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From Boxes to Bytes: How the Shift to Data Centers Shapes Iron Mountain's Stock Valuation

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Abstract

Iron Mountain, a global leader in Records and Information Management (RIM), has successfully transitioned from its origins in physical storage to a diversified real estate investment trust (REIT) with significant investments in data centers. This report evaluates the company's strategic shift, financial performance, and market positioning.

The recommendation to HOLD reflects balanced growth prospects and a cautious near-term outlook. The company remains dominant in the RIM sector with high retention rates and steady EBITDA growth, while its data center expansion offers long-term potential. However, current valuations exceed intrinsic value, with a projected downside of 8.72% based on a revised price target of €109.28.

Iron Mountain's financial stability is bolstered by reduced discretionary spending and strategic deleveraging. Challenges include competitive pressures in the data center market and macroeconomic headwinds. While future growth in high-margin digital services is promising, this report underscores the need for prudent investment in evolving business areas to sustain profitability and shareholder value.

Keywords:

Data Centers

Stock Valuation

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This report is part of the joined report (annexed), developed by Martim Câmara and Luka Bukelic and should be read as an integral part of it.

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Introduction

The purpose of this joint report is to provide a comprehensive and structured analysis of Iron Mountain, a company operating in the Real Estate sector, with a specific focus on its business model, strategy, industry positioning, and financial performance. The report aims to deliver an in-depth equity research assessment of Iron Mountain to determine its current valuation and provide a recommendation for potential investors. This project was carried out as part of an academic exercise within the Master in Finance program at Nova School of Business and Economics, ensuring both rigorous research methodology and analytical depth.

The conclusions of the report reflect a HOLD recommendation for Iron Mountain, indicating a balanced outlook where the company demonstrates stable long-term potential but is currently overvalued relative to its intrinsic value. The intrinsic price target derived from a detailed Discounted Cash Flow (DCF) analysis stands at €109.28, compared to the market price of €120.24 as of December 17, 2024, signalling a downside of -8.72%. While the company maintains its strong leadership in the Records and Information Management (RIM) sector and successfully expands into the high-growth data center market, short-term challenges related to discretionary investments, debt levels, and valuation constraints contribute to the cautious recommendation.

The structure of this joint report is divided into two parts: one authored by me and the other by my pair (Luka Bukelic). This individual report covers the first 14 pages, encompassing the foundational elements and qualitative analysis of Iron Mountain's operations, strategy, and market environment. Specifically, it includes the following sections:

- **Company Overview:** A description of Iron Mountain's core activities, global presence, and leadership in secure information storage and management.
- **History:** A historical narrative of the company's evolution, from its founding in 1951 to its current role as a diversified Real Estate Investment Trust (REIT).
- **Business Model:** An explanation of Iron Mountain's three main business segments: Records and Information Management (RIM), Data Centers, and Corporate/Other services.
- **Strategy:** A detailed examination of Iron Mountain's three strategic pillars—growth in developed markets, expansion into emerging regions, and diversification into adjacent businesses like data centers.
- **Assets:** A breakdown of Iron Mountain's physical and digital infrastructure, highlighting its operational footprint and utilization rates.

- Mergers and Acquisitions (M&A): A discussion of Iron Mountain's key acquisitions, which underscore its focus on data centers, IT asset management, and diversification strategies.
- Ownership and Management: Insights into the company's institutional ownership structure and the leadership team driving its strategic decisions.
- Industry Analysis: An evaluation of the broader RIM and Data Center markets, analyzing growth trends, competitive dynamics, and external drivers.
- Macroeconomics: An exploration of the economic factors influencing Iron Mountain, including interest rates, inflation, and business cycles.
- Competitors: A comparison between Iron Mountain and its major competitors in the RIM, data center, and real estate sectors, showcasing the company's unique positioning.
- ESG: An analysis of Iron Mountain's Environmental, Social, and Governance (ESG) initiatives, highlighting its sustainability efforts and areas for improvement.

My pair's portion of the report begins with Financial Analysis and continues through the quantitative and valuation-focused sections. Specifically, it includes:

- Financial Analysis: A thorough review of Iron Mountain's historical performance, including revenues, margins, profitability, liquidity, and debt profile.
- Financial Forecasts: Projections of Iron Mountain's revenues, margins, and financial metrics through FY 2029F, highlighting growth opportunities and key drivers.
- Valuation: The application of the DCF methodology to derive Iron Mountain's intrinsic value, along with sensitivity analysis, relative valuation, and Monte Carlo simulations to test assumptions.
- Conclusion and Recommendation: A summary of the key findings, valuation results, and the final HOLD recommendation, with insights into future opportunities and risks.

In summary, this joint report provides a complete and cohesive equity research analysis of Iron Mountain. My section establishes the foundation by analyzing the company's business model, strategy, industry dynamics, and competitive environment, while my pair focuses on the financial analysis and valuation aspects. Together, the report ensures a comprehensive understanding of Iron Mountain's current performance, growth potential, and market positioning, supporting a well-rounded investment recommendation.

Company Overview:

Iron Mountain serves over 225,000 customers across 60 countries.

Iron Mountain is trusted by more than 94% of Fortune 1000 companies to store and manage critical information securely.

