UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number 001-40205

EQUINIX, INC.
(Exact name of registrant as specified in its charter)

Delaware	**77-0487526**
(State of incorporation)	(I.R.S. Employer Identification No.)

One Lagoon Drive, Redwood City, California 94065
(Address of principal executive offices, including ZIP code)

(650) 598-6000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $0.001	EQIX	The Nasdaq Stock Market LLC
0.250% Senior Notes due 2027		The Nasdaq Stock Market LLC
1.000% Senior Notes due 2033		The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's Common Stock as of August 3, 2023 was 93,564,927.

EQUINIX, INC.

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Summary of Risk Factors

Our business is subject to numerous risks and uncertainties that make an investment in our securities speculative or risky, any one of which could materially adversely affect our results of operations, financial condition or business. These risks include, but are not limited to, those listed below. This list is not complete, and should be read together with the section titled "Risk Factors" in this Quarterly Report on Form 10-Q, as well as the other information in this Quarterly Report on Form 10-Q and the other filings that we make with the U.S. Securities and Exchange Commission (the "SEC").

Risks Related to the Macro Environment

- Inflation in the global economy, increased interest rates and adverse global economic conditions, like the ones we are currently experiencing, could negatively affect our business and financial condition.
- We are currently operating in a period of economic uncertainty and capital markets disruption, which has been the result of many global macro-economic factors including the ongoing military conflict between Russia and Ukraine. These macro-economic and other factors could negatively affect our business and financial condition.
- Our business could be harmed by increased costs to procure power, prolonged power outages, shortages or capacity constraints as well as restrictions on access to power.

Risks Related to our Operations

- We experienced an information technology security breach in the past and may be vulnerable to future security breaches, which could disrupt our operations and have a material adverse effect on our business, results of operation and financial condition.
- Any failure of our physical infrastructure or negative impact on our ability to meet our obligations to our customers, or damage to customer infrastructure within our IBX data centers, could lead to significant costs and disruptions that could reduce our revenue and harm our business reputation and financial condition.
- We are currently making significant investments in our back-office information technology systems and processes. Difficulties from or disruptions to these efforts may interrupt our normal operations and adversely affect our business and results of operations.
- The level of insurance coverage that we purchase may prove to be inadequate.
- If we are unable to implement our evolving organizational structure or if we are unable to recruit or retain key executives and qualified personnel, our business could be harmed.
- The failure to obtain favorable terms when we renew our IBX data center leases, or the failure to renew such leases, could harm our business and results of operations.
- We depend on a number of third parties to provide internet connectivity to our IBX data centers; if connectivity is interrupted or terminated, our results of operations and cash flow could be materially and adversely affected.
- The use of high-power density equipment may limit our ability to fully utilize our older IBX data centers.

Risks Related to our Offerings and Customers

- Our offerings have a long sales cycle that may harm our revenue and results of operations.
- We may not be able to compete successfully against current and future competitors.
- If we cannot continue to develop, acquire, market and provide new offerings or enhancements to existing offerings that meet customer requirements and differentiate us from our competitors, our results of operations could suffer.
- We have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties.
- Because we depend on the development and growth of a balanced customer base, including key magnet customers, failure to attract, grow and retain this base of customers could harm our business and results of operations.
- Industry consolidation may have a negative impact on our business model.

Risks Related to our Financial Results

- Our results of operations may fluctuate.
- We may incur goodwill and other intangible asset impairment charges, or impairment charges to our property, plant and equipment, which could result in a significant reduction to our earnings.
- We have incurred substantial losses in the past and may incur additional losses in the future.

Risks Related to Our Expansion Plans

- Our construction of new IBX data centers or IBX data center expansions could involve significant risks to our business.
- Acquisitions present many risks, and we may not realize the financial or strategic goals that were contemplated at the time of any transaction.
- The anticipated benefits of our joint ventures may not be fully realized, or take longer to realize than expected.
- Joint venture investments could expose us to risks and liabilities in connection with the formation of the new joint ventures, the operation of such joint ventures without sole decision-making authority, and our reliance on joint venture partners who may have economic and business interests that are inconsistent with our business interests.
- If we cannot effectively manage our international operations, and successfully implement our international expansion plans, or comply with evolving laws and regulations, our revenues may not increase, our costs may increase and our business and results of operations would be impacted.
- We continue to invest in our expansion efforts, but may not have sufficient customer demand in the future to realize expected returns on these investments.

Risks Related to Our Capital Needs and Capital Strategy

- Our substantial debt could adversely affect our cash flows and limit our flexibility to raise additional capital.
- Sales or issuances of shares of our common stock may adversely affect the market price of our common stock.
- If we are not able to generate sufficient operating cash flows or obtain external financing, our ability to fund incremental expansion plans may be limited.
- Our derivative transactions expose us to counterparty credit risk.

Risks Related to Environmental Laws and Climate Change Impacts

- Environmental regulations may impose upon us new or unexpected costs.
- Our business may be adversely affected by climate change and responses to it.
- We may fail to achieve our environmental goals which may adversely affect public perception of our business and affect our relationship with our customers, our stockholders and/or other stakeholders.

Risks Related to Certain Regulations and Laws, Including Tax Laws

- Changes in U.S. or foreign tax laws, regulations, or interpretations thereof, including changes to tax rates, may adversely affect our financial statements and cash taxes.
- Government regulation or failure to comply with laws and regulations may adversely affect our business.
- Our business could be adversely affected if we are unable to maintain our complex global legal entity structure.

Risks Related to Our REIT Status in the U.S.

- We have a number of risks related to our qualification as a real estate investment trust for federal income tax purposes ("REIT"), including the risk that we may not be able to maintain our qualification for taxation as a REIT which could expose us to substantial corporate income tax and have a materially adverse effect on our business, financial condition, and results of operations.

PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

EQUINIX, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	June 30, 2023	December 31, 2022
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 2,342,177	$ 1,906,421
Accounts receivable, net of allowance of $ 16,724 and $12,225	1,006,116	855,380
Other current assets	395,723	459,138
Assets held for sale	—	84,316
Total current assets	3,744,016	3,305,255
Property, plant and equipment, net	17,267,282	16,649,534
Operating lease right-of-use assets	1,529,064	1,427,950
Goodwill	5,732,010	5,654,217
Intangible assets, net	1,807,485	1,897,649
Other assets	1,487,088	1,376,137
Total assets	$ 31,566,945	$ 30,310,742
Liabilities, Redeemable Non-Controlling Interest and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,023,031	$ 1,004,800
Accrued property, plant and equipment	316,090	281,347
Current portion of operating lease liabilities	139,661	139,538
Current portion of finance lease liabilities	151,554	151,420
Current portion of mortgage and loans payable	8,419	9,847
Other current liabilities	215,473	251,346
Total current liabilities	1,854,228	1,838,298
Operating lease liabilities, less current portion	1,403,269	1,272,812
Finance lease liabilities, less current portion	2,136,159	2,143,690
Mortgage and loans payable, less current portion	665,916	642,708
Senior notes, less current portion	12,672,826	12,109,539
Other liabilities	785,547	797,863
Total liabilities	19,517,945	18,804,910
Commitments and contingencies (Note 11)		
Redeemable non-controlling interest	25,000	—
Equinix stockholders' equity:		
Common stock, $0.001 par value per share: 300,000,000 shares authorized; 93,736,659 issued and 93,564,869 outstanding in 2023 and 92,813,976 issued and 92,620,703 outstanding in 2022	94	93
Additional paid-in capital	17,909,043	17,320,017
Treasury stock, at cost; 171,790 shares in 2023 and 193,273 shares in 2022	(63,973)	(71,966)
Accumulated dividends	(7,963,253)	(7,317,570)
Accumulated other comprehensive loss	(1,288,456)	(1,389,446)
Retained earnings	3,430,654	2,964,838
Total Equinix stockholders' equity	12,024,109	11,505,966
Non-controlling interests	(109)	(134)
Total stockholders' equity	12,024,000	11,505,832
Total liabilities, redeemable non-controlling interest and stockholders' equity	$ 31,566,945	$ 30,310,742

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	(Unaudited)			
Revenues	$ 2,018,408	$ 1,817,154	$ 4,016,617	$ 3,551,601
Costs and operating expenses:				
Cost of revenues	1,060,800	930,257	2,066,891	1,846,132
Sales and marketing	215,016	193,727	425,687	386,238
General and administrative	406,429	370,348	801,303	723,035
Transaction costs	5,718	5,063	7,318	9,303
(Gain) loss on asset sales	(1,941)	(94)	(1,089)	1,724
Total costs and operating expenses	1,686,022	1,499,301	3,300,110	2,966,432
Income from operations	332,386	317,853	716,507	585,169
Interest income	23,503	4,508	42,891	6,614
Interest expense	(99,973)	(90,826)	(197,454)	(170,791)
Other expense	(11,518)	(6,238)	(4,015)	(15,787)
Gain (loss) on debt extinguishment	—	(420)	254	109
Income before income taxes	244,398	224,877	558,183	405,314
Income tax expense	(37,385)	(8,635)	(92,440)	(41,379)
Net income	207,013	216,242	465,743	363,935
Net (income) loss attributable to non-controlling interests	17	80	73	(160)
Net income attributable to Equinix	$ 207,030	$ 216,322	$ 465,816	$ 363,775
Earnings per share ("EPS") attributable to Equinix:				
Basic EPS	$ 2.21	$ 2.38	$ 5.00	$ 4.00
Weighted-average shares for basic EPS	93,535	91,036	93,253	90,904
Diluted EPS	$ 2.21	$ 2.37	$ 4.98	$ 3.99
Weighted-average shares for diluted EPS	93,857	91,262	93,599	91,213

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(Unaudited)			
Net income	$ 207,013	$ 216,242	$ 465,743	$ 363,935
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment (“CTA”) gain (loss), net of tax effects of $ 0, $0, $0 and $0	25,923	(740,428)	183,137	(862,962)
Net investment hedge CTA gain (loss), net of tax effects of $ 0, $0, $0 and $0	(24,186)	353,953	(64,146)	445,311
Unrealized gain (loss) on cash flow hedges, net of tax effects of $(1,121), $(7,291), $4,955 and $(12,018)	(4,792)	20,617	(17,673)	84,654
Net actuarial loss on defined benefit plans, net of tax effects of $ 29, $5, $55 and $9	(116)	(19)	(231)	(40)
Total other comprehensive income (loss), net of tax	(3,171)	(365,877)	101,087	(333,037)
Comprehensive income (loss), net of tax	203,842	(149,635)	566,830	30,898
Net (income) loss attributable to non-controlling interests	17	80	73	(160)
Other comprehensive (income) loss attributable to non-controlling interests	(97)	35	(97)	32
Comprehensive income (loss) attributable to Equinix	$ 203,762	$ (149,520)	$ 566,806	$ 30,770

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 465,743	$ 363,935
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	813,834	767,166
Stock-based compensation	203,261	194,634
Amortization of intangible assets	104,902	101,444
Amortization of debt issuance costs and debt discounts	9,243	8,740
Provision for credit loss allowance	9,634	4,198
Gain (Loss) on asset sales	(1,089)	1,724
Gain on debt extinguishment	(254)	(109)
Other items	15,781	8,288
Changes in operating assets and liabilities:		
Accounts receivable	(152,556)	(127,029)
Income taxes, net	7,945	(19,782)
Other assets	(42,173)	10,259
Operating lease right-of-use assets	77,103	74,239
Operating lease liabilities	(65,310)	(66,372)
Accounts payable and accrued expenses	15,867	(20,852)
Other liabilities	(29,225)	82,221
Net cash provided by operating activities	1,432,706	1,382,704
Cash flows from investing activities:		
Purchases of investments	(54,683)	(87,022)
Sales of investments	—	22,073
Business acquisitions, net of cash and restricted cash acquired	—	(883,668)
Real estate acquisitions	(40,397)	(33,331)
Purchases of other property, plant and equipment	(1,167,759)	(897,348)
Proceeds from sale of assets, net of cash transferred	72,254	251,415
Net cash used in investing activities	(1,190,585)	(1,627,881)
Cash flows from financing activities:		
Proceeds from employee equity programs	44,543	43,876
Payment of dividends	(646,405)	(572,717)
Proceeds from public offering of common stock, net of issuance costs	300,775	—
Proceeds from senior notes, net of debt discounts	565,239	1,193,688
Proceed from mortgage and loans payable	—	676,850
Repayment of finance lease liabilities	(66,462)	(69,556)
Proceeds from redeemable non-controlling interest	25,000	—
Repayment of mortgage and loans payable	(3,423)	(561,032)
Debt issuance costs	(4,257)	(17,731)
Net cash provided by financing activities	215,010	693,378
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	(22,798)	(96,536)
Net increase in cash, cash equivalents and restricted cash	434,333	351,665
Cash, cash equivalents and restricted cash at beginning of period	1,908,248	1,549,454
Cash, cash equivalents and restricted cash at end of period	$ 2,342,581	$ 1,901,119
Cash and cash equivalents	$ 2,342,177	$ 1,891,311
Current portion of restricted cash included in other current assets	309	8,943
Non-current portion of restricted cash included in other assets	95	865
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statement of cash flows	$ 2,342,581	$ 1,901,119

See accompanying notes to condensed consolidated financial statements.

EQUINIX, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Equinix, Inc. (collectively with its consolidated subsidiaries referred to as "Equinix," the "Company," "we," "our," or "us") and reflect all adjustments, consisting only of normal recurring adjustments, which in the opinion of management are necessary to fairly state the financial position and the results of operations for the interim periods presented.

Our condensed consolidated balance sheet data as of December 31, 2022 has been derived from audited consolidated financial statements as of that date. Our condensed consolidated financial statements have been prepared in accordance with the regulations of the Securities and Exchange Commission ("SEC"), but omit certain information and footnote disclosure necessary to present the statements in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP" or "GAAP"). For further information, refer to the Consolidated Financial Statements and Notes thereto included in our Form 10-K as filed with the SEC on February 17, 2023. Results for the interim periods are not necessarily indicative of results for the entire fiscal year.

Consolidation

The accompanying unaudited condensed consolidated financial statements include the acquisitions of:

- Four data centers as well as a subsea cable and terrestrial fiber network in West Africa acquired from MainOne Cable Company ("MainOne") starting from April 1, 2022; and
- Four data centers in Chile and a data center in Peru acquired from Empresa Nacional De Telecomunicaciones S.A. ("Entel") starting from May 2, 2022 and August 1, 2022, respectively.

All intercompany accounts and transactions have been eliminated in consolidation.

Income Taxes

We elected to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") beginning with our 2015 taxable year. As a result, we may deduct the dividends paid to our stockholders from taxable income generated by our REIT and qualified REIT subsidiaries ("QRSs"). Our dividends paid deduction generally eliminates the U.S. federal taxable income of our REIT and QRSs, resulting in no U.S. federal income tax due. However, our domestic taxable REIT subsidiaries ("TRSs") are subject to U.S. corporate income taxes on any taxable income generated by them. In addition, our foreign operations are subject to local income taxes regardless of whether the foreign operations are operated as QRSs or TRSs.

We accrue for income taxes during interim periods based on the estimated effective tax rate for the year. The effective tax rate is subject to change in the future due to various factors such as our operating performance, tax law changes and future business acquisitions.

Our effective tax rates were 16.6% and 10.2% for the six months ended June 30, 2023 and 2022, respectively. The increase in the effective tax rate for the six months ended June 30, 2023 as compared to the same period in 2022 is primarily due to the reversal of uncertain tax positions of approximately $41.4 million in the prior period resulting from the settlement of tax audits in the EMEA region.

Recent Accounting Pronouncements

Accounting Standards Adopted

Supplier Finance Programs

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, "Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations". This guidance requires annual and interim disclosures for entities that use supplier finance programs in connection with the purchase of goods and services. The ASU is effective for fiscal years beginning after December 15, 2022, with early adoption permitted, except for the amendment on roll forward information, which is effective for fiscal years beginning after December 15, 2023. We adopted this ASU and the adoption of this standard did not have an impact on our condensed consolidated financial statements.

Reference Rate Reform

In March 2020, FASB issued ASU 2020-04, Reference Rate Reform ("Topic 848"): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In addition, FASB issued ASU 2021-01, Reference Rate Reform ("Topic 848"), which clarifies the scope of Topic 848. Collectively, the guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. ASU 2021-01 is effective upon issuance and ASU 2020-04 was effective for all entities as of March 12, 2020, and together remained effective through December 31, 2022. In December 2022, FASB issued ASU 2022-06, Reference Rate Reform ("Topic 848"): Deferral of the Sunset Date of Topic 848. Because the current relief in Topic 848 may not cover a period of time during which a significant number of modifications may take place, the amendments in this Update defer the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. We adopted these ASUs upon their respective issuances and there was no impact on our consolidated financial statements as a result of adopting the guidance. We will evaluate our debt, derivative and lease contracts that may become eligible for modification relief and may apply the elections prospectively as needed.

Debt with Conversion and Other Options

In August 2020, FASB issued ASU 2020-06: Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40). The ASU simplifies the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock and modifies the disclosure requirement for the convertible instruments. Additionally, this ASU improves the consistency of EPS calculations by eliminating the use of the treasury stock method to calculate diluted EPS for convertible instruments and clarifies certain areas under the current EPS guidance. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted at the beginning of the fiscal year after December 15, 2020. On January 1, 2022, we adopted this ASU on a prospective basis and the adoption of this standard did not have a material impact on our condensed consolidated financial statements.

Business Combinations

In October 2021, FASB issued ASU 2021-08 Business Combinations ("Topic 805"): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. The ASU requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers, as if it had originated the contracts. Under the current business combinations guidance, such assets and liabilities were recognized by the acquirer at fair value on the acquisition date. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. On April 1, 2022, we early adopted this ASU and the adoption of this standard did not have a material impact on our condensed consolidated financial statements.

2. Revenue

Contract Balances

The following table summarizes the opening and closing balances of our accounts receivable, net; contract assets, current; contract assets, non-current; deferred revenue, current; and deferred revenue, non-current (in thousands):

	Accounts receivable, net [(1)]	Contract assets, current	Contract assets, non-current	Deferred revenue, current	Deferred revenue, non-current
Beginning balances as of January 1, 2023	$ 855,380	$ 27,608	$ 55,405	$ 132,090	$ 155,334
Closing balances as of June 30, 2023	1,006,116	34,342	76,240	118,179	158,606
Increase (Decrease)	$ 150,736	$ 6,734	$ 20,835	$ (13,911)	$ 3,272

[(1)] The net change in our allowance for credit losses was insignificant during the six months ended June 30, 2023.

The difference between the opening and closing balances of our accounts receivable, net, contract assets and deferred revenues primarily results from revenue growth and the timing difference between the satisfaction of our performance obligation and the customer's payment. The amount of revenue recognized during the six months ended June 30, 2023 from the opening deferred revenue balance as of January 1, 2023 was $59.0 million.

Remaining performance obligations

As of June 30, 2023, approximately $9.9 billion of total revenues, including deferred installation revenues, are expected to be recognized in future periods. Most of our revenue contracts have an initial term varying from one to three years, and thereafter, automatically renew in one-year increments. Included in the remaining performance obligations are contracts that are either under the initial term or under one-year renewal periods. We expect to recognize approximately 70% of our remaining performance obligations as revenues over the next two years, with more revenues expected to be recognized in the first year due to the impact of contract renewals. The remainder of the balance is generally expected to be recognized over the next three to five years. We estimate our remaining performance obligations at a point in time. Actual amounts and timing of revenue recognition may differ from these estimates due to changes in actual deployment dates, contract modifications, renewals and/or terminations.

The remaining performance obligations do not include variable consideration related to unsatisfied performance obligations such as the usage of metered power, point-in-time services, variable price increases, and service fees from xScale™ data centers, which are calculated based on future events or actual costs incurred in the future, or any contracts that could be terminated without any significant penalties such as the majority of interconnection revenues. The remaining performance obligations above include revenues to be recognized in the future related to arrangements where we are considered the lessor.

3. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share ("EPS") for the periods presented (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	$ 207,013	$ 216,242	$ 465,743	$ 363,935
Net (income) loss attributable to non-controlling interests	17	80	73	(160)
Net income attributable to Equinix	$ 207,030	$ 216,322	$ 465,816	$ 363,775
Weighted-average shares used to calculate basic EPS	93,535	91,036	93,253	90,904
Effect of dilutive securities:				
Employee equity awards	322	226	346	309
Weighted-average shares used to calculate diluted EPS	93,857	91,262	93,599	91,213
EPS attributable to Equinix:				
Basic EPS	$ 2.21	$ 2.38	$ 5.00	$ 4.00
Diluted EPS	$ 2.21	$ 2.37	$ 4.98	$ 3.99

We have excluded common stock related to employee equity awards in the diluted EPS calculation above of approximately 72,000 and 409,000 shares for the three months ended June 30, 2023 and 2022, respectively, and approximately 106,000 and 393,000 shares for the six months ended June 30, 2023 and 2022, respectively, because its effect would be anti-dilutive.

4. Acquisitions

2022 Acquisitions

Acquisition of Entel Chile Data Centers (the "Entel Chile Acquisition") and Entel Peru Data Center (the "Entel Peru Acquisition")

On May 2, 2022, we further expanded in Latin America through an acquisition of four data centers in Chile from Entel, a leading Chilean telecommunications provider, for a total purchase consideration of $638.3 million at the exchange rate in effect on that date. On August 1, 2022, we completed the acquisition of a data center in Peru from Entel for a total purchase consideration of $80.3 million at the exchange rate in effect on that date. The Entel Chile Acquisition and Entel Peru Acquisition support our ongoing expansion to meet customer demand in the Latin American market.

Acquisition of MainOne (the "MainOne Acquisition")

On April 1, 2022, we completed the acquisition of all outstanding shares of MainOne, which consisted of four data centers as well as a subsea cable and terrestrial fiber network. We acquired MainOne and its assets for a total purchase consideration of $278.4 million. The MainOne Acquisition supports our ongoing expansion to meet customer demand in the West African market.

Purchase Price Allocation

Each of the acquisitions noted above constitute a business under the accounting standard for business combinations and, therefore, were accounted for as business combinations using the acquisition method of accounting. Under this method, the total purchase price is allocated to the assets acquired and liabilities assumed measured at fair value on the date of acquisition, except where alternative measurement is required under GAAP.

As of June 30, 2023, we completed the detailed valuation analysis and the final allocation of purchase price for the Entel Peru Acquisition.

A summary of the final allocation of total purchase consideration is presented as follows (in thousands):

	Entel Chile	MainOne	Entel Peru
Cash and cash equivalents	$ —	$ 33,026	$ —
Accounts receivable	—	9,431	—
Other current assets	12,424	21,988	—
Property, plant and equipment	81,132	239,583	13,423
Intangible assets	153,489	54,800	10,000
Goodwill	380,867	110,665	46,285
Deferred tax and other assets	12,090	5,879	10,801
Total assets acquired	640,002	475,372	80,509
Accounts payable and accrued liabilities	(195)	(18,525)	—
Other current liabilities (1)	—	(13,061)	—
Mortgage and loans payable	—	(25,944)	—
Deferred tax and other liabilities (1)	(1,463)	(139,492)	(167)
Net assets acquired	$ 638,344	$ 278,350	$ 80,342

(1) For the MainOne Acquisition, other current liabilities includes $9.9 million of deferred revenue - current and the other liabilities includes $95.4 million of deferred revenue - non-current.

Property, plant and equipment - The fair values of property, plant and equipment acquired from these three acquisitions were estimated by applying the cost approach, with the exception of land, which we estimated by applying the market approach. The key assumptions of the cost approach include replacement cost new, physical deterioration, functional and economic obsolescence, economic useful life, remaining useful life, age and effective age.

Intangible assets - The following table presents certain information on the acquired intangible assets (in thousands):

Intangible Assets	Fair Value	Estimated Useful Lives (Years)	Weighted-average Estimated Useful Lives (Years)	Discount Rate
Entel Peru:				
Customer relationships (1)	$ 10,000	15.0	15.0	7.0 %
Entel Chile:				
Customer relationships (1)	153,489	12.0 - 15.0	14.0	8.5% - 9.5%
MainOne:				
Customer relationships (1)	51,500	10.0 - 15.0	14.0	11.5 %
Trade names (2)	3,300	5.0	5.0	11.5 %

(1) The fair value was estimated by calculating the present value of estimated future operating cash flows generated from existing customers less costs to realize the revenue and/or by using benchmarking. The rates reflect the nature of the assets as they relate to the risk and uncertainty of the estimated future operating cash flows, as well as the risk of the country within which the acquired business operates.

(2) The fair value of the MainOne trade name was estimated using the relief from royalty method under the income approach. We applied a relief from royalty rate of 1.0%.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed. Goodwill is attributable to the workforce of the acquired business and the projected revenue increase expected to arise from future customers after the acquisition. Goodwill from the Entel Peru and Entel Chile acquisitions are attributable to the Americas region. Goodwill from the Entel Chile acquisition is amortizable for local tax purposes, while goodwill from the Entel Peru acquisition is not expected to be amortizable for local tax purposes. Goodwill from the MainOne Acquisition is attributable to the EMEA region and is generally not deductible for local tax purposes.

5. Assets Held for Sale

In June 2021, we entered into an agreement to form a joint venture in the form of a limited liability partnership with GIC Private Limited, Singapore's sovereign wealth fund ("GIC"), to develop and operate additional xScale™ data centers in Europe and the Americas (the “EMEA 2 Joint Venture”). xScale data centers are engineered to meet the technical and operational requirements and price points of core hyperscale workload deployments and also offer access to our comprehensive suite of interconnection and edge solutions. The transaction was structured to close in phases over the course of approximately two years, pending regulatory approval and other closing conditions. The assets and liabilities of the Warsaw 4 ("WA4") data center site, which were included within our EMEA region, were classified as held for sale as of June 30, 2021. In June 2022, we sold the WA4 data center in exchange for a total consideration of $61.5 million. We recognized an insignificant gain on the sale of the WA4 data center.

