

Digital Realty Reports Fourth Quarter 2020 Results

2/11/2021

AUSTIN, Texas, Feb. 11, 2021 /PRNewswire/ -- **Digital Realty** (NYSE: DLR), a leading global provider of cloud- and carrier-neutral data center, colocation and interconnection solutions, announced today financial results for the fourth quarter of 2020. All per-share results are presented on a fully-diluted share and unit basis.

Highlights

- Reported net income available to common stockholders of \$0.16 per share in 4Q20, compared to net income available to common stockholders of \$1.50 in 4Q19
- Reported FFO per share of \$1.45 in 4Q20, compared to \$1.62 in 4Q19
- Reported core FFO per share of \$1.61 in 4Q20, compared to \$1.62 in 4Q19
- Signed total bookings during 4Q20 expected to generate \$130 million of annualized GAAP rental revenue, including a \$12 million contribution from interconnection
- Introduced core FFO per share outlook from \$6.40-\$6.50

Financial Results

Digital Realty reported revenues for the fourth quarter of 2020 of \$1.1 billion, a 4% increase from the previous quarter and a 35% increase from the same quarter last year.

The company delivered fourth quarter of 2020 net income of \$60 million, and net income available to common stockholders of \$44 million, or \$0.16 per diluted share, compared to a net loss available to common stockholders of (\$0.14) per diluted share in the previous quarter and net income available to common stockholders of \$1.50 per diluted share in the same quarter last year.

Digital Realty generated fourth quarter of 2020 Adjusted EBITDA of \$578 million, a 2% increase from the previous quarter and a 22% increase over the same quarter last year.

The company reported fourth quarter of 2020 funds from operations of \$420 million, or \$1.45 per share, compared to \$1.19 per share in the previous quarter and \$1.62 per share in the same quarter last year.

Excluding certain items that do not represent core expenses or revenue streams, Digital Realty delivered fourth quarter of 2020 core FFO per share of \$1.61, a 5% increase from \$1.54 per share in the previous quarter, and a 1% decrease from \$1.62 per share in the same quarter last year.

Leasing Activity

In the fourth quarter, Digital Realty signed total bookings expected to generate \$130 million of annualized GAAP rental revenue, including a \$12 million contribution from interconnection.

"We closed 2020 with a strong finish, delivering record bookings for the full year," said Digital Realty Chief Executive Officer A. William Stein. "This tremendous achievement is a testament to the consistent execution and growth across our global platform. Our book of business outside the Americas has expanded meaningfully, while our colocation and interconnection business represents a rapidly growing share as we continue to gain traction with enterprise customers as well as service providers. We look forward to building upon this momentum into 2021 and beyond, and we remain confident that our global platform will continue to deliver sustainable growth for all stakeholders."

The weighted-average lag between leases signed during the fourth quarter of 2020 and the contractual commencement date was nine months.

In addition to new leases signed, Digital Realty also signed renewal leases representing \$156 million of annualized GAAP rental revenue during the quarter. Rental rates on renewal leases signed during the fourth quarter of 2020 rolled up 1.0% on a cash basis and up 3.4% on a GAAP basis.

New leases signed during the fourth quarter of 2020 are summarized by region as follows:

	Annualized GAAP		GAAP Base Rent		GAAP Base Rent	
	Base Rent (in thousands)	Square Feet	per Square Foot	Megawatts	per Kilowatt	
The Americas						
0-1 MW	\$11,787	47,661	\$247	4.3	\$226	
> 1 MW	20,285	175,729	115	19.2	88	
Other (1)	611	12,931	47	—	—	
Total	\$32,683	236,321	\$138	23.6	\$113	
EMEA (2)						
0-1 MW	\$12,968	55,393	\$234	3.9	\$274	
> 1 MW	51,718	439,791	118	38.6	112	
Other (1)	74	753	98	—	—	
Total	\$64,760	495,937	\$131	42.5	\$127	
Asia Pacific (2)						
0-1 MW	\$6,292	18,967	\$332	1.0	\$525	

> 1 MW	9,820	86,105	114	8.7	94
Other (1)	4,678	135,178	35	—	—
	\$20,790	240,250	\$87	9.7	\$138
Total					
All Regions (2)					
0-1 MW	\$31,047	122,021	\$254	9.3	\$279
> 1 MW	81,824	701,625	117	66.5	103
Other (1)	5,363	148,862	36	—	—
	\$118,234	972,507	\$122	75.8	\$124
Total					
	\$12,110	N/A	N/A	N/A	N/A
Interconnection					
	\$130,344	972,507	\$122	75.8	\$124
Grand Total					

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 December 31, 2020.

Investment Activity

During the fourth quarter of 2020, Digital Realty closed on the previously announced acquisition of Lamda Hellix, the largest carrier-neutral colocation and interconnection provider in Greece.

Likewise during the fourth quarter of 2020, Digital Realty closed on the previously announced acquisition of the Neckerman expansion parcel within approximately one kilometer of the Hanauer Landstraße campus for €177 million, or approximately \$217 million. The expansion parcel totals 107,000 square meters, will support the development of up to 180 megawatts of additional IT capacity and will be fully connected to the existing campus.

