350,736 | 1,394,814 | 1,360,308 |
| Equity | | | | | |
| Preferred Stock: \$0.01 par value per share, 110,000 shares authorized: | | | | | |
| Series J Cumulative Redeemable Preferred Stock ⁽²⁾ | \$193,540 | \$193,540 | \$193,540 | \$193,540 | \$193,540 |
| Series K Cumulative Redeemable Preferred Stock ⁽³⁾ | 203,264 | 203,264 | 203,264 | 203,264 | 203,264 |
| Series L Cumulative Redeemable Preferred Stock ⁽⁴⁾ | 334,886 | 334,886 | 334,886 | 334,886 | 334,886 |
| Common Stock: \$0.01 par value per share, 392,000 shares authorized ⁽⁵⁾ | 3,285 | 3,231 | 3,097 | 3,088 | 3,002 |
| Additional paid-in capital | 27,229,143 | 26,388,393 | 24,508,683 | 24,396,797 | 23,239,088 |
| Dividends in excess of earnings | (6,060,642) | (5,701,096) | (5,373,529) | (5,262,648) | (4,900,757) |
| Accumulated other comprehensive (loss), net | (657,364) | (884,715) | (850,091) | (751,393) | (882,996) |
| Total Stockholders' Equity | \$21,246,112 | \$20,537,503 | \$19,019,850 | \$19,117,535 | \$18,190,026 |
| Noncontrolling Interests | | | | | |
| Noncontrolling interest in operating partnership | \$427,930 | \$434,253 | \$438,422 | \$438,081 | \$441,366 |
| Noncontrolling interest in consolidated joint ventures | 36,933 | 36,060 | 31,215 | 45,892 | 45,182 |
| Total Noncontrolling Interests | \$464,863 | \$470,313 | \$469,637 | \$483,972 | \$486,547 |
| Total Equity | \$21,710,975 | \$21,007,816 | \$19,489,487 | \$19,601,507 | \$18,676,573 |
| Total Liabilities and Equity | \$45,295,392 | \$43,606,883 | \$42,633,089 | \$44,113,257 | \$41,932,515 |

(1) Net of allowance for doubtful accounts of \$56,353 and \$46,643 as of September 30, 2024 and September 30, 2023, respectively.

(2) Series J Cumulative Redeemable Preferred Stock, 5.250%, \$200,000 liquidation preference (\$25.00 per share), 8,000 shares issued and outstanding as of September 30, 2024 and September 30, 2023.

(3) Series K Cumulative Redeemable Preferred Stock, 5.850%, \$210,000 liquidation preference (\$25.00 per share), 8,400 shares issued and outstanding as of September 30, 2024 and September 30, 2023.

(4) Series L Cumulative Redeemable Preferred Stock, 5.200%, \$345,000 liquidation preference (\$25.00 per share), 13,800 shares issued and outstanding as of September 30, 2024 and September 30, 2023.

(5) Common Stock: 331,347 and 302,846 shares issued and outstanding as of September 30, 2024 and September 30, 2023, respectively.

Unaudited and Dollars in Thousands

| Reconciliation of Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) ⁽¹⁾ | Three Months Ended | | | | |
|--|--------------------|------------------|------------------|------------------|--------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 |
| Net Income / (Loss) Available to Common Stockholders | \$41,012 | \$70,039 | \$271,327 | \$18,122 | \$723,440 |
| Interest | 123,803 | 114,756 | 109,535 | 113,638 | 110,767 |
| Loss on debt extinguishment and modifications | 2,636 | — | 1,070 | — | — |
| Income tax expense (benefit) | 12,427 | 14,992 | 22,413 | 20,724 | 17,228 |
| Depreciation & amortization | 459,997 | 425,343 | 431,102 | 420,475 | 420,613 |
| EBITDA | \$639,875 | \$625,130 | \$835,446 | \$572,958 | \$1,272,048 |
| Unconsolidated JV real estate related depreciation & amortization | 48,474 | 47,117 | 47,877 | 64,833 | 43,214 |
| Unconsolidated JV interest expense and tax expense | 34,951 | 27,704 | 34,271 | 42,140 | 27,000 |
| Severance, equity acceleration and legal expenses | 2,481 | 884 | 791 | 7,565 | 2,682 |
| Transaction and integration expenses | 24,194 | 26,072 | 31,839 | 40,226 | 14,465 |
| (Gain) / loss on sale of investments | 556 | (173,709) | (277,787) | 103 | (810,688) |
| Provision for impairment | — | 168,303 | — | 5,363 | 113,000 |
| Other non-core adjustments, net ⁽²⁾ | 8,642 | 743 | 21,608 | (35,439) | 1,719 |
| Non-controlling interests | (11,059) | (5,552) | 6,329 | (8,419) | 12,320 |
| Preferred stock dividends | 10,181 | 10,181 | 10,181 | 10,181 | 10,181 |
| Adjusted EBITDA | \$758,296 | \$726,874 | \$710,556 | \$699,509 | \$685,943 |