Founded in 1951 as an underground facility near Hudson, New York, Iron Mountain has become the world's largest business records management company. Headquartered in Boston, the company operates 1,358 worldwide facilities with over 98mm square feet of real estate. The company's Global Records and Information Management business ("Global RIM" 85% of 2023 revenues) provides storage rentals for business documents across all major mediums, including records (e.g., paper storage and services), which have average box lives of ~14 years, data (e.g., computer tapes) and unique mediums (e.g., original movie/audio recordings, original source code for software). Iron Mountain stores 732mm cubic feet of physical records. Global RIM also provides services that include transiting and destroying records, storing/rotating backup digital data, converting physical documents to digital formats, and more. Iron Mountain also owns an expanding data center business that accounted for 9% of revenues in 2023 with a total portfolio of 261 leasable megawatts. Iron Mountains Corporate and Other segment (6% of 2023 revenues) consist of a fine arts storage business, and an Asset Lifecycle Management (ALM) which de-commissions IT assets, erasing client data so the hardware can be re-marketed.

History:

Iron Mountain was founded in 1951 by Herman Knaust, a successful mushroom farmer who purchased an iron ore mine in Kingston, New York, in 1936. As the mushroom market declined, Knaust pivoted, identifying a new business opportunity in the Cold War-era demand for secure storage of corporate information, particularly protecting it from potential nuclear attacks or other bomb-related threats. By the late 1970s, Iron Mountain was expanding beyond underground storage, opening its first above-ground records storage facility. The company was made public in 1996 and in 2014 it was converted to a real estate investment trust (REIT), aligning its business model with its core strength of managing physical and digital infrastructure.

1936	Herman Knaust bought an iron ore mine and 100 acres in New York.	2001	Launched online backup and digital archives.
1951	Iron Mountain was founded for bomb-resistant storage.	2002	Stored Bill Gates' 11M-photo Corbis collection.
1961	Began storing priceless art, including a Monet painting.	2007	Launched Entertainment Services (IMES).
1975	Expanded to a limestone mine, adding 400 acres.	2013	Established the Data Centers division.
1978	Opened its first above-ground storage facility.	2015	Introduced IT asset disposal services.
1980	Opened its first New England facility for backup data.	2017	Achieved 100% renewable energy in data centers.
1983	First to use UPC barcodes for tracking records.	2020	Digitally preserved historic sites through Living Legacy.
1996	Became a public company with \$100 million revenue.	2021	Signed Amazon Climate Pledge for carbon neutrality by 2040.
1999	Expanded to 46 markets, including overseas locations.	2024	Operates in 58 countries with 225,000+ customers.

Business Model:

Iron Mountain provides a vast set of services with a very strong global presence, having 3 main business segments:

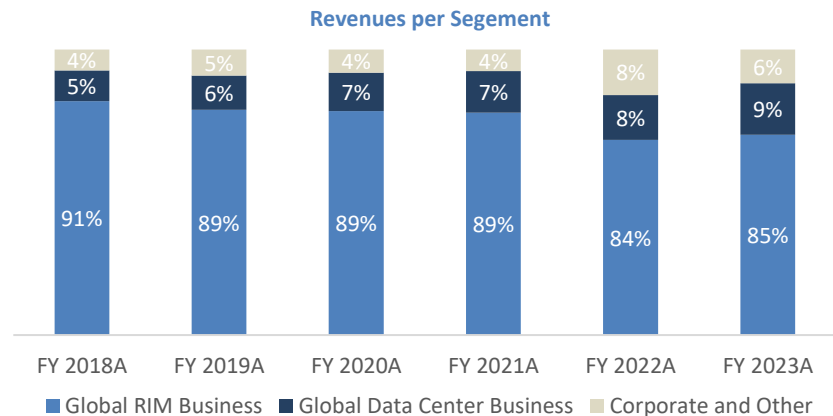
The Global Record and Information Management business of Iron Mountain includes Record Management, Data Management, Digital Solutions, Secure Shredding and Entertainment Services.

Iron Mountain business model started as a secure way to protect corporate information against, nuclear attacks or other bomb-related threats.

Some of its notable clients include institutions like the Metropolitan Museum of Art and the Smithsonian Institution.

- **Global Records and Information Management:** This is the company's largest and most established business segment. Records Management is the backbone of this segment, storing over 731.5 million cubic feet of hardcopy records globally and offering secure archival, courier operations, and document management services. These services ensure the safekeeping and accessibility of critical documents for clients. Data Management plays a vital role in disaster recovery for companies by providing storage and backup rotation services for critical computer media. The aim is to ensure that businesses can recover essential data in the event of an emergency. Global Digital Solutions drives the digital transformation of Iron Mountain's clients by converting physical documents into digital formats and offering comprehensive digital storage and information management solutions. These services enable businesses to streamline their operations, reduce physical storage costs, and comply with increasingly stringent data management regulations. Secure Shredding completes the information lifecycle by securely collecting and destroying sensitive office records. Using a combination of shredding facilities and custom-built mobile shredding units, Iron Mountain ensures that clients can safely dispose of documents in compliance with regulatory requirements. Entertainment Services is another key component of the Global RIM segment. It specializes in managing physical and digital media assets for entertainment industry clients.
- **Global Data Center:** This is the second largest segment of Iron Mountain operations, it provides enterprise-class data center facilities designed to protect mission-critical assets and ensure the continuous operation of customers' IT infrastructure. By December 2023, five of the top 10 global cloud providers were customers of Iron Mountain's data centers. With a presence in 21 global markets and 26 data centers across Asia Pacific, EMEA, and North America, this segment has seen the highest investment in recent years, positioning Iron Mountain as one of the fastest-growing data center providers in a rapidly expanding sector.