During the fourth quarter of 2020, Digital Realty acquired a building in Paris, France previously subject to a leasehold for a total purchase price of €6 million, or approximately \$7 million. Digital Realty also sold a vacant building in Amsterdam, the Netherlands for €6 million, or approximately \$7 million.

Balance Sheet

Digital Realty completed the following financing transactions during the fourth quarter of 2020.

- In mid-October, Digital Realty redeemed all £300 million of its 4.750% notes due 2023 and redeemed all \$250

million of its 5.875% series G preferred stock.

- Subsequent to quarter-end, Digital Realty closed an offering of €1.0 billion, or approximately \$1.2 billion, of 0.625% Euro bonds due 2031.
- Also subsequent to quarter end, Digital Realty redeemed all \$350 million of its outstanding 2.75% notes due 2023 and repaid the entire \$537 million outstanding balance on its unsecured term loan.

Digital Realty had approximately \$13.3 billion of total debt outstanding as of December 31, 2020, comprised of \$13.2 billion of unsecured debt and approximately \$0.2 billion of secured debt. At the end of the fourth quarter of 2020, net debt-to-Adjusted EBITDA was 6.1x, debt plus-preferred-to-total enterprise value was 26.2% and fixed charge coverage was 5.1x.

COVID-19

Throughout the COVID-19 global pandemic, Digital Realty's data centers around the world have remained fully operational in accordance with business continuity and pandemic response plans, prioritizing the health and safety of employees, customers and partners while ensuring service levels are maintained. Digital Realty data centers have been deemed essential operations, allowing for critical personnel to remain in place and continue to provide services and support for customers. Construction activity has been somewhat delayed in a few markets due to government restrictions in certain locations and/or limited availability of labor. In some instances, these delays have impacted scheduled delivery dates. We are monitoring the situation closely and remain in frequent communication with customers, contractors and suppliers. We have proactively managed our supply chain, and we believe we have acquired the vast majority of the equipment needed to complete our 2021 development activities. We believe we have ample liquidity to fund our business needs, given the \$109 million of cash on the balance sheet and \$2.1 billion of availability under our global revolving credit facilities as of December 31, 2020. While we have not experienced any significant business disruptions from the COVID-19 pandemic to date, we cannot predict what impact the COVID-19 pandemic may have on our future financial condition, results of operations or cash flows due to numerous uncertainties.

2021 Outlook

Digital Realty introduced its 2021 core FFO per share outlook of \$6.40-\$6.50. The assumptions underlying the outlook are summarized in the following table.

	As of February 11, 2021
Top-Line and Cost Structure	
Total revenue	\$4.250 - \$4.350 billion
Net non-cash rent adjustments (1)	(\$10) - (\$15) million
Adjusted EBITDA	\$2.300 - \$2.350 billion
G&A	\$365 - \$375 million

Internal Growth

Rental rates on renewal leases	Slightly negative
Cash basis	Slightly positive
GAAP basis	84.0% - 85.0%
Year-end portfolio occupancy (2)	(2.5%) - (3.5%)
"Same-capital" cash NOI growth (3)	
Foreign Exchange Rates	\$1.25 - \$1.30
U.S. Dollar / Pound Sterling	\$1.15 - \$1.20
U.S. Dollar / Euro	

External Growth

Dispositions	\$0.6 - \$1.0 billion
Dollar volume	0.0% - 12.0%
Cap rate Development	\$2.0 - \$2.3 billion
CapEx (4)	9.0% - 15.0%
Average stabilized yields	\$5 - \$10 million
Enhancements and other non-recurring CapEx (5)	\$220 - \$230 million
Recurring CapEx + capitalized leasing costs (6)	

Balance Sheet

Long-term debt issuance	\$1.0 - \$1.5 billion
Dollar amount	1.00%
Pricing	Early-to-mid 2021
Timing	
Net income per diluted share	\$1.40 - \$1.45
	\$4.90 - \$4.90
Real estate depreciation and (gain) / loss on sale Funds From Operations / share (NAREIT-Defined)	\$6.30 - \$6.35
	\$0.10 - \$0.15
Non-core expenses and revenue streams Core Funds From Operations / share	\$6.40 - \$6.50

(1) Net non-cash rent adjustments represent the sum of straight-line rental revenue and straight-line rent expense, as well as the amortization of above- and below-market leases (i.e., ASC 805 adjustments).

(2) Reflects inclusion of the Interxion portfolio, which was approximately 75% occupied as of December 31, 2020.

(3) The "same-capital" pool includes properties owned as of December 31, 2019 with less than 5% of total rentable square feet under development. It also excludes properties that were undergoing, or were expected to undergo, development activities in 2020-2021, properties classified as held for sale, and properties sold or contributed to joint ventures for all periods presented.

- (4) Includes land acquisitions.
- (5) 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.
- (6) Recurring CapEx represents non-incremental improvements required to maintain current revenues, including second-generation tenant improvements and leasing commissions.

Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, including FFO, core FFO and Adjusted EBITDA. A reconciliation from U.S. GAAP net income available to common stockholders to FFO, a reconciliation from FFO to core FFO, and definitions of FFO and core FFO 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.

Investor Conference Call

Prior to Digital Realty's investor conference call at 5:30 p.m. EST / 2:30 p.m. PST on February 11, 2021, 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 Fourth Quarter 2020 financial results and operating performance. The conference call will feature Chief Executive Officer A. William Stein and Chief Financial Officer Andrew P. Power.

To participate in the live call, investors are invited to dial (888) 317-6003 (for domestic callers) or (412) 317-6061 (for international callers) and reference the conference ID# 4603911 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 March 11, 2021. The telephone replay can be accessed by dialing (877) 344-7529 (for domestic callers) or (412) 317-0088 (for international callers) and providing the conference ID# 10150290. The webcast replay can be accessed on Digital Realty's website.

About Digital Realty

Digital Realty supports the world's leading enterprises and service providers by delivering the full spectrum of data center, colocation and interconnection solutions. PlatformDIGITAL®, the company's global data center platform, provides customers a trusted foundation and proven Pervasive Datacenter Architecture (PDx™) solution methodology for scaling digital business and efficiently managing data gravity challenges. Digital Realty's global data center footprint gives customers access to the connected communities that matter to them with more than 290 facilities in 49 metros across 24 countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on [LinkedIn](#) and [Twitter](#).

Contact Information

Andrew P. Power
 Chief Financial Officer
 Digital Realty
 (415) 738-6500

John J. Stewart / Jim Huseby
 Investor Relations
 Digital Realty
 (415) 738-6500

Consolidated Quarterly Statements of Operations

Unaudited and Dollars in Thousands, Except Per Share Data

	Three Months Ended					Twelve Months Ended	
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20	31-Dec-19
Rental revenues	\$754,422	\$726,441	\$698,041	\$579,774	\$549,733	\$2,758,678	\$2,266,058
Tenant reimbursements - Utilities	154,937	155,111	141,576	113,520	107,518	565,144	431,215
Tenant reimbursements - Other	62,084	53,654	62,630	56,943	59,641	235,311	235,795
Interconnection & other	86,424	85,725	85,428	69,835	65,576	327,412	263,288
Fee income	4,722	3,687	4,353	2,452	4,814	15,214	11,654
Other	20	50	967	813	181	1,850	1,231
Total Operating Revenues	\$1,062,609	\$1,024,668	\$992,995	\$823,337	\$787,463	\$3,903,609	\$3,209,241
Utilities	\$169,282	\$177,925	\$160,173	\$129,526	\$125,127	\$636,905	\$505,424
Rental property operating	205,177	180,755	172,474	136,182	129,034	694,588	515,154
Property taxes	42,442	39,732	45,071	42,123	42,541	169,368	159,593
Insurance	3,410	2,926	3,370	3,547	3,055	13,253	12,590
Depreciation & amortization	359,915	365,842	349,165	291,457	275,008	1,366,379	1,163,774
General & administration	101,582	90,431	90,649	62,266	53,540	344,928	207,696
Severance, equity acceleration, and legal expenses	606	920	3,642	1,272	1,130	6,440	3,401
Transaction and							

integration expenses	19,290	14,953	15,618	56,801	17,106	106,662	27,925
Impairment of investments in real estate	—	6,482	—	—	—	6,482	5,351
Other expenses	641	297	22	114	1,989	1,074	14,118
Total Operating Expenses	\$902,345	\$880,263	\$840,184	\$723,288	\$648,530	\$3,346,079	\$2,615,026
Operating Income	\$160,264	\$144,405	\$152,811	\$100,049	\$138,933	\$557,530	\$594,215
Equity in earnings (loss) of unconsolidated joint ventures	31,055	(2,056)	(7,632)	(78,996)	11,157	(57,629)	8,067
Gain on sale / deconsolidation	1,684	10,410	—	304,801	267,651	316,895	335,148
Interest and other (expense) income, net	(2,747)	4,348	22,163	(3,542)	10,734	20,222	66,000
Interest (expense)	(77,848)	(89,499)	(79,874)	(85,800)	(80,880)	(333,021)	(353,057)
Income tax (expense) benefit	(3,322)	(16,053)	(11,490)	(7,182)	1,731	(38,047)	(11,995)
Loss from early extinguishment of debt	(49,576)	(53,007)	—	(632)	—	(103,215)	(39,157)
Net Income / (Loss)	\$59,510	(\$1,452)	\$75,978	\$228,698	\$349,326	\$362,735	\$599,221
Net (income) loss attributable to noncontrolling interests	(1,818)	1,316	(1,147)	(4,684)	(13,042)	(6,333)	(19,460)
Net Income / (Loss) Attributable to Digital Realty Trust, Inc.	\$57,692	(\$136)	\$74,831	\$224,014	\$336,284	\$356,402	\$579,761
Preferred stock dividends, including undeclared dividends	(13,514)	(20,712)	(21,155)	(21,155)	(20,707)	(76,536)	(74,990)
Issuance costs associated with redeemed preferred stock	—	(16,520)	—	—	—	(16,520)	(11,760)
Net Income / (Loss) Available to Common Stockholders	\$44,178	(\$37,368)	\$53,676	\$202,859	\$315,577	\$263,346	\$493,011
Weighted-average shares outstanding - basic	280,117,213	270,214,413	267,569,823	222,163,324	208,776,355	260,098,978	208,325,823
Weighted-average shares outstanding - diluted	281,122,368	270,214,413	270,744,408	224,474,295	210,286,278	262,522,508	209,481,231
Weighted-average fully diluted shares and units	288,903,143	281,523,515	278,719,109	232,753,630	218,901,078	270,496,513	218,440,163

