Equinix Inc (EQIX)

Updated August 3rd, 2025 by Quinn Mohammed

Key Metrics

Current Price:	$772	**5 Year CAGR Estimate:**	14.2%	**Market Cap:**	$76 B
Fair Value Price:	$895	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	08/20/2025
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.0%	**Dividend Payment Date:**	09/17/2025
Dividend Yield:	2.4%	**5 Year Price Target:**	$1,377	**Years of Dividend Growth:**	9
Dividend Risk Score:	B	**Sector:**	Real Estate	**Rating:**	Buy

Overview & Current Events

Equinix (composed from the words "equality", "neutrality" and "internet exchange") is a real estate investment trust (REIT) which specializes in data centers. The trust operates 272 data centers across 36 countries on 6 continents serving over 10,000 customers. More than half of the data centers are outright owned by Equinix, and these generate 69% of recurring revenues. EQIX reports revenue in several segments, including colocation, interconnection, managed infrastructure, and other. The Interconnection Solutions segment allow customers to connect directly, securely, and dynamically within and between other EQIX data centers around the globe. There are currently 490,000+ total interconnections. Customers of EQIX are telecommunications carriers, mobile and network service providers, cloud and IT service providers, digital media and content providers, and financial services companies. Equinix boasts of 99.99% operational uptime across its global data centers.

Equinix was incorporated on June 22nd, 1998 and made the conversion to a REIT beginning in 2015. The corporation is headquartered in Redwood City, California. It trades under the ticker symbol EQIX on the NASDAQ and its market capitalization is $76 billion. In 2024, 94% of total revenue was recurring.

On February 13th, 2025, Equinix declared a 10% increase to the dividend to $4.69 quarterly per share.

Equinix announced on July 22nd, 2024, that it will expand into the Philippines by acquiring three data centers from Total Information Management for 180 million cash. The company aims to expand its business and capitalize on the rapidly growing Southeast Asia market.

On October 1st, 2024, Equinix announced it signed a new JV with GIC and CPP Investments to raise more than $15 billion to grow the Equinix xScale data center portfolio. GIC and CPP Investments will own 37.5% of the JV, and Equinix will own 25%.

Equinix reported second quarter 2025 results on July 30th, 2025. For the quarter, the company announced a 4% increase in revenue compared to Q2 2024 to $2.256 billion. It has thus achieved 90 consecutive quarters of revenue growth. And its AFFO per share increased 7% compared to the previous year quarter to $9.91.

Equinix continues to expand on its platform and has 59 major projects in development across 34 markets.

Management raised its 2025 annual guidance and now expects full-year revenues of $9,233 million to $9,333 million, AFFO of $3,703 million to $3,783 million, and AFFO per share to increase by approximately 9% at the midpoint.

We have thus upgraded our 2025 AFFO per share estimate to $38.08, the midpoint of guidance.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
AFFO	$13.86	$15.06	$18.53	$20.69	$22.81	$24.76	$27.11	$29.55	$32.11	$35.02	***$38.08***	***$58.59***
DPS	$17.71	$7.00	$8.00	$9.12	$9.84	$10.64	$11.48	$12.40	$14.49	$17.04	***$18.76***	***$28.86***
Shares[1]	62.1	70.8	77.6	80.2	84.7	88.4	90.4	91.8	94.0	95.8	***98.0***	***115.0***

Equinix has grown its revenues for the past 22 years in a row, and the company's bottom line has been steadily increasing for more than a decade. Over the past nine and five years, Equinix has been able to grow its AFFO per share at

[1] In millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

an average annual rate of 11% and 9%, respectively. Special dividends were paid in 2014 and 2015 due to the corporation converting to a REIT. The trust has achieved nine years of consecutive dividend growth.

We expect that Equinix will be able to grow its AFFO per share and dividend concurrently from here on out, at an average rate of 9%. We also expect the share count to increase as it raises capital to fund some growth projects, but for the time being, FFO should cover capex costs due to the low payout ratio. Equinix will achieve growth by expanding its global platform, adding new data centers to its portfolio, and increasing interconnections and other data services.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/AFFO	18.9	22.8	23.1	20.0	21.8	28.1	28.3	22.7	23.2	23.8	***20.3***	***23.5***
Avg. Yld.	6.8%	2.0%	1.8%	2.1%	1.9%	1.5%	1.5%	1.7%	1.8%	1.9%	***2.4%***	***2.1%***

The current P/AFFO of 20.3 based on 2025's forecasted AFFO is below the ten-year average of 23.3. We peg fair value at 23.5 times AFFO, which would result in a moderate valuation tailwind from here. We believe EQIX earns its premium valuation given its successful technology focus, and the massive demand for AI.