- **Corporate and Other:** It's Iron Mountain's smallest division, focusing on two primary areas: *Fine Arts* and *Asset Lifecycle Management* (ALM). The Fine Arts business provides expert services in the handling, installation, and secure storage of artwork. ALM offers comprehensive solutions for the decommissioning, data erasure, and processing of IT hardware, ensuring secure logistics, chain of custody, and environmentally responsible asset recycling. ALM also helps clients recover value from IT hardware through resale or refurbishment.



Strategy:

Iron Mountain's strategy is centered on three primary pillars: driving profitable growth in developed markets, expanding its presence in emerging markets, and exploring new business opportunities adjacent to its core operations. While management outlines these pillars as key growth drivers, a critical evaluation suggests both strengths and challenges in their execution.

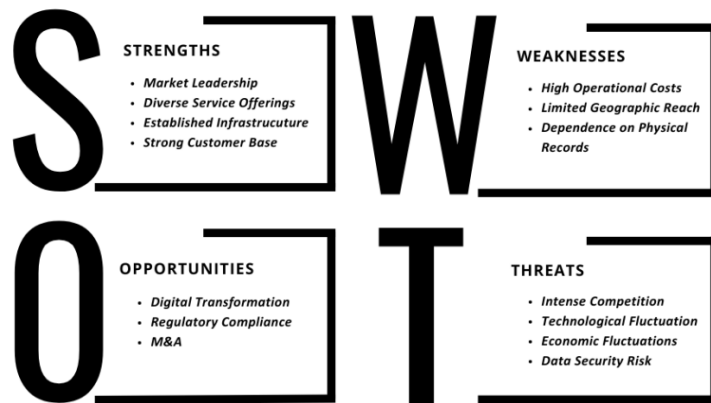
In contrast to many REITs, 76% of the company's footprint (by square footage) is leased.

- **Driving profitable growth in developed markets:** Developed markets account for about 90% of Iron Mountain's revenue, with North America alone contributing 81% of this segment. Management's focus on targeting mid-sized businesses and leveraging a solutions-based, vertical market approach is well-aligned with market dynamics, especially as legislation and compliance requirements drive demand. However, the saturated nature of these markets raises questions about the feasibility of achieving sustained high growth rates. While profitability in developed markets remains strong due to high-margin operations, future growth may increasingly depend on market share gains in competitive and mature environments.
- **Emerging Markets:** Emerging markets, including Central and Eastern Europe, Latin America, and Asia Pacific, offer high growth potential as businesses outsource records management for the first time. Iron

Mountain's focus on establishing early leadership through selective investments in real estate and infrastructure is a sound strategy given the high switching costs in this industry. However, this approach requires careful balancing of capital expenditures and local market risks. For instance, regional economic volatility, regulatory uncertainty, and cultural adoption of outsourcing could present hurdles to achieving the anticipated scale and profitability in these markets.

- **Exploring new Business Opportunities:** The company's diversification strategy aims to generate recurring revenue streams while leveraging its REIT structure. One prominent initiative is the expansion into the \$220 billion multi-tenant data center market. While this market offers immense opportunities, it also presents intense competition from established players and high capital expenditure requirements. Iron Mountain's track record in data center solutions supports its ambitions, but scaling this business to materially impact revenue requires significant investment and operational excellence. Management's targets in this area should be viewed with caution, as profitability timelines in the data center segment may extend longer than projected.

Some of Iron Mountain most notable tenants include major companies such as Microsoft, Intuit, PWC, Capgemini, Dell, and Unum.



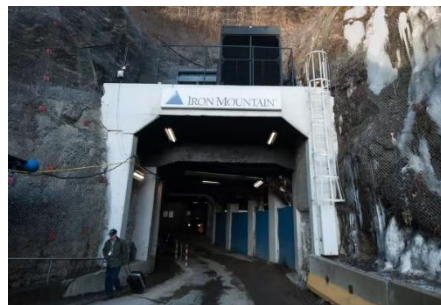
Swot Analysis conducted by the group.

Assets:

As of December 31, 2023, Iron Mountain operated across 1,145 leased facilities and 232 owned facilities, with a total footprint of approximately 98 million square feet of space. These facilities are distributed across its various segments: the Global RIM Business (1,287 facilities), the Global Data Center Business (30 facilities), and Corporate and Other (60 facilities). The company's leased facilities typically have initial

terms of five to ten years, often with renewal options. Some leases may include a purchase option or a right of first refusal if the property is sold.

Other property types include 30 media storage facilities, 60 facilities dedicated to information management, about 10 facilities globally focused on disaster recovery and over 30 facilities dedicated to secure shredding and destruction of both physical and digital data. Iron Mountain's utilisation statistics give a clearer picture of its operational efficiency, in Records Management, the company reports 77% building utilisation, for data management, the company reports lower utilisation rates, with 41% building utilisation.



IRM Underground facility.



IRM Data Center facility.

M&A activity:

Iron Mountain's recent M&A activity highlights its aggressive growth strategy, especially in the data centre and IT asset management sectors. A good example, are the last 3 main acquisitions realized by the company:



- **XData Properties (2022):** XData Properties owns one of the largest data center parks in Madrid, Spain. The total purchase price was €80 million, with an additional €10 million payable in 2024 upon the achievement of specific objectives. This acquisition supports Iron Mountain's strategy to expand its data center business and meet the growing demand for cloud services and colocation solutions across Europe.