In October 2021, we entered into an agreement to form a joint venture in the form of a limited liability partnership with PGIM Real Estate ("PGIM"), to develop and operate xScale data centers in Asia-Pacific (the "Asia-Pacific 2 Joint Venture"). The assets and liabilities of the Sydney 9 ("SY9") data center site, which were included within our Asia-Pacific region, were classified as held for sale as of September 30, 2021. Upon closing the joint venture in March 2022, we sold the SY9 data center in exchange for a total consideration of $201.3 million, which was comprised of $165.6 million of net cash proceeds, a 20% partnership interest in the Asia-Pacific 2 Joint Venture with a fair value of $29.8 million, and $5.9 million of receivables. We recognized an insignificant loss on the sale of the SY9 data center.

In March 2022, we entered into an agreement to sell the Mexico 3 ("MX3") data center site in connection with the formation of a new joint venture with GIC (the "AMER 1 Joint Venture") to develop and operate xScale data centers in the Americas. The assets and liabilities of the MX3 data center, which were included within our Americas region, were classified as held for sale as of September 30, 2021. Upon closing of the joint venture in March 2023, we sold the MX3 data center in exchange for a total consideration of $75.1 million, which was comprised of $63.9 million of net cash proceeds, a 20% partnership interest in the AMER 1 Joint Venture with a fair value of $8.4 million, and $2.8 million of receivables. During the six months ended June 30, 2023, we recognized an insignificant loss on the sale of the MX3 data center.

6. Equity Method Investments

We hold various equity method investments, primarily joint venture or partnership arrangements, in order to invest in certain entities that are in line with our business development objectives, including the development and operation of xScale data centers. Some of these xScale joint ventures are classified as Variable Interest Entities ("VIEs"), as discussed further below. The Asia-Pacific 1, Asia-Pacific 2, Asia-Pacific 3, EMEA 2 and AMER 1 Joint Ventures as noted below (the "VIE Joint Ventures") share a similar purpose, design and nature of assets. The following table summarizes our equity method investments (in thousands), which were included in other assets on the condensed consolidated balance sheets:

Investee	Ownership Percentage	June 30, 2023	December 31, 2022
EMEA 1 Joint Venture with GIC	20%	$ 156,058	$ 148,895
VIE Joint Ventures	20%	230,385	191,680
Other	Various	10,388	7,570
Total		$ 396,831	$ 348,145

Non - VIE Joint Venture

EMEA 1 Joint Venture

We invested in a joint venture in the form of a limited liability partnership with GIC (the "EMEA 1 Joint Venture"), to develop and operate xScale data centers in Europe. The EMEA 1 Joint Venture is not a VIE given that both equity investors' interests have the characteristics of a controlling financial interest and it is sufficiently capitalized to sustain its operations, requiring additional funding from its partners only when expanding operations. Our share of income and losses of equity method investments from this joint venture was insignificant for the three and six months ended June 30, 2023 and 2022 and was included in other income (expense) on the condensed consolidated statement of operations.

We committed to make future equity contributions to the EMEA 1 Joint Venture for funding its future development. As of June 30, 2023, we had future equity contribution commitments of $8.1 million.

VIE Joint Ventures

We invested in joint ventures in the form of limited liability partnerships with GIC to develop and operate xScale data centers in Asia-Pacific (the "Asia-Pacific 1 Joint Venture") and in Europe and the Americas (the EMEA 2 Joint Venture, see Note 5 above).

On March 11, 2022, we entered into the Asia-Pacific 2 Joint Venture with PGIM to develop and operate additional xScale data centers in Asia-Pacific (see Note 5 above).

On April 6, 2022, we entered into a joint venture in the form of a limited liability partnership with GIC (the "Asia-Pacific 3 Joint Venture") to develop and operate additional xScale data centers in Seoul, Korea. Upon closing, we contributed $17.0 million in exchange for a 20% partnership interest in the joint venture.

On March 10, 2023, we entered into the AMER 1 joint venture with GIC to develop and operate xScale data centers in the Americas (see Note 5 above). Upon closing, we contributed $8.4 million in exchange for a 20% partnership interest in the joint venture.

The VIE Joint Ventures are considered VIEs because they do not have sufficient funds from operations to be self-sustaining. While we provide certain management services to their operations and earn fees for the performance of such services, the power to direct the activities of these joint ventures that most significantly impact economic performance is shared equally between us and either GIC or PGIM, as applicable. These activities include data center construction and operations, sales and marketing, financing, and real estate purchases or sales. Decisions about these activities require the consent of both Equinix and either GIC or PGIM, as applicable. We concluded that neither party is deemed to have predominant control over the VIE Joint Ventures and neither party is considered to be the primary beneficiary. During the three and six months ended June 30, 2023, our share of income and losses of equity method investments from these joint ventures was insignificant both individually and in the aggregate, and was included in other income (expense) on the condensed consolidated statement of operations.

The following table summarizes our maximum exposure to loss related to the VIE Joint Ventures as of June 30, 2023 (in thousands):

	VIE Joint Ventures
Equity Investment	$ 230,385
Outstanding Receivables	12,340
Future Equity Contribution Commitments (1)	69,745
Maximum Future Payments under Debt Guarantees (2)	114,067
Total	$ 426,537

(1) The joint ventures' partners are required to make additional equity contributions proportionately upon certain occurrences, such as a shortfall in capital necessary to complete certain construction phases or make interest payments on their outstanding debt.

(2) In connection with our 20% equity investment in the EMEA 2 Joint Venture, we provided the lenders with our guarantees covering 20% of all payments of principal and interest due under EMEA 2 Joint Venture's credit facility agreements. A portion of the guarantees related to our AMER 1 Joint Venture (see Note 11).

Other Related Party Transactions

We have lease arrangements and provide various services to the EMEA 1 Joint Venture and the VIE Joint Ventures (the "Joint Ventures") through multiple agreements, including sales and marketing, development management, facilities management, and asset management. These transactions are generally considered to have been negotiated at arm's length. The following table presents the revenues and expenses from these arrangements with the Joint Ventures in our condensed consolidated statements of operations (in thousands):

		Three Months Ended June 30,		Six Months Ended June 30,	
Related Party	Nature of Transaction	2023	2022	2023	2022
EMEA 1 Joint Venture	Revenues	$ 6,951	$ 18,880	$ 13,992	$ 25,182
EMEA 1 Joint Venture	Expenses (1)	6,587	(916)	8,244	3,412
VIE Joint Ventures	Revenues	17,264	13,185	39,067	20,187

(1) Balances primarily consist of rent expenses for a 15-year sub-lease agreement with the EMEA 1 Joint Venture for a London data center.

The following table presents the assets and liabilities from related party transactions with the Joint Ventures in our condensed consolidated balance sheets (in thousands):

Related Party	Balance Sheet Line Item	June 30, 2023	December 31, 2022
EMEA 1 Joint Venture	Receivables	$ 26,568	$ 73,929
	Contract Assets	7,407	7,261
	Finance Lease Right-of-Use Assets	$ 101,672	$ 100,968
	Operating Lease Right-of-Use Assets	1,511	—
	Other Liabilities and Payables	40,736	1,193
	Operating Lease Right-of-Use Liabilities	1,558	—
	Other Liabilities and Payables - Construction Obligation (1)	—	18,967
	Deferred Revenue	16,188	15,470
	Finance Lease Right-of-Use Liabilities	112,315	108,603
VIE Joint Ventures	Receivables	12,340	19,935
	Contract Assets	25,237	5,281
	Operating Right of Use Assets	1,226	—
	Deferred Revenue	4,817	—
	Operating Right of Use Liabilities	1,167	—

(1) The balance primarily relates to the obligation to pay for future construction for certain sites sold as a part of the EMEA 1 Joint Venture transaction.

7. Derivatives and Hedging Activities

Derivatives Designated as Hedging Instruments

Net Investment Hedges. We are exposed to the impact of foreign exchange rate fluctuations on the value of investments in our foreign subsidiaries whose functional currencies are other than the U.S. Dollar. In order to mitigate the impact of foreign currency exchange rates, we have entered into various foreign currency debt obligations, which are designated as hedges against our net investments in foreign subsidiaries. As of both June 30, 2023 and December 31, 2022, the total principal amounts of foreign currency debt obligations designated as net investment hedges was $1.5 billion.

We also utilize cross-currency interest rate swaps, designated as net investment hedges, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt, to hedge the currency exposure associated with our net investment in our foreign subsidiaries. As of both June 30, 2023 and December 31, 2022, the total notional amount of cross-currency interest rate swaps, designated as net investment hedges was $3.9 billion, with maturity dates ranging through 2026.

From time to time, we use foreign currency forward contracts, which are designated as net investment hedges, to hedge against the effect of foreign exchange rate fluctuations on our net investment in our foreign subsidiaries. As of both June 30, 2023 and December 31, 2022, the total notional amount of foreign currency forward contracts designated as net investment hedges were $394.2 million and $373.4 million, respectively.

Certain of our customer agreements that are priced in currencies different from the functional or local currencies of the parties involved are deemed to have foreign currency forward contracts embedded in them. These embedded derivatives are separated from their host contracts and carried on our balance sheet at their fair value. The majority of these embedded derivatives arise as a result of our foreign subsidiaries pricing their customer contracts in U.S. Dollars. We use these forward contracts embedded within our customer agreements to hedge against the effect of foreign exchange rate fluctuations on our net investment in our foreign subsidiaries.

The effect of net investment hedges on accumulated other comprehensive income and the condensed consolidated statements of operations for the three and six months ended June 30, 2023 and 2022 was as follows (in thousands):

Amount of gain or (loss) recognized in accumulated other comprehensive income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Foreign currency debt	$ (15,640)	$ 112,530	$ (39,250)	$ 157,591
Cross-currency interest rate swaps (included component) (1)	18,823	221,292	(21,088)	343,322
Cross-currency interest rate swaps (excluded component) (2)	(26,779)	3,154	(2,818)	(68,954)
Foreign currency forward contracts (included component) (1)	(73)	18,592	(1,121)	15,643
Foreign currency forward contracts (excluded component) (3)	(517)	(1,615)	131	(2,291)
Total	$ (24,186)	$ 353,953	$ (64,146)	$ 445,311

Amount of gain or (loss) recognized in earnings:

	Location of gain or (loss)	Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022
Cross-currency interest rate swaps (excluded component) (2)	Interest expense	$ 11,811	$ 12,029	$ 24,040	$ 24,607
Foreign currency forward contracts (excluded component) (3)	Interest expense	796	(132)	644	(163)
Total		$ 12,607	$ 11,897	$ 24,684	$ 24,444

(1) Included component represents foreign exchange spot rates.
(2) Excluded component represents cross-currency basis spread and interest rates.
(3) Excluded component represents foreign currency forward points.

Cash Flow Hedges. We hedge our foreign currency transaction exposure for forecasted revenues and expenses in our EMEA region between the U.S. Dollar and the British Pound, Euro, Swedish Krona and Swiss Franc. The foreign currency forward and option contracts that we use to hedge this exposure are designated as cash flow hedges. As of June 30, 2023 and December 31, 2022, the total notional amounts of these foreign exchange contracts were $822.6 million and $490.8 million, respectively.

As of June 30, 2023, our foreign currency cash flow hedge instruments had maturity dates ranging from July 2023 to December 2024 and we had a net loss of $12.3 million recorded within accumulated other comprehensive income (loss) to be reclassified to revenues and expenses relating to these cash flow hedges as they mature in the next 12 months. As of December 31, 2022, our foreign currency cash flow hedge instruments had maturity dates ranging from January 2023 to February 2024 and we had a net gain of $8.2 million recorded within accumulated other comprehensive income (loss) to be reclassified to revenues and expenses relating to these cash flow hedges as they mature in the next 12 months.

We enter into intercompany hedging instruments ("intercompany derivatives") with our wholly-owned subsidiaries in order to hedge certain forecasted revenues and expenses denominated in currencies other than the U.S. Dollar. Simultaneously, we enter into derivative contracts with unrelated third parties to externally hedge the net exposure created by such intercompany derivatives.

We hedge the interest rate exposure created by anticipated fixed rate debt issuances through the use of treasury locks and swap locks (collectively, interest rate locks), which are designated as cash flow hedges. As of both June 30, 2023 and December 31, 2022, we had no interest rate locks outstanding. When interest rate locks are settled, any gain or loss from the transactions is deferred and included as a component of other comprehensive income (loss) and is amortized to interest expense over the term of the forecasted hedged transaction which is equivalent to the term of the interest rate locks. As of June 30, 2023 and December 31, 2022, we had a net gain of

$1.1 million and $1.4 million, respectively, recorded within accumulated other comprehensive income (loss) to be reclassified to interest expense in the next 12 months for interest rate locks.

We also use cross-currency swaps, which are designated as cash flow hedges, to manage the foreign currency exposure associated with a portion of our foreign currency-denominated debt. As of both June 30, 2023 and December 31, 2022, the total notional amount of cross-currency interest rate swaps, designated as cash flow hedges, was $280.3 million.

The effect of cash flow hedges on accumulated other comprehensive income and the condensed consolidated statements of operations for the three and six months ended June 30, 2023 and 2022 was as follows (in thousands):

Amount of gain or (loss) recognized in accumulated other comprehensive income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Foreign currency forward and option contracts (included component) [(1)]	$ (4,367)	$ 28,258	$ (16,820)	$ 46,580
Cross-currency interest rate swaps	981	—	(1,415)	—
Interest rate locks	(285)	(350)	(4,393)	50,092
Total	$ (3,671)	$ 27,908	$ (22,628)	$ 96,672

Amount of gain or (loss) reclassified from accumulated other comprehensive income to income:

		Three Months Ended June 30,		Six Months Ended June 30,	
	Location of gain or (loss)	2023	2022	2023	2022
Foreign currency forward contracts	Revenues	$ (6,700)	$ 31,838	$ 5,596	$ 35,401
Foreign currency forward contracts	Costs and operating expenses	7,408	(15,793)	4,187	(17,105)
Interest rate locks	Interest Expense	284	350	604	(726)
Total		$ 992	$ 16,395	$ 10,387	$ 17,570

(1) Included component represents foreign exchange spot rates.

Derivatives Not Designated as Hedging Instruments

Embedded Derivatives. As described above, certain of our customer agreements that are priced in currencies different from the functional or local currencies of the parties involved are deemed to have foreign currency forward contracts embedded in them.

Economic Hedges of Embedded Derivatives. We use foreign currency forward contracts to manage the foreign exchange risk associated with our customer agreements that are priced in currencies different from the functional or local currencies of the parties involved ("economic hedges of embedded derivatives"). Foreign currency forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date.

Foreign Currency Forward Contracts . We also use foreign currency forward contracts to manage the foreign exchange risk associated with certain foreign currency-denominated monetary assets and liabilities. As a result of foreign currency fluctuations, the U.S. Dollar equivalent values of our foreign currency-denominated monetary assets and liabilities change. Gains and losses on these contracts are included in other income (expense), on a net basis, along with the foreign currency gains and losses of the related foreign currency-denominated monetary assets and liabilities associated with these foreign currency forward contracts. As of June 30, 2023 and December 31, 2022, the total notional amounts of these foreign currency contracts were $ 2.3 billion and $3.0 billion, respectively.

The following table presents the effect of derivatives not designated as hedging instruments in our condensed consolidated statements of operations (in thousands):

Amount of gain or (loss) recognized in earnings:

	Location of gain or (loss)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Embedded derivatives [(1)]	Revenues	$ —	$ —	$ —	$ (568)
Economic hedge of embedded derivatives [(2)]	Revenues	—	—	—	(983)
Foreign currency forward contracts	Other income (expense)	(6,939)	135,087	3,768	133,617
Total		$ (6,939)	$ 135,087	$ 3,768	$ 132,066

(1) Embedded derivatives which are considered foreign currency forward contracts were designated as net investment hedges beginning March 31, 2022.
(2) As of June 30, 2023, we had no economic hedge of embedded derivatives outstanding.

Fair Value of Derivative Instruments

The following table presents the fair value of derivative instruments recognized in our condensed consolidated balance sheets as of June 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023 Assets [(1)]	June 30, 2023 Liabilities [(2)]	December 31, 2022 Assets [(1)]	December 31, 2022 Liabilities [(2)]
Designated as hedging instruments:				
Cash flow hedges				
Foreign currency forward and option contracts	$ 4,689	$ 17,387	$ 27,812	$ 21,352
Cross-currency interest rate swaps	35,810	—	19,239	—
Net investment hedges				
Cross-currency interest rate swaps	250,328	—	274,234	—
Foreign currency forward contracts	7,675	7,859	25,077	4,805
Total designated as hedging	298,502	25,246	346,362	26,157
Not designated as hedging instruments:				
Foreign currency forward contracts	21,793	14,327	58,230	7,531
Total not designated as hedging	21,793	14,327	58,230	7,531
Total Derivatives	$ 320,295	$ 39,573	$ 404,592	$ 33,688

(1) As presented in our condensed consolidated balance sheets within other current assets and other assets.
(2) As presented in our condensed consolidated balance sheets within other current liabilities and other liabilities.

Offsetting Derivative Assets and Liabilities

We enter into master netting agreements with our counterparties for transactions other than embedded derivatives to mitigate credit risk exposure to any single counterparty. Master netting agreements allow for individual derivative contracts with a single counterparty to offset in the event of default. For presentation on the condensed consolidated balance sheets, we do not offset fair value amounts recognized for derivative instruments or the accrued interest related to cross-currency interest rate swaps under master netting arrangements. The following table presents information related to these offsetting arrangements as of June 30, 2023 and December 31, 2022 (in thousands):

	Gross Amounts Offset in Consolidated Balance Sheet				
	Gross Amounts	Gross Amounts Offset in the Balance Sheet	Net Amounts	Gross Amounts not Offset in the Balance Sheet	Net
June 30, 2023					
Derivative assets	$ 347,701	$ —	$ 347,701	$ (46,383)	$ 301,318
Derivative liabilities	52,886	—	52,886	(46,383)	6,503
December 31, 2022					
Derivative assets	$ 424,516	$ —	$ 424,516	$ (34,429)	$ 390,087
Derivative liabilities	39,234	—	39,234	(34,429)	4,805

8. Fair Value Measurements

We perform fair value measurements in accordance with ASC 820, Fair Value Measurement, which establishes three levels of inputs that we use to measure fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: observable inputs (e.g., spot rates and other data from the third-party pricing vendors for our derivative instruments) other than quoted market prices included within Level 1 that are observable, either directly or indirectly, for the assets or liabilities.
- Level 3: unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

Our financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and December 31, 2022 were as follows (in thousands):

	As of June 30, 2023			As of December 31, 2022		
		Fair Value Measurement Using			Fair Value Measurement Using	
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Assets:						
Money market and deposit accounts	$ 987,268	$ 987,268	$ —	$ 764,628	$ 764,628	$ —
Derivative instruments [(1)]	320,295	—	320,295	404,592	—	404,592
Total	$ 1,307,563	$ 987,268	$ 320,295	$ 1,169,220	$ 764,628	$ 404,592
Liabilities:						
Derivative instruments [(1)]	$ 39,573	$ —	$ 39,573	$ 33,688	$ —	$ 33,688

(1) Amounts are included within other current assets, other assets, others current liabilities and other liabilities in the condensed consolidated balance sheets.

We did not have any Level 3 financial assets or financial liabilities measured at fair value on a recurring basis as of June 30, 2023 and December 31, 2022.

9. Leases

Significant Lease Transactions

The following table summarizes the significant lease transactions during the six months ended June 30, 2023 (in thousands):

					Net Incremental [(2)]	
Lease	**Quarter**	**Transaction**	**Renewal/Termination Options excluded** [(1)]	**Lease Classification**	**ROU assets**	**ROU liabilities**
Chicago 1/2/4 ("CH1/2/4") data center lease expansion	Q2	Expanded CH1 to additional space within the building [(3)]	One 10-year renewal option	Operating Lease	$ 150,990	$ 176,316
				Finance Lease	78,073	52,747

(1) These renewal/ termination options are not included in determining the lease terms as we are not reasonably certain to exercise them at this time. Certain complementary leases contain one additional 10-year renewal option.

(2) The net incremental amounts represent the adjustments to the right of use ("ROU") assets and liabilities recorded during the quarter that the transactions were entered.

(3) The incremental balance includes the impact of reassessing lease terms of complementary leases of CH1, resulting in new lease end dates ranging from June 2037 to October 2040 from including renewal options that are reasonably certain to be exercised and in certain complementary leases changing classification.

Lease Expenses

The components of lease expenses are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Finance lease cost				
Amortization of right-of-use assets [(1)]	$ 42,523	$ 41,105	$ 85,053	$ 81,228
Interest on lease liabilities	28,456	28,357	56,678	57,244
Total finance lease cost	70,979	69,462	141,731	138,472
Operating lease cost	57,687	52,971	111,093	104,601
Variable lease cost	16,766	9,666	29,574	17,282
Total lease cost	$ 145,432	$ 132,099	$ 282,398	$ 260,355

(1) Amortization of right-of-use assets is included within depreciation expense, and is recorded within cost of revenues, sales and marketing and general and administrative expenses in the condensed consolidated statements of operations.

Other Information

Other information related to leases is as follows (in thousands, except years and percent):

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 55,175	$ 55,929
Operating cash flows from operating leases	99,300	96,734
Financing cash flows from finance leases	66,462	69,556
Right-of-use assets obtained in exchange for lease obligations: [(1)]		
Finance leases	$ 157,376	$ 74,954
Operating leases	209,133	313,034

	As of June 30, 2023	As of December 31, 2022
Weighted-average remaining lease term - finance leases [(2)]	15 years	15 years
Weighted-average remaining lease term - operating leases [(2)]	13 years	12 years
Weighted-average discount rate - finance leases	6 %	6 %
Weighted-average discount rate - operating leases	5 %	4 %
Finance lease right-of-use assets [(3)]	$ 2,013,325	$ 2,018,070

(1) Represents all non-cash changes in right-of-use assets.
(2) Includes lease renewal options that are reasonably certain to be exercised.
(3) As of June 30, 2023 and December 31, 2022, we recorded accumulated amortization of finance lease right-of-use assets of $828.1 million and $840.0 million, respectively. Finance lease assets are recorded within property, plant and equipment, net on the condensed consolidated balance sheets.

Maturities of Lease Liabilities

Maturities of lease liabilities as of June 30, 2023 are as follows (in thousands):

	Operating Leases	Finance Leases	Total
2023 (6 months remaining)	$ 88,304	$ 132,331	$ 220,635
2024	201,938	252,911	454,849
2025	195,824	273,029	468,853
2026	191,409	242,209	433,618
2027	174,489	246,754	421,243
Thereafter	1,300,689	2,314,142	3,614,831
Total lease payments	2,152,653	3,461,376	5,614,029
Less imputed interest	(609,723)	(1,173,663)	(1,783,386)
Total	$ 1,542,930	$ 2,287,713	$ 3,830,643

We entered into agreements with various landlords primarily to lease data center spaces and ground leases which have not yet commenced as of June 30, 2023. These leases will commence between year 2023 and 2026, with lease terms of 3 to 20 years and total lease commitments of approximately $ 567.4 million.

10. Debt Facilities

Mortgage and Loans Payable

As of June 30, 2023 and December 31, 2022, our mortgage and loans payable consisted of the following (in thousands):

	June 30, 2023	December 31, 2022
Term loans	$ 643,153	$ 619,090
Mortgage payable and loans payable	32,060	34,527
	675,213	653,617
Less amount representing unamortized debt discount and debt issuance cost	(878)	(1,062)
	674,335	652,555
Less current portion	(8,419)	(9,847)
	$ 665,916	$ 642,708

Senior Credit Facility and Refinancing

On January 7, 2022, we entered into a credit agreement (the "2022 Credit Agreement") with a group of lenders for a senior unsecured credit facility, comprised of a $4.0 billion senior unsecured multicurrency revolving credit facility (the "2022 Revolving Facility") and a £ 500.0 million senior unsecured term loan facility (the "2022 Term Loan Facility" and, together with the 2022 Revolving Facility, collectively, the "2022 Credit Facilities"). The total debt issuance costs for the 2022 Revolving Facility and 2022 Term Loan Facility are $6.5 million and $0.8 million, respectively. We borrowed the full £ 500.0 million available under the 2022 Term Loan Facility, or approximately $676.9 million at the exchange rates in effect on that date. On that same day, using a portion of the proceeds from the 2022 Term Loan Facility, we prepaid in full all of the $549.6 million of indebtedness outstanding under the 2017 Term Loan Facility, at the exchange rates in effect on January 7, 2022 and terminated the 2017 Credit Agreement. In connection with the repayment and termination, we incurred an insignificant amount of loss on debt extinguishment. The remaining unamortized debt issuance costs of the 2017 Credit Facilities will continue to be amortized over the contract terms of the 2022 Credit Facilities.