Net income / (loss) per share - basic	\$0.16	(\$0.14)	\$0.20	\$0.91	\$1.51	\$1.01	\$2.37
Net income / (loss) per share - diluted	\$0.16	(\$0.14)	\$0.20	\$0.90	\$1.50	\$1.00	\$2.35

Funds From Operations and Core Funds From Operations

Unaudited and in Thousands, Except Per Share Data

Reconciliation of Net Income to Funds From Operations (FFO)	Three Months Ended					Year Ended	
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20	31-Dec-19
Net (Loss) / Income Available to Common Stockholders	\$44,178	(\$37,368)	\$53,676	\$202,859	\$315,577	\$263,345	\$493,011
Adjustments:							
Non-controlling interest operating partnership	1,300	(1,000)	1,400	7,800	13,100	9,500	21,100
Real estate related depreciation & amortization (1)	354,366	358,619	342,334	286,517	271,371	1,341,836	1,149,240
Unconsolidated JV real estate related depreciation & amortization	21,471	19,213	17,123	19,923	21,631	77,730	52,716
(Gain) on real estate transactions	(1,684)	(10,410)	-	(304,801)	(267,651)	(316,895)	(267,651)
Impairment of investments in real estate	-	6,482	-	-	-	6,482	5,351
Funds From Operations - diluted	\$419,631	\$335,536	\$414,533	\$212,298	\$354,028	\$1,381,998	\$1,453,767
Weighted-average shares and units outstanding - basic	287,898	278,079	275,545	230,443	217,391	268,073	217,285
Weighted-average shares and units outstanding - diluted (2)	288,903	281,524	278,719	232,754	218,901	270,497	218,440

	Three Months Ended					Year Ended	
Reconciliation of FFO to Core FFO	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20	31-Dec-19
Funds From Operations per share - basic	\$1.46	\$1.21	\$1.50	\$0.92	\$1.63	\$5.16	\$6.69
Funds From Operations per share - diluted (2)	\$1.45	\$1.19	\$1.49	\$0.91	\$1.62	\$5.11	\$6.66
Funds From Operations - diluted	\$419,631	\$335,536	\$414,533	\$212,298	\$354,028	\$1,381,998	\$1,453,767
Termination fees and other non-core revenues (3)	(25)	(5,713)	(21,908)	(2,425)	(5,634)	(30,071)	(53,697)
Transaction and integration expenses	19,290	14,953	15,618	56,801	17,106	106,662	27,925
Loss from early extinguishment of debt	49,576	53,007	-	632	-	103,215	39,157
Issuance costs associated with redeemed preferred stock	-	16,520	-	-	-	16,520	11,760
Severance, equity acceleration, and legal expenses (4)	606	920	3,642	1,272	1,130	6,440	3,401
(Gain) / Loss on FX revaluation	(27,190)	10,312	17,526	81,288	(10,422)	81,936	18,067
(Gain) on contribution to unconsolidated JV, net of related tax	-	-	-	-	-	-	(58,497)
Other non-core expense adjustments	3,353	6,697	22	5,509	(1,511)	15,581	10,618
Core Funds From Operations - diluted	\$465,241	\$432,232	\$429,433	\$355,375	\$354,697	\$1,682,281	\$1,452,501
Weighted-average shares and units outstanding - diluted (2)	288,903	281,524	278,719	232,754	218,901	270,497	218,440
Core Funds From Operations per share - diluted (2)	\$1.61	\$1.54	\$1.54	\$1.53	\$1.62	\$6.22	\$6.65
(1) Real Estate Related Depreciation & Amortization	Three Months Ended					Year Ended	
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20	31-Dec-19

Depreciation & amortization per income statement	\$359,915	\$365,842	\$349,165	\$291,457	\$275,008	1,366,379	1,163,774
Non-real estate depreciation	(5,549)	(7,223)	(6,831)	(4,940)	(3,637)	(24,543)	(14,534)
Real Estate Related Depreciation & Amortization	\$354,366	\$358,619	\$342,334	\$286,517	\$271,371	\$1,341,836	\$1,149,240

(2) For all periods presented, we have excluded the effect of dilutive series C, series G, series H, series I, 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 C, series G, series H, series I, series J, series K and series L preferred stock, as applicable, which we consider highly improbable. See above for calculations of diluted 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.

(3) Includes lease termination fees and certain other adjustments that are not core to our business.