- **ITRenew (2022):** ITRenew is a global leader in data center lifecycle management. The company specializes in IT asset disposition (ITAD), offering secure decommissioning of data centers and recycling of hardware, which is critical for sustainability and security. Furthermore, it offers a new revenue streams through the IT asset disposition business, tapping into the growing demand for secure and sustainable hardware recycling. Iron

Mountain acquired 80% of ITRenew for \$725 million, with the remaining 20% to be acquired within three years. This acquisition strengthens Iron Mountain's ability to provide end-to-end solutions for its customers, particularly hyperscale's (large-scale cloud computing providers like Amazon, Google, and Microsoft) and corporate clients.

- **Regency Technologies (2023):** The company is a leading provider of IT asset disposition (ITAD) services in the United States, similar to ITRenew but with a specific focus on the U.S. market. The acquisition cost Iron Mountain \$125 million upfront, with an additional \$75 million due in 2025 and a performance-based earn-out payment in 2027.



Other examples of diversification M&A is the acquisition of Artex Fine Arts Services, which specializes in museum-level storage and logistics, and Cirkers Williamsburg, known for its work with museum registrars and collectors.

Historical Trends in Iron Mountain M&A activity:

Over the past decade, Iron Mountain's acquisitions have consistently targeted companies that align with two core strategies: diversification beyond traditional RIM services and entry into sectors with recurring revenue potential. A significant proportion of acquired companies operate in either early- or growth-stage industries, reflecting Iron Mountain's preference for businesses with scalable opportunities. Additionally, the company often targets firms that are strategically misaligned or underutilized, enabling it to unlock synergies post-acquisition. On average, M&A activity has accounted for 10–15% of annual revenue growth in recent years, with acquisitions in data centers and IT Asset Disposition representing the majority of deal value. This trend illustrates Iron Mountain's deliberate shift toward digital and IT-focused sectors while leveraging its existing expertise in records management and storage.

Ownership and Management:

Iron Mountain's ownership structure is heavily institutional (87%), with only 0,82% held by all insiders. The largest institutional shareholder is Vanguard Group Inc., which holds approximately 15.90% of the company's shares, BlackRock Inc. with around 9.51%, Cohen & Steers Inc. with 7,89%, State Street Corporation, with about 4.55% of ownership and Geode Capital Management (2.77%).

Iron Mountain's management team is composed of industry veterans with a wealth of experience in information management, technology, and corporate operations:



William Meaney



Barry Hytinen



Mark Kidd

- CEO **William L. Meaney** has been leading the company since 2013, during which time he has overseen its transformation from a traditional physical storage business to a company with significant digital and data center capabilities. Under his leadership, the company has focused on expanding its data center portfolio and enhancing its IT asset lifecycle management services, marking a strategic shift toward growth areas like cloud and digital solutions. Before joining Iron Mountain, Mr. Meaney served as CEO of The Zuellig Group, a B2B conglomerate. Furthermore, he also worked as Managing Director and Chief Commercial Officer at Swiss International Air Lines, Ltd., where he oversaw passenger and cargo operations.
- **Barry Hytinen**, the Chief Financial Officer, joined Iron Mountain in 2020 and has been instrumental in managing the company's finances, particularly its capital structure and M&A activity, such as the acquisition of ITRenew. Prior to this, he worked as the CFO of HanesBrands.
- **Mark Kidd**, who leads the Global Data Center business as Executive Vice President and General Manager, has spearheaded the company's efforts to expand its presence in the rapidly growing data center market. Over the last ten years, Mark has held four other positions within Iron Mountain, in areas such as Strategic Planning, Portfolio Management, Capital Investments and Financial Analysis. Prior to joining Iron Mountain in 2003, Mark worked in the New York office of Thomas Weisel Partners, a boutique investment banking firm.

Industry Analysis:

Iron Mountain operates on both information management and data centers sectors, both of which are significantly shaped by macroeconomic trends such as digital transformation, data security needs, and fluctuations in corporate capital expenditure.

Certain organizations must appoint a DPO (Data Protection Officer) to oversee GDPR compliance, especially if they process large volumes of sensitive data.

- *The Global Records and Information Management (RIM)* market has been steadily expanding, in 2023, the RIM market was valued at approximately \$7.62 billion, with projections suggesting it could reach \$12.79 billion by 2030, reflecting a compound annual growth rate (CAGR) of 6.2% during that period (Information Management Report – TBRC, 2024). Key drivers include increasing regulations like the General Data Protection Regulation (GDPR) in Europe and the Health Insurance Portability and Accountability

Act (HIPAA) in the U.S., which make secure records management essential across sectors such as healthcare, finance, and government.

- In the *Data Center* sector, the global market was valued at around \$215 billion in 2023 and is expected to grow to \$288.3 billion by 2027, with a CAGR of 5.6% (Data Center Market – Grand View Research, 2022). This growth is largely driven by rising reliance on cloud computing, 5G technology, and the Internet of Things (IoT). The **explosion of global data creation**, projected to exceed 180 zettabytes by 2025, compels organizations to seek more data storage infrastructure, leading to a trend towards **colocation**, where companies leverage third-party facilities instead of building their own. The colocation segment is expected to reach \$104 billion by 2028, growing at a CAGR of 12.6% since 2023.

The Impact of COVID-19: The pandemic notably accelerated digital transformation in both RIM and Data Centers. In RIM, the shift to remote work spurred demand for cloud-based solutions and secure digital records management, hastening the transition from physical to digital systems. For Data Centers, the surge in online activity and remote operations led to increased investments in infrastructure, scalability, and energy efficiency. Consequently, both markets experienced a lasting shift towards enhanced digital solutions, fundamentally altering their future trajectories.