The 2022 Credit Facilities have a maturity date of January 7, 2027. We may borrow, repay and reborrow amounts under the 2022 Revolving Facility until the Maturity Date, at which time all amounts outstanding under the 2022 Revolving Facility must be repaid in full. The term loan made under the 2022 Term Loan Facility has no scheduled principal amortization and must be repaid in full on the maturity date. The 2022 Revolving Credit Facility provides for extensions of credit in U.S. Dollars as well as certain other foreign currencies. Borrowings under the 2022 Revolving Facility bear interest at a rate based on the daily Secured Overnight Financing Rate ("SOFR"), term SOFR, an alternative currency daily rate, or an alternative currency term rate plus a spread adjustment, plus a margin that can vary from 0.555% to 1.200%. Borrowings under the 2022 Term Loan Facility bear interest at a rate based on the daily Sterling Overnight Index Average ("SONIA"), plus a spread adjustment, plus a margin that can vary from 0.625% to 1.450%. We are also required to pay a quarterly letter of credit fee on the face amount of each letter of credit, which fee is based on the same margin that applies from time to time to SOFR-indexed borrowings under the revolving credit line. The margin is dependent on either our consolidated net leverage ratio or our credit ratings. We are also required to pay a quarterly facility fee ranging from 0.07% to 0.25% per annum. The 2022 Credit Agreement contains customary covenants, including financial ratio covenants that are required to be maintained as of each quarter end.

As of June 30, 2023 and December 31, 2022, the total amounts outstanding under the 2022 Term Loan Facility, net of debt issuance costs, were $ 634.3 million and $603.0 million, respectively.

As of June 30, 2023, we had 59 irrevocable letters of credit totaling $83.6 million issued and outstanding under the 2022 Revolving Facility, with approximately $3.9 billion remaining available to borrow under the 2022 Revolving Facility.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

Senior Notes

As of June 30, 2023 and December 31, 2022, our senior notes consisted of the following (in thousands):

	June 30, 2023		December 31, 2022	
	Amount	Effective Rate	Amount	Effective Rate
2.625% Senior Notes due 2024	$ 1,000,000	2.79 %	$ 1,000,000	2.79 %
1.250% Senior Notes due 2025	500,000	1.46 %	500,000	1.46 %
1.000% Senior Notes due 2025	700,000	1.18 %	700,000	1.18 %
2.900% Senior Notes due 2026	600,000	3.04 %	600,000	3.04 %
1.450% Senior Notes due 2026	700,000	1.64 %	700,000	1.64 %
0.250% Euro Senior Notes due 2027	545,700	0.45 %	534,950	0.45 %
1.800% Senior Notes due 2027	500,000	1.96 %	500,000	1.96 %
1.550% Senior Notes due 2028	650,000	1.67 %	650,000	1.67 %
2.000% Senior Notes due 2028	400,000	2.21 %	400,000	2.21 %
3.200% Senior Notes due 2029	1,200,000	3.30 %	1,200,000	3.30 %
2.150% Senior Notes due 2030	1,100,000	2.27 %	1,100,000	2.27 %
2.500% Senior Notes due 2031	1,000,000	2.65 %	1,000,000	2.65 %
3.900% Senior Notes due 2032	1,200,000	4.07 %	1,200,000	4.07 %
1.000% Euro Senior Notes due 2033	654,840	1.18 %	641,940	1.18 %
2.000% Japanese Yen Senior Notes Series A due 2035	261,005	2.07 %	—	— %
2.130% Japanese Yen Senior Notes Series C due 2035	102,599	2.20 %	—	— %
2.370% Japanese Yen Senior Notes Series B due 2043	70,918	2.42 %	—	— %
2.570% Japanese Yen Senior Notes Series D due 2043	31,889	2.62 %	—	— %
2.570% Japanese Yen Senior Notes Series E due 2043	69,324	2.62 %	—	— %
3.000% Senior Notes due 2050	500,000	3.09 %	500,000	3.09 %
2.950% Senior Notes due 2051	500,000	3.00 %	500,000	3.00 %
3.400% Senior Notes due 2052	500,000	3.50 %	500,000	3.50 %
	12,786,275		12,226,890	
Less amount representing unamortized debt issuance cost	(113,449)		(117,351)	
	$ 12,672,826		$ 12,109,539	

3.900% Senior Notes due 2032

On April 5, 2022, we issued $ 1.2 billion aggregate principal amount of 3.900% Senior Notes due 2032 (the "2032 Notes"). Interest on the 2032 Notes is payable semi-annually on April 15 and October 15 of each year, commencing on October 15, 2022. Debt issuance costs and debt discounts related to the 2032 Notes were $16.3 million.

2.000% Japanese Yen Senior Notes Series A due 2035, 2.370% Japanese Yen Senior Notes Series B due 2043, 2.130% Japanese Yen Senior Notes Series C due 2035, 2.570% Japanese Yen Senior Notes Series D due 2043 and 2.570% Japanese Yen Senior Notes Series E due 2043

On February 16, 2023, we issued ¥10.0 billion, or approximately $74.5 million in U.S. dollars, at the exchange rate in effect on that date, aggregate principal amount of 2.570% senior notes due March 8, 2043 (the "2043 Japanese Yen Series E Notes").

On March 8, 2023, and at the exchange rate in effect on that date, we issued ¥ 37.7 billion, or approximately $274.7 million in U.S. dollars, aggregate principal amount of 2.000% senior notes due March 8, 2035 (the "2035 Japanese Yen Series A Notes"), ¥ 10.2 billion, or approximately $74.6 million in U.S. dollars, aggregate principal amount of 2.370% senior notes due March 8, 2043 (the "2043 Japanese Yen Series B Notes"), ¥ 14.8 billion, or approximately $107.9 million in U.S. dollars, aggregate principal amount of 2.130% senior notes due March 8, 2035 (the "2035 Japanese Yen Series C Notes") and ¥ 4.6 billion, or approximately $33.5 million in U.S. dollars, aggregate principal amount of 2.570% senior notes due March 8, 2043 (the "2043 Japanese Yen Series D Notes").

Interest on the notes is payable semi-annually in arrears on March 8 and September 8 of each year, commencing on September 8, 2023. Total debt issuance costs related to the 2035 Japanese Yen Series A Notes, the 2043 Japanese Yen Series B Notes, the 2035 Japanese Yen Series C Notes, the 2043 Japanese Yen Series D Notes and the 2043 Japanese Yen Series E Notes were $2.0 million, $0.6 million, $0.8 million, $0.3 million and $0.6 million, respectively.

Maturities of Debt Instruments

The following table sets forth maturities of our debt, including mortgage and loans payable, and senior notes, gross of debt issuance costs and debt discounts, as of June 30, 2023 (in thousands):

Years ending:	
2023 (6 months remaining)	$ 4,255
2024	1,007,960
2025	1,206,705
2026	1,306,501
2027	1,685,952
Thereafter	8,250,115
Total	$ 13,461,488

Fair Value of Debt Instruments

The following table sets forth the estimated fair values of our mortgage and loans payable and senior notes, including current maturities (in thousands):

	As of June 30, 2023			As of December 31, 2022		
		Fair Value Measurement Using			Fair Value Measurement Using	
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Mortgage and loans payable	$ 696,256	$ —	$ 696,256	$ 666,387	$ —	$ 666,387
Senior notes	10,901,027	10,332,648	568,379	10,196,933	10,196,933	—

The inputs used to estimate the fair value of debt instruments include:

- Level 1: quoted market prices; and
- Level 2: our credit rating and current prices of similar debt instruments that are publicly traded.

Interest Charges

The following table sets forth total interest costs incurred, and total interest costs capitalized for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Interest expense	$ 99,973	$ 90,826	$ 197,454	$ 170,791
Interest capitalized	6,403	4,335	11,936	8,755
Interest charges incurred	$ 106,376	$ 95,161	$ 209,390	$ 179,546

Total interest paid in cash, net of capitalized interest, during the three months ended June 30, 2023 and 2022 was $127.8 million and $101.9 million, respectively. Total interest paid in cash, net of capitalized interest, during the six months ended June 30, 2023 and 2022 was $226.1 million and $201.5 million, respectively.

11. Commitments and Contingencies

Purchase and Other Commitments

As a result of our various IBX data center expansion projects, as of June 30, 2023, we were contractually committed for approximately $2.5 billion of unaccrued capital expenditures, primarily for IBX infrastructure equipment not yet delivered and labor not yet provided, in connection with the work necessary to open these IBX data centers and make them available to our customers for installation. We also had numerous other, non-capital purchase commitments in place as of June 30, 2023, such as commitments to purchase power in select locations through the remainder of 2023 and thereafter, and other open purchase orders for goods or services to be delivered or provided during the remainder of 2023 and thereafter. Such other miscellaneous purchase commitments totaled approximately $1.8 billion as of June 30, 2023. For further information on equity contribution commitments and lease commitments, see Note 6 and Note 9, respectively, above.

Contingent Liabilities

We estimate our exposure on certain liabilities, such as indirect and property taxes, based on the best information available at the time of determination. With respect to real and personal property taxes, we record what we can reasonably estimate based on prior payment history, assessed value by the assessor's office, current landlord estimates, or estimates based on current or changing fixed asset values in each specific municipality, as applicable. However, there are circumstances beyond our control whereby the underlying value of the property or basis for which the tax is calculated on the property may change, such as a landlord selling the underlying property of one of our IBX data center leases or a municipality changing the assessment value in a jurisdiction and, as a result, our property tax obligations may vary from period to period. Based upon the most current facts and circumstances, we make the necessary property tax accruals for each of our reporting periods. However, revisions in our estimates of the potential or actual liability could materially impact our financial position, results of operations or cash flows.

Our indirect and property tax filings in various jurisdictions are subject to examination by local tax authorities. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no certainty that additional taxes will not be due upon audit of our tax returns or as a result of further changes to the tax laws and interpretations thereof. For example, we are currently undergoing several indirect tax audits and appealing the tentative assessment in Brazil. The final settlement of the audit and the outcomes of the appeal are uncertain and may not be resolved in our favor. We regularly assess the likelihood of adverse outcomes resulting from these examinations and appeals that would affect the adequacy of our tax accruals for each of the reporting periods. If any issues arising from the tax examinations and appeals are resolved in a manner inconsistent with our expectations, the revision of the estimates of the potential or actual liabilities could materially impact our financial position, results of operations, or cash flows.

Employment Agreements

We have entered into a severance agreement with certain of our executive officers that provides for a severance payment equal to 100% of the executive officer's annual base salary and maximum bonus in the event his or her employment is terminated for any reason other than cause or he or she voluntarily resigns under certain circumstances as described in the agreement, or 200% of the executive officer's annual base salary and maximum bonus in the event this occurs after a change-in-control of our company. For certain other executive officers, these benefits are only triggered after a change-in-control of our company, in which case the officer is entitled to 200% of the executive officer's annual base salary and maximum bonus. In addition, under these agreements, the executive officer is entitled to the payment of his or her monthly health care premiums under the Consolidated Omnibus Budget Reconciliation Act for up to 24 months.

Indemnification and Guarantor Arrangements

As permitted under Delaware law, we have agreements whereby we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was serving, at our request in such capacity. The term of the indemnification period is for the officer's or director's lifetime. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited; however, in the event of a legal action, we have purchased insurance that could limit our exposure, depending upon the details of the claim and the coverage provided. As a result, our estimated fair value of these indemnification agreements is minimal. We have no liabilities recorded for these agreements as of June 30, 2023.

We enter into standard indemnification agreements in the ordinary course of business. Pursuant to these agreements, we may agree to indemnify, hold harmless, and reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally a business partner or a customer, in connection with matters such as any U.S. patent, or any copyright or other intellectual property infringement claim by any third party with respect to our offerings; a breach of confidentiality obligations and certain other contractual warranties; our gross negligence, willful misconduct, fraud, misrepresentation, or violation of law; and/or if we cause tangible property damage, personal injury or death. The term of any such indemnification agreement is generally perpetual after execution of the agreement. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited; however, we have never incurred material costs to defend lawsuits or settle claims related to these indemnification agreements. In addition, in the event of a legal action, we have purchased insurance that could limit our exposure, depending upon the details of the claim and the coverage provided. As a result, our estimated fair value of these agreements is minimal. We do not have significant liabilities recorded for these agreements as of June 30, 2023.

We enter into arrangements with certain business partners, whereby the business partner agrees to provide services as a subcontractor for our installations. Accordingly, we enter into standard indemnification agreements with our customers, whereby we indemnify them for certain acts, such as personal property damage, by our subcontractors. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited; however, we have never incurred material costs to defend lawsuits or settle claims related to these indemnification agreements. In addition, in the event of a legal action, we have purchased insurance that could limit our exposure, depending upon the details of the claim and the coverage provided. As a result, our estimated fair value of these agreements is minimal. We do not have significant liabilities recorded for these agreements as of June 30, 2023.

We have service level commitment obligations to certain of our customers. As a result, service interruptions or significant equipment damage in our IBX data centers, whether or not within our control, could result in obligations to these customers. While, we have purchased insurance that could limit our exposure, our liability insurance may not be adequate to cover those expenses. In addition, any loss of service, equipment damage or inability to meet our service level commitment obligations could reduce the confidence our customers have in us, and could consequently impair our ability to obtain and retain customers, which would adversely affect both our ability to generate revenues and our operating results. We generally have the ability to determine such service level credits prior to the associated revenue being recognized. We do not have significant liabilities in connection with service level credits as of June 30, 2023.

Concurrent with the closing of the EMEA 2 Joint Venture, the EMEA 2 Joint Venture entered into credit facility agreements with a group of lenders under which it could borrow up to approximately $1.4 billion in total at the exchange rate in effect on June 30, 2023, with such facilities maturing in 2025 and 2026. In connection with our 20% equity investment in the EMEA 2 Joint Venture, we provided the lenders with guarantees covering 20% of all payments of principal and interest due and payable by the EMEA 2 Joint Venture under these credit facilities, up to a limit of $298.0 million in total at the exchange rate in effect on June 30, 2023. As of June 30, 2023, the maximum potential amount of our future payments under these guarantees was approximately $114.1 million, at the exchange rates in effect on that date. The Company and the Investor entered into an ancillary agreement to allocate funding under the credit facility agreement for use of our AMER 1 Joint Venture. During the six months ended June 30, 2023, $42.2 million of the guarantees related to AMER 1. Our estimated fair value of these guarantees is minimal as the likelihood of making a payout under the guarantees is low.

12. Stockholders' Equity

Stockholders' Equity Rollforward

The following tables provide a rollforward of our stockholders' equity for the three months ended June 30, 2023 and 2022 (in thousands, except share and per share data):

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Dividends	AOCI (Loss)	Retained Earnings	Equinix Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount							
Balance as of December 31, 2022	92,813,976	$ 93	(193,273)	$ (71,966)	$ 17,320,017	$ (7,317,570)	$ (1,389,446)	$ 2,964,838	$ 11,505,966	$ (134)	$ 11,505,832
Net income (loss)	—	—	—	—	—	—	—	258,786	258,786	(56)	258,730
Other comprehensive income	—	—	—	—	—	—	104,258	—	104,258	—	104,258
Issuance of common stock and release of treasury stock for employee equity awards	419,490	—	16,066	5,978	38,565	—	—	—	44,543	1	44,544
Issuance of common stock under ATM Program	458,459	1	—	—	300,774	—	—	—	300,775	—	300,775
Dividend distribution on common stock,$3.41 per share	—	—	—	—	—	(318,736)	—	—	(318,736)	—	(318,736)
Settlement of accrued dividends on vested equity awards	—	—	—	—	—	(483)	—	—	(483)	—	(483)
Accrued dividends on unvested equity awards	—	—	—	—	—	(2,406)	—	—	(2,406)	—	(2,406)
Stock-based compensation, net of estimated forfeitures	—	—	—	—	136,345	—	—	—	136,345	—	136,345
Balance as of March 31, 2023	93,691,925	$ 94	(177,207)	$ (65,988)	$ 17,795,701	$ (7,639,195)	$ (1,285,188)	$ 3,223,624	$ 12,029,048	$ (189)	$ 12,028,859
Net income (loss)		—	—	—	—	—	—	207,030	207,030	(17)	207,013
Other comprehensive income (loss)	—	—	—	—	—	—	(3,268)	—	(3,268)	97	(3,171)
Issuance of common stock and release of treasury stock for employee equity awards	44,734	—	5,417	2,015	527	—	—	—	2,542	—	2,542
Dividend distribution on common stock, $3.41 per share	—	—	—	—	—	(318,914)	—	—	(318,914)	—	(318,914)
Settlement of accrued dividends on vested equity awards	—	—	—	—	—	(86)	—	—	(86)	—	(86)
Accrued dividends on unvested equity awards	—	—	—	—	—	(5,058)	—	—	(5,058)	—	(5,058)
Stock-based compensation, net of estimated forfeitures	—	—	—	—	112,815	—	—	—	112,815	—	112,815
Balance as of June 30, 2023	93,736,659	$ 94	(171,790)	$ (63,973)	$ 17,909,043	$ (7,963,253)	$ (1,288,456)	$ 3,430,654	$ 12,024,109	$ (109)	$ 12,024,000

EQUINIX, INC.

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	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Dividends	AOCI (Loss)	Retained Earnings	Equinix Stockholders' Equity	Non-controlling interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount							
Balance as of December 31, 2021	90,872,826	$ 91	(301,420)	$ (112,208)	$ 15,984,597	$ (6,165,140)	$ (1,085,751)	$ 2,260,493	$ 10,882,082	$ (318)	$ 10,881,764
Net income	—	—	—	—	—	—	—	147,453	147,453	240	147,693
Other comprehensive income	—	—	—	—	—	—	32,837	—	32,837	3	32,840
Issuance of common stock and release of treasury stock for employee equity awards	430,973	—	11,445	4,259	39,617	—	—	—	43,876	—	43,876
Dividend distribution on common stock, $3.10 per share	—	—	—	—	—	(282,031)	—	—	(282,031)	—	(282,031)
Settlement of accrued dividends on vested equity awards	—	—	—	—	—	(497)	—	—	(497)	—	(497)
Accrued dividends on unvested equity awards	—	—	—	—	—	(2,045)	—	—	(2,045)	—	(2,045)
Stock-based compensation, net of estimated forfeitures	—	—	—	—	121,210	—	—	—	121,210	—	121,210
Balance as of March 31, 2022	91,303,799	$ 91	(289,975)	$ (107,949)	$ 16,145,424	$ (6,449,713)	$ (1,052,914)	$ 2,407,946	$ 10,942,885	$ (75)	$ 10,942,810
Net income (loss)	—	—	—	—	—	—	—	216,322	216,322	(80)	216,242
Other comprehensive loss	—	—	—	—	—	—	(365,842)	—	(365,842)	(35)	(365,877)
Issuance of common stock and release of treasury stock for employee equity awards	36,682	—	24,609	9,157	4,882	—	—	—	14,039	—	14,039
Dividend distribution on common stock, $3.10 per share	—	—	—	—	—	(282,168)	—	—	(282,168)	—	(282,168)
Settlement of accrued dividends on vested equity awards	—	—	—	—	—	(57)	—	—	(57)	—	(57)
Accrued dividends on unvested equity awards	—	—	—	—	—	(4,400)	—	—	(4,400)	—	(4,400)
Stock-based compensation, net of estimated forfeitures	—	—	—	—	109,005	—	—	—	109,005	—	109,005
Balance as of June 30, 2022	91,340,481	$ 91	(265,366)	$ (98,792)	$ 16,259,311	$ (6,736,338)	$ (1,418,756)	$ 2,624,268	$ 10,629,784	$ (190)	$ 10,629,594

Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss, net of tax, by components are as follows (in thousands):

	Balance as of December 31, 2022	Net Change	Balance as of June 30, 2023
Foreign currency translation adjustment ("CTA") loss	$ (1,838,237)	$ 183,040	$ (1,655,197)
Unrealized gain on cash flow hedges [(1)]	33,953	(17,673)	16,280
Net investment hedge CTA gain [(1)]	415,749	(64,146)	351,603
Net actuarial loss on defined benefit plans [(2)]	(911)	(231)	(1,142)
	$ (1,389,446)	$ 100,990	$ (1,288,456)

(1) Refer to Note 7 for a discussion of the amounts reclassified from accumulated other comprehensive loss to net income.
(2) We have two defined benefit pension plans covering all employees intwo countries where such plans are mandated by law. We do not have any defined benefit plans in any other countries.

Changes in foreign currencies can have a significant impact to our condensed consolidated balance sheets (as evidenced above in our foreign currency translation loss), as well as its condensed consolidated results of operations, as amounts in foreign currencies are generally translated into more U.S. Dollars when the U.S. Dollar weakens or fewer U.S. Dollars when the U.S. Dollar strengthens. As of June 30, 2023, the U.S. Dollar was generally weaker relative to certain of the currencies of the foreign countries in which we operate as compared to December 31, 2022. Because of this, the U.S. Dollar had an overall favorable impact on our condensed consolidated financial position because the foreign denominations translated into more U.S. Dollars as evidenced by a decrease in foreign currency translation loss for the six months ended June 30, 2023 as reflected in the above table. The volatility of the U.S. Dollar as compared to the other currencies in which we operate could have a significant impact on our condensed consolidated financial position and results of operations including the amount of revenue that we report in future periods.

Common Stock

In October 2020, we established an "at the market" equity offering program (the "2020 ATM Program"), under which we could, from time to time, offer and sell shares of our common stock to or through sales agents up to an aggregate of $1.5 billion. In February 2022, we entered into a forward sale amendment to the 2020 ATM Program, under which we could, from time to time, offer and sell shares under the equity distribution agreement pursuant to forward sale transactions (the "Equity Forward Amendment"). In November 2022, we established a successor ATM program, also with substantially the same terms as the Equity Forward Amendment noted above, under which we may, from time to time, offer and sell on a spot or forward basis up to an aggregate of $ 1.5 billion of our common stock to or through sales agents in "at the market" transactions (the "2022 ATM Program"). The forward sale agreements provide three settlement alternatives to us: physical settlement, cash settlement or net share settlement. In accordance with ASC 815, the forward sale agreements are classified as equity for balance sheet purposes.

During the six months ended June 30, 2022, we executed five forward sale agreements under the 2020 ATM Program to sell 579,873 shares of our common stock. On August 3, 2022, we physically settled these forward sale shares for approximately $393.6 million, net of payment of commissions to sales agents and other offering expenses, at an aggregate weighted-average forward sale price of $678.72 per share. In the fourth quarter of 2022, we executed three additional forward sale agreements to sell 458,459 shares of our common stock with maturity dates ranging from February 2023 to November 2023. Of this amount, 308,875 shares were executed under the 2020 ATM Program and the remaining 149,584 shares were executed under the 2022 ATM Program. As of December 31, 2022, no shares remained available for sale under the 2020 ATM Program. On February 28, 2023, we physically settled these forward sale shares for approximately $301.6 million, net of payment of commissions to sales agents and other offering expenses, at an aggregate weighted-average forward sale price of $657.75 per share.

During the six months ended June 30, 2023, we executed two forward sale agreements to sell 269,547 shares of our common stock with maturity dates ranging from February 2024 to March 2024. As of June 30, 2023, the estimated net settlement value for the forward sale agreements was approximately $199.8 million at an aggregate weighted-average forward sale price of $741.13 per share. The weighted-average forward sale price that we expect to receive upon physical settlement will be subject to adjustments for a discount rate factor equal to a specified benchmark rate less a spread minus scheduled dividends during the terms of the agreements.

As of June 30, 2023, we had approximately $1.2 billion of common stock available for sale under the 2022 ATM Program, which amount gives effect to the unsettled forward sale transactions noted above. For the three and six months ended June 30, 2023, other than as noted above, we sold no additional shares under the 2022 ATM Program and for the three and six months ended June 30, 2022, we did not sell any shares under the 2020 ATM Program.

Stock-Based Compensation

For the six months ended June 30, 2023, the Talent, Culture and Compensation Committee and/or the Stock Award Committee of our Board of Directors, as the case may be, granted an aggregate of 891,561 restricted stock units ("RSUs") to certain employees, including executive officers. These equity awards are subject to vesting provisions and have a weighted-average grant date fair value of $690.63 per share and a weighted-average requisite service period of 3.45 years. The valuation of RSUs with only a service condition or a service and performance condition require no significant assumptions as the fair value for these types of equity awards is based solely on the fair value of our stock price on the date of grant. We use revenues, adjusted funds from operations ("AFFO") per share and digital services revenues as the performance measurements in the RSUs with both service and performance conditions that were granted in the six months ended June 30, 2023.

We use a Monte Carlo simulation option-pricing model to determine the fair value of RSUs with a service and market condition. We used total shareholder return ("TSR") as the performance measurement in the RSUs with a service and market condition that were granted in the six months ended June 30, 2023. There were no significant changes in the assumptions used to determine the fair value of RSUs with a service and market condition that were granted in 2023 compared to the prior year.

The following table presents, by operating expense category, our stock-based compensation expense recognized in our condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cost of revenues	$ 12,399	$ 11,878	$ 23,722	$ 22,321
Sales and marketing	22,554	23,171	42,059	43,355
General and administrative	69,593	69,633	137,480	128,958
Total	$ 104,546	$ 104,682	$ 203,261	$ 194,634

Redeemable Non-controlling Interest

On April 3, 2023, we issued additional shares in our Indonesian operating entity to a third party investor for $ 25.0 million, which resulted in the third party investor owning a 25% ownership interest in the entity.

The Indonesian operating entity is a VIE because it does not have sufficient funds from its operations to be self-sustaining. We provide certain management services to the entity and earn fees for the performance of such services. We have the power to direct the activities that most significantly impact the economic performance of the entity and have concluded that we are its primary beneficiary.

Under the terms of the shareholders' agreement, the investor may put its 25% ownership stake in the entity to us for a maximum exercise price of $25.0 million, subject to certain contingent conditions. Accordingly, we present the investor's contingently redeemable non-controlling interest ("NCI") outside of permanent equity at the higher of its maximum redemption amount of $25.0 million and its balance after attribution of gains and losses in the condensed consolidated balance sheets. There were no changes in the carrying value of the redeemable NCI for the three and six months ended June 30, 2023.

