Kenan–Flagler Business School

ALPHA CHALLENGE

The University of North Carolina

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Team Number: 1

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Investment summary

Investment recommendation:

Investment: Buy Iron Mountain Inc. IRN 5.25% 2030 Senior Unsecured Notes (BB- / Ba3) trading at $98.13 – 5.71% YTW and 193bps OAS

Target spread: 160 bps, and base case total return of 6.5%

Rationale:

1 Thesis 1
Unrealized cross-sell opportunity across segments

- Iron Mountain currently serves ~95% of F1000 companies through its legacy Records and Information Management (RIM) segment
- Unrealized opportunity for wallet share gain through cross-selling other emerging products / services to existing RIM customers

2 Thesis 2
Focus on sustainable hyperscalar data center leasing

- Iron Mountain focuses on leasing data center capacity to hyperscalar customers (e.g., Google, Amazon, Microsoft) with sustained, long-duration data center needs
- Hyperscalar leasing activity accelerating with a refocus on core cloud offerings

3 Thesis 3
Path to deleverage with pre-sales & RIM business

- Legacy RIM business provides ~$5B in revenue with 30-40% EBITDA margins and minimal new CapEx, providing strong FCF for deleveraging
- Under construction data center capacity is ~61% pre-leased, lessening potential risk

1. Company Overview

Iron Mountain (IRM) is a leading records management & storage provider that has diversified across digital services, including data centers

- Founded in 1951, Iron Mountain began by providing secure corporate information storage within abandoned mines
- Throughout the 1980s & 90s Iron Mountain expanded across the United States & internationally, building a global network of storage sites
- In the early 2010s, Iron Mountain branched into digital solutions, developing a suite of tools to assist with managing digitized documents
- Iron Mountain expanded into data centers in the late 2010s, aiming to help companies better manage, protect, and operate their digital networks
- Asset Lifecycle Mgmt. added through M&A in 2022

Iron Mountain Segments

Records Mgmt. (RIM)	Growth businesses		
	Digital Solutions	**Data Centers**	**Asset Lifecycle Mgmt.**
Secure long-term storage, management, and shredding of physical records	Security-focused storage, digitalization, transformation, & querying of unstructured data	High-security & reliability colocation facilities for enterprise & hyperscalar customers	End-to-end management of IT hardware, from decommissioning to data-sanitization & resale
$4.8B in FY24 revenue	**$530M in FY24 revenue**	**$620M in FY24 revenue**	**$550M in FY24 revenue**
~95% of F1000 companies			
Legacy core offering			

1. Company Overview

Iron Mountain has relied in debt to develop its data center facilities, driving increasing near-term indebtedness

Notable points:

- The 2030 notes offer a strong yield and spread compression opportunity as company brings under construction data center capacity online; 2030 notes also face a lower debt wall than longer duration notes
- Total Debt / EBITDA = 7.21x, Net Debt / EBITDA = 7.13x, EBITDA / Interest Expense = 3.26x

Capital structure

Facility	Out ($MM)	Coupon	Maturity	Price	YTW	OAS	Rating
Total Secured Debt							
Revolving Facilities	$410.0						
Virginia 3 Term Loan	$269.4	6.70%	8/31/2026				
Virginia 7 Term Loan	$234.4	7.00%	4/12/2027				
Virginia 6 Term Loan	$206.9	7.10%	5/3/2027				
AR Securitization Facility	$399.5	5.60%	7/1/2027				
IRM Term Loan A	$493.8	6.10%	03/18/2030				BB-
AUD Term Loan	$258.8	7.20%	9/30/2030				BB-
IRM Term Loan B USD	$1,836.7	6.40%	01/31/2031				BB / Ba3
Total Unsecured Debt							
2027 Senior Notes	$997.2	4.88%	09/15/2027	$99.49	5.17%	141.6	BB- / Ba3
03/28 Senior Notes	$822.0	5.25%	03/15/2028	$99.57	5.45%	155.0	BB- / Ba3
07/28 Senior Notes	$498.0	5.00%	07/15/2028	$99.02	5.40%	165.5	BB- / Ba3
02/29 Senior Notes	$994.2	7.00%	02/15/2029	$102.46	5.48%	170.2	BB- / Ba3
09/29 Senior Notes	$992.9	4.88%	09/15/2029	$97.79	5.52%	182.2	BB- / Ba3
2030 Senior Notes	$1,292.7	5.25%	07/15/2030	$98.13	5.71%	193.1	BB- / Ba3
2031 Senior Notes	$1,093.3	4.50%	02/15/2031	$94.13	5.81%	211.5	BB- / Ba3
2032 Senior Notes	$596.0	5.63%	07/15/2032	$98.20	5.95%	195.3	BB- / Ba3
2032 Senior Notes	$741.1	5.00%	07/15/2032	$94.76	5.97%	210.6	BB- / Ba3
2033 Senior Notes	$1,186.8	6.25%	01/15/2033	$100.50	6.11%	198.6	BB- / Ba3
2034 Senior Notes	$1,391.2	4.75%	01/15/2034	$98.10	5.10%	214.0	BB- / Ba3
Other Notes & Obligations	$207.4						
Lease Liabilities	$3,125.4						
Total debt	**$18,047.7**						
Less Cash	$195.2						
Net Debt	**$17,852.5**						
Minority Interest	$274.2						
Equity Market Cap	$29,928.8						
Total Enterprise Value	**$48,055.5**						

2. Investment Thesis

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Thesis 1 - Iron Mountain's emerging business segments enable a sizable unrealized & underappreciated cross-sell opportunity across existing F1000 customer accounts