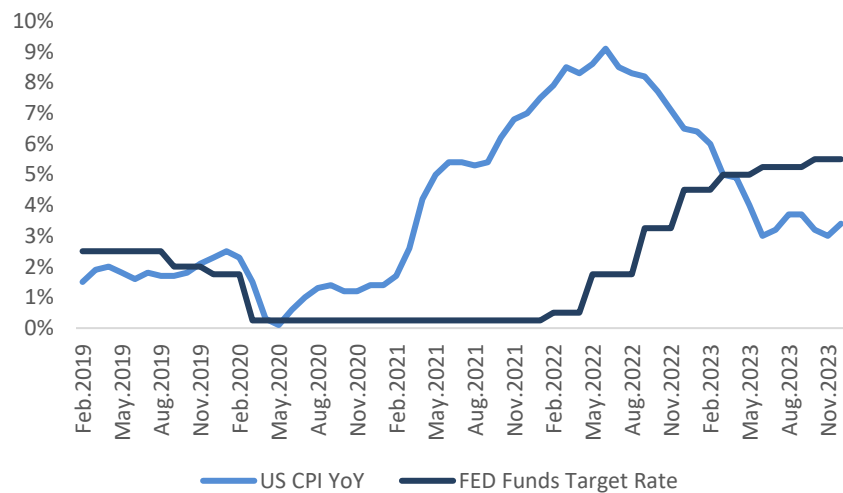
Macroeconomics:

As a real estate investment trust (REIT), Economic cycles and interest rates/Inflation are the two main macroeconomic variables that play a crucial role in shaping Iron Mountain's operations and overall market environment.

- **Economic Cycles:** During periods of expansion, businesses typically increase their capital expenditures, investing in new technologies and infrastructure, which can drive demand for Iron Mountain. Currently, the global economy is facing a mix of challenges, including inflationary pressures and supply chain disruptions, which could create uncertainty. However, many economies are showing signs of resilience, with consumer spending and business investment rebounding in some sectors. Looking ahead, economic growth is expected to remain moderate, with potential volatility due to geopolitical tensions and changes in consumer behaviour.
- **Interest Rates:** Interest rates directly impact Iron Mountain as a REIT. Lower interest rates reduce borrowing costs, making it easier for the

Iron Mountain debt is rated Ba3 by Moody's, with a Stable outlook and has an average fixed coupon rate on the debt of 5.18%.

company to finance new projects and acquisitions. Conversely, higher interest rates can lead to increased borrowing costs, which may constrain growth and pressure profit margins. As of now, central banks are starting to reduce interest rates in response to the perception that inflation has been controlled, but in a more macro level, interest rates are expected to remain elevated, when compared with the last decade. In the short-term, this policy easing could reopen avenues for growth and investment for Iron Mountain.



Source: US Bureau of Labor Statistics.

Competitors:

Iron Mountain, a leader in records and information management (RIM), faces increasing competition from a range of companies across data storage, colocation, real estate, and self-storage sectors. To understand its competitive positioning, we must assess its strengths and weaknesses relative to key competitors, considering their strategies, geographic reach, and service offerings:

- Equinix Inc:** Equinix stands as a major global competitor, with a vast network of data centers that focus on cloud services, interconnection, and scalability. Its strength lies in providing high-performance infrastructure for cloud and enterprise clients, which positions it as a leader in data center services. Iron Mountain competes by offering a more diversified portfolio, integrating both physical document storage and IT asset management, which caters to industries needing secure, compliance-driven data management. However, Equinix’s broader cloud-centric infrastructure and expansive reach in global data hubs give it a technological edge over Iron Mountain, especially in serving hyperscale clients like Amazon and Microsoft.





- **Digital Realty Trust Inc:** This real estate investment trust (REIT) also competes directly with Iron Mountain, primarily in the data center and colocation space. Digital Realty's large-scale data center investments cater to high-demand cloud providers and enterprises. While Iron Mountain shares a focus on data storage, its unique advantage lies in offering a broader suite of services, including records management, IT asset disposition (ITAD), and secure document destruction. This specialized service offering allows Iron Mountain to target sectors that require stringent compliance and security measures. Digital Realty, on the other hand, excels in large-scale cloud solutions, making it a strong competitor in the high-performance infrastructure market.



- **Land Securities Group PLC:** Land Securities primarily known for its commercial real estate investments, presents an indirect challenge to Iron Mountain. While Landsec is not a direct player in the data center market, its expansive property portfolio—particularly in the UK—allows it to potentially enter the data storage space by repurposing its real estate assets. However, Iron Mountain's specialization in records and information management, backed by its deep expertise in security and compliance, gives it a distinct edge, particularly in industries that prioritize regulatory adherence. Landsec's focus on office and retail spaces could be leveraged for data center developments, but it lacks Iron Mountain's comprehensive records management services.



- **Segro PLC:** Another UK-based real estate investment trust, Segro has also increased its focus on urban data centers and logistics properties, presenting competition in the growing demand for data infrastructure. Segro's technology-driven real estate solutions allow it to target key metropolitan areas for data center development, an area of increasing demand. Iron Mountain competes by offering a more holistic service package, which not only includes secure data storage but also data destruction and ITAD services. Segro's emphasis on logistics and industrial properties positions it well in the real estate sector, but it lacks Iron Mountain's expertise in secure information management, which continues to be a key differentiator in regulated markets.