(1) For definitions and discussion of EBITDA and Adjusted EBITDA, see the Definitions section.

(2) Includes foreign exchange net unrealized gains/losses attributable to remeasurement, deferred rent adjustments related to a customer bankruptcy, write offs associated with bankrupt or terminated customers, non-recurring legal expenses, gain on sale of land option and lease termination fees.

| Financial Ratios | Three Months Ended | | | | |
|---|--------------------|------------------|------------------|------------------|------------------|
| | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 | 30-Sep-23 |
| Total GAAP interest expense | \$123,803 | \$114,756 | \$109,535 | \$113,638 | \$110,767 |
| Capitalized interest | 28,312 | 27,592 | 28,522 | 33,032 | 29,130 |
| Change in accrued interest and other non-cash amounts | 43,720 | (55,605) | 55,421 | (66,013) | 44,183 |
| Cash Interest Expense ⁽³⁾ | \$195,835 | \$86,743 | \$193,479 | \$80,657 | \$184,081 |
| Preferred stock dividends | 10,181 | 10,181 | 10,181 | 10,181 | 10,181 |
| Total Fixed Charges ⁽⁴⁾ | \$162,296 | \$152,529 | \$148,239 | \$156,851 | \$150,079 |
| Coverage | | | | | |
| Interest coverage ratio ⁽⁵⁾ | 4.3x | 4.3x | 4.3x | 4.2x | 4.2x |
| Cash interest coverage ratio ⁽⁶⁾ | 3.4x | 6.4x | 6.3x | 3.2x | 7.0x |
| Fixed charge coverage ratio ⁽⁷⁾ | 4.1x | 4.1x | 4.0x | 4.0x | 4.0x |
| Cash fixed charge coverage ratio ⁽⁸⁾ | 3.3x | 5.9x | 3.1x | 5.9x | 3.3x |
| Leverage | | | | | |
| Debt to total enterprise value ⁽⁹⁾⁽¹⁰⁾ | 23.5% | 24.2% | 24.2% | 26.7% | 28.6% |
| Debt-plus-preferred-stock-to-total-enterprise-value ⁽¹⁰⁾⁽¹¹⁾ | 24.5% | 25.3% | 25.3% | 27.9% | 29.8% |
| Pre-tax income to interest expense ⁽¹²⁾ | 1.3x | 1.7x | 3.5x | 1.2x | 7.6x |
| Net Debt-to-Adjusted EBITDA ⁽¹³⁾ | 5.4x | 5.3x | 5.7x | 6.0x | 6.4x |

(3) Cash interest expense is interest expense less amortization of debt discount and deferred financing fees and includes interest that we capitalized. We consider cash interest expense to be a useful measure of interest as it excludes non-cash-based interest expense.

(4) Fixed charges consist of GAAP interest expense, capitalized interest, and preferred stock dividends.

(5) Adjusted EBITDA divided by GAAP interest expense plus capitalized interest (including our pro rata share of unconsolidated joint venture interest expense).

(6) Adjusted EBITDA divided by cash interest expense (including our pro rata share of unconsolidated joint venture interest expense).

(7) Adjusted EBITDA divided by fixed charges (including our pro rata share of unconsolidated joint venture fixed charges).

(8) Adjusted EBITDA divided by the sum of cash interest expense and preferred stock dividends (including our pro rata share of unconsolidated joint venture cash fixed charges).

(9) Total debt divided by market value of common equity plus debt plus preferred stock.

(10) Total enterprise value defined as market value of common equity plus debt plus preferred stock.

(11) Same as (9), except numerator includes preferred stock.

(12) Calculated as net income plus interest expense divided by GAAP interest expense.