As of June 30, 2023, the carrying value of the assets and liabilities of the Indonesian VIE, which were included in other assets and other liabilities on the condensed consolidated balance sheets were $28.9 million and $0.7 million, respectively.

The income and losses attributable to us as well as to the redeemable NCI from the Indonesian VIE were insignificant for the three and six months ended June 30, 2023.

13. Segment Information

While we have one primary line of business, which is the design, build-out and operation of IBX data centers, we have determined that we have three reportable segments comprised of our Americas, EMEA and Asia-Pacific geographic regions. Our chief operating decision-maker evaluates performance, makes operating decisions and allocates resources based on our revenues and adjusted EBITDA performance both on a consolidated basis and based on these three reportable segments. Intercompany transactions between segments are excluded for management reporting purposes.

The following tables present revenue information disaggregated by product lines and geographic areas, (in thousands):

	Three Months Ended June 30, 2023				Six Months Ended June 30, 2023			
	Americas	EMEA	Asia-Pacific	Total	Americas	EMEA	Asia-Pacific	Total
Colocation [(1)]	$ 583,568	$ 517,366	$ 323,116	$ 1,424,050	$ 1,157,666	$ 1,032,977	$ 641,821	$ 2,832,464
Interconnection	204,266	76,317	66,455	347,038	402,905	148,923	132,017	683,845
Managed infrastructure	60,539	32,891	18,195	111,625	121,399	64,315	37,158	222,872
Other [(1)]	5,086	26,292	3,479	34,857	9,958	51,492	7,019	68,469
Recurring revenues	853,459	652,866	411,245	1,917,570	1,691,928	1,297,707	818,015	3,807,650
Non-recurring revenues	36,254	33,891	30,693	100,838	80,160	80,267	48,540	208,967
Total	$ 889,713	$ 686,757	$ 441,938	$ 2,018,408	$ 1,772,088	$ 1,377,974	$ 866,555	$ 4,016,617

[(1)] Includes some leasing and hedging activities.

	Three Months Ended June 30, 2022				Six Months Ended June 30, 2022			
	Americas	EMEA	Asia-Pacific	Total	Americas	EMEA	Asia-Pacific	Total
Colocation [(1)]	$ 541,988	$ 433,339	$ 281,635	$ 1,256,962	$ 1,064,159	$ 847,908	$ 564,250	$ 2,476,317
Interconnection	187,491	66,845	60,841	315,177	368,594	134,985	120,828	624,407
Managed infrastructure	55,329	30,447	19,916	105,692	104,551	61,437	40,558	206,546
Other [(1)]	5,581	22,048	1,991	29,620	10,715	28,462	3,328	42,505
Recurring revenues	790,389	552,679	364,383	1,707,451	1,548,019	1,072,792	728,964	3,349,775
Non-recurring revenues	40,475	46,522	22,706	109,703	83,266	76,889	41,671	201,826
Total	$ 830,864	$ 599,201	$ 387,089	$ 1,817,154	$ 1,631,285	$ 1,149,681	$ 770,635	$ 3,551,601

[(1)] Includes some leasing and hedging activities.

EQUINIX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

No single customer accounted for 10% or greater of our accounts receivable or revenues for the three and six months ended June 30, 2023 and 2022. There is no country outside of the U.S. from which we derived revenues that exceeded 10% of our total revenues for the three and six months ended June 30, 2023 and 2022.

We define adjusted EBITDA as net income excluding income tax expense, interest income, interest expense, other expense, gain or loss on debt extinguishment, depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges, transaction costs and gain or loss on asset sales as presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Adjusted EBITDA:				
Americas	$ 392,748	$ 376,224	$ 797,835	$ 732,779
EMEA	294,814	295,382	621,327	555,727
Asia-Pacific	213,608	188,726	426,291	371,538
Total adjusted EBITDA	901,170	860,332	1,845,453	1,660,044
Depreciation, amortization and accretion expense	(460,461)	(432,828)	(919,456)	(869,214)
Stock-based compensation expense	(104,546)	(104,682)	(203,261)	(194,634)
Transaction costs	(5,718)	(5,063)	(7,318)	(9,303)
Gain (loss) on asset sales	1,941	94	1,089	(1,724)
Interest income	23,503	4,508	42,891	6,614
Interest expense	(99,973)	(90,826)	(197,454)	(170,791)
Other expense	(11,518)	(6,238)	(4,015)	(15,787)
Gain (loss) on debt extinguishment	—	(420)	254	109
Income before income taxes	$ 244,398	$ 224,877	$ 558,183	$ 405,314

We also provide the following additional segment disclosures (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Depreciation and amortization:				
Americas	$ 252,782	$ 229,223	$ 497,496	$ 458,932
EMEA	122,997	115,619	247,014	230,673
Asia-Pacific	85,857	88,428	174,226	179,005
Total	$ 461,636	$ 433,270	$ 918,736	$ 868,610
Capital expenditures:				
Americas	$ 392,864	$ 225,102	$ 693,539	$ 410,148
EMEA	156,412	197,824	302,232	360,327
Asia-Pacific	88,883	61,904	171,988	126,873
Total	$ 638,159	$ 484,830	$ 1,167,759	$ 897,348

Our long-lived assets, including property, plant and equipment, net and operating lease right-of-use assets, located in the following geographic areas as of (in thousands):

	June 30, 2023	December 31, 2022
Americas	$ 8,058,588	$ 7,532,125
EMEA	5,785,034	5,577,498
Asia-Pacific	3,423,660	3,539,911
Total property, plant and equipment, net	$ 17,267,282	$ 16,649,534
Americas	$ 407,039	$ 263,148
EMEA	447,583	440,139
Asia-Pacific	674,442	724,663
Total operating lease right-of-use assets	$ 1,529,064	$ 1,427,950

14. Subsequent Events

Declaration of dividends

On August 2, 2023, we declared a quarterly cash dividend of $ 3.41 per share, which is payable on September 20, 2023 to our common stockholders of record as of the close of business on August 23, 2023.

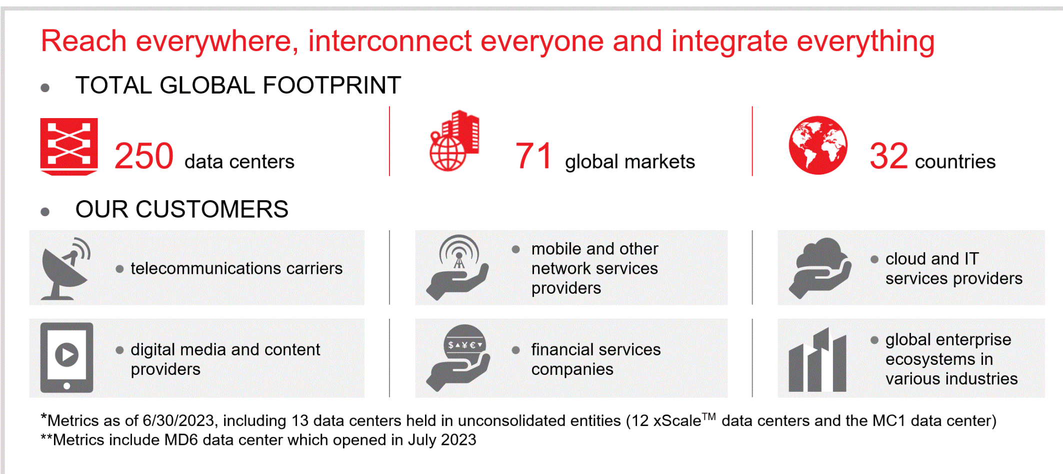
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a discrepancy include, but are not limited to, those discussed in "Liquidity and Capital Resources" below and "Risk Factors" in Item 1A of Part II of this Quarterly Report on Form 10-Q. All forward-looking statements in this document are based on information available to us as of the date of this Report and we assume no obligation to update any such forward-looking statements.

Our management's discussion and analysis of financial condition and results of operations is intended to assist readers in understanding our financial information from our management's perspective and is presented as follows:

- Overview
- Results of Operations
- Non-GAAP Financial Measures
- Liquidity and Capital Resources
- Contractual Obligations and Off-Balance-Sheet Arrangements
- Critical Accounting Policies and Estimates
- Recent Accounting Pronouncements

Overview



We provide a global, vendor-neutral data center, interconnection and edge solutions platform with offerings that aim to enable our customers to reach everywhere, interconnect everyone and integrate everything. Global enterprises, service providers and business ecosystems of industry partners rely on our IBX data centers and expertise around the world for the safe housing of their critical IT equipment and to protect and connect the world's most valued information assets. They also look to Platform Equinix® for the ability to directly and securely interconnect to the networks, clouds and content that enable today's information-driven global digital economy. Our recent IBX data center openings and acquisitions, as well as xScale™ data center investments, have expanded our total global footprint to 250 IBXs, including 12 xScale data centers and the MC1 data center that are held in unconsolidated joint ventures, across 71 markets around the world. We offer the following solutions:

- premium data center colocation;
- interconnection and data exchange solutions;
- edge solutions for deploying networking, security and hardware; and
- remote expert support and professional services.

Our interconnected data centers around the world allow our customers to increase information and application delivery performance to users, and quickly access distributed IT infrastructures and business and digital ecosystems, while significantly reducing costs. Our global platform and the quality of our IBX data centers, interconnection offerings and edge solutions have enabled us to establish a critical mass of customers. As more customers choose Platform Equinix for bandwidth cost and performance reasons, it benefits their suppliers and business partners to colocate in the same data centers. This adjacency creates a “network effect” that enables our customers to capture the full economic and performance benefits of our offerings. These partners, in turn, pull in their business partners, creating a "marketplace" for their services. Our global platform enables scalable, reliable and cost-effective interconnection that increases data traffic exchange while lowering overall cost and increasing flexibility. Our focused business model is built on our critical mass of enterprise and service provider customers and the resulting "marketplace" effect. This global platform, combined with our strong financial position, has continued to drive new customer growth and bookings.

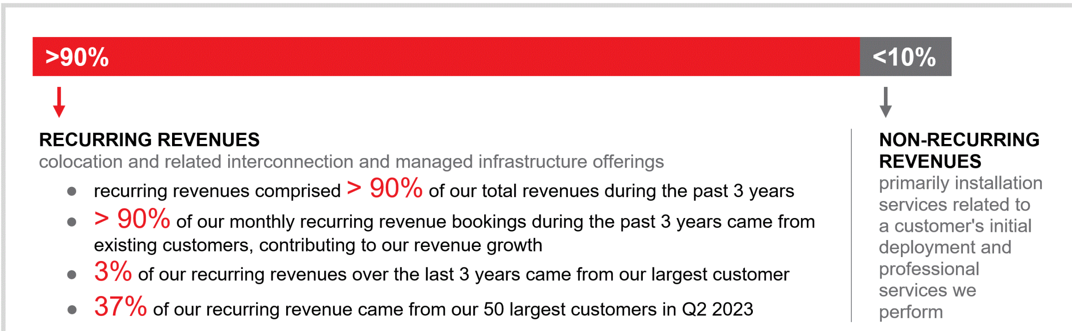
Historically, our market was served by large telecommunications carriers who bundled their products and services with their colocation offerings. The data center market landscape has evolved to include private and vendor-neutral multi-tenant data center ("MTDC") providers, hyperscale cloud providers, managed infrastructure and application hosting providers, and systems integrators. It is estimated that Equinix is one of more than 2,200 companies that provide MTDC offerings around the world. Each of these data center solutions providers can bundle various colocation, interconnection and network offerings and outsourced IT infrastructure solutions. We are able to offer our customers a global platform that reaches 32 countries with the industry’s largest and most active ecosystem of partners in our sites, proven operational reliability, improved application performance and a highly scalable set of offerings.

Our cabinet utilization rate represents the percentage of cabinet space billed versus total cabinet capacity, which is used to measure how efficiently we are managing our cabinet capacity. Our cabinet utilization rate varies from market to market among our IBX data centers across our Americas, EMEA and Asia-Pacific regions. Our cabinet utilization rates were approximately 82% and 80%, as of June 30, 2023 and 2022, respectively. We continue to monitor the available capacity in each of our selected markets. To the extent we have limited capacity available in a given market, it may limit our ability for growth in that market. We perform demand studies on an ongoing basis to determine if future expansion is warranted in a market. In addition, power and cooling requirements for most customers are growing on a per unit basis. As a result, customers are consuming an increasing amount of power per cabinet. Although we generally do not control the amount of power our customers draw from installed circuits, we have negotiated power consumption limitations with certain high power-demand customers. This increased power consumption has driven us to build out our new IBX data centers to support power and cooling needs twice that of previous IBX data centers. We could face power limitations in our IBX data centers, even though we may have additional physical cabinet capacity available within a specific IBX data center. This could have a negative impact on our ability to grow revenues, affecting our financial performance, results of operations and cash flows.

To serve the needs of the growing hyperscale data center market, including the world's largest cloud service providers, we have entered into joint ventures to develop and operate xScale data centers. In the past two years, we have closed multiple joint ventures in the form of limited liability partnerships with GIC Private Limited, Singapore's sovereign wealth fund ("GIC") and an additional joint venture in the form of a limited liability partnership with PGIM Real Estate, ("PGIM").

Strategically, we will continue to look at attractive opportunities to grow our market share and selectively improve our footprint and offerings. As was the case with our recent expansions and acquisitions, our expansion criteria will be dependent on a number of factors, including but not limited to demand from new and existing customers, quality of the design, power capacity, access to networks, clouds and software partners, capacity availability in the current market location, amount of incremental investment required by us in the targeted property, automation capabilities, developer talent pool, lead-time to break even on a free cash flow basis and in-place customers. Like our recent expansions and acquisitions, the right combination of these factors may be attractive to us. Depending on the circumstances, these transactions may require additional capital expenditures funded by upfront cash payments or through long-term financing arrangements in order to bring these properties up to our standards. Property expansion may be in the form of purchases of real property, long-term leasing arrangements or acquisitions. Future purchases, construction or acquisitions may be completed by us or with partners or potential customers to minimize the outlay of cash, which can be significant.

Revenue:



Our business is based on a recurring revenue model comprised of colocation and related interconnection and managed infrastructure offerings. We consider these offerings recurring because our customers are generally billed on a fixed and recurring basis each month for the duration of their contract, which is generally one to three years in length, and thereafter automatically renews in one-year increments. Our recurring revenues have comprised more than 90% of our total revenues during the past three years. In addition, during the past three years, more than 90% of our monthly recurring revenue bookings came from existing customers, contributing to our revenue growth. Our largest customer accounted for approximately 3% of our recurring revenues for both the three and six months ended June 30, 2023 and 2022. Our 50 largest customers accounted for approximately 37% of our recurring revenues for the three and six months ended June 30, 2023 and 36% and 37%, respectively, of our recurring revenues for the three and six months ended June 30, 2022.

Our non-recurring revenues are primarily derived from fees charged from installations related to a customer's initial deployment and professional services we perform. These services are considered to be non-recurring because they are billed typically once, upon completion of the installation or the professional services work performed. The majority of these non-recurring revenues are typically billed on the first invoice distributed to the customer in connection with their initial installation. However, revenues from installation services are deferred and recognized ratably over the period of the contract term. Additionally, revenue from contract settlements, when a customer wishes to terminate their contract early, is generally treated as a contract modification and recognized ratably over the remaining term of the contract, if any. As a percentage of total revenues, we expect non-recurring revenues to represent less than 10% of total revenues for the foreseeable future.

Operating Expenses:

Cost of Revenues. The largest components of our cost of revenues are depreciation, rental payments related to our leased IBX data centers, utility costs, including electricity, bandwidth access, IBX data center employees' salaries and benefits, including stock-based compensation, repairs and maintenance, supplies and equipment, and security. A majority of our cost of revenues is fixed in nature and should not vary significantly from period to period, unless we expand our existing IBX data centers or open or acquire new IBX data centers. However, there are certain costs that are considered more variable in nature, including utilities and supplies that are directly related to growth in our existing and new customer base. In addition, the cost of electricity is generally higher in the summer months, as compared to other times of the year. Our costs of electricity may also increase as a result of the physical effects of climate change, global energy supply constraints, increased regulations driving alternative electricity generation due to environmental considerations or as a result of our election to use renewable energy sources. To the extent we incur increased utility costs, such increased costs could materially impact our financial condition, results of operations and cash flows.

Sales and Marketing. Our sales and marketing expenses consist primarily of compensation and related costs for sales and marketing personnel, including stock-based compensation, amortization of contract costs, marketing programs, public relations, promotional materials and travel, as well as bad debt expense and amortization of customer relationship intangible assets.

General and Administrative. Our general and administrative expenses consist primarily of salaries and related expenses, including stock-based compensation, accounting, legal and other professional service fees, and other general corporate expenses, such as our corporate regional headquarters office leases and some depreciation expense on back office systems.

Taxation as a REIT

We elected to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") beginning with our 2015 taxable year. As of June 30, 2023, our REIT structure included all of our data center operations in the U.S., Canada, Chile, Mexico, Japan, Singapore and the majority of our data centers in EMEA. Our data center operations in other jurisdictions are operated as taxable REIT subsidiaries ("TRSs"). We included our share of the assets in xScale joint ventures (with the exception of Korea) in our REIT structure.

As a REIT, we generally are permitted to deduct from our U.S. federal taxable income the dividends we pay to our stockholders. The income represented by such dividends is not subject to U.S. federal income taxes at the entity level but is taxed, if at all, at the stockholder level. Nevertheless, the income of our TRSs which hold our U.S. operations that may not be REIT compliant is subject to U.S. federal and state corporate income taxes, as applicable. Likewise, our foreign subsidiaries continue to be subject to local income taxes in jurisdictions in which they hold assets or conduct operations, regardless of whether held or conducted through TRSs or through qualified REIT subsidiaries ("QRSs"). We are also subject to a separate U.S. federal corporate income tax on any gain recognized from a sale of a REIT asset where our basis in the asset is determined by reference to the basis of the asset in the hands of a C corporation (such as an asset held by us or a QRS following the liquidation or other conversion of a former TRS). This built-in-gains tax is generally applicable to any disposition of such an asset during the five-year period after the date we first owned the asset as a REIT asset to the extent of the built-in-gain based on the fair market value of such asset on the date we first held the asset as a REIT asset. In addition, should we recognize any net gain from "prohibited transactions," we will be subject to tax on this net gain at a 100% rate. "Prohibited transactions," for this purpose, are defined as dispositions, at a gain, of inventory or property held primarily for sale to customers in the ordinary course of a trade or business other than dispositions of foreclosure property and other than dispositions excepted by statutory safe harbors. If we fail to remain qualified for U.S. federal income taxation as a REIT, we will be subject to U.S. federal income taxes at regular corporate income tax rates. Even if we remain qualified for U.S. federal income taxation as a REIT, we may be subject to some federal, state, local and foreign taxes on our income and property in addition to taxes owed with respect to our TRSs' operations. In particular, while state income tax regimes often parallel the U.S. federal income tax regime for REITs, many states do not completely follow federal rules, and some may not follow them at all.

We continue to monitor our REIT compliance in order to maintain our qualification for U.S. federal income taxation as a REIT. For this and other reasons, as necessary, we may convert some of our data center operations in other countries into the REIT structure in future periods.

On each of March 22, 2023 and June 21, 2023, we paid a quarterly cash dividend of $3.41 per share. On August 2, 2023, we declared a quarterly cash dividend of $3.41 per share, payable on September 20, 2023, to our common stockholders of record as of the close of business on August 23, 2023. We expect the amount of all of our 2023 quarterly distributions and other applicable distributions to equal or exceed our REIT taxable income to be recognized in 2023.

2023 Highlights:

- In February, we settled three forward sale agreements executed under the 2020 and 2022 ATM Programs and sold 458,459 shares of our common stock for approximately $301.6 million, net of payment of commissions to sales agents and other offering expenses, at an aggregate weighted-average forward sale price of $657.75. See Note 12 within the Condensed Consolidated Financial Statements.
- In February and March, we issued ¥77.3 billion, or approximately $565.2 million, in Japanese Yen Senior Notes due 2035 and 2043 (the "Japanese Yen Senior Notes Series″). See Note 10 within the Condensed Consolidated Financial Statements.
- In March, we sold the Mexico 3 ("MX3") data center site in connection with the formation of a new joint venture with GIC, to develop and operate xScale data centers in the Americas (the "AMER 1 Joint Venture"). Upon closing, we contributed $8.4 million in exchange for a 20% partnership interest in the joint venture. See Note 5 and 6 within the Condensed Consolidated Financial Statements.
- In April, we issued additional shares in our Indonesian operating entity to a third party investor for $25.0 million, which resulted in the third party investor owning a 25% ownership interest in the entity. See Note 12 within the Condensed Consolidated Financial Statements.

Results of Operations

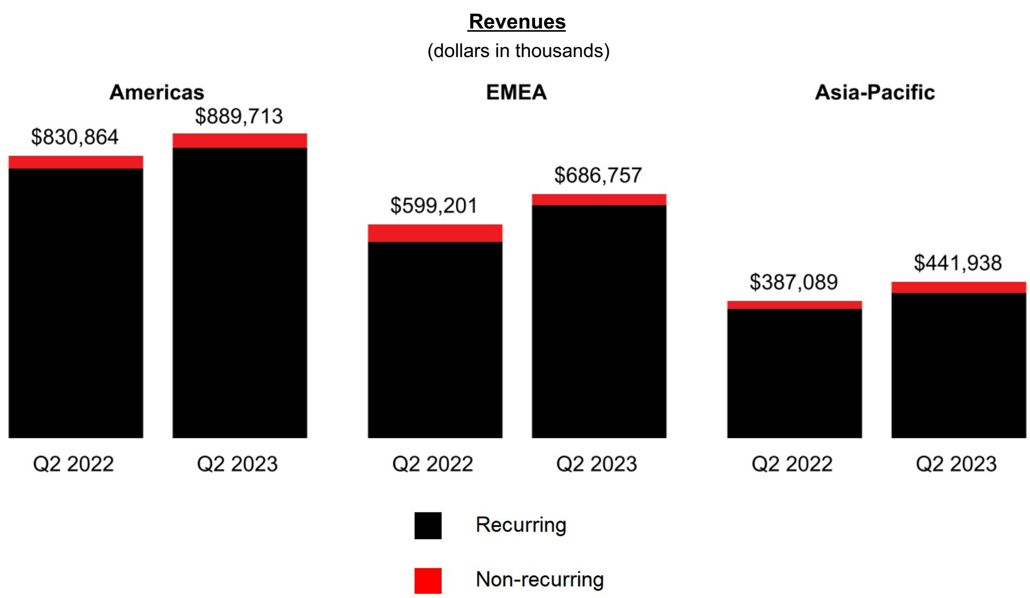
Our results of operations for the three and six months ended June 30, 2023 include the results of operations of data centers in Chile and Peru acquired from Entel from May 2, 2022 and August 1, 2022, respectively, and of MainOne from April 1, 2022.

In order to provide a framework for assessing our performance excluding the impact of foreign currency fluctuations, we supplement the year-over-year actual change in results of operations with comparative changes on a constant currency basis. Presenting constant currency results of operations is a non-GAAP financial measure. See “Non-GAAP Financial Measures” below for further discussion.

Three Months Ended June 30, 2023 and 2022

Revenues. Our revenues for the three months ended June 30, 2023 and 2022 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Three Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas:							
Recurring revenues	$ 853,459	42 %	$ 790,389	44 %	$ 63,070	8 %	9 %
Non-recurring revenues	36,254	2 %	40,475	2 %	(4,221)	(10)%	(10) %
	889,713	44 %	830,864	46 %	58,849	7 %	8 %
EMEA:							
Recurring revenues	652,866	32 %	552,679	30 %	100,187	18 %	26 %
Non-recurring revenues	33,891	2 %	46,522	3 %	(12,631)	(27)%	(28) %
	686,757	34 %	599,201	33 %	87,556	15 %	22 %
Asia-Pacific:							
Recurring revenues	411,245	20 %	364,383	20 %	46,862	13 %	15 %
Non-recurring revenues	30,693	2 %	22,706	1 %	7,987	35 %	40 %
	441,938	22 %	387,089	21 %	54,849	14 %	16 %
Total:							
Recurring revenues	1,917,570	94 %	1,707,451	94 %	210,119	12 %	15 %
Non-recurring revenues	100,838	6 %	109,703	6 %	(8,865)	(8)%	(7) %
	$ 2,018,408	100 %	$ 1,817,154	100 %	$ 201,254	11 %	14 %



Americas Revenues. During the three months ended June 30, 2023, Americas revenue increased by $58.8 million or 7% (8% on a constant currency basis). Growth in Americas revenues was primarily due to:

- approximately $7.7 million of incremental revenues generated from our IBX data center expansions;
- $6.8 million of incremental revenues from the Entel Chile and Entel Peru acquisitions; and

- an increase in orders from both our existing customers and new customers during the period.

EMEA Revenues. During the three months ended June 30, 2023, EMEA revenue increased by $87.6 million or 15% (22% on a constant currency basis). Growth in EMEA revenues was primarily due to:

- approximately $34.5 million of incremental revenues generated from our IBX data center expansions;
- power price increases in various European countries in response to the increased cost of utilities, as noted below; and
- increase in orders from both our existing customers and new customers during the period.

The increase was partially offset by a decrease of $12.0 million in revenues from non-recurring services provided to our joint ventures.