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

Adjusted Funds From Operations (AFFO)

Unaudited and in Thousands, Except Per Share Data

Reconciliation of Core FFO to AFFO	Three Months Ended					Year Ended	
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20	31-Dec-19
Core FFO available to common stockholders and unitholders	\$465,241	\$432,232	\$429,433	\$355,375	\$354,697	\$1,682,281	\$1,452,501
Adjustments:							
Non-real estate depreciation	5,549	7,223	6,831	4,940	3,637	24,543	14,534
Amortization of deferred financing costs	3,709	3,655	3,661	4,260	3,064	15,285	13,362
Amortization of debt discount/premium	1,033	987	1,011	943	612	3,974	2,353
Non-cash stock-based							

compensation expense	16,315	15,969	15,060	12,153	8,937	59,497	34,903
Straight-line rental revenue	(14,402)	(10,017)	(10,928)	(15,404)	(13,994)	(50,751)	(55,770)
Straight-line rental expense	3,629	3,934	7,373	1,460	(342)	16,396	1,002
Above- and below-market rent amortization	3,239	2,360	3,794	3,294	4,109	12,687	17,097
Deferred tax (expense) benefit	(4,226)	6,421	(150)	(792)	(998)	1,253	(18,792)
Leasing compensation & internal lease commissions (1)	10,506	6,052	1,739	2,793	3,646	21,090	14,506
Recurring capital expenditures (2)	(83,571)	(53,683)	(38,796)	(34,677)	(54,731)	(210,727)	(180,713)
AFFO available to common stockholders and unitholders (3)	\$407,022	\$415,133	\$419,028	\$334,345	\$308,637	\$1,575,528	\$1,294,983
Weighted-average shares and units outstanding - basic	287,898	278,079	275,545	230,443	217,391	268,073	217,285
Weighted-average shares and units outstanding - diluted (4)	288,903	281,524	278,719	232,754	218,901	270,497	218,440
AFFO per share - diluted (4)	\$1.41	\$1.47	\$1.50	\$1.44	\$1.41	\$5.82	\$5.93
Dividends per share and common unit	\$1.12	\$1.12	\$1.12	\$1.12	\$1.08	\$4.48	\$4.32
Diluted AFFO Payout Ratio	79.5%	76.0%	74.5%	78.0%	76.6%	76.9%	72.9%
	Three Months Ended					Year Ended	
Share Count Detail	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20	31-Dec-19
Weighted Average Common Stock and Units Outstanding	287,898	278,079	275,545	230,443	217,391	268,073	217,285
Add: Effect of dilutive securities	1,005	3,445	3,174	2,311	1,510	2,424	1,155
Weighted Avg. Common Stock and Units Outstanding - diluted	288,903	281,524	278,719	232,754	218,901	270,497	218,440

- (1) The company adopted ASC 842 in the first quarter of 2019.
- (2) 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.
- (3) 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.
- (4) For all periods presented, we have excluded the effect of dilutive series C, series G, series H, series I, 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 C, series G, series H, series I, series J, series K and series L preferred stock, as applicable, which we consider highly improbable. See above for calculations of diluted FFO available to common stockholders and unitholders and for calculations of weighted average common stock and units outstanding.

Consolidated Balance Sheets

Unaudited and in Thousands, Except Share and Per Share Data

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19
Assets					
Investments in real estate:					
Real estate	\$23,142,988	\$22,125,486	\$20,843,273	\$20,477,290	\$16,886,592
Construction in progress	2,768,326	2,328,654	2,514,324	2,204,869	1,732,555
Land held for future development	226,862	198,536	175,209	137,447	147,597
Investments in real estate	\$26,138,175	\$24,652,676	\$23,532,806	\$22,819,606	\$18,766,744
Accumulated depreciation and amortization	(5,555,221)	(5,250,140)	(4,945,534)	(4,694,713)	(4,536,169)
Net Investments in Properties	\$20,582,954	\$19,402,536	\$18,587,272	\$18,124,893	\$14,230,575
Investment in unconsolidated joint ventures	1,148,158	1,059,978	1,033,235	1,064,009	1,287,109
Net Investments in Real Estate	\$21,731,112	\$20,462,514	\$19,620,507	\$19,188,902	\$15,517,684
Cash and cash equivalents	\$108,501	\$971,305	\$505,174	\$246,480	\$89,817
Accounts and other receivables (1)	603,111	585,506	542,750	527,699	305,501
Deferred rent	528,180	510,627	496,684	484,179	478,744
Customer relationship value,					

deferred leasing costs & other intangibles, net	3,122,904	3,106,414	3,128,140	3,500,588	2,195,324
Acquired above-market leases, net	43,294	50,080	57,535	66,033	74,815
Goodwill	8,330,996	8,012,256	7,791,522	7,466,046	3,363,070
Assets associated with real estate held for sale	—	—	10,981	—	229,934
Operating lease right-of-use assets (2)	1,386,959	1,363,285	1,375,427	1,364,621	628,681
Other assets	221,234	373,346	333,916	268,752	184,561
	\$36,076,291	\$35,435,333	\$33,862,636	\$33,113,300	\$23,068,131