(13) Calculated as total debt at balance sheet carrying value, plus capital lease obligations, plus Digital Realty's pro rata share of unconsolidated joint venture debt, less cash and cash equivalents (including Digital Realty's pro rata share of unconsolidated joint venture cash) divided by the product of Adjusted EBITDA (including Digital Realty's pro rata share of unconsolidated joint venture EBITDA), multiplied by four.

Definitions

Funds From Operations (FFO):

We calculate funds from operations, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts (Nareit) in the Nareit Funds From Operations White Paper - 2018 Restatement. FFO is a non-GAAP financial measure and represents net income (loss) (computed in accordance with GAAP), excluding gain (loss) from the disposition of real estate assets, provision for impairment, real estate related depreciation and amortization (excluding amortization of deferred financing costs), our share of unconsolidated JV real estate related depreciation & amortization, net income attributable to non-controlling interests in operating partnership and, depreciation related to non-controlling interests. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions and after adjustments for unconsolidated partnerships and joint ventures, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our data centers that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our data centers, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. Other REITs may not calculate FFO in accordance with the Nareit definition and, accordingly, our FFO may not be comparable to other REITs' FFO. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

Core Funds from Operations (Core FFO):

We present core funds from operations, or Core FFO, as a supplemental operating measure because, in excluding certain items that do not reflect core revenue or expense streams, it provides a performance measure that, when compared year over year, captures trends in our core business operating performance. We calculate Core FFO by adding to or subtracting from FFO (i) other non-core revenue adjustments, (ii) transaction and integration expenses, (iii) loss on debt extinguishment and modifications, (iv) gain on / issuance costs associated with redeemed preferred stock, (v) severance, equity acceleration and legal expenses, (vi) gain/loss on FX revaluation, and (vii) other non-core expense adjustments. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of Core FFO as a measure of our performance is limited. Other REITs may calculate Core FFO differently than we do and accordingly, our Core FFO may not be comparable to other REITs' Core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

Adjusted Funds from Operations (AFFO):

We present adjusted funds from operations, or AFFO, as a supplemental operating measure because, when compared year over year, it assesses our ability to fund dividend and distribution requirements from our operating activities. We also believe that, as a widely recognized measure of the operations of REITs, AFFO will be used by investors as a basis to assess our ability to fund dividend payments in comparison to other REITs, including on a per share and unit basis. We calculate AFFO by adding to or subtracting from Core FFO (i) non-real estate depreciation, (ii) amortization of deferred financing costs, (iii) amortization of debt discount/premium, (iv) non-cash stock-based compensation expense, (v) straight-line rental revenue, (vi) straight-line rental expense, (vii) above- and below-market rent amortization, (viii) deferred tax expense / (benefit), (ix) leasing compensation and internal lease commissions, and (x) recurring capital expenditures. Other REITs may calculate AFFO differently than we do and, accordingly, our AFFO may not be comparable to other REITs' AFFO. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

EBITDA and Adjusted EBITDA:

We believe that earnings before interest, loss on debt extinguishment and modifications, income taxes, and depreciation and amortization, or EBITDA, and Adjusted EBITDA (as defined below), are useful supplemental performance measures because they allow investors to view our performance without the impact of non-cash depreciation and amortization or the cost of debt and, with respect to Adjusted EBITDA, (i) unconsolidated joint venture real estate related depreciation & amortization, (ii) unconsolidated joint venture interest expense and tax, (iii) severance, equity acceleration and legal expenses, (iv) transaction and integration expenses, (v) gain (loss) on sale / deconsolidation, (vi) provision for impairment, (vii) other non-core adjustments, net, (viii) non-controlling interests, (ix) preferred stock dividends, and (x) issuance costs associated with redeemed preferred stock. Adjusted EBITDA is EBITDA excluding (i) unconsolidated joint venture real estate related depreciation & amortization, (ii) unconsolidated joint venture interest expense and tax, (iii) severance, equity acceleration and legal expenses, (iv) transaction and integration expenses, (v) gain (loss) on sale / deconsolidation, (vi) provision for impairment, (vii) other non-core adjustments, net, (viii) non-controlling interests, (ix) preferred stock dividends, and (x) gain on / issuance costs associated with redeemed preferred stock. In addition, we believe EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors, and other interested parties in the evaluation of REITs. Because EBITDA and Adjusted EBITDA are calculated before recurring cash charges including interest expense and income taxes, exclude capitalized costs, such as leasing commissions, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utility as a measure of our performance is limited. Other REITs may calculate EBITDA and Adjusted EBITDA differently than we do and, accordingly, our EBITDA and Adjusted EBITDA may not be comparable to other REITs' EBITDA and Adjusted EBITDA. Accordingly, EBITDA and Adjusted EBITDA should be considered only as supplements to net income computed in accordance with GAAP as a measure of our financial performance.