F1000 Firm

	Legacy focus		
Firm need	**Physical records mgmt.** Creation, management, storage, and disposal of a firm's physical records	**Digital records mgmt.** Creation, management, storage, and disposal of a firm's digital records & network	**Information equipment mgmt.** Management, storage, and disposal of a firm's information equipment
Iron Mountain offering	**RIM**	**Digital Solutions** **Data Centers**	**Asset Lifecycle Mgmt.** **Data Centers**

Cross-Sell Opportunity

Cross-sell Case studies:

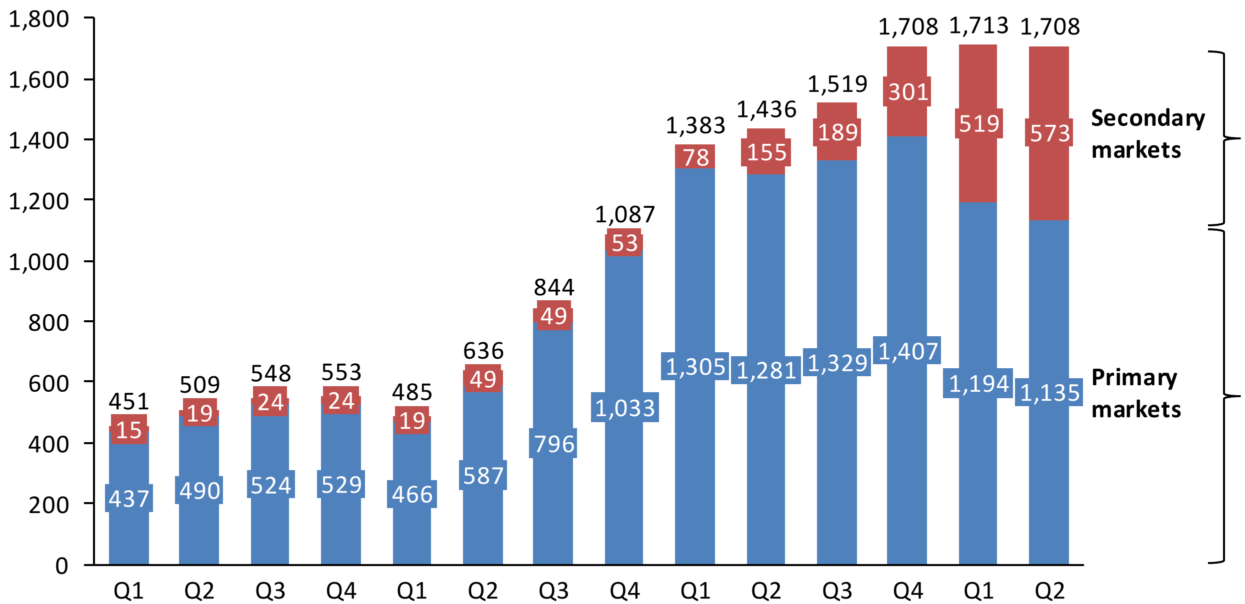
- A large financial services firm that was an existing RIM customer signed a multi-year agreement for asset lifecycle mgmt. across 400 sites
- A large healthcare company that is an existing RIM & asset lifecycle mgmt. customer added digital solutions to assist with sorting through previously paper-based records

Thesis 2 – Iron Mountain's primary market-focused data center portfolio positions it to meet growing capacity demand across colocation and hyperscalar customers

- Data center absorption and colocation rents remain at market peaks as new AI-backed use cases continue to fuel demand
- Demand is highest in core / primary markets; however, capacity constraints (e.g., electricity supply, regulatory hurdles) in primary markets have pushed growth towards secondary markets as primary markets are no longer able to meet demand

Data center Absorption, by Market (2022-25)

MWs



Year	2022	2023	2024	2025
Colocation Rent (P/KW)	$150	$170	$190	$210

Secondary markets are primarily used for AI-related workflows where latency is a less critical concern

Iron Mountain focus

Primary markets offer low latency access to key geos; capacity is key constraint with vacancy rates <2%

Source: datacenterHawk

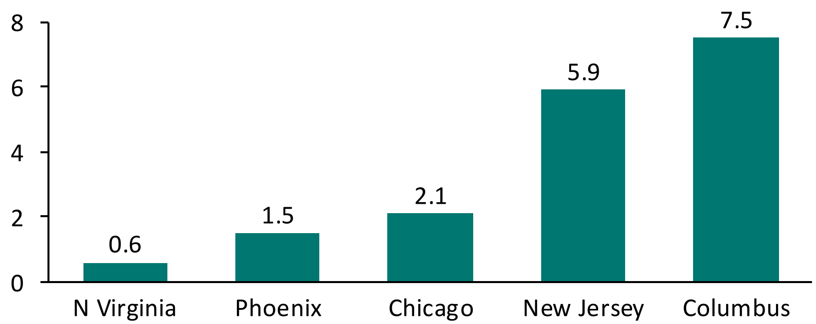
Thesis 2 – Iron Mountain's primary market-focused data center portfolio positions it to meet growing capacity demand across colocation and hyperscalar customers

- Primary data center markets, Iron Mountain's focus, have restricted near-term capacity, leading to consistent strong demand; customers must prelease necessary capacity in order maintain sufficient capacity to meet growth projections
- Current data center demand & market limitations significantly de-risk Iron Mountain's data center expansion

Low data center vacancies across IRM markets

Data Center Vacancy Rates, by IRM Market (2025)