Asia-Pacific Revenues. During the three months ended June 30, 2023, Asia-Pacific revenue increased by $54.8 million or 14% (16% on a constant currency basis). Growth in Asia-Pacific revenue was primarily due to:

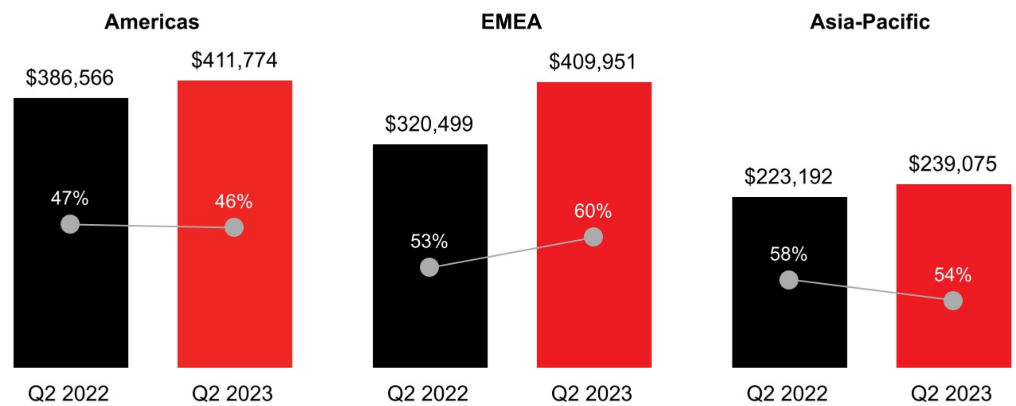
- approximately $18.7 million of incremental revenues generated from our IBX data center expansions; and
- power price increases in Singapore in response to the increased cost of utilities noted below.

Cost of Revenues. Our cost of revenues for the three months ended June 30, 2023 and 2022 by geographic regions was as follows (dollars in thousands):

	Three Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 411,774	39 %	$ 386,566	42 %	$ 25,208	7 %	7 %
EMEA	409,951	38 %	320,499	34 %	89,452	28 %	34 %
Asia-Pacific	239,075	23 %	223,192	24 %	15,883	7 %	10 %
Total	$ 1,060,800	100 %	$ 930,257	100 %	$ 130,543	14 %	17 %

Cost of Revenues

(dollars in thousands; percentages indicate expenses as a percentage of revenues)



Americas Cost of Revenues. During the three months ended June 30, 2023, Americas cost of revenues increased by $25.2 million or 7% (and also 7% on a constant currency basis). The increase in our Americas cost of revenues was primarily due to:

- $10.8 million of additional one-time software expenses related to our managed services business;
- $9.6 million of higher utilities costs, primarily driven by increases in power costs and higher utility usage; and

- $4.9 million of higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth.

EMEA Cost of Revenues. During the three months ended June 30, 2023, EMEA cost of revenues increased by $89.5 million or 28% (34% on a constant currency basis). The increase in our EMEA cost of revenues was primarily due to:

- $85.7 million of higher utilities costs, primarily driven by increases in power costs and higher utility usage in the United Kingdom, Germany, France, and the Netherlands; and
- $10.3 million of higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth.

Asia-Pacific Cost of Revenues. During the three months ended June 30, 2023, Asia-Pacific cost of revenues increased by $15.9 million or 7% (10% on a constant currency basis). The increase in our Asia-Pacific cost of revenues was primarily due to $5.8 million of higher utilities costs, primarily driven by increases in power costs and higher utility usage in Singapore and Japan.

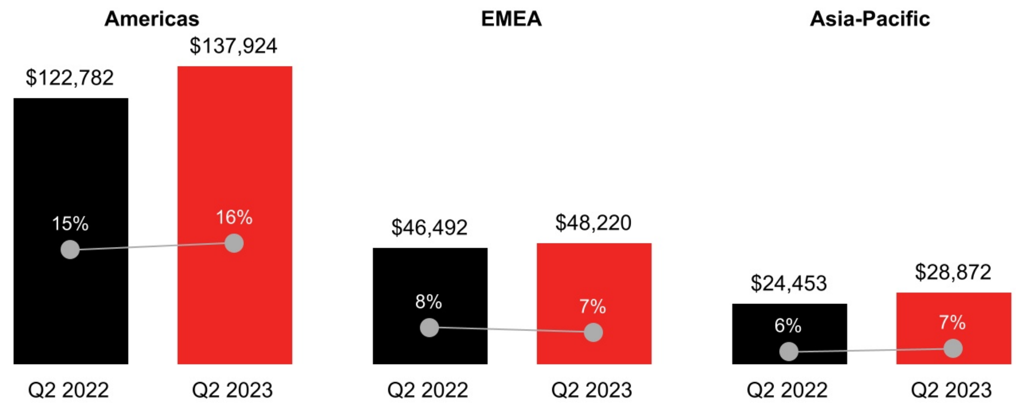
We expect cost of revenues to increase across all three regions in line with the growth of our business, including from the impact of acquisitions.

Sales and Marketing Expenses. Our sales and marketing expenses for the three months ended June 30, 2023 and 2022 by geographic regions were as follows (dollars in thousands):

	Three Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 137,924	65 %	$ 122,782	63 %	$ 15,142	12 %	13 %
EMEA	48,220	22 %	46,492	24 %	1,728	4 %	9 %
Asia-Pacific	28,872	13 %	24,453	13 %	4,419	18 %	22 %
Total	$ 215,016	100 %	$ 193,727	100 %	$ 21,289	11 %	13 %

Sales and Marketing Expenses

(dollars in thousands; percentages indicate expenses as a percentage of revenues)



Americas Sales and Marketing Expenses. During the three months ended June 30, 2023, Americas sales and marketing expense increased by $15.1 million or 12% (13% on a constant currency basis). The increase in our Americas sales and marketing was primarily due to an increase in compensation costs including salaries, bonuses and stock-based compensation, primarily due to headcount growth.

EMEA Sales and Marketing Expenses. Our EMEA sales and marketing expense did not materially change during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022.

Asia-Pacific Sales and Marketing Expenses. Our Asia-Pacific sales and marketing expense did not materially change during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022.

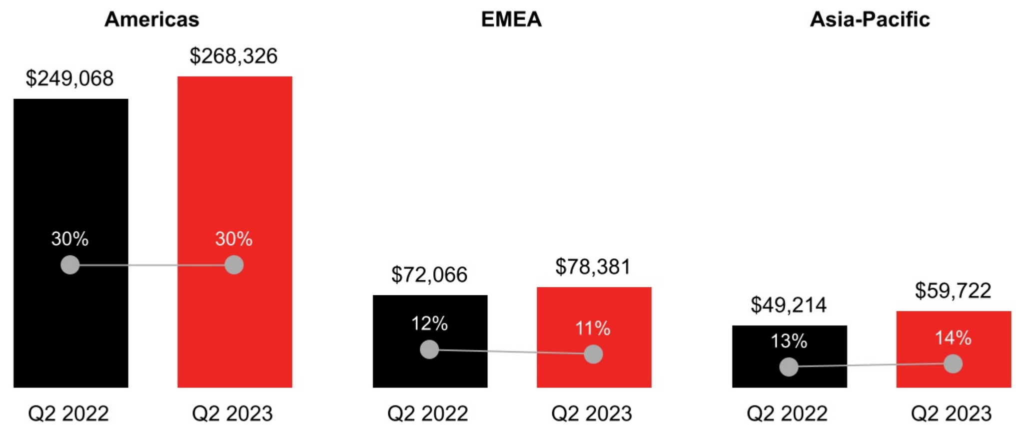
We anticipate that we will continue to invest in sales and marketing initiatives across our three regions in line with the growth of our business. We expect our Americas sales and marketing expenses as a percentage of revenues to continue to be higher than those of our other regions since certain global sales and marketing functions are located within the U.S.

General and Administrative Expenses. Our general and administrative expenses for the three months ended June 30, 2023 and 2022 by geographic regions were as follows (dollars in thousands):

	Three Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 268,326	66 %	$ 249,068	68 %	$ 19,258	8 %	8 %
EMEA	78,381	19 %	72,066	19 %	6,315	9 %	14 %
Asia-Pacific	59,722	15 %	49,214	13 %	10,508	21 %	23 %
Total	$ 406,429	100 %	$ 370,348	100 %	$ 36,081	10 %	11 %

General and Administrative Expenses

(dollars in thousands; percentages indicate expenses as a percentage of revenues)



Americas General and Administrative Expenses. During the three months ended June 30, 2023, Americas general and administrative expenses increased by $19.3 million or 8% (and also 8% on a constant currency basis). The increase in our Americas general and administrative expenses was primarily due to $17.3 million of higher depreciation expenses associated with back-office systems to support the growth of our business.

EMEA General and Administrative Expenses. During the three months ended June 30, 2023, EMEA general and administrative expenses increased by $6.3 million or 9% (14% on a constant currency basis). The increase in our EMEA general and administrative expenses was primarily due to higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth.

Asia-Pacific General and Administrative Expenses. During the three months ended June 30, 2023, Asia-Pacific general and administrative expenses increased by $10.5 million or 21% (23% on a constant currency basis). The increase in our Asia-Pacific general and administrative expenses was primarily due to higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth.

Going forward, although we are carefully monitoring our spending, we expect our general and administrative expenses to increase across all three regions as we continue to invest in our operations to support our growth, including investments to enhance our technology platform, to maintain our qualification for taxation as a REIT and to integrate recent acquisitions. Additionally, since our corporate headquarters is located in the U.S., we expect the Americas general and administrative expenses as a percentage of revenues to continue to be higher than other regions.

Transaction Costs. During the three months ended June 30, 2023 and 2022, we did not record a significant amount of transaction costs.

Gain or Loss on Asset Sales. During the three months ended June 30, 2023 and 2022, we did not record a significant amount of gain or loss on asset sales.

Income from Operations. Our income from operations for the three months ended June 30, 2023 and 2022 by geographic regions was as follows (dollars in thousands):

	Three Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 68,370	21 %	$ 69,588	22 %	$ (1,218)	(2) %	(1) %
EMEA	150,765	45 %	158,289	51 %	(7,524)	(5) %	4 %
Asia-Pacific	113,251	34 %	89,976	27 %	23,275	26 %	27 %
Total	$ 332,386	100 %	$ 317,853	100 %	$ 14,533	5 %	10 %

Americas Income from Operations. Our Americas income from operations did not materially change during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022.

EMEA Income from Operations. During the three months ended June 30, 2023, EMEA income from operations decreased by $7.5 million or 5% (4% increase on a constant currency basis), primarily due to higher operating expenses as a percentage of revenues, which included higher utilities costs, driven by increases in power costs and higher utility usage as described above.

Asia-Pacific Income from Operations. During the three months ended June 30, 2023, Asia-Pacific income from operations increased by $23.3 million or 26% (27% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth, as described above.

Interest Income. Interest income was $23.5 million, with an annualized yield of 3.77%, for the three months ended June 30, 2023. During the three months ended June 30, 2022, we did not record a significant amount of interest income.

Interest Expense. Interest expense increased to $100.0 million for the three months ended June 30, 2023 from $90.8 million for the three months ended June 30, 2022, primarily due to the issuance of 2.00% - 2.57% Japanese Yen Senior Notes due 2035 and 2043 in the first quarter of 2023 and an increase in the variable rate of our GBP term loan. During the three months ended June 30, 2023 and 2022, we capitalized $6.4 million and $4.3 million, respectively, of interest expense to construction in progress. See Note 10 within the Condensed Consolidated Financial Statements.

Other Income or Expense. We did not record a significant amount of other income or expense during the three months ended June 30, 2023 and 2022.

Gain on Debt Extinguishment. We did not record a significant amount of gain on debt extinguishment during the three months ended June 30, 2023 and 2022.

Income Taxes. We operate as a REIT for U.S. federal income tax purposes. As a REIT, we are generally not subject to U.S. federal income taxes on our taxable income distributed to stockholders. We intend to distribute or have distributed the entire taxable income generated by the operations of our REIT and QRSs for the tax years ending December 31, 2023 and 2022, respectively. As such, other than state income taxes and foreign income and withholding taxes, no provision for income taxes has been included for our REIT and QRSs in the accompanying condensed consolidated financial statements for the three months ended June 30, 2023 and 2022.

We have made TRS elections for some of our subsidiaries in and outside the U.S. In general, a TRS may provide services that would otherwise be considered impermissible for REITs to provide and may hold assets that may not be REIT compliant.

U.S. income taxes for the TRS entities located in the U.S. and foreign income taxes for our foreign operations regardless of whether the foreign operations are operated as QRSs or TRSs have been accrued, as necessary, for the three months ended June 30, 2023 and 2022.

For the three months ended June 30, 2023 and 2022, we recorded $37.4 million and $8.6 million of income tax expense, respectively. Our effective tax rates were 15.3% and 3.8% for the three months ended June 30, 2023 and 2022, respectively. The increase in the effective tax rate for the three months ended June 30, 2023 as compared to the same period in 2022 is primarily due to the reversal of uncertain tax positions of approximately $41.4 million in the prior period resulting from the settlement of tax audits in the EMEA region.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the operating performance of our segments and develop regional growth strategies such as IBX data center expansion decisions. We define adjusted EBITDA as net income excluding income tax expense, interest income, interest expense, other income or expense, gain or loss on debt extinguishment, depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges, transaction costs, and gain or loss on asset sales. See "Non-GAAP Financial Measures" below for more information about adjusted EBITDA and a reconciliation of adjusted EBITDA to net income. Our adjusted EBITDA for the three months ended June 30, 2023 and 2022 by geographic regions was as follows (dollars in thousands):

	Three Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 392,748	44 %	$ 376,224	44 %	$ 16,524	4 %	5 %
EMEA	294,814	32 %	295,382	34 %	(568)	— %	4 %
Asia-Pacific	213,608	24 %	188,726	22 %	24,882	13 %	15 %
Total	$ 901,170	100 %	$ 860,332	100 %	$ 40,838	5 %	7 %

Americas Adjusted EBITDA. During the three months ended June 30, 2023, Americas adjusted EBITDA increased by $16.5 million or 4% (5% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth, as described above.

EMEA Adjusted EBITDA. Our EMEA adjusted EBITDA did not materially change during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022 primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth, offset by higher operating costs including higher utilities costs, as described above.

Asia-Pacific Adjusted EBITDA. During the three months ended June 30, 2023, Asia-Pacific adjusted EBITDA increased by $24.9 million or 13% (15% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth, as described above.

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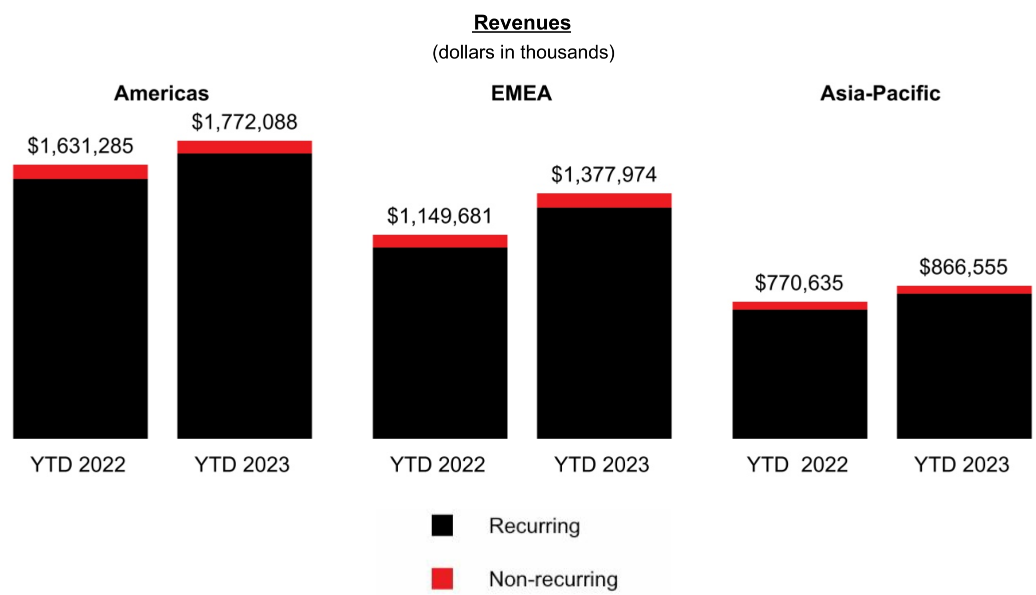
Six Months Ended June 30, 2023 and 2022

Revenues. Our revenues for the six months ended June 30, 2023 and 2022 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Six Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency (1)
Americas:							
Recurring revenues	1,691,928	43 %	$ 1,548,019	44 %	$ 143,909	9 %	10 %
Non-recurring revenues	80,160	2 %	83,266	2 %	(3,106)	(4) %	(3) %
	1,772,088	45 %	1,631,285	46 %	140,803	9 %	9 %
EMEA:							
Recurring revenues	1,297,707	32 %	1,072,792	30 %	224,915	21 %	28 %
Non-recurring revenues	80,267	2 %	76,889	2 %	3,378	4 %	6 %
	1,377,974	34 %	1,149,681	32 %	228,293	20 %	27 %
Asia-Pacific:							
Recurring revenues	818,015	20 %	728,964	21 %	89,051	12 %	16 %
Non-recurring revenues	48,540	1 %	41,671	1 %	6,869	16 %	22 %
	866,555	21 %	770,635	22 %	95,920	12 %	16 %
Total:							
Recurring revenues	3,807,650	95 %	3,349,775	95 %	457,875	14 %	17 %
Non-recurring revenues	208,967	5 %	201,826	5 %	7,141	4 %	6 %
	$ 4,016,617	100 %	$ 3,551,601	100 %	$ 465,016	13 %	16 %

(1) As defined in the "Non-GAAP Financial Measures" section in Item 2 of this Quarterly Report on Form 10-Q.



Americas Revenues. During the six months ended June 30, 2023, Americas revenue increased by $140.8 million or 9% (and also 9% on a constant currency basis). Growth in Americas revenues was primarily due to:

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- $21.7 million of incremental revenues from the Entel Chile and Entel Peru acquisitions;
- approximately $16.7 million of incremental revenues generated from our IBX data center expansions; and
- an increase in orders from both our existing customers and new customers during the period.

EMEA Revenues. During the six months ended June 30, 2023, EMEA revenue increased by $228.3 million or 20% (27% on a constant currency basis). Growth in EMEA revenues was primarily due to:

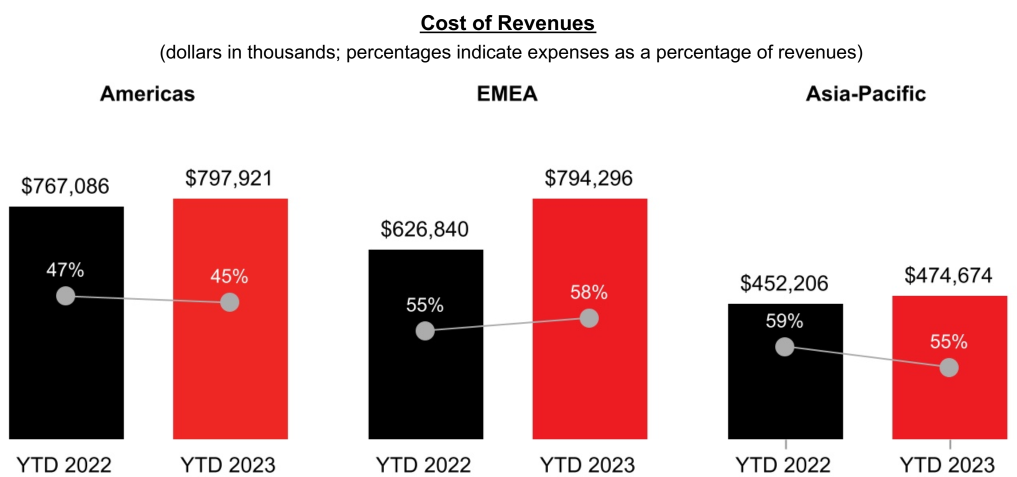
- approximately $56.9 million of incremental revenues generated from our IBX data center expansions;
- $21.6 million of incremental revenues generated from the MainOne Acquisition; and
- power price increases as well as an increase in orders from both our existing customers and new customers during the period.

Asia-Pacific Revenues. During the six months ended June 30, 2023, Asia-Pacific revenue increased by $95.9 million or 12% (16% on a constant currency basis). Growth in Asia-Pacific revenue was primarily due to:

- approximately $36.7 million of incremental revenues generated from our IBX data center expansions; and
- an increase in orders from both our existing customers and new customers during the period.

Cost of Revenues. Our cost of revenues for the six months ended June 30, 2023 and 2022 by geographic regions was as follows (dollars in thousands):

	Six Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 797,921	39 %	$ 767,086	42 %	$ 30,835	4 %	5 %
EMEA	794,296	38 %	626,840	34 %	167,456	27 %	34 %
Asia-Pacific	474,674	23 %	452,206	24 %	22,468	5 %	9 %
Total	$ 2,066,891	100 %	$ 1,846,132	100 %	$ 220,759	12 %	15 %



Americas Cost of Revenues. During the six months ended June 30, 2023, Americas cost of revenues increased by $30.8 million or 4% (5% on a constant currency basis). The increase in our Americas cost of revenues was primarily due to:

- $12.4 million of incremental cost of revenues from the Entel Chile and Entel Peru acquisitions;
- $10.8 million of additional one-time software expenses related to our managed services business; and

- $8.5 million of higher utilities costs, primarily driven by increases in power costs and higher utility usage.

EMEA Cost of Revenues. During the six months ended June 30, 2023, EMEA cost of revenues increased by $167.5 million or 27% (34% on a constant currency basis). The increase in our EMEA cost of revenues was primarily due to:

- $131.1 million of higher utilities costs, primarily driven by increases in power costs and higher utility usage in the United Kingdom, Germany, France, and the Netherlands;
- $17.8 million of higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth; and
- $12.1 million of incremental cost of revenues from the MainOne Acquisition.

Asia-Pacific Cost of Revenues. During the six months ended June 30, 2023, Asia-Pacific cost of revenues increased by $22.5 million or 5% (9% on a constant currency basis). The increase in our Asia-Pacific cost of revenues was primarily due to:

- $13.6 million of higher rent and facilities costs, primarily in Hong Kong; and
- $5.0 million of higher utilities costs, primarily driven by increases in power costs and higher utility usage in Japan.

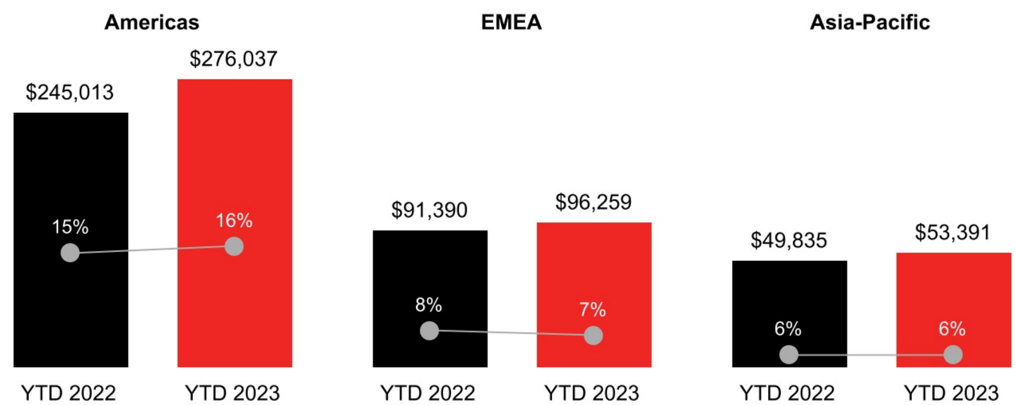
We expect cost of revenues to increase across all three regions in line with the growth of our business, including from the impact of acquisitions.

Sales and Marketing Expenses. Our sales and marketing expenses for the six months ended June 30, 2023 and 2022 by geographic regions were as follows (dollars in thousands):

	Six Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 276,037	64 %	$ 245,013	63 %	$ 31,024	13 %	13 %
EMEA	96,259	23 %	91,390	24 %	4,869	5 %	11 %
Asia-Pacific	53,391	13 %	49,835	13 %	3,556	7 %	12 %
Total	$ 425,687	100 %	$ 386,238	100 %	$ 39,449	10 %	12 %

Sales and Marketing Expenses

(dollars in thousands; percentages indicate expenses as a percentage of revenues)



Americas Sales and Marketing Expenses. During the six months ended June 30, 2023, Americas sales and marketing expenses increased by $31.0 million or 13% (and also 13% on a constant currency basis). The increase in our Americas sales and marketing expenses was primarily due to:

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- $9.0 million of higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth;
- $6.0 million of higher travel and entertainment expenses due to activities trending towards pre-pandemic levels;
- $5.3 million of higher advertising costs including online ads, design services and marketing research; and
- $4.4 million of higher amortization expense as a result of recent acquisitions.

EMEA Sales and Marketing Expenses. Our EMEA sales and marketing expense did not materially change during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022.

Asia-Pacific Sales and Marketing Expenses. Our Asia-Pacific sales and marketing expense did not materially change during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022.