Total Assets

Liabilities and Equity

Global unsecured revolving credit facilities	\$531,905	\$124,082	\$64,492	\$603,101	\$234,105
Unsecured term loans	536,580	512,642	799,550	771,425	810,219
Unsecured senior notes, net of discount	11,997,010	11,999,170	11,268,753	10,637,006	8,973,190
Secured debt, net of premiums	239,222	238,866	238,826	239,800	104,934
Operating lease liabilities (2)	1,468,712	1,444,060	1,451,152	1,431,292	693,539
Accounts payable and other accrued liabilities	1,987,580	2,187,025	1,828,288	1,732,318	1,007,761
Accrued dividends and distributions	324,386	571	—	—	234,620
Acquired below-market leases	130,890	135,263	139,851	145,208	148,774
Security deposits and prepaid rent	371,659	353,902	348,253	336,583	208,724
Liabilities associated with assets held for sale	—	—	238	—	2,700
	\$17,587,944	\$16,995,581	\$16,139,403	\$15,896,733	\$12,418,566

Total Liabilities

Redeemable non-controlling interests - operating partnership	42,011	41,265	40,584	40,027	41,465
--	--------	--------	--------	--------	--------

Equity

Preferred Stock: \$0.01 par value per share, 110,000,000 shares authorized:

Series C Cumulative Redeemable Perpetual Preferred Stock (3)	\$219,250	\$219,250	\$219,250	\$219,250	\$219,250
Series G Cumulative Redeemable Preferred Stock (4)	—	—	241,468	241,468	241,468
Series I Cumulative Redeemable Preferred Stock (5)	—	—	242,012	242,012	242,012
Series J Cumulative Redeemable Preferred Stock (6)	193,540	193,540	193,540	193,540	193,540
Series K Cumulative Redeemable Preferred Stock (7)	203,264	203,264	203,264	203,264	203,264

Series L Cumulative Redeemable Preferred Stock (8)	334,886	334,886	334,886	334,886	334,886
Common Stock: \$0.01 par value per share, 392,000,000 shares authorized (9)	2,788	2,784	2,670	2,622	2,073
Additional paid-in capital	20,626,897	20,566,645	19,292,311	18,606,766	11,577,320
Dividends in excess of earnings	(3,997,938)	(3,726,901)	(3,386,525)	(3,139,350)	(3,046,579)
Accumulated other comprehensive income (loss), net	135,010	(123,623)	(358,349)	(444,222)	(87,922)
Total Stockholders' Equity	\$17,717,697	\$17,669,845	\$16,984,527	\$16,460,236	\$9,879,312
Noncontrolling Interests					
Noncontrolling interest in operating partnership	\$608,980	\$620,676	\$633,831	\$656,266	\$708,163
Noncontrolling interest in consolidated joint ventures	119,659	107,966	64,291	60,038	20,625
Total Noncontrolling Interests	\$728,639	\$728,642	\$698,122	\$716,304	\$728,788
Total Equity	\$18,446,336	\$18,398,487	\$17,682,649	\$17,176,540	\$10,608,100
Total Liabilities and Equity	\$36,076,291	\$35,435,333	\$33,862,636	\$33,113,300	\$23,068,131

- (1) Net of allowance for doubtful accounts of \$18,825 and \$13,753 as of December 31, 2020 and December 31, 2019, respectively.
- (2) Adoption of the new lease accounting standard required that we adjust the consolidated balance sheet to include the recognition of additional right-of-use assets and lease liabilities for operating leases. See our quarterly report on Form 10-Q filed on May 10, 2019 for additional information.
- (3) Series C Cumulative Redeemable Perpetual Preferred Stock, 6.625%, \$201,250 and \$201,250 liquidation preference, respectively (\$25.00 per share), 8,050,000 and 8,050,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.
- (4) Series G Cumulative Redeemable Preferred Stock, 5.875%, \$0 (redeemed October 15, 2020, reclassified to accounts payable as of September 30, 2020 for accounting purposes) and \$250,000 liquidation preference, respectively (\$25.00 per share), 0 and 10,000,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.
- (5) Series I Cumulative Redeemable Preferred Stock, 6.350%, \$0 and \$250,000 liquidation preference, respectively (\$25.00 per share), 0 and 10,000,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.
- (6) Series J Cumulative Redeemable Preferred Stock, 5.250%, \$200,000 and \$200,000 liquidation preference, respectively (\$25.00 per share), 8,000,000 and 8,000,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.
- (7) Series K Cumulative Redeemable Preferred Stock, 5.850%, \$210,000 and \$210,000 liquidation preference, respectively (\$25.00 per share), 8,400,000 and 8,400,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.
- (8) Series L Cumulative Redeemable Preferred Stock, 5.200%, \$345,000 and \$345,000 liquidation preference, respectively (\$25.00 per share), 13,800,000 and 13,800,000 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.
- (9) Common Stock: 280,289,726 and 208,900,758 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively.