Percent of capacity vacant

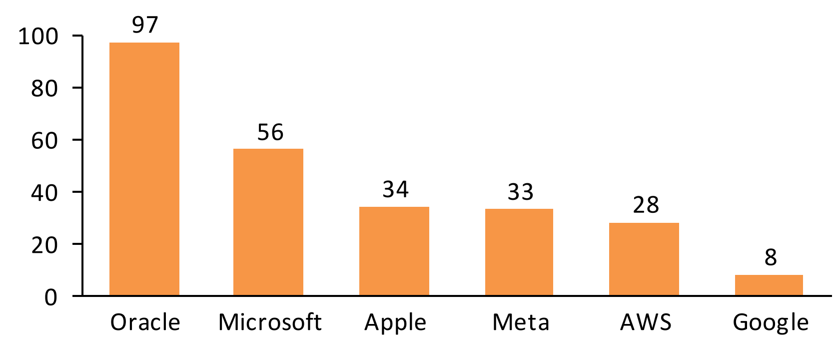


- Low vacancies across primary markets, including those IRM serves, has pushed markets into preleasing
- As of Q3 FY25, IRM has preleased 61% of under construction capacity

Cosiderable hyperscalar reliance on leased capacity

Hyperscale Capacity Leasing (2025)

Percent of total capacity leased



- Hyperscalars are reliant on leased capacity that cannot be quickly replaced due to development constraints
- Leases are typically 5-15 years in duration, providing long-term stability

Source: datacenterHawk

Thesis 3 – Iron Mountain has multiple levers for limiting leverage risk, including its existing RIM business, pre-leasing data center capacity, and cutting its dividend

1 Existing RIM business cashflows

- Iron Mountain's existing RIM business provides ~$4.5B in annual revenues with 30-40% EBITDA margins and minimal ongoing CapEx needs; RIM revenue is forecast to grow 5-10% p.a. through a focus on pricing / yield mgmt.
- The RIM business provides steady FCFs to enable deleveraging and mitigate the leverage risks with IRM's data center buildout

2 Management focus on managing leverage

- Management indicated a long-term 4.5 - 5.5 debt / EBITDA leverage ratio target; to-date IRM has remained within this target while pursuing its data center expansion
- Management has continued to raise capital through oversubscribed bond offerings (junior to the 2030 Notes), indicating investor confidence in IRM's outlook

3 Potential to reduce dividend

- IRM provides consistent $600-750M cash dividends since 2018, with mgmt. recently raising the dividend across the past 3 years
- Mgmt. could potentially reduce the dividend to free up capital to repay; as IRM is a REIT, there are some limitations on the degree to which they could reduce the dividend without incurring additional tax burdens

Thesis 3 – Iron Mountain has multiple levers for limiting leverage risk, including its existing RIM business, pre-leasing data center capacity, and cutting its dividend

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Key assumptions

Base	Bear	Bull
• Data center revenue grows at ~20% CAGR • Leverage stabilizes within target band • Storage rental (records/information management) grows at 2–3% CAGR	• Data center growth slows to low teens • Storage rental revenue flatlines and service growth slows to <2% • EBITDA margin contracts toward 35%	• Data center segment grows to >25% CAGR • Storage rental growth exceeds 4% CAGR • Leverage dips to low-4x range • EBITDA margin expands to above 40%

Financial projections

$M / Fiscal year	2024	2025	2026E	2027E	2028E
Revenues	6,150	6,862	7,620	8,281	9,257
EBITDA	1,910	2,327	2,610	2,848	3,183
Net Income (Loss)	180	266	542	618	751
Cash from Ops.	872	1,692	1,475	1,852	2,100
CapEx	(1,792)	(1,792)	(1,992)	(1,992)	(2,192)
Free Cash Flow	(920)	(100)	(517)	(139)	(92)
Cash & Cash Equivalents	156	9	703	(674)	(2,169)
Total Assets	18,717	20,282	22,089	21,721	21,371
Long-term Debt	15,339	17,778	20,177	20,874	22,062
EBITDA Margin	31%	34%	34%	34%	34%
Total Debt / EBITDA	8.0	7.6	7.7	7.3	6.9

Source: Own financial projections

3. Valuation & Risk

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Iron Mountain's 2030 notes have a higher spread then peers, despite focus on primary data center markets and strong presales

Scenario analysis

- **Bear:** 4.4% 1Y return; target spread 250
- **Base:** 6.5% 1Y return; target spread 160
- **Bull:** 7.2% 1Y return; target spread 120

	Moody's	S&P	Base	Bear	Bull
Upgrade triggers	• Leverage-neutral funding of acquisitions • Net debt/EBITDA < ~5.5x • Interest coverage ~3.5x	• Adjusted leverage < ~5x • Decrease in lease-adjusted leverage ratios	Not met	Not met	Not met
Downgrade triggers	• Weakening in profitability • Net debt/EBITDA > ~7x • Interest coverage < ~2.5x	• Adjusted leverage > ~6.5x • Global storage volumes meaningfully decline	Not met	Not met	Not met