This document contains forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Such forward-looking statements include statements relating to: our economic outlook, our expected investment and expansion activity, anticipated continued demand for our products and service, our liquidity, our joint ventures, supply and demand for data center and colocation space, our acquisition and disposition activity, pricing and net effective leasing economics, market dynamics and data center fundamentals, our strategic priorities, our product offerings, available inventory, rent from leases that have been signed but have not yet commenced and other contracted rent to be received in future periods, rental rates on future leases, lag between signing and commencement, cap rates and yields, investment activity, the company's FFO, Core FFO, constant currency Core FFO, adjusted FFO, and net income, 2024 outlook and underlying assumptions, information related to trends, our strategy and plans, leasing expectations, weighted average lease terms, the exercise of lease extensions, lease expirations, debt maturities, annualized rent at expiration of leases, the effect new leases and increases in rental rates will have on our rental revenue, our credit ratings, construction and development activity and plans, projected construction costs, estimated yields on investment, expected occupancy, expected square footage and IT load capacity upon completion of development projects, backlog NOI, NAV components, and other forward-looking financial data. Such statements are based on management's beliefs and assumptions made based on information currently available to management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance and may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. Some of the risks and uncertainties that may cause our actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- reduced demand for data centers or decreases in information technology spending;
- decreased rental rates, increased operating costs or increased vacancy rates;
- increased competition or available supply of data center space;
- the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services;
- breaches of our obligations or restrictions under our contracts with our customers;
- our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties;
- the impact of current global and local economic, credit and market conditions;
- global supply chain or procurement disruptions, or increased supply chain costs;
- the impact from periods of heightened inflation on our costs, such as operating and general and administrative expenses, interest expense and real estate acquisition and construction costs;
- the impact on our customers' and our suppliers' operations during an epidemic, pandemic, or other global events;
- our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers;
- changes in political conditions, geopolitical turmoil, political instability, civil disturbances, restrictive governmental actions or nationalization in the countries in which we operate;
- our inability to retain data center space that we lease or sublease from third parties;
- information security and data privacy breaches;
- difficulties managing an international business and acquiring or operating properties in foreign jurisdictions and unfamiliar metropolitan areas;
- our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent and future acquisitions;
- our failure to successfully integrate and operate acquired or developed properties or businesses;
- difficulties in identifying properties to acquire and completing acquisitions;
- risks related to joint venture investments, including as a result of our lack of control of such investments;
- risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements;
- our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital;
- financial market fluctuations and changes in foreign currency exchange rates;
- adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges;
- our inability to manage our growth effectively;
- losses in excess of our insurance coverage;
- our inability to attract and retain talent;
- environmental liabilities, risks related to natural disasters and our inability to achieve our sustainability goals;
- the expected operating performance of anticipated near-term acquisitions and descriptions relating to these expectations;
- our inability to comply with rules and regulations applicable to our company;
- Digital Realty Trust, Inc.'s failure to maintain its status as a REIT for federal income tax purposes;
- Digital Realty Trust, L.P.'s failure to qualify as a partnership for federal income tax purposes;
- restrictions on our ability to engage in certain business activities;
- changes in local, state, federal and international laws, and regulations, including related to taxation, real estate, and zoning laws, and increases in real property tax rates; and
- the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance. Several additional material risks are discussed in our annual report on Form 10-K for the year ended December 31, 2023, and other filings with the U.S. Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Digital Realty, Digital Realty Trust, the Digital Realty logo, Interxion, Turn-Key Flex, Powered Base Building, ServiceFabric, AnyScale Colo, Pervasive Data Center Architecture, PlatformDIGITAL, PDx, Data Gravity Index and Data Gravity Index DGx are registered trademarks and service marks of Digital Realty Trust, Inc. in the United States and/or other countries. All other names, trademarks and service marks are the property of their respective owners.