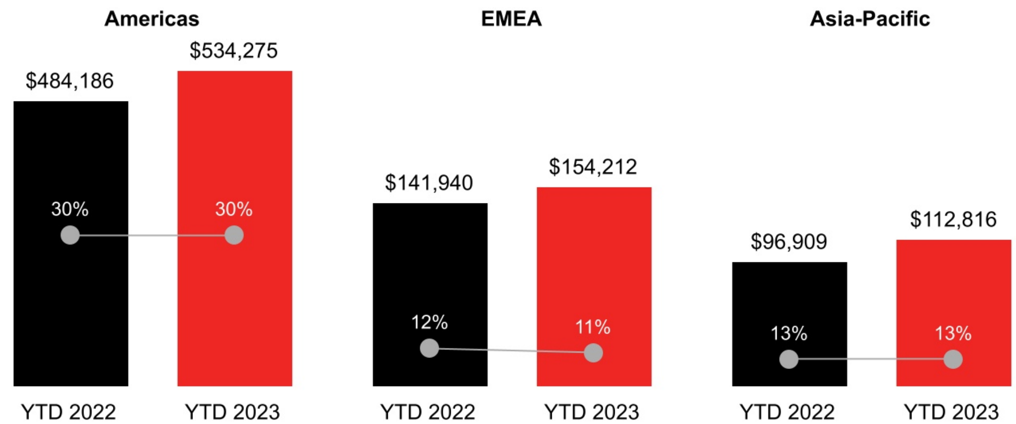
We anticipate that we will continue to invest in sales and marketing initiatives across our three regions in line with the growth of our business. We expect our Americas sales and marketing expenses as a percentage of revenues to be higher than those of our other regions since certain global sales and marketing functions are located within the U.S.

General and Administrative Expenses. Our general and administrative expenses for the six months ended June 30, 2023 and 2022 by geographic regions were as follows (dollars in thousands):

	Six Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 534,275	67 %	$ 484,186	67 %	$ 50,089	10 %	11 %
EMEA	154,212	19 %	141,940	20 %	12,272	9 %	14 %
Asia-Pacific	112,816	14 %	96,909	13 %	15,907	16 %	19 %
Total	$ 801,303	100 %	$ 723,035	100 %	$ 78,268	11 %	12 %

General and Administrative Expenses

(dollars in thousands; percentages indicate expenses as a percentage of revenues)



Americas General and Administrative Expenses. During the six months ended June 30, 2023, Americas general and administrative expenses increased by $50.1 million or 10% (11% on a constant currency basis). The increase in our Americas general and administrative expenses was primarily due to:

- $29.3 million of higher depreciation expense associated with back-office systems to support the growth of our business; and
- $10.6 million of higher office expenses primarily due to additional software and support services.

EMEA General and Administrative Expenses. During the six months ended June 30, 2023, EMEA general and administrative expenses increased by $12.3 million or 9% (14% on a constant currency basis). The increase in our EMEA general and administrative expenses was primarily due to:

- $7.0 million of higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth; and
- $3.5 million of higher travel and entertainment expenses due to activities trending towards pre-pandemic levels.

Asia-Pacific General and Administrative Expenses. During the six months ended June 30, 2023, Asia-Pacific general and administrative expenses increased by $15.9 million or 16% (19% on a constant currency basis). The increase in our Asia-Pacific general and administrative expense was primarily due to higher compensation costs, including salaries, bonuses and stock-based compensation, primarily due to headcount growth.

Going forward, although we are carefully monitoring our spending, we expect our general and administrative expenses to increase across all three regions as we continue to invest in our operations to support our growth, including investments to enhance our technology platform, to maintain our qualification for taxation as a REIT and to integrate recent acquisitions. Additionally, given that our corporate headquarters is located in the U.S., we expect the Americas general and administrative expenses as a percentage of revenues to be higher than those of other regions.

Transaction costs. During the six months ended June 30, 2023 and 2022, we recorded transaction costs totaling $7.3 million and $9.3 million, respectively. These transaction costs primarily related to costs incurred in connection with recent acquisitions and formation of the new joint ventures. See Notes 4, 5 and 6 within the Condensed Consolidated Financial Statements.

Gain or Loss on Asset Sales. During the six months ended June 30, 2023 and 2022, we did not record a significant amount of gain or loss on asset sales.

Income from Operations. Our income from operations for the six months ended June 30, 2023 and 2022 by geographic regions was as follows (dollars in thousands):

	Six Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 157,229	22 %	$ 128,111	22 %	$ 29,118	23 %	24 %
EMEA	334,909	47 %	286,497	49 %	48,412	17 %	24 %
Asia-Pacific	224,369	31 %	170,561	29 %	53,808	32 %	35 %
Total	$ 716,507	100 %	$ 585,169	100 %	$ 131,338	22 %	27 %

Americas Income from Operations. During the six months ended June 30, 2023, Americas income from operations increased by $29.1 million or 23% (24% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity, the recent acquisitions and organic growth, as described above.

EMEA Income from Operations. During the six months ended June 30, 2023, EMEA income from operations increased by $48.4 million or 17% (24% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity, the recent acquisition and organic growth, as described above.

Asia-Pacific Income from Operations. During the six months ended June 30, 2023, Asia-Pacific income from operations increased by $53.8 million or 32% (35% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth, as described above.

Interest Income. Interest income was $42.9 million, with an annualized yield of 3.61%, for the six months ended June 30, 2023. During the six months ended June 30, 2022, we did not record a significant amount of interest income.

Interest Expense. Interest expense increased to $197.5 million for the six months ended June 30, 2023 from $170.8 million for the six months ended June 30, 2022, primarily due to the issuance of the 3.900% Senior Notes due 2032 in 2022, issuance of 2.000% - 2.57% Japanese Yen Senior Notes due 2035 and 2043 in the first quarter of 2023 and an increase in the variable rate of our GBP term loan. During the six months ended June 30, 2023 and

2022, we capitalized $11.9 million and $8.8 million, respectively, of interest expense to construction in progress. See Note 10 within the Condensed Consolidated Financial Statements.

Other Expense. We did not record a significant amount of other expense during the six months ended June 30, 2023. For the six months ended June 30, 2022, we recorded $15.8 million of other expense, primarily due to a $14.0 million stock-based charitable contribution and foreign currency exchange gains and losses.

Gain on debt extinguishment. We did not record a significant amount of gain on debt extinguishment during the six months ended June 30, 2023 and 2022.

Income Taxes. We operate as a REIT for U.S. federal income tax purposes. As a REIT, we are generally not subject to U.S. federal income taxes on our taxable income distributed to stockholders. We intend to distribute or have distributed the entire taxable income generated by the operations of our REIT and QRSs for the tax years ending December 31, 2023 and 2022, respectively. As such, other than state income taxes and foreign income and withholding taxes, no provision for income taxes has been included for our REIT and QRSs in the accompanying condensed consolidated financial statements for the six months ended June 30, 2023 and 2022.

We have made TRS elections for some of our subsidiaries in and outside the U.S. In general, a TRS may provide services that would otherwise be considered impermissible for REITs to provide and may hold assets that may not be REIT compliant.

U.S. income taxes for the TRS entities located in the U.S. and foreign income taxes for our foreign operations regardless of whether the foreign operations are operated as QRSs or TRSs have been accrued, as necessary, for the six months ended June 30, 2023 and 2022.

For the six months ended June 30, 2023 and 2022, we recorded $92.4 million and $41.4 million of income tax expense, respectively. Our effective tax rates were 16.6% and 10.2%, for the six months ended June 30, 2023 and 2022, respectively. The increase in the effective tax rate for the six months ended June 30, 2023 as compared to the same period in 2022 is primarily due to the reversal of uncertain tax positions of approximately $41.4 million in the prior period resulting from the settlement of tax audits in the EMEA region.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the operating performance of our segments and develop regional growth strategies such as IBX data center expansion decisions. We define adjusted EBITDA as net income excluding income tax expense, interest income, interest expense, other income or expense, gain or loss on debt extinguishment, depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges, transaction costs, and gain or loss on asset sales. See "Non-GAAP Financial Measures" below for more information about adjusted EBITDA and a reconciliation of adjusted EBITDA to net income. Our adjusted EBITDA for the six months ended June 30, 2023 and 2022 by geographic regions was as follows (dollars in thousands):

	Six Months Ended June 30,				$ Change	% Change	
	2023	%	2022	%	Actual	Actual	Constant Currency
Americas	$ 797,835	43 %	$ 732,779	45 %	$ 65,056	9 %	9 %
EMEA	621,327	34 %	555,727	33 %	65,600	12 %	17 %
Asia-Pacific	426,291	23 %	371,538	22 %	54,753	15 %	18 %
Total	$ 1,845,453	100 %	$ 1,660,044	100 %	$ 185,409	11 %	14 %

Americas Adjusted EBITDA. During the six months ended June 30, 2023, Americas adjusted EBITDA increased b y $65.1 million or 9% (and also 9% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity, the recent acquisitions and organic growth, as described above.

EMEA Adjusted EBITDA. During the six months ended June 30, 2023, EMEA adjusted EBITDA increased by $65.6 million or 12% (17% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity, the recent acquisition and organic growth, as described above.

Asia-Pacific Adjusted EBITDA. During the six months ended June 30, 2023, Asia-Pacific adjusted EBITDA increased by $54.8 million or 15% (18% on a constant currency basis), primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth, as described above.

Non-GAAP Financial Measures

We provide all information required in accordance with GAAP, but we believe that evaluating our ongoing results of operations may be difficult if limited to reviewing only GAAP financial measures. Accordingly, we use non-GAAP financial measures to evaluate our operations.

Non-GAAP financial measures are not a substitute for financial information prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation, but should be considered together with the most directly comparable GAAP financial measures and the reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures. We have presented such non-GAAP financial measures to provide investors with an additional tool to evaluate our results of operations in a manner that focuses on what management believes to be our core, ongoing business operations. We believe that the inclusion of these non-GAAP financial measures provides consistency and comparability with past reports and provides a better understanding of the overall performance of the business and ability to perform in subsequent periods. We believe that if we did not provide such non-GAAP financial information, investors would not have all the necessary data to analyze us effectively.

Investors should note that the non-GAAP financial measures used by us may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as those of other companies. Investors should therefore exercise caution when comparing non-GAAP financial measures used by us to similarly titled non-GAAP financial measures of other companies.

Our primary non-GAAP financial measures, adjusted EBITDA and adjusted funds from operations ("AFFO"), exclude depreciation expense as these charges primarily relate to the initial construction costs of our IBX data centers and do not reflect our current or future cash spending levels to support our business. Our IBX data centers are long-lived assets and have an economic life greater than 10 years. The construction costs of an IBX data center do not recur with respect to such data center, although we may incur initial construction costs in future periods with respect to additional IBX data centers, and future capital expenditures remain minor relative to our initial investment. This is a trend we expect to continue. In addition, depreciation is also based on the estimated useful lives of our IBX data centers. These estimates could vary from actual performance of the asset, are based on historical costs incurred to build out our IBX data centers and are not indicative of current or expected future capital expenditures. Therefore, we exclude depreciation from our results of operations when evaluating our operations.

In addition, in presenting adjusted EBITDA and AFFO, we exclude amortization expense related to acquired intangible assets. Amortization expense is significantly affected by the timing and magnitude of our acquisitions and these charges may vary in amount from period to period. We exclude amortization expense to facilitate a more meaningful evaluation of our current operating performance and comparisons to our prior periods. We exclude accretion expense, both as it relates to asset retirement obligations as well as accrued restructuring charge liabilities, as these expenses represent costs which we believe are not meaningful in evaluating our current operations. We also exclude restructuring charges. Restructuring charges relate to our decisions to exit leases for excess space adjacent to several of our IBX data centers, which we did not intend to build out, or our decision to reverse such restructuring charges. We also exclude impairment charges generally related to certain long-lived assets. The impairment charges are related to expense recognized whenever events or changes in circumstances indicate that the carrying amount of assets are not recoverable. We also exclude gain or loss on asset sales as it represents profit or loss that is not meaningful in evaluating the current or future operating performance. Additionally, we exclude transaction costs from AFFO and adjusted EBITDA to allow more comparable comparisons of our financial results to our historical operations. The transaction costs relate to costs we incur in connection with business combinations and the formation of joint ventures, including advisory, legal, accounting, valuation, and other professional or consulting fees. Such charges generally are not relevant to assessing our long-term performance. In addition, the frequency and amount of such charges vary significantly based on the size and timing of the transactions. Management believes items such as restructuring charges, impairment charges, gain or loss on asset sales and transaction costs are non-core transactions; however, these types of costs may occur in future periods. Finally, we exclude stock-based compensation expense, as it can vary significantly from period to period based on share price, and the timing, size and nature of equity awards. As such, we, and many investors and analysts, exclude stock-based compensation expense to compare our results of operations with those of other companies.

Adjusted EBITDA

We define adjusted EBITDA as net income excluding income tax expense, interest income, interest expense, other income or expense, gain or loss on debt extinguishment, depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges, transaction costs, and gain or loss on asset sales as presented below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	$ 207,013	$ 216,242	$ 465,743	$ 363,935
Income tax expense	37,385	8,635	92,440	41,379
Interest income	(23,503)	(4,508)	(42,891)	(6,614)
Interest expense	99,973	90,826	197,454	170,791
Other expense	11,518	6,238	4,015	15,787
(Gain) loss on debt extinguishment	—	420	(254)	(109)
Depreciation, amortization, and accretion expense	460,461	432,828	919,456	869,214
Stock-based compensation expense	104,546	104,682	203,261	194,634
Transaction costs	5,718	5,063	7,318	9,303
(Gain) loss on asset sales	(1,941)	(94)	(1,089)	1,724
Adjusted EBITDA	$ 901,170	$ 860,332	$ 1,845,453	$ 1,660,044

Our adjusted EBITDA results have increased each year in total dollars due to the increase in our operating results, as discussed in "Results of Operations", as well as the nature of our business model consisting of a recurring revenue stream and a cost structure which has a large base that is fixed in nature, as also discussed in "Overview".

Funds from Operations ("FFO") and AFFO

We use FFO and AFFO, which are non-GAAP financial measures commonly used in the REIT industry. FFO is calculated in accordance with the standards established by the National Association of Real Estate Investment Trusts. FFO represents net income (loss), excluding gain (loss) from the disposition of real estate assets, depreciation and amortization on real estate assets and adjustments for unconsolidated joint ventures' and non-controlling interests' share of these items.

In presenting AFFO, we exclude certain items that we believe are not good indicators of our current or future operating performance. AFFO represents FFO excluding depreciation and amortization expense on non-real estate assets, accretion, stock-based compensation, stock-based charitable contributions, restructuring charges, impairment charges, transaction costs, an installation revenue adjustment, a straight-line rent expense adjustment, a contract cost adjustment, amortization of deferred financing costs and debt discounts and premiums, gain (loss) on debt extinguishment, an income tax expense adjustment, recurring capital expenditures, net income (loss) from discontinued operations, net of tax, and adjustments from FFO to AFFO for unconsolidated joint ventures' and non-controlling interests' share of these items. The adjustments for installation revenue, straight-line rent expense and contract costs are intended to isolate the cash activity included within the straight-lined or amortized results in the condensed consolidated statement of operations. We exclude the amortization of deferred financing costs and debt discounts and premiums as these expenses relate to the initial costs incurred in connection with debt financings that have no current or future cash obligations. We exclude gain (loss) on debt extinguishment since it generally represents the write-off of initial costs incurred in connection with debt financings or a cost that is incurred to reduce future interest costs and is not a good indicator of our current or future operating performance. We include an income tax expense adjustment, which represents the non-cash tax impact due to changes in valuation allowances, uncertain tax positions and deferred taxes that do not relate to current period's operations. We deduct recurring capital expenditures, which represent expenditures to extend the useful life of its IBX data centers or other assets that are required to support current revenues. We also exclude net income (loss) from discontinued operations, net of tax, which represents results that may not recur and are not a good indicator of our current future operating performance.

Our FFO and AFFO were as follows (in thousands):

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net income	$ 207,013	$ 216,242	$ 465,743	$ 363,935
Net (income) loss attributable to non-controlling interests	17	80	73	(160)
Net income attributable to Equinix	207,030	216,322	465,816	363,775
Adjustments:				
Real estate depreciation	283,673	278,046	567,354	558,242
Loss on disposition of real estate property	1,175	1,850	3,736	4,695
Adjustments for FFO from unconsolidated joint ventures	3,362	2,131	6,486	4,281
FFO attributable to common shareholders	$ 495,240	$ 498,349	$ 1,043,392	$ 930,993

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
FFO attributable to common shareholders	$ 495,240	$ 498,349	$ 1,043,392	$ 930,993
Adjustments:				
Installation revenue adjustment	6,121	(34)	3,884	811
Straight-line rent expense adjustment	10,614	4,207	11,793	7,867
Contract cost adjustment	(13,735)	(7,891)	(20,417)	(22,830)
Amortization of deferred financing costs and debt discounts	4,653	4,536	9,243	8,740
Stock-based compensation expense	104,546	104,682	203,261	194,634
Stock-based charitable contributions	2,543	14,039	2,543	14,039
Non-real estate depreciation expense	125,535	103,349	246,480	208,924
Amortization expense	52,428	51,875	104,902	101,444
Accretion expense adjustment	(1,175)	(442)	720	604
Recurring capital expenditures	(39,672)	(34,775)	(61,401)	(58,656)
Gain (loss) on debt extinguishment	—	420	(254)	(109)
Transaction costs	5,718	5,063	7,318	9,303
Income tax expense (benefit) adjustment	1,542	(49,683)	3,124	(50,006)
Adjustments for AFFO from unconsolidated joint ventures	(96)	(2,303)	1,467	(1,734)
AFFO attributable to common shareholders	$ 754,262	$ 691,392	$ 1,556,055	$ 1,344,024

Our AFFO results have improved due to the improved operating results discussed earlier in "Results of Operations," as well as due to the nature of our business model which consists of a recurring revenue stream and a cost structure which has a large base that is fixed in nature as discussed earlier in "Overview."

Constant Currency Presentation

Our revenues and certain operating expenses (cost of revenues, sales and marketing and general and administrative expenses) from our international operations have represented and will continue to represent a significant portion of our total revenues and certain operating expenses. As a result, our revenues and certain operating expenses have been and will continue to be affected by changes in the U.S. dollar against major international currencies. During the three and six months ended June 30, 2023 as compared to the same period in 2022 the U.S. dollar was stronger relative to the Japanese yen and Australian dollar, which resulted in an unfavorable foreign currency impact on revenue, operating income, and a favorable foreign currency impact on operating expenses. In order to provide a framework for assessing how each of our business segments performed excluding the impact of foreign currency fluctuations, we present period-over-period percentage changes in our revenues and certain operating expenses on a constant currency basis in addition to the historical amounts as reported. Our constant currency presentation excludes the impact of our foreign currency cash flow hedging activities. Presenting constant currency results of operations is a non-GAAP financial measure and is not meant to be considered in isolation or as an alternative to GAAP results of operations. However, we have presented this non-GAAP financial measure to provide investors with an additional tool to evaluate our results of operations. To present this information, our current period revenues and certain operating expenses from entities reporting in currencies other than the U.S. dollar are converted into U.S. dollars at constant exchange rates rather than the actual exchange rates in effect during the respective periods (i.e. average rates in effect for the six months ended June 30, 2022 are used as exchange rates for the six months ended June 30, 2023 when comparing the six months ended June 30, 2023 with the six months ended June 30, 2022).

Liquidity and Capital Resources

Sources and Uses of Cash

Customer collections are our primary source of cash. We believe we have a strong customer base, and have continued to experience relatively strong collections. As of June 30, 2023, our principle sources of liquidity were $2.3 billion of cash and cash equivalents. In addition to our cash balance, we had $3.9 billion of additional liquidity available to us from our $4.0 billion revolving facility and general access to both public and private debt and the equity capital markets. We also have additional liquidity available to us from our 2022 ATM Program, under which we may offer and sell from time to time our common stock in "at the market" transactions on either a spot or forward basis. As of June 30, 2023, we had $1.2 billion available for sale under the 2022 ATM Program, which amount gives effect to approximately $199.8 million of net proceeds of unsettled forward sale transactions.

We believe we have sufficient cash, coupled with anticipated cash generated from operating activities and external financing sources, to meet our operating requirements, including repayment of the current portion of our debt as it becomes due, distribution of dividends and completion of our publicly announced acquisitions, ordinary costs to operate the business, and expansion projects.

As we continue to grow, we may pursue additional expansion opportunities, primarily the build out of new IBX data centers, in certain of our existing markets which are at or near capacity within the next year, as well as potential acquisitions and joint ventures. If the opportunity to expand is greater than planned we may further increase the level of capital expenditure to support this growth as well as pursue additional business and real estate acquisitions or joint ventures provided that we have or can access sufficient funding to pursue such expansion opportunities. We may elect to access the equity or debt markets from time to time opportunistically, particularly if financing is available on attractive terms. We will continue to evaluate our operating requirements and financial resources in light of future developments.

Cash Flow

	Six Months Ended June 30,		
	2023	2022	Change
	(dollars in thousands)		
Net cash provided by operating activities	$ 1,432,706	$ 1,382,704	$ 50,002
Net cash used in investing activities	(1,190,585)	(1,627,881)	437,296
Net cash provided by financing activities	215,010	693,378	(478,368)

Operating Activities

Our cash provided by our operations is generated by colocation, interconnection, managed infrastructure and other revenues. Our primary uses of cash from our operating activities include compensation and related costs, interest payments, other general corporate expenditures and taxes. Net cash provided by operating activities increased by $50.0 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily driven by improved results of operations offset by increases in cash paid for costs and operating expenses.

Investing Activities

Net cash used in investing activities decreased by $437.3 million for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily due to:

- $883.7 million decrease in business acquisitions; and
- $32.3 million decrease in purchases of investments.

This decrease was partially offset by:

- $270.4 million increase in capital expenditures;
- $179.1 million decrease in the proceeds from the sale of assets to our Joint Ventures;
- $22.1 million decrease in the proceeds from the sale of investments; and
- $7.1 million increase in real estate acquisitions.

Financing Activities

Net cash provided by financing activities decreased by $478.4 million for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily driven by:

- $676.9 million decrease in proceeds from mortgage and loans payable;
- $628.5 million decrease in proceeds from senior notes; and
- $73.7 million increase in dividend distributions.

This decrease is partially offset by:

- $557.6 million decrease in the repayment of mortgage and loans payable;
- $300.8 million increase in proceeds from the 2020 and 2022 ATM Programs;
- $25.0 million increase in proceeds from redeemable non-controlling interest;
- $13.5 million decrease in debt issuance costs;
- $3.1 million decrease in repayments of finance lease liabilities; and
- $0.7 million increase in proceeds from employee equity programs.

Material Cash Commitments

As of June 30, 2023, our principle commitments were primarily comprised of:

- approximately $12.8 billion of principal from our senior notes (gross of debt issuance cost and debt discount);
- approximately $3.1 billion of interest on mortgage payable, loans payable, senior notes and term loans, based on their respective interest rates and recognized over the life of these instruments, and the credit facility fee for the revolving credit facility;
- $675.2 million of principal from our term loans, mortgage and loans payable (gross of debt issuance cost and debt discount);
- approximately $5.6 billion of total lease payments, which represents lease payments under finance and operating lease arrangements, including renewal options that are reasonably certain to be exercised;
- approximately $2.5 billion of unaccrued capital expenditure contractual commitments, primarily for IBX equipment not yet delivered and labor not yet provided in connection with the work necessary to complete

construction and open IBX data center expansion projects prior to making them available to customers for installation, the majority of which is payable within the next 12 months; and

- approximately $1.8 billion of other non-capital purchase commitments, such as commitments to purchase power in select locations and other open purchase orders, which contractually bind us for goods, services or arrangements to be delivered or provided during 2024 and beyond, the majority of which is payable within the next two years.

We believe that our sources of liquidity, including our expected future operating cash flows, are sized to adequately meet both the near- and long-term material cash commitments for the foreseeable future. For further information on maturities of lease liabilities and debt instruments, see Notes 9 and 10, respectively, within the Condensed Consolidated Financial Statements.

Other Contractual Obligations

We have additional future equity contributions and commitments to the joint ventures with GIC and PGIM. For additional information, see the "Equity Method Investments" footnote within the Condensed Consolidated Financial Statements.

Additionally, we entered into lease agreements with various landlords primarily for data center spaces and ground leases which have not yet commenced as of June 30, 2023. For additional information, see “Maturities of Lease Liabilities” in Note 9 within the Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with U.S. GAAP. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates the accounting policies, assumptions, estimates and judgments to ensure that our condensed consolidated financial statements are presented fairly and in accordance with U.S. GAAP. Management bases its assumptions, estimates and judgments on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. However, because future events and their effects cannot be determined with certainty, actual results may differ from these assumptions and estimates, and such differences could be material. Critical accounting policies for Equinix that affect our more significant judgment and estimates used in the preparation of our condensed consolidated financial statements include accounting for income taxes, accounting for business combinations, accounting for impairment of goodwill, accounting for property, plant and equipment and accounting for leases, which are discussed in more detail under the caption "Critical Accounting Policies and Estimates" in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2022.

Recent Accounting Pronouncements

See Note 1 of Notes to Condensed Consolidated Financial Statements in Part I Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

There have been no significant changes to our exposure management and procedures in relation to our market risk, investment portfolio risk, interest rate risk, foreign currency risk and commodity price risk exposures and procedures during the six months ended June 30, 2023 as compared to the respective risk exposures and procedures disclosed in Quantitative and Qualitative Disclosures About Market Risk, set forth in Part II Item 7A, of our Annual Report on Form 10-K for the year ended December 31, 2022, other than factors discussed below.

The uncertainty that exists with respect to the economic impact of the COVID-19 pandemic and geopolitical instability due to the ongoing military conflict between Russia and Ukraine has introduced significant volatility in the financial markets. See Part II, Item 1A. Risk Factors for additional information regarding potential risks to our business, financial condition and results of operations related to the macro environment.

Foreign Currency Risk

To help manage the exposure to foreign currency exchange rate fluctuations, we have implemented a number of hedging programs, in particular (i) a cash flow hedging program to hedge the forecasted revenues and expenses in our EMEA region as well as our debt denominated in foreign-currencies, (ii) a balance sheet hedging program to hedge the re-measurement of monetary assets and liabilities denominated in foreign currencies, and (iii) a net investment hedging program to hedge the long term investments in our foreign subsidiaries. Our hedging programs reduce, but do not entirely eliminate, the impact of currency exchange rate movements and their impact on the condensed consolidated statements of operations.