Viasat relative value analysis

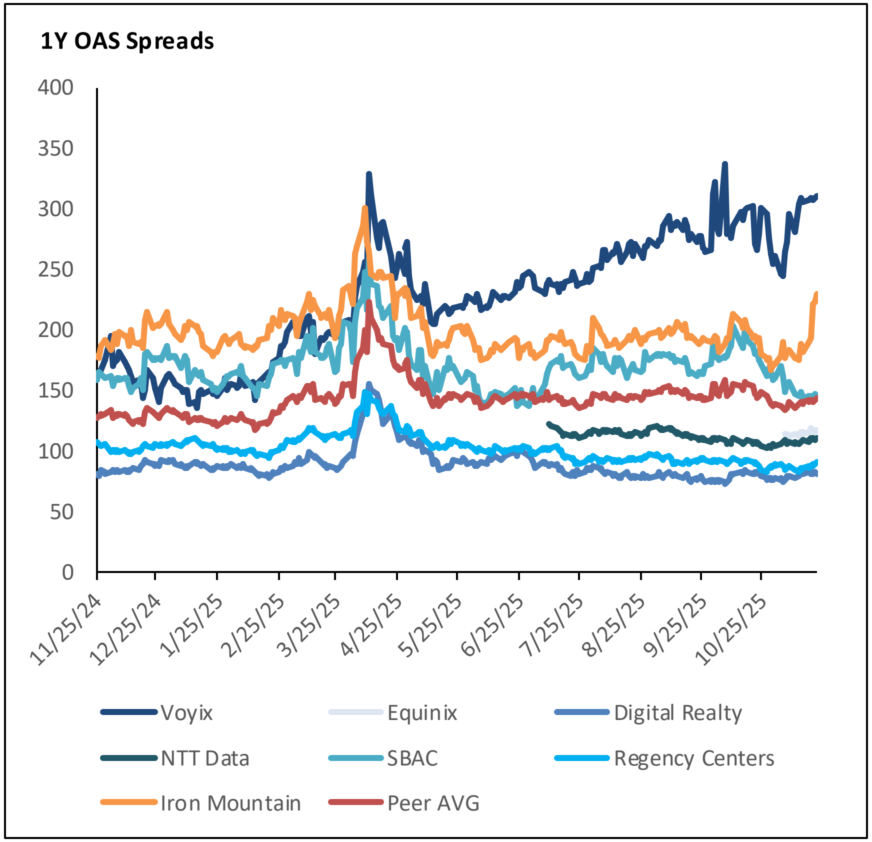
Issuer	Security	OAS	YTW	Coupon	Price	Maturity	Amt. out	D/E	Ratings
Iron Mountain	IRM 5 ¼ 07/15/30	196.0	5.73%	5.25%	$98.07	7/2030	$999	N/A	BB-/Ba3
Iron Mountain	IRM 4 7/8 09/15/29	182.3	5.52%	4.88%	$97.81	9/2029	$987	N/A	BB-/Ba3
Comparable Communications / Defense Firms									
NCR Voyix Corp	VYX 5 ¼ 10/01/30	218.1	5.91%	5.3%	$97.2	1/2030	$980	133x	B+/B2
Equinix	EQIX 4.6 11/15/30	85.9	4.49%	4.6%	$100.5	11/2029	$1,006	140x	BBB+/Baa2
Digital Realty	DLR 5.55 01/15/28	58.4	4.09%	5.6%	$102.8	1/2028	$1,048	78x	BBB+/Baa2
NTT Data	NTT 4.876 07/16/30	78.1	4.39%	4.9%	$102.0	7/2030	$1,037	99x	A-/A3
SBAC	SBAC 3 1/8 02/01/29	123.1	4.76%	3.1%	$95.2	2/2030	$750	N/A	BB+/Ba3u
Regency Centers	REG 3.7 06/15/30	56.5	4.19%	3.7%	$98.0	6/2030	$500	67x	A-/A3
Fixed-income Indices									
High-yield REIT index		312	6.47%	5.58%	$97.2				
High-yield Financial & REIT Index		249	6.28%	6.60%	$100.7				

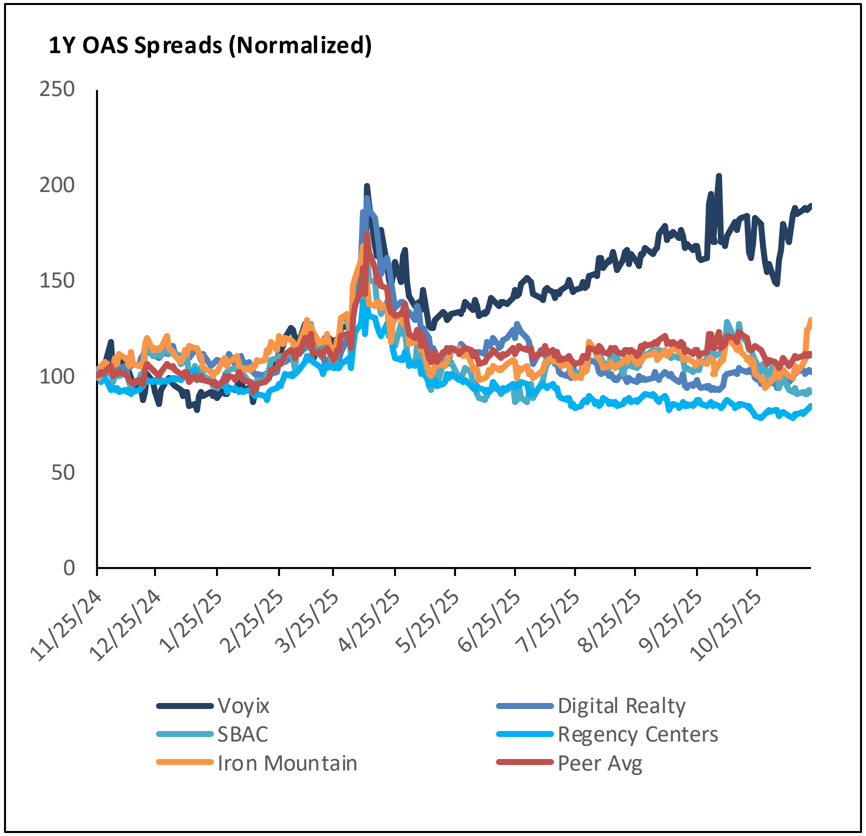
Note: Data as of 11/23

Iron Mountain's current spread offers a compression opportunity relative to peers

