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Azrieli Group expands its data center business in Europe

The group is acquiring an active data center and an adjacent plot of land for significant future development of some 40 MW in London with existing contracts for some 7.4 MW, for an investment of £52 million (NIS 220 million)

Azrieli Group today (Sunday) reports the expansion of its data center business, in a transaction for the sum of approx. £52 million (NIS 220 million). Within the framework of the transaction, Azrieli Group has signed an agreement to acquire a company holding and operating a data center in London, which has lease agreements with customers for an average term of about 5 years, and a total capacity of 7.4 MW. Concurrently, Azrieli is buying an adjacent plot of land. Both plots present future development and construction potential with available green electricity of about 40 MW. The transaction is subject to industry-standard closing conditions.

With the acquisition of Norwegian company Green Mountain, which is fully held by Azrieli Group, the group set a target of expanding its presence in the European data center market, and leveraging Green Mountain's experienced management, professional know-how and business ties to establish a foothold and expand in this market, which is seeing high growth and rates of return. This transaction is the next step in implementing this goal, by entering the London market which is the world's second-largest Data Center market, and represents a significant foothold in this significant market.

Green Mountain, which is fully held by Azrieli Group, will engage in an agreement with the acquired company for site marketing and operating services, with the intention of supporting rapid time-to-market goals, and concurrently upgrading the site to meet Green Mountain's stringent sustainability standards. The site is already 100% supported by renewable energy, and has the potential for implementation of Green Mountain's vision of "Setting the Green Standard". The acquired company, site and services will be fully rebranded under Green Mountain and will become an integral part of its unique portfolio.

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Danna Azrieli, Chairwoman of Azrieli Group, said: "Data centers is one of the Group's significant and strategic growth engines, and we are certain that the realization of this singular opportunity will set a new standard in London for the supply of connectivity and data storage services with environmental considerations in mind. Our vision is to continue developing gradually into several more international markets, and London is the ideal location from which to continue developing our data center platform".

Eyal Henkin, CEO of Azrieli Group, said: "We continue with the development in the data center segment, and are delighted to report today a first transaction in London, among the world's central and most thriving data center markets. This business segment is growing rapidly and is expected to make an increasing contribution to revenues with the completion of the many projects under development. After the acquisition of Green Mountain, which was a central milestone in the realization of our strategy to build up a significant international activity in this market, this deal is expected to be another factor in Azrieli's becoming a global player in this growing industry".

The total value of the data center business at Azrieli Group is over NIS 5.6 billion (including this acquisition), accounting for ~12% of the group's business. In Q1/2022 Azrieli's share in the NOI from this business reached some NIS 120 million annually, which contribution will grow with the completion of the many projects under development at Compass (24%), which operates mainly in North America, and Green Mountain (100%), which operates in the European market, along with the development of another foothold in a central metropolitan area with the current acquisition and additional future developments.

For further details:

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