Reconciliation of Earnings Before Interest, Taxes, Depreciation & Amortization and Financial Ratios

Unaudited and Dollars in Thousands

Reconciliation of Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) (1)	Three Months Ended				
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19
Net Income / (Loss) Available to Common Stockholders	\$44,178	(\$37,368)	\$53,676	\$202,859	\$315,577
Interest	77,848	89,499	79,874	85,800	80,880
Loss from early extinguishment of debt	49,576	53,007	—	632	—
Income tax expense (benefit)	3,322	16,053	11,490	7,182	(1,731)
Depreciation & amortization	359,915	365,842	349,165	291,457	275,008
	\$534,839	\$487,033	\$494,205	\$587,930	\$669,734
EBITDA					
Unconsolidated JV real estate related depreciation & amortization	21,471	19,213	17,123	19,923	21,631
Unconsolidated JV interest expense and tax expense	12,143	9,002	9,203	9,944	13,553
Severance, equity acceleration, and legal expenses	606	920	3,642	1,272	1,130
Transaction and integration expenses	19,290	14,953	15,618	56,801	17,106
(Gain) on sale / deconsolidation	(1,684)	(10,410)	—	(304,801)	(267,651)
Impairment of investments in real estate	—	6,482	—	—	—
Other non-core adjustments, net	(23,842)	4,945	(3,404)	85,185	(13,886)
Non-controlling interests	1,818	(1,316)	1,147	4,684	13,042
Preferred stock dividends, including undeclared dividends	13,514	20,712	21,155	21,155	20,707
Issuance costs associated with redeemed preferred stock	—	16,520	—	—	—
	\$578,156	\$568,054	\$558,690	\$482,093	\$475,366
Adjusted EBITDA					

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

Financial Ratios	Three Months Ended				
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19
Total GAAP interest expense	\$77,848	\$89,499	\$79,874	\$85,800	\$80,880
Capitalized interest	11,836	12,379	13,133	10,480	9,877
Change in accrued interest and other non-cash amounts	(37,182)	19,718	(38,478)	24,321	(30,564)
	\$52,502	\$121,596	\$54,529	\$120,601	\$60,193
Cash Interest Expense (2)					
Scheduled debt principal payments	—	—	57	125	210
Preferred dividends	13,514	20,712	21,155	21,155	20,707
	\$103,198	\$122,590	\$114,219	\$117,560	\$111,674
Total Fixed Charges (3)					
Coverage					
Interest coverage ratio (4)	5.8x	5.2x	5.6x	4.6x	4.7x
Cash interest coverage ratio (5)	9.3x	4.4x	9.1x	3.7x	6.7x
Fixed charge coverage ratio (6)	5.1x	4.4x	4.6x	3.8x	3.9x
Cash fixed charge coverage ratio (7)	7.7x	3.8x	6.8x	3.2x	5.2x
Leverage					
Debt to total enterprise value (8) (9)	24.4%	22.8%	23.3%	23.8%	26.9%
Debt plus preferred stock to total enterprise value (10)	26.2%	25.0%	26.0%	26.6%	30.8%
Pre-tax income to interest expense (11)	1.8x	1.0x	2.0x	3.7x	5.3x
Net Debt to Adjusted EBITDA (12)	6.1x	5.6x	5.7x	6.6x	5.7x

(2) 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.

(3) Fixed charges consist of GAAP interest expense, capitalized interest, scheduled debt principal payments and preferred dividends.

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

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

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

- (7) Adjusted EBITDA divided by the sum of cash interest expense, scheduled debt principal payments and preferred dividends (including our pro rata share of unconsolidated joint venture fixed charges).
- (8) Mortgage debt and other loans divided by market value of common equity plus debt plus preferred stock.
- (9) Total enterprise value defined as market value of common equity plus debt plus preferred stock.
- (10) Same as (8), except numerator includes preferred stock.
- (11) Calculated as net income plus interest expense divided by GAAP interest expense.
- (12) Calculated as total debt at balance sheet carrying value, plus capital lease obligations, plus Digital Realty's share of joint venture debt, less cash and cash equivalents divided by the product of Adjusted EBITDA (inclusive of our share of joint venture EBITDA), multiplied by four.

Management Statements on Non-GAAP Measures

Unaudited

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, or Nareit, in the Nareit Funds From Operations White Paper - 2018 Restatement. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from real estate transactions, impairment of investment in real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs), unconsolidated JV real estate related depreciation & amortization, non-controlling interests in operating partnership and after adjustments for unconsolidated partnerships and joint ventures. 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) termination fees and other non-core revenues, (ii) transaction and integration

expenses, (iii) loss from early extinguishment of debt, (iv) issuance costs associated with redeemed preferred stock, (v) severance, equity acceleration, and legal expenses, (vi) gain/loss on FX revaluation, (vii) gain on contribution to unconsolidated joint venture, net of related tax, and (viii) 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 from early extinguishment of debt, 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, unconsolidated joint venture real estate related depreciation & amortization, unconsolidated joint venture interest expense and tax, severance, equity acceleration, and legal expenses, transaction and integration expenses, gain on sale / deconsolidation, other non-core adjustments, net, non-controlling interests, preferred stock dividends, including undeclared dividends, and issuance costs associated with redeemed preferred stock. Adjusted EBITDA is EBITDA excluding unconsolidated joint venture real estate related depreciation & amortization, unconsolidated joint venture interest expense and tax, severance, equity acceleration, and legal expenses, transaction and integration expenses, gain on sale / deconsolidation, impairment of investments in real estate, other non-core adjustments, net, non-controlling interests, preferred stock dividends, including undeclared dividends, and 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.