OAS Spread Opportunity

- IRM's spread is above peer averages and has widened YoY, despite strong performance over the past few quarters
- Spread should be closer to 160, reflecting strong positioning relative to peers across stable, high-growth data center segments (e.g., colocation, hyperscalar) that generate rent premiums relative to market





Note: Data as of 11/23

Risks & mitigants

Risks	Mitigants
Data center leasing lower than forecast / expected	• Slowdowns in AI / AI-specific data centers could cause hyperscalars and similar cloud users to pull back planned cloud expansions and / or divert capacity to other data centers • IRM's strong pre-leasing (~61%) of under construction capacity focus on primary data center markets with extremely low vacancy rates (<1%) insulate it from near-term shocks in data center demand, which will likely impact secondary markets first
Regulatory adjustments reduce document storage needs	• Within the U.S., document storage requirements are declining ~1% YoY as industries increasingly shift to digital storage; however, major regulatory changes to accelerate this shift, reducing demand for Iron Mountain's RIM offering • IRM has increasingly focused on non-document (e.g., art, medical imaging, film) storage within the U.S. and international document storage volumes centime to increase
Cross-selling opportunity smaller than expected	• IRM may be unable to fully realize the potential cross-selling opportunity due to a combination of mis-matched purchasing preferences, existing suppliers, and / or GTM misconfiguration • Existing cross-sell examples highlighted by management suggest the cross-selling opportunity is realizable and further refinements to IRM's GTM motion should increase cross-selling potential over time
Continued short-selling activity / investor activism	• Gotham City released a report on 11/19 alleging Iron Mountain's management purposefully misled investors and relied on overly aggressive price increases to mitigate RIM volume losses • Market reaction to-date (11/23) has been limited, with IRM down only 7% by COB 11/20 & bond spreads increased only 20bps; buy-side analysts have reiterated their price targets despite the report

4. Appendix

Income Statement

INCOME STATEMENT	FY '21 A 31/03/2021	FY '22 A 31/03/2022	FY '23 A 31/03/2023	FY '24 A 31/03/2024	FY '25 E 31/03/2025	FY '26 E 31/03/2026	FY '27 E 31/03/2027	FY '28 E 31/03/2028	FY '29 E 31/03/2029	FY '30 E 31/03/2030	FY '31 E 31/03/2031
Revenue	**4,492**	**5,104**	**5,480**	**6,150**	**6,862**	**7,620**	**8,281**	**9,257**	**9,656**	**9,849**	**10,046**
Storage Rental	2,870	3,034	3,371	3,682	4,109	4,562	4,958	5,542	5,782	5,897	6,015
Service	1,393	2,070	2,110	2,468	2,754	3,058	3,323	3,714	3,874	3,952	4,031
Cost of Revenue	(1,887)	(2,189)	(2,358)	(2,697)	(3,040)	(3,350)	(3,630)	(4,057)	(4,136)	(4,218)	(4,303)
Gross Profit	**2,604**	**2,914**	**3,122**	**3,453**	**3,822**	**4,270**	**4,651**	**5,200**	**5,520**	**5,631**	**5,743**
Operating Expenses	(1,750)	(1,865)	(2,201)	(2,444)	(2,500)	(2,776)	(3,017)	(3,372)	(3,518)	(3,588)	(3,660)
Selling, General & Admin	*(1,023)*	*(1,141)*	*(1,236)*	*(1,340)*	*(1,495)*	*(1,660)*	*(1,804)*	*(2,016)*	*(2,103)*	*(2,145)*	*(2,188)*
Depreciation & Amortization	*(680)*	*(728)*	*(776)*	*(901)*	*(1,005)*	*(1,116)*	*(1,213)*	*(1,356)*	*(1,415)*	*(1,443)*	*(1,472)*
Other Operating Expenses	*(47)*	*4*	*(188)*	*(203)*	-	-	-	-	-	-	-
Operating Income	**854**	**1,050**	**922**	**1,010**	**1,322**	**1,494**	**1,634**	**1,827**	**2,003**	**2,043**	**2,083**
Interest Expense, Net	(418)	(488)	(586)	(722)	(810)	(802)	(845)	(876)	(913)	(913)	(913)
Other Non-Op Income (Loss)	193	70	(109)	(43)	(124)	-	-	-	-	-	-
Pretax Income	**629**	**632**	**227**	**245**	**388**	**692**	**789**	**952**	**1,089**	**1,129**	**1,170**
Income Taxes	(176)	(69)	(40)	(61)	(117)	(146)	(168)	(197)	(196)	(251)	(242)
Income (Loss) from Cont Ops	**453**	**562**	**187**	**184**	**271**	**545**	**621**	**754**	**894**	**878**	**928**
Minority Interest	(3)	(5)	(3)	(4)	(5)	(4)	(4)	(4)	(4)	(4)	(4)
Net Income	**450**	**557**	**184**	**180**	**266**	**542**	**618**	**751**	**890**	**874**	**925**
Depreciation & Amortization	(680)	(728)	(776)	(901)	(1,005)	(1,116)	(1,213)	(1,356)	(1,415)	(1,443)	(1,472)
EBITDA	**1,535**	**1,777**	**1,698**	**1,910**	**2,327**	**2,610**	**2,848**	**3,183**	**3,417**	**3,485**	**3,555**