- **Agree Realty Corp:** traditionally a retail-focused REIT, has been expanding into data centers, particularly in high-demand U.S. markets. This makes it a growing competitor to Iron Mountain, especially in North America. However, Iron Mountain's established reputation in compliance-driven data management gives it an advantage in catering to businesses requiring secure data storage and destruction. While Agree Realty's focus is on acquiring data center properties, Iron Mountain's broader service offerings and international reach help it maintain its competitive position.



- **Workspace Group PLC:** competes with Iron Mountain by providing flexible office space solutions, particularly for SMEs. Workspace's hybrid model—offering both office space and storage—appeals to smaller companies seeking adaptable workspaces. While this model competes with Iron Mountain for SME clients, Iron Mountain's strength lies in its highly specialized records management services, which cater to industries that demand high levels of data security and regulatory compliance. Workspace's flexibility and cost-effective solutions make it attractive to SMEs, but Iron Mountain's reputation in secure data management remains a key differentiator for clients with more complex needs.



- **National Storage REIT:** This company specializes in self-storage but has increasingly expanded into records management and data storage. As it diversifies into the information management space, it becomes a competitor to Iron Mountain, particularly in self-storage solutions for records. However, Iron Mountain's extensive global footprint, coupled with its focus on secure data destruction and compliance, gives it an edge in more regulated sectors. National Storage REIT's growth in information management presents a challenge, but its geographic focus on Australia limits its direct competition with Iron Mountain's global operations.

ESG:

ESG Risk Rating

14.2

Source: Sustainalytics

Iron Mountain has established a clear set of guidelines in its approach to ESG, present in the company's annual sustainability report. The company's ESG strategy includes a commitment to reducing environmental impact, promoting diversity within its workforce and leadership, and ensuring transparency and accountability at the highest levels of management. Key metrics indicate that Iron Mountain has made substantial progress in several areas, particularly in water and waste management, board diversity, and independence, though some areas, such as social spending

**Iron Mountain
Sustainalytics score is
Low. Ranking 301 out
of 1009 in the Real
Estate Industry.**

and female executive representation, show potential for further improvement.

- **Environmental Analysis:** Iron Mountain's environmental efforts focus on improving resource efficiency and minimizing waste. In recent years, the company has placed considerable emphasis on water management, reflected in its "Water per Unit of Production" metric, which increased from 53.8 in 2016 to a notable 312 by 2022. This rise is linked to the shift in Iron Mountain Business, from paper and physical documents to data centers, which are often resource intensive. Additionally, Iron Mountain has integrated energy-efficient designs into its construction practices, particularly for data centers, which underscores its commitment to reducing greenhouse gas emissions (one of the main costs of Data Center plants is the refrigeration of the servers, having buildings that can retain a cold temperature, is very important and something Iron Mountain has invested heavily in).

Waste management is another focal point of Iron Mountain's environmental strategy. The "Waste Intensity per Employee" metric, which initially rose gradually from 0.25 in 2016 to 0.48 in 2021, saw a significant spike to 2.68 in 2022. Similarly, waste generation relative to assets and sales saw increases, with "Waste Generated per Assets" reaching 4.13 in 2022 and "Waste Generated per Sales" at 13.18. These figures indicate a need for continued improvement in waste reduction measures, although the company's proactive approach to recycling, especially electronic waste, highlights its role in fostering a circular economy within the industry.

- **Social Analysis:** Iron Mountain's social responsibility strategy emphasizes employee diversity, community involvement, and corporate citizenship. The company has demonstrated a commitment to gender diversity at the board level, with the percentage of women on the board increasing from 18.18% in 2014 to a peak of 40% in 2021, showcasing significant progress in gender representation within its leadership. However, female executive representation has shown a downward trend, from 28.57% in 2020 to 16.67% in 2022, indicating an area where Iron Mountain could focus further efforts. Another metric tracked by Iron Mountain is the "Community Spend as a Percentage of Pre-Tax Profit (PTP)". This metric shows a general decline, from 0.4% in 2016 to 0.09% in 2021, before a slight recovery to 0.24% in 2022. This is an especially important figure as most of Iron Mountain facilities are localized in small cities in the US, being an important resource in those communities.

- **Governance Analysis:** Iron Mountain's governance framework is well-defined, focusing on board independence, diversity, and ethical oversight. The company has maintained a high level of independence on its board, with over 90% of directors being non-executive or independent across all observed years. Consistent attendance of 75% or more at board meetings and 100% independent representation on key committees, including audit, compensation, and nomination committees, underscore Iron Mountain's commitment to effective governance and transparency. The board's average age increased significantly, reaching 73.1 in 2021, highlighting an experienced leadership, although periodic renewal could ensure a balance of fresh perspectives and seasoned guidance.

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<https://www.thetimes.com/business-money/companies/article/ibm-closes-chinese-research-divisions-0xj3gb7hl?region=global>