We have entered into various foreign currency debt obligations. As of June 30, 2023, the total principal amount of foreign currency debt obligations was $2.4 billion, including $1.2 billion denominated in Euro, $635.1 million denominated in British Pound and $535.7 million denominated in Japanese Yen. Fluctuations in the exchange rates between these foreign currencies and the U.S. Dollar will impact the amount of U.S. Dollars that we will require to settle the foreign currency debt obligations at maturity. If the U.S. Dollar would have been weaker or stronger by 10% in comparison to these foreign currencies as of June 30, 2023, we estimate our obligation to cash settle the principal of these foreign currency debt obligations in U.S. Dollars would have increased or decreased by approximately $263.5 million and $215.6 million, respectively. As of June 30, 2023, we have designated $1.5 billion of the total principal amount of foreign currency debt obligations as net investment hedges against our net investments in foreign subsidiaries. For a net investment hedge, changes in the fair value of the hedging instrument designated as a net investment hedge are recorded as a component of other comprehensive income (loss) in the condensed consolidated balance sheets.

We are also party to cross-currency interest rate swaps. As of June 30, 2023, the total notional amount of cross-currency interest rate swap contracts was $4.2 billion. As of June 30, 2023, we have designated $3.9 billion of the total notional amount of cross-currency swaps as net investment hedges against our investment in foreign subsidiaries and $280.3 million as cash flow hedges against a portion of our foreign currency denominated debt. If the U.S. dollar weakened or strengthened by 10% in comparison to foreign currencies, we estimate our obligation to cash settle these hedges would have increased or decreased by approximately $346.4 million and $281.0 million, respectively.

The U.S. Dollar weakened relative to certain of the currencies of the foreign countries in which we operate during the six months ended June 30, 2023. This has impacted our condensed consolidated financial position and results of operations during this period, including the amount of revenues that we reported. Continued strengthening or weakening of the U.S. Dollar will continue to impact us in future periods.

With the existing cash flow hedges in place, a hypothetical additional 10% strengthening of the U.S. Dollar for the six months ended June 30, 2023 would have resulted in a reduction of our revenues and a reduction of our operating expenses including depreciation and amortization expense by approximately $137.5 million and $127.3 million, respectively.

With the existing cash flow hedges in place, a hypothetical additional 10% weakening of the U.S. Dollar for the six months ended June 30, 2023 would have resulted in an increase of our revenues and an increase of our operating expenses including depreciation and amortization expense by approximately $167.0 million and $158.9 million, respectively.

Interest Rate Risk

We are exposed to interest rate risk related to our outstanding debt. An immediate increase or decrease in current interest rates from their position as of June 30, 2023 would not have a material impact on our interest expense due to the fixed coupon rate on the majority of our debt obligations. However, the interest expense associated with our senior credit facility and term loans that bear interest at variable rates could be affected. For every 100-basis point increase or decrease in interest rates, our annual interest expense could increase by approximately $6.4 million or decrease by approximately $6.4 million based on the total balance of our term loan borrowings as of June 30, 2023.

We periodically enter into interest rate locks to hedge the interest rate exposure created by anticipated fixed rate debt issuances, which are designated as cash flow hedges. When interest rate locks are settled, any accumulated gain or loss included as a component of other comprehensive income (loss) will be amortized to interest expense over the term of the forecasted hedged transaction which is equivalent to the term of the interest rate locks. We also use cross-currency swaps to hedge our interest rate risk in our variable rate debt obligations by changing the benchmark rate for a portion of the variable rate debt obligations from SONIA to SOFR. As of June 30, 2023, the total notional amount of such cross-currency interest rate swaps was $280.3 million.

Item 4. Controls and Procedures

(a) ***Evaluation of Disclosure Controls and Procedures.*** Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation, pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the effectiveness of our "disclosure controls and procedures" as of the end of the period covered by this quarterly report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

(b) ***Changes in Internal Control over Financial Reporting.*** There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the six months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) ***Limitations on the Effectiveness of Controls.*** Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed and operated to be effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

In addition to the other information contained in this report, the following risk factors should be considered carefully in evaluating our business:

Risk Factors

Risks Related to the Macro Environment

Inflation in the global economy, increased interest rates and adverse global economic conditions, like the ones we are currently experiencing, could negatively affect our business and financial condition.

Inflation is impacting various aspects of our business. We are also experiencing an increase in our costs to procure power and supply chain issues globally. Rising prices for materials related to our IBX data center construction and our data center offerings, energy and gas prices, as well as rising wages and benefits costs negatively impact our business by increasing our operating costs. The adverse economic conditions we are currently experiencing may cause a decrease in sales as some customers may need to take cost cutting measures or scale back their operations. This could result in churn in our customer base, reductions in revenues from our offerings, adverse effects to our DSO, longer sales cycles, slower adoption of new technologies and increased price competition, which could adversely affect our liquidity. Customers and vendors filing for bankruptcy could also lead to costly and time-intensive actions with adverse effects, including greater difficulty or delay in accounts receivable collection. The uncertain economic environment could also have an impact on our foreign exchange forward contracts if our counterparties' credit deteriorates or if they are otherwise unable to perform their obligations. Further, volatility in the financial markets and rising interest rates like we are currently experiencing could affect our ability to access the capital markets at a time when we desire, or need, to do so which could have an impact on our flexibility to pursue additional expansion opportunities and maintain our desired level of revenue growth in the future.

Our efforts to mitigate the risks associated with these adverse conditions may not be successful and our business and growth could be adversely affected.

We are currently operating in a period of economic uncertainty and capital markets disruption, which has been the result of many global macro-economic factors including the ongoing military conflict between Russia and Ukraine. These macro-economic and other factors could negatively affect our business and financial condition.

The war in Ukraine has led to market disruptions, including significant volatility in commodity prices, credit and capital markets, an increase in cyber security incidents as well as supply chain disruptions.

Additionally, various of Russia's actions have led to sanctions and other penalties being levied by the U.S., the European Union, the United Kingdom, and other countries, as well as other public and private actors and companies, against Russia and certain other geographic areas, including agreement to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication payment system and restrictions on imports of Russian oil, liquified natural gas and coal. We do not have operations in Russia or Ukraine and historically we have had a limited number of Russian and Ukrainian customers, which we continue to screen against applicable sanctions lists per our standard processes. Although we continue to devote resources to this screening effort, including the use of software solutions, the sanctions screening process remains partially manual, and the sanctions lists continue to evolve and vary by country. We continue to address necessary changes in global sanctions laws and modify our processes as necessary in light of these evolving laws. A material failure to comply with global sanctions laws could have a negative effect on our reputation, business and financial condition.

In addition to compliance with applicable sanctions laws, we are currently limiting the ability of Russian customers to place orders for our offerings unless, after reviewing these orders, we believe they are aligned with our stated objectives in support of Ukraine. We do not allow purchases from Russian partners or suppliers and have committed to not make any direct or indirect investment in Russia absent an end to this conflict. In addition, for our customers located in Ukraine, we are currently providing offerings free of charge and may continue to do so in the future.

The associated disruptions in the oil and gas markets have caused, and could continue to cause, significant increases in energy prices, which could have a material effect on our business. Additional potential sanctions and penalties have also been proposed and/or threatened. If Russia further reduces or turns off energy supplies to Europe, our EMEA operations could be adversely affected. Russian military actions and the resulting sanctions could further affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional debt or equity financing on attractive terms in the future.

Prolonged unfavorable economic conditions or uncertainty, including as a result of the military conflict between Russia and Ukraine, may adversely affect our business, financial condition, and results of operations. Any of the foregoing may also magnify the impact of other risks described in this Quarterly Report on Form 10-Q.

Our business could be harmed by increased costs to procure power, prolonged power outages, shortages or capacity constraints as well as restrictions on access to power.

Any power outages, shortages, capacity constraints or significant increases in the cost of power may have an adverse effect on our business and our results of operations.

In each of our markets, we rely on third parties, third party infrastructure, governments, and global suppliers to provide a sufficient amount of power to maintain our IBX data centers and meet the needs of our current and future customers. Any limitation on the delivered energy supply could limit our ability to operate our IBX data centers. These limitations could have a negative impact on a given IBX data center(s) or limit our ability to grow our business which could negatively affect our financial performance and results of operations.

Our IBX data centers are affected by problems accessing electricity sources, such as planned or unplanned power outages and limitations on transmission or distribution of power. Unplanned power outages, including, but not limited to those relating to large storms, earthquakes, fires, tsunamis, cyberattacks, physical attacks on utility infrastructure, war, and any failures of electrical power grids more generally, and planned power outages by public utilities, such as Pacific Gas and Electric Company's practice of planned outages in California to minimize fire risks, could harm our customers and our business. Employees working from home could be subjected to power outages at home which could be difficult to track and could affect the day-to-day operations of our non-IBX data center employees. Our international operations are sometimes located outside of developed, reliable electricity markets, where we are exposed to some insecurity in supply associated with technical and regulatory problems, as well as transmission constraints. Some of our IBX data centers are located in leased buildings where, depending upon the lease requirements and number of tenants involved, we may or may not control some or all of the infrastructure including generators and fuel tanks. As a result, in the event of a power outage, we could be dependent upon the landlord, as well as the utility company, to restore the power. We attempt to limit our exposure to system downtime by using backup generators, which are in turn supported by onsite fuel storage and through contracts with fuel suppliers, but these measures may not always prevent downtime or solve for long-term or large-scale outages. Any outage or supply disruption could adversely affect our business, customer experience and revenues.

We are currently experiencing inflation and volatility pressures in the energy market globally. Various macroeconomic factors are contributing to the instability and global power shortage including the Russia and Ukraine war, severe weather events, governmental regulations, government relations and inflation. While we have aimed to minimize our risk, via hedging, conservation, and other efficiencies, we expect the cost for power to continue to be volatile and unpredictable and subject to inflationary pressures. We believe we have made appropriate estimates for these costs in our forecasting, but the current unpredictable energy market could materially affect our financial forecasting, results of operations and financial condition.

Each new facility requires access to significant quantities of electricity. Limitations on generation, transmission and distribution may limit our ability to obtain sufficient power capacity for potential expansion sites in new or existing markets. We may experience significant delays and substantial increased costs demanded by the utilities to provide the level of electrical service required by our current IBX data center designs.

Risks Related to our Operations

We experienced an information technology security breach in the past and may be vulnerable to future security breaches, which could disrupt our operations and have a material adverse effect on our business, results of operation and financial condition.

Despite our efforts to protect against cyber-attacks, we are not fully insulated from these types of security breaches, and such an attack could adversely impact our competitiveness and results of operations. These threats may result from human error, equipment failure, fraud or malice on the part of employees, vendors or third parties. For example, in September 2020, we discovered ransomware on certain of our internal systems. While the incident was resolved and did not cause a material disruption to our systems nor result in any material costs to us, we expect we will continue to face risks associated with unauthorized access to our computer systems, loss or destruction of data, computer viruses, ransomware, malware, distributed denial-of-service attacks or other malicious activities. In the course of our business we utilize vendors and other partners who are also sources of cyber risks to us. In addition, our adaptation to a hybrid working model, that includes both work from home and in an office, could expose us to new security risks.

We offer professional solutions to our customers where we consult on data center solutions and assist with implementations. We also offer managed services in certain of our foreign jurisdictions outside of the U.S. where we manage the data center infrastructure for our customers. The access to our clients' networks and data, which is gained from these solutions, creates some risk that our clients' networks or data could be improperly accessed. We may also design our clients' cloud storage systems in such a way that exposes our clients to increased risk of data breach. If we were held responsible for any such breach, it could result in a significant loss to us, including damage to our client relationships, harm to our brand and reputation, and legal liability.

As techniques used to breach security change frequently and are generally not recognized until launched against a target, we may not be able to promptly detect that a cyber breach has occurred, or implement security measures in a timely manner or, if and when implemented, we may not be able to determine the extent to which these measures could be circumvented. Further, any adoption of artificial intelligence by us or by third parties may pose new security challenges. A party who is able to compromise the security measures on our networks or the security of our infrastructure could misappropriate either our proprietary information or the personal information of our customers or our employees, or cause interruptions or malfunctions in our operations or our customers' operations. As we provide assurances to our customers that we provide a high level of security, such a compromise could be particularly harmful to our brand and reputation. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security. Any breaches that may occur in the future could expose us to increased risk of lawsuits, regulatory penalties, loss of existing or potential customers, damage relating to loss of proprietary information, harm to our reputation and increases in our security costs, which could have a material adverse effect on our financial performance and results of operations. The cybersecurity regulatory landscape continues to evolve and compliance with the proposed reporting requirements could further complicate our ability to resolve cyberattacks. We maintain insurance coverage for cyber risks, but such coverage may be unavailable or insufficient to cover our losses.

Any failure of our physical infrastructure or negative impact on our ability to meet our obligations to our customers, or damage to customer infrastructure within our IBX data centers, could lead to significant costs and disruptions that could reduce our revenue and harm our business reputation and financial condition.

Our business depends on providing customers with highly reliable solutions. We must safeguard our customers' infrastructure and equipment located in our IBX data centers and ensure our IBX data centers and non-IBX business operations remain operational at all times. We own certain of our IBX data centers, but others are leased by us, and we rely on the landlord for basic maintenance of our leased IBX data centers and office buildings. If such landlord has not maintained a leased property sufficiently, we may be forced into an early exit from the center which could be disruptive to our business. Furthermore, we continue to acquire IBX data centers not built by us. If we discover that these buildings and their infrastructure assets are not in the condition we expected when they were acquired, we may be required to incur substantial additional costs to repair or upgrade the IBX data centers. Newly acquired data centers also may not have the same power infrastructure and design in place as our own IBX data centers. These legacy designs could require upgrades in order to meet our standards and our customers’ expectations. Until the legacy systems are brought up to our standards, customers in these legacy IBX data centers could be exposed to higher risks of unexpected power outages. We have experienced power outages because of these legacy design issues in the past and we could experience these in the future.

Problems at one or more of our IBX data centers or corporate offices, whether or not within our control, could result in service interruptions or significant infrastructure or equipment damage. These could result from numerous factors, including but not limited to:

- human error;
- equipment failure;
- physical, electronic and cyber security breaches;
- fire, earthquake, hurricane, flood, tornado and other natural disasters;
- extreme temperatures;
- water damage;
- fiber cuts;
- power loss;
- terrorist acts;
- sabotage and vandalism;
- global pandemics such as the COVID-19 pandemic;
- inability of our operations employees to access our IBX data centers for any reason; and
- failure of business partners who provide our resale products.

We have service level commitment obligations to certain customers. As a result, service interruptions or significant equipment damage in our IBX data centers could result in difficulty maintaining service level commitments to these customers and potential claims related to such failures. Because our IBX data centers are critical to many of our customers' businesses, service interruptions or significant equipment damage in our IBX data centers could also result in lost profits or other indirect or consequential damages to our customers. We cannot guarantee that a court would enforce any contractual limitations on our liability in the event that one of our customers brings a lawsuit against us as a result of a problem at one of our IBX data centers and we may decide to reach settlements with affected customers irrespective of any such contractual limitations. Any such settlement may result in a reduction of revenue under U.S. generally accepted accounting principles ("GAAP"). In addition, any loss of service, equipment damage or inability to meet our service level commitment obligations could reduce the confidence of our customers and could consequently impair our ability to obtain and retain customers, which would adversely affect both our ability to generate revenues and our results of operations.

Furthermore, we are dependent upon internet service providers, telecommunications carriers and other website operators in the Americas, Asia-Pacific and EMEA regions and elsewhere, some of which have experienced significant system failures and electrical outages in the past. Our customers may in the future experience difficulties due to system failures unrelated to our systems and offerings. If, for any reason, these providers fail to provide the required services, our business, financial condition and results of operations could be materially and adversely impacted.

Our IBX data center employees are critical to our ability to maintain our business operations and reach our service level commitments. Although we have redundancies built into our workforce, if our IBX employees are unable to access our IBX data centers for any reason, we could experience operational issues at the affected site. Pandemics, weather and climate related crises or any other social, political, or economic disruption in the U.S. or abroad could prevent sufficient staffing at our IBX data centers and have a material adverse impact on our operations.

We are currently making significant investments in our back-office information technology systems and processes. Difficulties from or disruptions to these efforts may interrupt our normal operations and adversely affect our business and results of operations.

We have been investing heavily in our back-office information technology systems and processes for a number of years and expect such investment to continue for the foreseeable future in support of our pursuit of global, scalable solutions across all geographies and functions that we operate in. These continuing investments include: 1) ongoing improvements to the customer experience from initial quote to customer billing and our revenue recognition process; 2) integration of recently acquired operations onto our various information technology systems; and 3) implementation of new tools and technologies to either further streamline and automate processes, or to support our compliance with evolving U.S. GAAP. Our finance team is also working on a multi-year project to move the backbone of our finance systems to the cloud. As a result of our continued work on these projects, we may experience difficulties with our systems, management distraction and significant business disruptions. For example, difficulties with our systems may interrupt our ability to accept and deliver customer orders and may adversely impact our overall financial operations, including our accounts payable, accounts receivables, general ledger, fixed assets, revenue recognition, close processes, internal financial controls and our ability to otherwise run and track our business. We may need to expend significant attention, time and resources to correct problems or find alternative sources for performing these functions. All of these changes to our financial systems also create an increased risk of deficiencies in our internal controls over financial reporting until such systems are stabilized. Such significant investments in our back-office systems may take longer to complete and cost more than originally planned. In addition, we may not realize the full benefits we hoped to achieve and there is a risk of an impairment charge if we decide that portions of these projects will not ultimately benefit us or are de-scoped. Finally, the collective impact of these changes to our business has placed significant demands on impacted employees across multiple functions, increasing the risk of errors and control deficiencies in our financial statements, distraction from the effective operation of our business and difficulty in attracting and retaining employees. Any such difficulties or disruptions may adversely affect our business and results of operations.

The level of insurance coverage that we purchase may prove to be inadequate.

We carry liability, property, business interruption and other insurance policies to cover insurable risks to our company. We select the types of insurance, the limits and the deductibles based on our specific risk profile, the cost of the insurance coverage versus its perceived benefit and general industry standards. Our insurance policies contain industry standard exclusions for events such as war and nuclear reaction. We purchase earthquake insurance for certain of our IBX data centers, but for our IBX data centers in high-risk zones, including those in California and Japan, we have elected to self-insure. The earthquake and flood insurance that we do purchase would be subject to high deductibles. Any of the limits of insurance that we purchase, including those for flood or cyber risks, could prove to be inadequate, which could materially and adversely impact our business, financial condition and results of operations.

If we are unable to implement our evolving organizational structure, or if we are unable to recruit or retain key executives and qualified personnel, our business could be harmed.

In connection with the evolving needs of our customers and our business, we continue to review our organizational architecture and have made, and will continue to make, changes as appropriate, including recently announced leadership and organizational changes to our digital and data center solutions teams. We must also continue to identify, hire, train and retain key personnel who maintain relationships with our customers and who can provide the technical, strategic and marketing skills required for our company's growth. There is a shortage of qualified personnel in these fields, and we compete with other companies for the limited pool of talent.

The failure to recruit and retain necessary key executives and personnel could cause disruption, harm our business and hamper our ability to grow our company.

The failure to obtain favorable terms when we renew our IBX data center leases, or the failure to renew such leases, could harm our business and results of operations.

While we own certain of our IBX data centers, others are leased under long-term arrangements. These leased IBX data centers have all been subject to significant development by us in order to convert them from, in most cases, vacant buildings or warehouses into IBX data centers. Most of our IBX data center leases have renewal options available to us. However, many of these renewal options provide for the rent to be set at then-prevailing market rates. To the extent that then-prevailing market rates or negotiated rates are higher than present rates, these higher costs may adversely impact our business and results of operations, or we may decide against renewing the lease. There may also be changes in shared operating costs in connection with our leases, which are commonly referred to as common area maintenance expenses. In the event that an IBX data center lease does not have a renewal option, or we fail to exercise a renewal option in a timely fashion and lose our right to renew the lease, we may not be successful in negotiating a renewal of the lease with the landlord. A failure to renew a lease or termination by a landlord of any lease could force us to exit a building prematurely, which could disrupt our business, harm our customer relationships, impact and harm our joint venture relationships, expose us to liability under our customer contracts or joint venture agreements, cause us to take impairment charges and affect our results of operations negatively.

We depend on a number of third parties to provide internet connectivity to our IBX data centers; if connectivity is interrupted or terminated, our results of operations and cash flow could be materially and adversely affected.

The presence of diverse telecommunications carriers' fiber networks in our IBX data centers is critical to our ability to retain and attract new customers. We are not a telecommunications carrier, and as such, we rely on third parties to provide our customers with carrier services. We believe that the availability of carrier capacity will directly affect our ability to achieve our projected results. We rely primarily on revenue opportunities from the telecommunications carriers' customers to encourage them to invest the capital and operating resources required to connect from their data centers to our IBX data centers. Carriers will likely evaluate the revenue opportunity of an IBX data center based on the assumption that the environment will be highly competitive. We cannot provide assurance that each and every carrier will elect to offer its services within our IBX data centers or that once a carrier has decided to provide internet connectivity to our IBX data centers that it will continue to do so for any period of time.

Our new IBX data centers require construction and operation of a sophisticated redundant fiber network. The construction required to connect multiple carrier facilities to our IBX data centers is complex and involves factors outside of our control, including regulatory processes and the availability of construction resources. Any hardware or fiber failures on this network may result in significant loss of connectivity to our new IBX data center expansions. This could affect our ability to attract new customers to these IBX data centers or retain existing customers.

To date, the network neutrality of our IBX data centers and the variety of networks available to our customers has often been a competitive advantage for us. In certain of our markets, the limited number of carriers available reduces that advantage. As a result, we may need to adapt our key revenue-generating offerings and pricing to be competitive in those markets.

If the establishment of highly diverse internet connectivity to our IBX data centers does not occur, is materially delayed or is discontinued, or is subject to failure, our results of operations and financial condition will be adversely affected.

The use of high-power density equipment may limit our ability to fully utilize our older IBX data centers.

Server technologies continue to evolve and in some instances these changes can result in customers increasing their use of high-power density equipment in our IBX data centers which can increase the demand for power on a per cabinet basis. Because many of our IBX data centers were built a number of years ago, the current demand for power may exceed the designed electrical capacity in these IBX data centers. As power, not space, is a limiting factor in many of our IBX data centers, our ability to fully utilize those IBX data centers may be impacted. The ability to increase the power capacity of an IBX data center, should we decide to, is dependent on several factors including, but not limited to, the local utility's ability to provide additional power; the length of time required to provide such power; and/or whether it is feasible to upgrade the electrical infrastructure of an IBX data center to deliver additional power to customers. Although we are currently designing and building to a higher power specification than that of many of our older IBX data centers, there is a risk that demand will continue to increase and our IBX data centers could become underutilized sooner than expected.

Our offerings have a long sales cycle that may harm our revenue and results of operations.

A customer's decision to purchase our offerings typically involves a significant commitment of resources. In addition, some customers will be reluctant to commit to locating in our IBX data centers until they are confident that the IBX data center has adequate carrier connections. As a result, we have a long sales cycle. Furthermore, we may devote significant time and resources to pursuing a particular sale or customer that does not result in revenues.

Instability in the markets and the current macroeconomic environment could also increase delays in our sales cycle. Delays due to the length of our sales cycle may materially and adversely affect our revenues and results of operations, which could harm our ability to meet our forecasts and cause volatility in our stock price.

We may not be able to compete successfully against current and future competitors.

The global multi-tenant data center market is highly fragmented. It is estimated that we are one of more than 2,200 companies that provide these offerings around the world. We compete with these firms which vary in terms of their data center offerings and the geographies in which they operate. We must continue to evolve our product strategy and be able to differentiate our IBX data centers and product offerings from those of our competitors.

Some of our competitors may adopt aggressive pricing policies, especially if they are not highly leveraged or have lower return thresholds than we do. As a result, we may suffer from pricing pressure that would adversely affect our ability to generate revenues. Some of these competitors may also provide our target customers with additional benefits, including bundled communication services or cloud services, and may do so in a manner that is more attractive to our potential customers than obtaining space in our IBX data centers. Similarly, with growing acceptance of cloud-based technologies, we are at risk of losing customers that may decide to fully leverage cloud infrastructure offerings instead of managing their own. Competitors could also operate more successfully or form alliances to acquire significant market share. Regional competitors may also consolidate to become a global competitor. Consolidation of our customers and/or our competitors may present a risk to our business model and have a negative impact on our revenues.

Failure to compete successfully may materially adversely affect our financial condition, cash flows and results of operations.

If we cannot continue to develop, acquire, market and provide new offerings or enhancements to existing offerings that meet customer requirements and differentiate us from our competitors, our results of operations could suffer.

As our customers evolve their IT strategies, we must remain flexible and evolve along with new technologies and industry and market shifts. Ineffective planning and execution in our cloud and product development strategies may cause difficulty in sustaining our competitive advantages.

We are currently making significant investments of resources in expanding our digital services portfolio. The process of developing and acquiring new offerings and enhancing existing offerings is complex. If we fail to anticipate customers' evolving needs and expectations or do not adapt to technological and IT trends, our results of operations could suffer. In order to adapt effectively, we sometimes must make long-term investments, develop, acquire or obtain certain intellectual property and commit significant resources before knowing whether our predictions will accurately reflect customer demand for the new offerings. Additionally, any delay in the development, acquisition, marketing or launch of a new offering could result in customer dissatisfaction or attrition. If we cannot continue adapting our products, or if our competitors can adapt their products more quickly than us, our business could be harmed.