Cashflow Statement

CASH FLOW STATEMENT	FY '21 A 31/03/2021	FY '22 A 31/03/2022	FY '23 A 31/03/2023	FY '24 A 31/03/2024	FY '25 E 31/03/2025	FY '26 E 31/03/2026	FY '27 E 31/03/2027	FY '28 E 31/03/2028	FY '29 E 31/03/2029	FY '30 E 31/03/2030	FY '31 E 31/03/2031
Net Income		557	184	180	266	542	618	751	890	874	925
Dep & Amort		728	776	901	1,005	1,116	1,213	1,356	1,415	1,443	1,472
Change in Working Capital		150	(178)	(209)	421	(183)	21	(7)	39	19	4
Change in Accts Receiv		213	85	32	215	175	157	202	70	59	45
Change in Other ST Assets		6	22	(9)	(244)	276	24	35	14	7	7
Change in Accts Payable		(70)	(286)	(232)	450	(634)	(160)	(244)	(45)	(47)	(48)
Cash from Operations		**1,434**	**782**	**872**	**1,692**	**1,475**	**1,852**	**2,100**	**2,344**	**2,336**	**2,400**
Change in Fixed & Intang		**(875)**	**(1,339)**	**(1,792)**	**(1,792)**	**(1,992)**	**(1,992)**	**(2,192)**	**(2,192)**	**(2,392)**	**(2,392)**
Capex		(875)	(1,339)	(1,792)	(1,792)	(1,992)	(1,992)	(2,192)	(2,192)	(2,392)	(2,392)
Acq of Intangible Assets											
Net Cash From Acq & Div											
Other Investing Activities											
Cash from Investing Activities		**(875)**	**(1,339)**	**(1,792)**	**(1,792)**	**(1,992)**	**(1,992)**	**(2,192)**	**(2,192)**	**(2,392)**	**(2,392)**
Cash From (Repayment) Debt						3,128	991	1,587	334	(870)	(916)
Dividends paid	(718)	(724)	(738)	(790)	(897)	(1,588)	(1,977)	(2,688)	(3,110)	(2,898)	(3,055)
Net Cash From Disc Ops (fin)		-	-	-	-						
Cash from Financing Activities		**(1,599)**	**(2,077)**	**(2,582)**	**(2,689)**	**(452)**	**(2,978)**	**(3,293)**	**(4,967)**	**(6,160)**	**(6,362)**
Net Changes in Cash		**(1,041)**	**(2,634)**	**(3,501)**	**(2,788)**	**(968)**	**(3,117)**	**(3,385)**	**(4,815)**	**(6,216)**	**(6,354)**
Free Cash Flow		**559**	**(557)**	**(920)**	**(100)**	**(517)**	**(139)**	**(92)**	**152**	**(56)**	**8**

Balance Sheet

BALANCE SHEET	FY '21 A 31/03/2021	FY '22 A 31/03/2022	FY '23 A 31/03/2023	FY '24 A 31/03/2024	FY '25 E 31/03/2025	FY '26 E 31/03/2026	FY '27 E 31/03/2027	FY '28 E 31/03/2028	FY '29 E 31/03/2029	FY '30 E 31/03/2030	FY '31 E 31/03/2031
Cash, Cash Equivalents & STI	256	142	223	156	9	703	(674)	(2,169)	(4,945)	(8,869)	(12,901)
Accounts & Notes Receivable	961	1,175	1,260	1,291	1,507	1,682	1,839	2,041	2,110	2,170	2,214
Other ST Assets	224	230	253	244	-	276	300	335	349	356	363
Total Current Assets	**1,441**	**1,547**	**1,736**	**1,691**	**1,516**	**2,661**	**1,465**	**206**	**(2,485)**	**(6,343)**	**(10,323)**
Property, Plant & Equip, Net	6,983	7,699	9,011	10,121	11,685	12,560	13,339	14,174	14,952	15,900	16,820
PP&E Gross	10,962	11,609	13,070	14,476	16,532	18,524	20,515	22,707	24,898	27,290	29,682
Accumulated Depreciation	(3,979)	(3,910)	(4,059)	(4,354)	(4,847)	(5,963)	(7,176)	(8,532)	(9,947)	(11,390)	(12,861)
Goodwill & Intangibles	5,774	6,445	6,404	6,435	6,446	6,301	6,301	6,301	6,301	6,301	6,301
Other LT Assets	252	449	323	469	636	567	616	689	719	733	748
Total Long-Term Assets	**13,009**	**14,593**	**15,738**	**17,026**	**18,766**	**19,428**	**20,256**	**21,164**	**21,971**	**22,934**	**23,869**
Total Assets	**14,450**	**16,141**	**17,474**	**18,717**	**20,282**	**22,089**	**21,721**	**21,371**	**19,486**	**16,591**	**13,545**
Payables & Accruals	1,142	1,212	1,498	1,730	1,280	1,914	2,074	2,318	2,363	2,410	2,459
ST Debt & Liabilities	876	705	738	1,357	1,188	1,310	1,419	1,586	1,617	1,649	1,682
Total Current Liabilities	**2,019**	**1,918**	**2,236**	**3,087**	**2,469**	3,224	3,493	3,904	3,980	4,059	4,141
LT Debt	11,134	12,911	14,375	15,339	17,778	20,177	20,874	22,062	22,315	21,367	20,372
Other LT Liabilities	368	580	473	518	518	491	516	503	509	507	505
Total Long-Term Liabilities	**11,502**	**13,491**	**14,848**	**15,856**	**18,295**	20,668	21,390	22,565	22,824	21,874	20,878
Total Liabilities	**13,521**	**15,409**	**17,084**	**18,944**	**20,764**	**23,892**	**24,883**	**26,469**	**26,804**	**25,934**	**25,018**
Common Shareholders Equity	4,077	4,029	4,165	4,080	4,734	4,734	4,734	4,734	4,734	4,734	4,734
Retained Earnings	(3,221)	(3,392)	(3,954)	(4,583)	(5,490)	(6,536)	(7,895)	(9,832)	(12,052)	(14,076)	(16,207)
Minority / Non Cont. Interest	74	95	178	277	274						
Total Equity	**929**	**732**	**390**	**(227)**	**(482)**	**(1,803)**	**(3,162)**	**(5,099)**	**(7,319)**	**(9,343)**	**(11,473)**
Total Liabilities & Equity	**14,450**	**16,141**	**17,474**	**18,717**	**20,282**	**22,089**	**21,721**	**21,371**	**19,485**	**16,591**	**13,545**