Income Statement - Forecasted	FY 2018A	FY 2019A	FY 2020A	FY 2021A	FY 2022A	FY 2023A	FY 2024F	FY 2025F	FY 2026F	FY 2027F	FY 2028F	FY 2029F
Income Statement Forecasted - FY 2015A - FY 2029F												
<i>In thousands of EUR (€)</i>												
Revenues from Sales and Services	4,225.8	4,262.6	4,147.3	4,491.5	5,103.6	5,480.3	5,911.8	6,377.3	6,879.4	7,421.1	8,005.4	8,635.7
Global RIM Business	3,842.6	3,812.4	3,699.3	3,995.0	4,295.1	4,661.8	4,988.1	5,337.3	5,710.9	6,110.6	6,538.4	6,996.1
Global Data Center Business	229.0	257.2	279.3	326.9	401.1	495.0	579.2	674.7	786.1	915.8	1,066.9	1,242.9
Corporate and Other	154.2	193.0	168.7	169.5	407.3	223.5	344.5	366.0	381.9	413.2	439.1	465.5
Operating Costs	(1,794.0)	(1,833.4)	(1,757.4)	(1,887.4)	(2,189.4)	(2,358.1)	(2,550.8)	(2,740.2)	(2,879.6)	(3,059.6)	(3,250.8)	(3,454.0)
Labor	818.7	814.5	738.0	769.6	807.2	891.4	953.7	1,013.4	1,076.7	1,144.0	1,215.5	1,291.4
Facilities	651.1	697.3	731.7	795.8	884.9	1,028.8	1,121.4	1,191.4	1,265.9	1,345.0	1,429.1	1,518.4
Transportation	158.5	162.9	125.6	136.8	157.3	158.7	173.0	183.8	195.3	207.5	220.5	234.3
Product Cost of Sales and Other	165.6	158.6	162.4	185.0	339.7	278.9	302.7	321.6	341.7	363.0	385.3	409.8
Other income and costs	(1,007)	(992)	(949)	(1,023)	(1,141)	(1,236)	(1,317)	(1,402)	(1,493)	(1,590)	(1,694)	(1,804)
Gross operating profit (EBITDA)	1,424.8	1,437.5	1,440.6	1,581.5	1,773.5	1,885.9	2,044.4	2,264.8	2,506.4	2,771.1	3,060.8	3,377.8
Amortization, depreciation and impairment	(640)	(658)	(652)	(680)	(728)	(776)	(846)	(922)	(1,005)	(1,096)	(1,194)	(1,302)
Operating Result (EBIT)	785.3	779.3	788.5	901.1	1,045.9	1,109.7	1,198.3	1,342.6	1,501.2	1,675.4	1,866.5	2,076.1
Net Financial Expenses*	(375)	(451)	(416)	(272)	(415)	(883)	(971)	(1,068)	(1,175)	(1,293)	(1,422)	(1,564)
Interest Expense	410	419	419	418	488	586	648	710	780	850	920	1,000
Foreign Exch (Gain) Loss	(16)	25	30	(16)	62	(31)	62	62	62	62	62	62
Other Non-Op (Income) Loss	4	9	45	(177)	(132)	145	145	145	145	145	145	145
Merger/Acquisition Expense	51	13	-	13	48	26	26	26	26	26	26	26
Disposal of Assets	(64)	(105)	(366)	(168)	(93)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
Early Extinguishment of Debt	-	-	68	-	1	-	-	-	-	-	-	-
Asset Write-Down	(10)	41	3	(4)	-	-	-	-	-	-	-	-
Impairment of Goodwill	-	-	23	-	-	-	-	-	-	-	-	-
Restructuring	-	49	194	206	42	175	175	175	175	175	175	175
Profit (loss) before tax (EBT)	410.3	328.0	372.7	628.9	631.3	226.9	227.2	274.4	326.2	382.9	444.7	512.1
Taxes	(47.0)	(60.6)	(42.6)	(147.6)	(125.4)	(75.2)	(64)	(54)	(46)	(39)	(33)	(28)
Tax Rate	11.45%	18.48%	11.43%	23.47%	19.86%	33.14%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
Deferred Taxes	4.2	0.6	13.0	(28.7)	55.9	35.3	35.3	35.3	35.3	35.3	35.3	35.3
Profit (loss) from discontinued operations	(12.4)	(0.1)	-	-	-	-	-	-	-	-	-	-
Net Profit Attributable to the Group	355.1	267.9	343.1	452.6	561.8	187.0	198.6	255.4	315.3	378.9	446.7	519.1
Profit (loss) from minority interests	1.2	0.9	0.4	2.5	5.2	3.0	1.2	0.9	0.4	2.5	5.2	3.0
Net Profit (Loss)	353.9	267.0	342.7	450.1	556.7	184.0	198.6	255.4	315.3	378.9	446.7	519.1
Total other comprehensive income (loss) after tax	(165.1)	-3.2	5.8	(84.0)	(104.1)	-70.6	81	92	105	119	136	155
Foreign Currency Translation Adjustment	(164.1)	12.0	45.8	(136.4)	(114.0)	80.7	80.7	80.7	80.7	80.7	80.7	80.7
Change in Fair Value of Derivative Instruments	(1.0)	(8.8)	(89.9)	52.4	9.8	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Reclassifications from Accumulated Other Comprehensive Items, net	-	-	-	-	-	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)
Comprehensive Income (Loss) Attributable to Noncontrolling Interests	(2.2)	1.1	(0.5)	0.9	4.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Income Attributable to The Group	192	270	349	368	453	255	279	347	420	498	583	674