Safety, Quality, Competitive Advantage, & Recession Resiliency

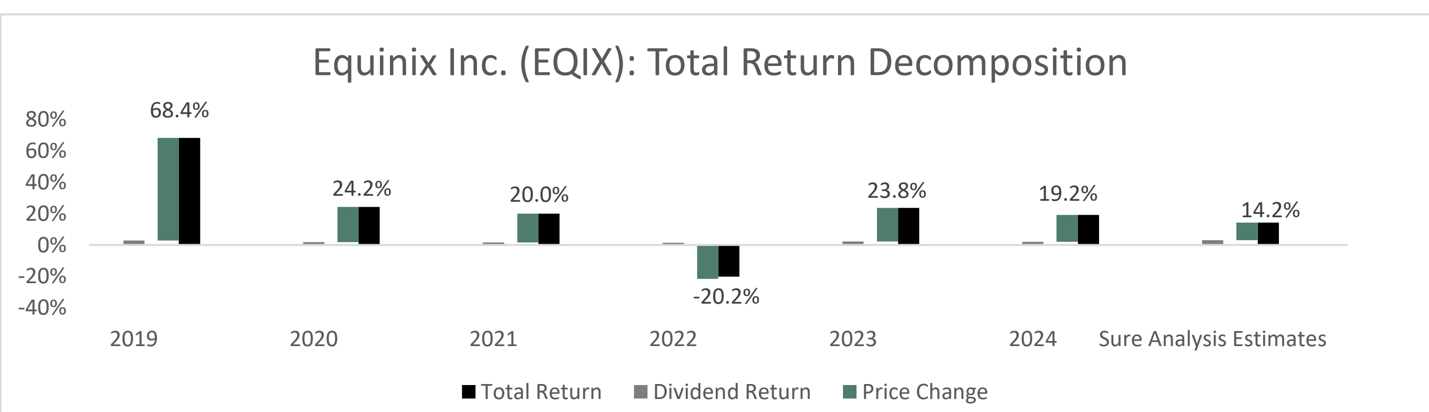
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	128%	46%	43%	44%	43%	43%	42%	42%	45%	49%	***49%***	***49%***

The forecasted payout ratio of 49% for 2025 is well covered, and leaves plenty of room for growth. The trust's competitive advantage among the world of data center REITs is its global platform spanning 35 countries and which contains the industry's largest and most active ecosystem of partners in its centers, creating a network effect that improves performance and lowers cost for customers. The trust has an S&P credit Rating of BBB, and a consolidated net debt-to-adjusted-EBITDA of 3.5X, within the 3 – 4X range set by management. EQIX was negatively affected by the Great Recession as net income dipped nearly in half, but the corporation paid no dividend at the time. It took until 2012 to surpass the net income levels seen in 2008. The COVID pandemic had the opposite effect of the Great Financial Crisis on EQIX as technology and data use increased significantly with stay-at-home orders and remote work and school, effectively boosting adjusted funds from operations.

Final Thoughts & Recommendation

Equinix is the largest data center REIT and is well diversified geographically and by revenue segment. EQIX became a REIT ten years ago and since then has grown its dividend for nine consecutive years, which we see continuing. The share price of EQIX has decreased by 18% in the trailing one year. We believe the stock now trades below fair value, and forecast annualized total returns of 14.2%. Most of this return will come from growth as the yield is low for a REIT at 2.4%. We rate EQIX as a buy for investors interested in growth.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Equinix Inc (EQIX)

Updated August 3rd, 2025 by Quinn Mohammed

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,726	3,612	4,368	5,072	5,562	5,999	6,636	7,263	8,188	8,748
Gross Profit	1,434	1,791	2,175	2,466	2,752	2,924	3,163	3,512	3,960	4,281
Gross Margin	52.6%	49.6%	49.8%	48.6%	49.5%	48.7%	47.7%	48.3%	48.4%	48.9%
SG&A Exp.	825	1,133	1,328	1,460	1,586	1,809	2,043	2,285	2,510	2,657
D&A Exp.	526	837	1,042	1,227	1,285	1,423	1,656	1,736	1,845	2,009
Operating Profit	609	658	848	1,006	1,166	1,115	1,120	1,226	1,451	1,624
Op. Margin	22.3%	18.2%	19.4%	19.8%	21.0%	18.6%	16.9%	16.9%	17.7%	18.6%
Net Profit	188	127	233	365	507	370	500	704	969	815
Net Margin	6.9%	3.5%	5.3%	7.2%	9.1%	6.2%	7.5%	9.7%	11.8%	9.3%
Free Cash Flow	27	-94	61	-281	-87	27	-204	685	436	183
Income Tax	23	45	54	68	185	146	109	125	155	161

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	10357	12,608	18,691	20,245	23,966	27,007	27,919	30,311	32,650	35,080
Cash & Equivalents	2,229	748	1,413	606	1,870	1,605	1,536	1,906	2,096	3,081
Account Receivable	292	396	576	630	689	677	682	855	1,004	949
Total Liabilities	7,611	8,243	11,842	13,025	15,125	16,373	17,037	18,805	20,140	21,530
Accounts Payable	50	60	102	97	52	78	84	116	162	133
Long-Term Debt	5,194	5,248	8,381	9,814	10,320	10,538	11,604	12,762	13,730	15,210
Total Equity	2,745	4,366	6,850	7,219	8,841	10,634	10,882	11,506	12,490	13,530
LTD/E Ratio	1.89	1.20	1.22	1.36	1.17	0.99	1.07	1.11	1.10	1.12

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.1%	1.1%	1.5%	1.9%	2.3%	1.5%	1.8%	2.4%	3.1%	2.4%
Return on Equity	7.5%	3.6%	4.2%	5.2%	6.3%	3.8%	4.6%	6.3%	8.1%	6.2%
ROIC	2.7%	1.4%	1.9%	2.3%	2.8%	1.8%	2.3%	3.0%	3.8%	3.0%
Shares Out.	62.1	70.8	77.6	80.2	84.7	88.4	90.4	91.8	94.0	95.83
Revenue/Share	46.61	51.01	56.34	63.24	65.69	67.85	73.39	79.09	87.10	91.29
FCF/Share	0.46	-1.33	0.78	-3.50	-1.03	0.31	-2.26	7.46	4.63	1.91

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.