Multiples

Key Ratios	FY '21 A 31/03/2021	FY '22 A 31/03/2022	FY '23 A 31/03/2023	FY '24 A 31/03/2024	FY '25 E 31/03/2025	FY '26 E 31/03/2026	FY '27 E 31/03/2027	FY '28 E 31/03/2028	FY '29 E 31/03/2029	FY '30 E 31/03/2030	FY '31 E 31/03/2031
Long Term Solvency											
Total Debt / Shareholder Equity	273%	320%	345%	376%	376%	426%	441%	466%	471%	451%	430%
Total Debt / Capital	73%	76%	78%	79%	79%	81%	82%	82%	82%	82%	81%
Net Debt / Equity	1170%	1744%	3631%	-6703%	-3686%	-1080%	-681%	-475%	-372%	-324%	-290%
Total Liabilities / Total Assets	107%	105%	102%	99%	98%	92%	87%	81%	73%	64%	54%
Credit Ratios											
EBIT / Interest Expense	2.0	2.2	1.6	1.4	1.6	1.9	1.9	2.1	2.2	2.2	2.3
EBITDA / Interest Expense	3.7	3.6	2.9	2.6	2.9	3.3	3.4	3.6	3.7	3.8	3.9
(EBITDA - CAPEX) / Interest Expense		1.8	0.6	0.2	0.7	0.8	1.0	1.1	1.3	1.2	1.3

We estimate that Iron Mountain's 2030 Notes currently have a recovery of 39%

- **We estimate a 39% recovery value for Iron Mountain's 2030 notes**
- **This estimate does not account for underlying appreciation of Iron Mountain's data center assets within primary markets and long-standing storage facilities within major metropolitan areas**

Liquidation value

ASSETS ($M)	2025A	Recovery (%)	Recovery ($)
Cash, Cash Equivalents, & STI	$ 195.20	100%	$ 195.20
Accounts & Notes Receivable	$ 1,371.40	90%	$ 1,234.26
Other ST Assets	$ 314.10	65%	$ 204.17
Total Current Assets	**$ 1,880.70**	**87%**	**$ 1,633.63**
Net Property, Plant, & Equip	$ 11,593.00	50%	$ 5,796.50
Goodwill & Intangibles	$ 6,523.40	10%	$ 652.34
Other LT Assets	$ 635.80	40%	$ 254.32
Total Assets	**$ 20,632.90**	**40%**	**$ 8,336.79**

Waterfall analysis

($)	Estimated recovery
Total liquidation value	$ 8,336.79
Less secured debt	$ 4,109.50
Distributable Value to Unsecured Claims	**$ 4,227.29**
Notes without subsidy garunteed	$ 10,812.80
Total unsecured senior claims	**$ 10,812.80**
Recovery to Unsecured Claims	**39%**

Key covenants:

- The 2030 Notes include covenants limiting Iron Mountain's ability to issue debt with a fixed charge coverage ratio of less than 2 to 1, issue new shares, repurchase shares, and sell certain assets
- Should Iron Mountain be acquired, the 2030 Notes would be paid out at 101%

Source: Mgmt. data; own financial projections

ALPHA CHALLENGE Kenan-Flagler Business School The University of North Carolina

Management team

William Meaney

CEO

- Joined Iron Mountain in 2013 after 8 years as CEO of Zuelling Group (a Chinese conglomerate)
- Prior to Zuelling Group, Meaney worked in the airline industry and as a CIA officer

Barry Hytinen

CFO

- Joined Iron Mountain in 2020 after 3 years as CFO of HanesBrands
- Previously served in executive roles across Tempur Sealy and General Electric

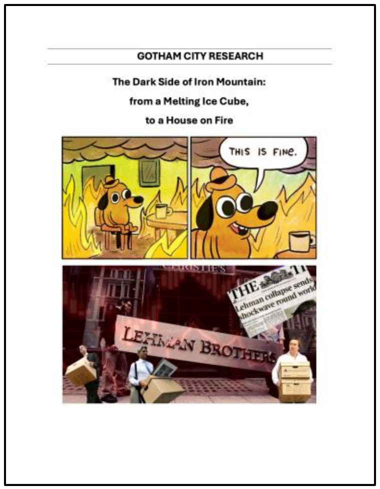
Gary Aitkenhead

EVP – Data centers

- Joined Viasat in 2025 to accelerate data center growth
- Previously led EMEA data center ops. for Equinix
- Formerly Chief Executive of Defense Science & Technology for the UK Minister of Defense