Discounted Cash Flow Model

Iron Mountain

Valuation - Discounted Cash Flows	FY 2018A	FY 2019A	FY 2020A	FY 2021A	FY 2022A	FY 2023E	FY 2024F	FY 2025F	FY 2026F	FY 2027F	FY 2028F	FY 2029F
Valuation - IRM												
<i>In thousands of EUR (€)</i>												
Revenues	4,226	4,263	4,147	4,492	5,104	5,480	5,912	6,377	6,879	7,421	8,005	8,636
EBIT	785	779	788	901	1,046	1,110	1,198	1,343	1,501	1,675	1,866	2,076
Tax Rate	11%	18%	11%	23%	20%	33%	21%	21%	21%	21%	21%	21%
NOPAT	695	635	698	690	839	742	947	1,061	1,186	1,324	1,475	1,640
D&A	640	658	652	680	728	776	846	922	1,005	1,096	1,194	1,302
Operating Cash Flows	1,335	1,294	1,350	1,370	1,566	1,518	1,793	1,983	2,191	2,419	2,669	2,942
CAPEX	(374)	(527)	126	(333)	(705)	(1,286)	(1,511)	(1,700)	(1,869)	(2,056)	(2,211)	(2,376)
WC Change	(39)	9	134	(132)	(252)	(41)	(53)	(69)	(89)	(116)	(151)	(196)
Repayment of Lease Liabilities	1,160	512	(143)	546	1,356	1,184	1,113	1,046	984	925	869	817
Free Cash Flow	2,082	1,288	1,469	1,451	1,965	1,376	1,342	1,261	1,216	1,171	1,176	1,186
Discount Factor	-	-	-	-	-	-	1.00	0.94	0.88	0.83	0.78	0.74
NPV	-	-	-	-	-	-	1,339	1,184	1,075	974	921	874

Relative Valuation

Valuation - Trading Multiples										
Actual Multiples Date	31.12.23									
Forward Multiples Date	31.12.24									
Forward + 1 Multiples Date	31.12.25									
Peer Analysis - AMP.MI										
in millions of EUR (€)										
	Country	Market Cap	EV	Sales 2024F	Sales 2025F	EBITDA 2024F	EBITDA 2025F	Net Income 2024F	Net Income 2025F	
Iron Mountain	US	33.661,8	35.094,6	5.911,8	6.377,3	2.044,4	2.264,8	227,2	274,4	
Equinix Inc	United States	87.075,8	100.862,8	8.760,4	9.495,5	4.103,7	4.497,2	1.090,8	1.257,5	
Digital Realty Trust Inc	United States	59.933,3	78.308,8	5.595,2	6.115,2	565,0	977,7	517,7	448,9	
Land Securities Group PLC	United Kingdom	4.369,1	8.116,1	629,9	654,0	473,4	529,5	375,8	419,2	
Segro PLC	United Kingdom	10.908,9	14.659,8	680,0	771,1	587,1	663,4	455,5	573,1	
Agree Realty Corp	United States	7.579,9	10.471,9	613,0	665,3	298,3	323,7	188,6	209,3	
Workspace Group PLC	United Kingdom	1.056,8	1.934,7	159,4	166,8	103,9	109,6	69,1	73,0	
National Storage Reit	Australia	3.371,6	4.805,6	391,9	426,8	220,8	240,2	163,2	173,0	
Multiples Analysis - AMP.MI										
in millions of EUR (€)										
	Country	Market Cap	EV	EV/SALES		EV/EBITDA		P/E		
				2024F	2025F	2024F	2025F	2024F	2025F	
Iron Mountain	US	33.661,8	35.094,6	5,94x	5,50x	17,17x	15,50x	154,45x	127,88x	
Equinix Inc	United States	87.076	100.863	11,51x	10,62x	24,58x	22,43x	92,47x	80,21x	
Digital Realty Trust Inc	United States	59.933	78.309	14,00x	12,81x	138,60x	80,09x	151,26x	174,45x	
Land Securities Group PLC	United Kingdom	4.369	8.116	12,88x	12,41x	17,14x	15,33x	21,60x	19,36x	
Segro PLC	United Kingdom	10.909	14.660	23,27x	22,42x	24,97x	22,10x	32,18x	25,58x	
Agree Realty Corp	United States	7.580	10.472	17,08x	15,74x	35,11x	32,35x	55,52x	50,03x	
Workspace Group PLC	United Kingdom	1.057	1.935	12,14x	11,60x	18,62x	17,65x	28,00x	26,50x	
National Storage Reit	Australia	3.372	4.806	12,26x	11,26x	21,76x	20,01x	29,45x	27,78x	
			Min	11,51x	10,62x	17,14x	15,33x	21,60x	19,36x	
			1st Quartile	12,20x	11,43x	20,19x	18,83x	28,72x	26,04x	
			Median	12,88x	12,41x	24,58x	22,10x	32,18x	27,78x	
			3rd Quartile	15,54x	14,27x	30,04x	27,39x	74,00x	65,12x	
			Max	23,27x	22,42x	138,60x	80,09x	151,26x	174,45x	
Last Available Multiples										
in thousand of EUR (€)										
EV/SALES	6,40x									
EV/EBITDA	18,61x									
P/E	332,53x									
EV/EBIT	31,62x									
Multiples Analysis - IRM										
in thousand of EUR (€)										
		EV/SALES		EV/EBITDA		P/E				
		2024F	2025F	2024F	2025F	2024F	2025F			
Iron Mountain Corresponding Metrics		5.911.794,4	6.377.275,5	2.044.354,7	2.264.829,2	227.216,6	274.437,9			
Multiple		12,88x	12,41x	24,58x	22,10x	32,18x	27,78x			
Enterprise Value		76.171.955	79.141.599	50.247.176	50.048.150	7.326.290	7.638.087			
Net Debt		12.584,3	13.671,9	12.584,3	13.671,9	12.584,3	13.671,9			
Minorities		0	0	0	0	0	0			
Net Financial Expenses		971,1	1.068,2	971,1	1.068,2	971,1	1.068,2			
Provisions		0,0	0,0	0,0	0,0	0,0	0,0			
Equity Value		76.158.400	79.126.859	50.233.620	50.033.410	7.312.735	7.623.347			

Monte Carlo