Net Operating Income (NOI) and Cash NOI :

Net operating income, or NOI, represents rental revenue, tenant reimbursement revenue and interconnection revenue less utilities expense, rental property operating expenses, property taxes and insurance expenses (as reflected in the statement of operations). NOI is commonly used by stockholders, company management and industry analysts as a measurement of operating performance of the company's rental portfolio. Cash NOI is NOI less straight-line rents and above- and below-market rent amortization. Cash NOI is commonly used by stockholders, company management and industry analysts as a measure of property operating performance on a cash basis. However, because NOI and cash NOI exclude depreciation and amortization and capture 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 results from operations, the utility of NOI and cash NOI as measures of our performance is limited. Other REITs may calculate NOI and cash NOI differently than we do and, accordingly, our NOI and cash NOI may not be comparable to other REITs' NOI and cash NOI. NOI and cash NOI should be considered only as supplements to net income computed in accordance with GAAP as measures of our performance.

Additional Definitions

Net debt-to-Adjusted EBITDA ratio is calculated using total debt at balance sheet carrying value, plus capital lease obligations, plus our share of JV debt, less unrestricted cash and cash equivalents divided by the product of Adjusted EBITDA (inclusive of our share of JV EBITDA) multiplied by four.

Debt-plus-preferred-to-total enterprise value is mortgage debt and other loans plus preferred stock divided by mortgage debt and other loans plus the liquidation value of preferred stock and the market value of outstanding Digital Realty Trust, Inc. common stock and Digital Realty Trust, L.P. units, assuming the redemption of Digital Realty Trust, L.P. units for shares of Digital Realty Trust, Inc. common stock.

Fixed charge coverage ratio is Adjusted EBITDA divided by the sum of GAAP interest expense, capitalized interest, scheduled debt principal payments and preferred dividends. For the quarter ended December 31, 2020, GAAP interest expense was \$78 million, capitalized interest was \$12 million and scheduled debt principal payments and preferred dividends was \$14 million.

Reconciliation of Net Operating Income (NOI) (in thousands)	Three Months Ended			Year Ended	
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19
Operating income	\$160,264	\$144,405	\$138,933	\$557,530	\$594,215
Fee income	(4,722)	(3,687)	(4,814)	(15,214)	(11,654)
Other income	(20)	(50)	(181)	(1,850)	(1,231)
Depreciation and amortization	359,915	365,842	275,008	1,366,379	1,163,774

General and administrative	101,582	90,431	53,540	344,928	207,696
Severance, equity acceleration, and legal expenses	606	920	1,130	6,440	3,401
Transaction expenses	19,290	14,953	17,106	106,662	27,925
Impairment in investments in real estate	—	6,482	—	6,482	5,351
Other expenses	641	297	1,989	1,074	14,118
	<u>\$637,556</u>	<u>\$619,593</u>	<u>\$482,711</u>	<u>\$2,372,431</u>	<u>\$2,003,595</u>
Net Operating Income					
Cash Net Operating Income (Cash NOI)					
	\$637,556	\$619,593	\$482,711	\$2,372,431	\$2,003,595
Net Operating Income					
Straight-line rental revenue	(15,451)	(9,215)	(6,385)	(48,769)	(48,595)
Straight-line rental expense	3,758	3,674	(306)	16,223	1,075
Above- and below-market rent amortization	3,239	2,360	4,109	12,686	17,097
	<u>\$629,102</u>	<u>\$616,412</u>	<u>\$480,129</u>	<u>\$2,352,571</u>	<u>\$1,973,172</u>
Cash Net Operating Income					

Forward-Looking Statements

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 expected investment and expansion activity, COVID-19, 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, 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 and net income, 2021 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, 2021 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;
- increased competition or available supply of data center space;
- decreased rental rates, increased operating costs or increased vacancy rates;
- 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;
- 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;
- our ability to attract and retain customers;
- 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;
- our inability to retain data center space that we lease or sublease from third parties;
- information security and data privacy breaches;
- difficulty 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 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;
- impact on our operations and on the operations of our customers, suppliers and business partners during a pandemic, such as COVID-19;
- environmental liabilities, risks related to natural disasters and our inability to achieve our sustainability goals;
- 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, 2019, our quarterly reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020 and September 30, 2020 and other filings with the Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very 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, Turn-Key Flex and Powered Base Building are registered trademarks and service marks of Digital Realty Trust, Inc. in the United States and/or other countries.

View original content: <http://www.prnewswire.com/news-releases/digital-realty-reports-fourth-quarter-2020-results-301227271.html>

SOURCE Digital Realty