Short Seller Gotham City Research reported alleging IRM manipulated their adjusted EBITDA to reduce reported leverage; to date, market reaction has been limited

The Dark Side of Iron Mountain
Gotham City Research
Released 11/19


GOTHAM CITY RESEARCH

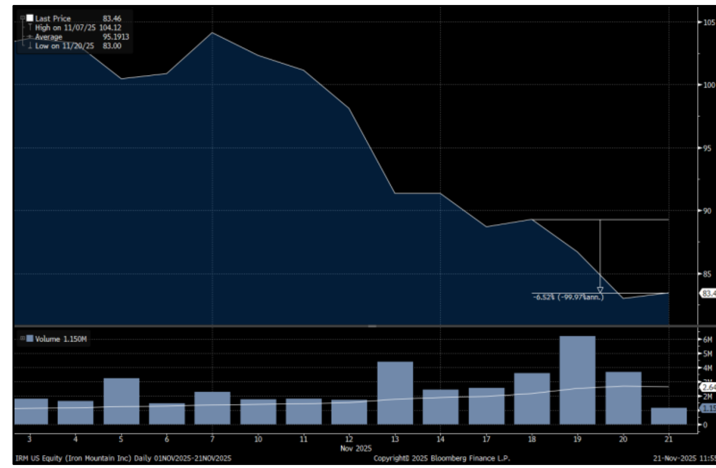
The Dark Side of Iron Mountain:
from a Melting Ice Cube,
to a House on Fire

Gotham alleges:

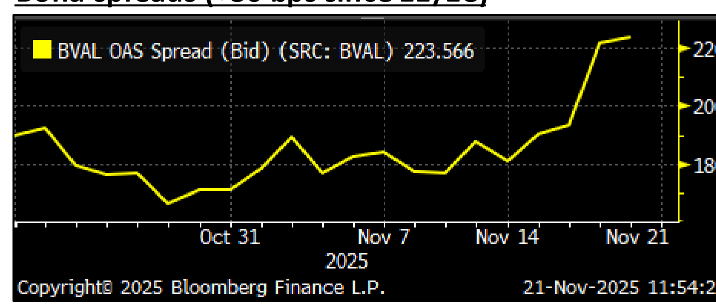
- IRM manipulates adjusted EBITDA to artificially overstate EBITDA margin improvement
- Adjusted leverage metrics lead to the understatement of actual levels of indebtedness
- Mgmt. has understated actual RIM volume losses & relied on price increases that are becoming unsustainable
- Share price downside is 54-74% below current levels

Market reaction

Stock price (-7% since 11/18)



Bond spreads (+30 bps since 11/18)



Note: Data as of 11/23

Sell-side analysts have reaffirmed their ratings of Iron Mountain following the release of Gotham's report

BARCLAYS

Equity Research
U.S. Communications Infrastructure
19 November 2025

Iron Mountain Inc.

Response to today's short report; reiterate Overweight

We examine critiques of IRM published today in a report by an activist short seller. While some of the critiques appear valid, most of them are not, in our view. We present the nuances to the most pertinent considerations below.

IRM	OVERWEIGHT
U.S. Communications Infrastructure	NEUTRAL
Price Target	USD 123.00
Price (18-Nov-25)	USD 89.28
Potential Upside/Downside	+37.8%

Source: Bloomberg, Barclays Research

U.S. Communications Infrastructure

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Our view: We are defending our Overweight recommendation on IRM in the wake of the publication of a report by an activist short seller. We have gone through the criticisms of IRM in as much detail as allowed in a short time frame. Even as IRM bulls, some of these arguments resonate. As an example, the report notes that restructuring charges have been large, and that they believe some portion would have been better characterized as an operating expense. But we view this is already a consensus view, even among IRM's supporters. We find many of the other arguments in the report as weak, inaccurate, or having been already adequately addressed by the company. However, we present the nuances to the most relevant critiques below. Our IRM model calls for >10% AFFOps CAGR through 2027, which is the best within our coverage. We anticipate shares of IRM will outperform as the company continues to execute on its growth initiatives. Reiterate Overweight.

- **Backing-out restructuring charges**
  - We view this as a fair critique. IRM has had two separate ~$450m restructuring programs. Summit focused on reorganizing the global structure between 2019-2022 and Matterhorn focused on IRM's technology platform from 2023-2025
  - IRM's rationale for backing it out of EBITDA was to present the underlying growth of core operations, as there was some volatility associated with the quarterly/annual restructuring charges. It would be more conservative accounting to not back out the charges, in our view.
  - This is a moot point, in our view. Management has indicated the restructuring charges and the associated add-backs will stop after 4Q25 (which may relate to the short report being released now).
- **True leverage**
  - We do not see IRM's leverage as a concern.

Wells Fargo Maintains Overweight Rating for Iron Mountain Despite Short Report

By **Ainvest**
Thursday, Nov 20, 2025 8:15 pm ET • 1min read

IRM +2.43% WFC +0.86%

Wells Fargo maintains an Overweight rating for Iron Mountain with a $125 price target, despite a recent short report. The firm believes the report does not present new information and the company will maintain over 10% growth. Iron Mountain's mature North American physical storage sector faces a slight decline in volume, but Wells Fargo remains confident in the company's growth trajectory.

Note: Data as of 11/23