We have invested in joint ventures in order to develop capacity to serve the large footprint needs of a targeted set of hyperscale customers by leveraging existing capacity and dedicated hyperscale builds. We have announced our intention to seek additional joint ventures for certain of our hyperscale builds. There can be no assurances that our joint ventures will be successful or that we find appropriate partners, or that we will be able to successfully meet the needs of these customers through our hyperscale offerings.

In 2020, we acquired Packet Host, Inc. ("Packet"), a bare metal automation company to facilitate a new hardware product offering for us. Hardware solutions are a relatively new market area for us which can bring challenges and could harm our business if not executed in the time or manner that we expect. Hardware solutions can also require additional capital and may have lower margins than our data center offerings, thus adversely impacting our results. We expect to continue to consider other new product offerings for our customers. While we believe this product offering and others we may implement in the future will be desirable to our customers and will complement our other offerings on Platform Equinix, we cannot guarantee the success of this product or any other new product offering.

Failure to successfully execute on our product strategy could materially adversely affect our financial condition, cash flows and results of operations.

We have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties.

We derive revenues from contracts with the U.S. government, state and local governments and foreign governments. Some of these customers may terminate all or part of their contracts at any time, without cause. There is increased pressure for governments and their agencies, both domestically and internationally, to reduce spending. Some of our federal government contracts are subject to the approval of appropriations being made by the U.S. Congress to fund the expenditures under these contracts. Similarly, some of our contracts at the state and local levels are subject to government funding authorizations.

Government contracts often have unique terms and conditions, such as most favored customer obligations, and are generally subject to audits and investigations which could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business.

Because we depend on the development and growth of a balanced customer base, including key magnet customers, failure to attract, grow and retain this base of customers could harm our business and results of operations.

Our ability to maximize revenues depends on our ability to develop and grow a balanced customer base, consisting of a variety of companies, including enterprises, cloud, digital content and financial companies, and network service providers. We consider certain of these customers to be key magnets in that they draw in other customers. The more balanced the customer base within each IBX data center, the better we will be able to generate significant interconnection revenues, which in turn increases our overall revenues. Our ability to attract customers to our IBX data centers will depend on a variety of factors, including the presence of multiple carriers, the mix of our offerings, the overall mix of customers, the presence of key customers attracting business through vertical market ecosystems, the IBX data center's operating reliability and security and our ability to effectively market our offerings. However, some of our customers may face competitive pressures and may ultimately not be successful or may be consolidated through merger or acquisition. If these customers do not continue to use our IBX data centers it may be disruptive to our business. If customers combine businesses, they may require less colocation space, which could lead to churn in our customer base. Finally, any uncertain global economic climate, including the one we are currently experiencing, could harm our ability to attract and retain customers if customers slow spending, or delay decision-making on our offerings, or if customers begin to have difficulty paying us or seek bankruptcy protection and we experience increased churn in our customer base. Any of these factors may hinder the development, growth and retention of a balanced customer base and adversely affect our business, financial condition and results of operations.

Risks Related to our Financial Results

Our results of operations may fluctuate.

We have experienced fluctuations in our results of operations on a quarterly and annual basis. The fluctuations in our results of operations may cause the market price of our common stock to be volatile. We may experience significant fluctuations in our results of operations in the foreseeable future due to a variety of factors, many of which are listed in this Risk Factors section. Additional factors could include, but are not limited to:

- the timing and magnitude of depreciation and interest expense or other expenses related to the acquisition, purchase or construction of additional IBX data centers or the upgrade of existing IBX data centers;
- demand for space, power and solutions at our IBX data centers;
- the availability of power and the associated cost of procuring the power;
- changes in general economic conditions, such as those stemming from pandemics or other economic downturns, or specific market conditions in the telecommunications and internet industries, any of which could have a material impact on us or on our customer base;

- additions and changes in product offerings and our ability to ramp up and integrate new products within the time period we have forecasted;
- restructuring charges or reversals of restructuring charges, which may be necessary due to revised sublease assumptions, changes in strategy or otherwise;
- the financial condition and credit risk of our customers;
- the provision of customer discounts and credits;
- the mix of current and proposed products and offerings and the gross margins associated with our products and offerings;
- increasing repair and maintenance expenses in connection with aging IBX data centers;
- lack of available capacity in our existing IBX data centers to generate new revenue or delays in opening new or acquired IBX data centers that delay our ability to generate new revenue in markets which have otherwise reached capacity;
- changes in employee stock-based compensation;
- changes in our tax planning strategies or failure to realize anticipated benefits from such strategies;
- changes in income tax benefit or expense; and
- changes in or new GAAP as periodically released by the Financial Accounting Standards Board ("FASB").

Any of the foregoing factors, or other factors discussed elsewhere in this report, could have a material adverse effect on our business, results of operations and financial condition. Although we have experienced growth in revenues in recent quarters, this growth rate is not necessarily indicative of future results of operations. It is possible that we may not be able to generate net income on a quarterly or annual basis in the future. In addition, a relatively large portion of our expenses are fixed in the short-term, particularly with respect to lease and personnel expenses, depreciation and amortization and interest expenses. Therefore, our results of operations are particularly sensitive to fluctuations in revenues. As such, comparisons to prior reporting periods should not be relied upon as indications of our future performance. In addition, our results of operations in one or more future quarters may fail to meet the expectations of securities analysts or investors.

We may incur goodwill and other intangible asset impairment charges, or impairment charges to our property, plant and equipment, which could result in a significant reduction to our earnings.

In accordance with U.S. GAAP, we are required to assess our goodwill and other intangible assets annually, or more frequently whenever events or changes in circumstances indicate potential impairment, such as changing market conditions or any changes in key assumptions. If the testing performed indicates that an asset may not be recoverable, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets and the implied fair value of the goodwill or other intangible assets in the period the determination is made.

We also periodically monitor the remaining net book values of our property, plant and equipment, including at the individual IBX data center level. Although each individual IBX data center is currently performing in accordance with our expectations, the possibility that one or more IBX data centers could begin to under-perform relative to our expectations is possible and may also result in non-cash impairment charges.

These charges could be significant, which could have a material adverse effect on our business, results of operations or financial condition.

We have incurred substantial losses in the past and may incur additional losses in the future.

As of June 30, 2023, our retained earnings were $3.4 billion. We are currently investing heavily in our future growth through the build out of multiple additional IBX data centers, expansions of IBX data centers and acquisitions of complementary businesses. As a result, we will incur higher depreciation and other operating expenses, as well as transaction costs and interest expense, that may negatively impact our ability to sustain profitability in future periods unless and until these new IBX data centers generate enough revenue to exceed their operating costs and cover the additional overhead needed to scale our business for this anticipated growth. The current global financial uncertainty may also impact our ability to sustain profitability if we cannot generate sufficient revenue to offset the increased costs of our recently opened IBX data centers or IBX data centers currently under construction. In addition, costs associated with the acquisition and integration of any acquired companies, as well as the additional interest expense associated with debt financing, we have undertaken to fund our growth initiatives, may also negatively impact our ability to sustain profitability. Finally, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability on a quarterly or annual basis.

Risks Related to Our Expansion Plans

Our construction of new IBX data centers or IBX data center expansions could involve significant risks to our business.

In order to sustain our growth in certain of our existing and new markets, we may have to expand an existing data center, lease a new facility or acquire suitable land, with or without structures, to build new IBX data centers from the ground up. Expansions or new builds are currently underway, or being contemplated, in many of our markets. These construction projects expose us to many risks which could have an adverse effect on our results of operations and financial condition. The current global supply chain and inflation issues have exacerbated many of these construction risks and created additional risks for our business. Some of the risks associated with construction projects include:

- construction delays;
- lack of availability and delays for data center equipment, including items such as generators and switchgear;
- unexpected budget changes;
- increased prices for and delays in obtaining building supplies, raw materials and data center equipment;
- labor availability, labor disputes and work stoppages with contractors, subcontractors and other third parties;
- unanticipated environmental issues and geological problems;
- delays related to permitting and approvals to open from public agencies and utility companies;
- unexpected lack of power access;
- power and power grid constraints;
- delays in site readiness leading to our failure to meet commitments made to customers planning to expand into a new build; and
- unanticipated customer requirements that would necessitate alternative data center design, making our sites less desirable or leading to increased costs in order to make necessary modifications or retrofits.

We are currently experiencing rising construction costs which reflect the increase in cost of labor and raw materials, supply chain and logistic challenges, and high demand in our sector. While we have invested in creating a reserve of materials to mitigate supply chain issues and inflation, it may not be sufficient and ongoing delays, difficulty finding replacement products and continued high inflation could affect our business and growth and could have a material effect on our business. Additional or unexpected disruptions to our supply chain or inflationary pressures could significantly affect the cost of our planned expansion projects and interfere with our ability to meet commitments to customers who have contracted for space in new IBX data centers under construction.

Construction projects are dependent on permitting from public agencies and utility companies. Any delay in permitting could affect our growth. We are currently experiencing permitting delays in most metros due to reduced production from labor availability. While we don't currently anticipate any material long-term negative impact to our business because of these construction delays, these types of delays and stoppages related to permitting from public agencies and utility companies could worsen and have an adverse effect on our bookings, revenue or growth.

Additionally, all construction related projects require us to carefully select and rely on the experience of one or more designers, general contractors, and associated subcontractors during the design and construction process. Should a designer, general contractor, significant subcontractor or key supplier experience financial problems or other problems during the design or construction process, we could experience significant delays, increased costs to complete the project and/or other negative impacts to our expected returns.

Site selection is also a critical factor in our expansion plans. There may not be suitable properties available in our markets with the necessary combination of high-power capacity and fiber connectivity, or selection may be limited. We expect that we will continue to experience limited availability of power and grid constraints in many markets as well as shortages of associated equipment because of the current high demands and finite nature of these resources. These shortages could result in site selection challenges, construction delays or increased costs. Thus, while we may prefer to locate new IBX data centers adjacent to our existing locations, it may not always be possible. In the event we decide to build new IBX data centers separate from our existing IBX data centers, we may provide metro connect solutions to connect these two IBX data centers. Should these solutions not provide the necessary reliability to sustain connection, or if they do not meet the needs of our customers, this could result in lower interconnection revenue and lower margins and could have a negative impact on customer retention over time.

Acquisitions present many risks, and we may not realize the financial or strategic goals that were contemplated at the time of any transaction.

Over the last several years, we have completed numerous acquisitions, including most recently that of five data centers in Peru and Chile from Entel in 2022, MainOne in West Africa in 2022, and GPX Global Systems, Inc.'s India operations in 2021. We expect to make additional acquisitions in the future, which may include (i) acquisitions of businesses, products, solutions or technologies that we believe to be complementary, (ii) acquisitions of new IBX data centers or real estate for development of new IBX data centers; (iii) acquisitions through investments in local data center operators; or (iv) acquisitions in new markets with higher risk profiles. We may pay for future acquisitions by using our existing cash resources (which may limit other potential uses of our cash), incurring additional debt (which may increase our interest expense, leverage and debt service requirements) and/or issuing shares (which may dilute our existing stockholders and have a negative effect on our earnings per share). Acquisitions expose us to potential risks, including:

- the possible disruption of our ongoing business and diversion of management's attention by acquisition, transition and integration activities, particularly when multiple acquisitions and integrations are occurring at the same time or when we are entering an emerging market with a higher risk profile;
- our potential inability to successfully pursue or realize some or all of the anticipated revenue opportunities associated with an acquisition or investment;
- the possibility that we may not be able to successfully integrate acquired businesses, or businesses in which we invest, or achieve anticipated operating efficiencies or cost savings;
- the possibility that announced acquisitions may not be completed, due to failure to satisfy the conditions to closing as a result of:
  - an injunction, law or order that makes unlawful the consummation of the acquisition;
  - inaccuracy or breach of the representations and warranties of, or the non-compliance with covenants by, either party;
  - the nonreceipt of closing documents; or
  - for other reasons;
- the possibility that there could be a delay in the completion of an acquisition, which could, among other things, result in additional transaction costs, loss of revenue or other adverse effects resulting from such uncertainty;
- the possibility that our projections about the success of an acquisition could be inaccurate and any such inaccuracies could have a material adverse effect on our financial projections;
- the dilution of our existing stockholders as a result of our issuing stock as consideration in a transaction or selling stock in order to fund the transaction;
- the possibility of customer dissatisfaction if we are unable to achieve levels of quality and stability on par with past practices;

- the possibility that we will be unable to retain relationships with key customers, landlords and/or suppliers of the acquired businesses, some of which may terminate their contracts with the acquired business as a result of the acquisition or which may attempt to negotiate changes in their current or future business relationships with us;
- the possibility that we could lose key employees from the acquired businesses;
- the possibility that we may be unable to integrate certain IT systems that do not meet Equinix's standard requirements with respect to security, privacy or any other standard;
- the potential deterioration in our ability to access credit markets due to increased leverage;
- the possibility that our customers may not accept either the existing equipment infrastructure or the "look-and-feel" of a new or different IBX data center;
- the possibility that additional capital expenditures may be required or that transaction expenses associated with acquisitions may be higher than anticipated;
- the possibility that required financing to fund an acquisition may not be available on acceptable terms or at all;
- the possibility that we may be unable to obtain required approvals from governmental authorities under antitrust and competition laws on a timely basis or at all, which could, among other things, delay or prevent us from completing an acquisition, limit our ability to realize the expected financial or strategic benefits of an acquisition or have other adverse effects on our current business and operations;
- the possible loss or reduction in value of acquired businesses;
- the possibility that future acquisitions may present new complexities in deal structure, related complex accounting and coordination with new partners, particularly in light of our desire to maintain our qualification for taxation as a REIT;
- the possibility that we may not be able to prepare and issue our financial statements and other public filings in a timely and accurate manner, and/or maintain an effective control environment, due to the strain on the finance organization when multiple acquisitions and integrations are occurring at the same time;
- the possibility that future acquisitions may trigger property tax reassessments resulting in a substantial increase to our property taxes beyond that which we anticipated;
- the possibility that future acquisitions may be in geographies and regulatory environments to which we are unaccustomed and we may become subject to complex requirements and risks with which we have limited experience;
- the possibility that future acquisitions may appear less attractive due to fluctuations in foreign currency rates;
- the possibility that carriers may find it cost-prohibitive or impractical to bring fiber and networks into a new IBX data center;
- the possibility of litigation or other claims in connection with, or as a result of, an acquisition, or inherited from the acquired company, including claims from terminated employees, customers, former stockholders or other third parties;
- the possibility that asset divestments may be required in order to obtain regulatory clearance for a transaction;
- the possibility of pre-existing undisclosed liabilities, including, but not limited to, lease or landlord related liability, tax liability, environmental liability or asbestos liability, for which insurance coverage may be insufficient or unavailable, or other issues not discovered in the diligence process;
- the possibility that we receive limited or incorrect information about the acquired business in the diligence process; and
- the possibility that we do not have full visibility into customer agreements and customer termination rights during the diligence process which could expose us to additional liabilities after completing the acquisition.

The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows. If an acquisition does not proceed or is materially delayed for any reason, the price of our common stock may be adversely impacted, and we will not recognize the anticipated benefits of the acquisition.

We cannot assure that the price of any future acquisitions of IBX data centers or businesses will be similar to prior IBX data center acquisitions and businesses. In fact, we expect costs required to build or render new IBX data centers operational to increase in the future. If our revenue does not keep pace with these potential acquisition and expansion costs, we may not be able to maintain our current or expected margins as we absorb these additional expenses. There is no assurance we would successfully overcome these risks, or any other problems encountered with these acquisitions.

The anticipated benefits of our joint ventures may not be fully realized, or take longer to realize than expected.

We have entered into joint ventures to develop and operate data centers (the “Joint Ventures”). Certain sites that are intended to be utilized in Joint Ventures require investment for development. The success of these Joint Ventures will depend, in part, on the successful development of the data center sites, and we may not realize all of the anticipated benefits. Such development may be more difficult, time-consuming or costly than expected and could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact our business, financial condition and results of operations. Additionally, if it is determined these sites are no longer desirable for the Joint Ventures, we would need to adapt such sites for other purposes.

We may not realize all of the anticipated benefits from our Joint Ventures. The success of these Joint Ventures will depend, in part, on the successful partnership between Equinix and our Joint Venture partners. Such a partnership is subject to risks as outlined below in our risk factor related to Joint Ventures, and more generally, to the same types of business risks as would impact our IBX data center business. A failure to successfully partner, or a failure to realize our expectations for the Joint Ventures, including any contemplated exit strategy from a Joint Venture, could materially impact our business, financial condition and results of operations. These Joint Ventures could also be negatively impacted by inflation, supply chain issues, an inability to obtain financing on favorable terms or at all, an inability to fill the xScale sites with customers as planned, and development and construction delays, including those we are currently experiencing in many markets globally.

Joint venture investments could expose us to risks and liabilities in connection with the formation of the new joint ventures, the operation of such joint ventures without sole decision-making authority, and our reliance on joint venture partners who may have economic and business interests that are inconsistent with our business interests.

In addition to our current and proposed Joint Ventures, we may co-invest with other third parties through partnerships, joint ventures or other entities in the future. These joint ventures could result in our acquisition of non-controlling interests in, or shared responsibility for, managing the affairs of a property or portfolio of properties, partnership, joint venture or other entity. We may be subject to additional risks, including:

- we may not have the right to exercise sole decision-making authority regarding the properties, partnership, joint venture or other entity;
- if our partners become bankrupt or fail to fund their share of required capital contributions, we may choose to or be required to contribute such capital;
- our partners may have economic, tax or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives;
- our joint venture partners may take actions that are not within our control, which could require us to dispose of the joint venture asset, transfer it to a taxable REIT subsidiary ("TRS") in order to maintain our qualification for taxation as a REIT, or purchase the partner's interests or assets at an above-market price;
- our joint venture partners may take actions unrelated to our business agreement but which reflect poorly on us because of our joint venture relationship;

- disputes between us and our partners may result in litigation or arbitration that would increase our expenses and prevent our management from focusing their time and effort on our day-to-day business;
- we may in certain circumstances be liable for the actions of our third-party partners or guarantee all or a portion of the joint venture's liabilities, which may require us to pay an amount greater than its investment in the joint venture; and
- a joint venture partner's decision to exit the joint venture may not be at an opportune time for us or in our business interests.

Each of these factors may result in returns on these investments being less than we expect or in losses, and our financial and results of operations may be adversely affected.

If we cannot effectively manage our international operations, and successfully implement our international expansion plans, or comply with evolving laws and regulations, our revenues may not increase, and our business and results of operations would be impacted.

For the years ended December 31, 2022, 2021 and 2020, we recognized approximately 61%, 61% and 59%, respectively, of our revenues outside the U.S. We currently operate outside of the U.S. in Canada, Mexico, South America, the Asia-Pacific region and, the EMEA region.

In addition, we are currently undergoing expansions or evaluating expansion opportunities outside of the U.S. Undertaking and managing expansions in foreign jurisdictions may present unanticipated challenges to us.

Our international operations are generally subject to a number of additional risks, including:

- the costs of customizing IBX data centers for foreign countries;
- protectionist laws and business practices favoring local competition;
- greater difficulty or delay in accounts receivable collection;
- difficulties in staffing and managing foreign operations, including negotiating with foreign labor unions or workers' councils;
- difficulties in managing across cultures and in foreign languages;
- political and economic instability;
- fluctuations in currency exchange rates;
- difficulties in repatriating funds from certain countries;
- our ability to obtain, transfer or maintain licenses required by governmental entities with respect to our business;
- unexpected changes in regulatory, tax and political environments;
- trade wars;
- changes in the government and public administration in emerging markets, such as Malaysia and Indonesia, that may impact the stability of foreign investment policies;
- our ability to secure and maintain the necessary physical and telecommunications infrastructure;
- compliance with anti-bribery and corruption laws;
- compliance with economic and trade sanctions enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury and other enforcement agencies in other jurisdictions around the world including those related to the Russian and Ukrainian war;
- compliance with changing laws, policies and requirements related to sustainability;
- increasing scrutiny on the operational resilience of data centers, especially in countries where data centers are designated as critical national infrastructure and/or essential ICT service providers;
- compliance with evolving cybersecurity laws including reporting requirements; and
- compliance with evolving governmental regulation.

Geo-political events, such as the United Kingdom's withdrawal from the European Union ("Brexit"), the Hong Kong national security law, the trade war between the U.S. and China and the war between Russia and Ukraine, may increase the likelihood of the listed risks to occur and could have a negative effect on our business domestically or internationally. While some time has passed since some of these events had first occurred, it remains unpredictable how these events will continue to develop and impact the market. It is possible that such events will continue to adversely impact the level of economic activity globally and that we will face increased regulatory and legal complexities in the regions affected thus impacting our business and employees and our financial condition and results of operations.

In addition, many countries have increasingly taken a more proactive approach on sustainability through the adoption of regulations that oblige corporations to make disclosures on its corporate sustainability efforts through mandatory ESG reporting and to decarbonize its operations and supply chain. It is possible that compliance with the sustainability-related regulations and directives will require us to re-evaluate and make changes to our current operations and our supply chain and thus increase our cost of doing business in the relevant affected regions or countries.

Digitalization has been accelerated in many countries as a direct consequence of the pandemic and regulators are increasingly aware and recognizing the importance of data centers in ensuring the availability, resiliency, security and stability of digitalized critical services such as national security, healthcare and the financial and banking services. Regulations such as the US Cyber Incident Reporting for Critical Infrastructure Act of 2022 (“CIRCIA 2022”), the EU Network and Information Security Directive No.2 (“NISD2”) and Australia’s Security of Critical Infrastructure Act 2018 make it mandatory for Equinix to comply with more stringent requirements related to cybersecurity, controls on data storage and cross border data transfer and operational resilience. Regulatory compliance may lead to additional costs and impact returns on investments in the relevant jurisdictions.

With respect to the current trade war between the U.S. and China, we have several customers in China named in restrictive executive orders by the previous U.S. administration that are currently covered by a freeze issued by the current U.S. administration or currently enjoined from enforcement subject to pending litigation. If Equinix is required to cease business with these companies, or additional companies in the future, our revenues could be adversely affected.

Violations of any of applicable domestic or international laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to provide our offerings in one or more countries, could delay or prevent potential acquisitions, and could also materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business and results of operations. Our success depends, in part, on our ability to anticipate and address these risks and manage these difficulties.

We continue to invest in our expansion efforts but may not have sufficient customer demand in the future to realize expected returns on these investments.

We are considering the acquisition or lease of additional properties and the construction of new IBX data centers beyond those expansion projects already announced. We will be required to commit substantial operational and financial resources to these IBX data centers, generally 12 to 18 months in advance of securing customer contracts, and we may not have sufficient customer demand in those markets to support these IBX data centers once they are built. In addition, unanticipated technological changes could affect customer requirements for data centers, and we may not have built such requirements into our new IBX data centers. Either of these contingencies, if they were to occur, could make it difficult for us to realize expected or reasonable returns on these investments.

Risks Related to Our Capital Needs and Capital Strategy

Our substantial debt could adversely affect our cash flows and limit our flexibility to raise additional capital.

We have a significant amount of debt and may need to incur additional debt to support our growth. Additional debt may also be incurred to fund future acquisitions, any future special distributions, regular distributions or the other cash outlays associated with maintaining our qualification for taxation as a REIT. As of June 30, 2023, our total indebtedness (gross of debt issuance cost and debt discount) was approximately $15.7 billion, our stockholders' equity was $12.0 billion and our cash and cash equivalents totaled $2.3 billion. In addition, as of June 30, 2023, we had approximately $3.9 billion of additional liquidity available to us from our $4.0 billion revolving credit facility. In addition to our substantial debt, we lease many of our IBX data centers and certain equipment under lease agreements, some of which are accounted for as operating leases. As of June 30, 2023, we recorded operating lease liabilities of $1.5 billion, which represents our obligation to make lease payments under those lease arrangements.

Our substantial amount of debt and related covenants, and our off-balance sheet commitments, could have important consequences. For example, they could:

- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt and in respect of other off-balance sheet arrangements, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our expansion strategy and other general corporate requirements;
- increase the likelihood of negative outlook from our credit rating agencies, or of a downgrade to our current rating;
- make it more difficult for us to satisfy our obligations under our various debt instruments;
- increase our cost of borrowing and even limit our ability to access additional debt to fund future growth;
- increase our vulnerability to general adverse economic and industry conditions and adverse changes in governmental regulations;
- limit our flexibility in planning for, or reacting to, changes in our business and industry, which may place us at a competitive disadvantage compared with our competitors;
- limit our operating flexibility through covenants with which we must comply;
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity, which would also limit our ability to further expand our business; and
- make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings to the extent we have not entirely hedged such variable rate debt.

The occurrence of any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

We may also need to refinance a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of our existing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could materially adversely affect our financial condition, cash flows and results of operations.

Sales or issuances of shares of our common stock may adversely affect the market price of our common stock.

Future sales or issuances of common stock or other equity related securities may adversely affect the market price of our common stock, including any shares of our common stock issued to finance capital expenditures, finance acquisitions or repay debt. In November 2022, we established an "at the market" equity offering program (the "2022 ATM Program") in the amount of $1.5 billion under which we may, from time to time, issue and sell shares of our common stock to or through sales agents up to established limits. As of June 30, 2023, we had approximately $1.2 billion available for sale under the 2022 ATM Program. We have refreshed our ATM program in the past and expect to refresh our ATM program periodically, which could lead to additional dilution for our stockholders in the future. We may also seek authorization to sell additional shares of common stock through other means which could lead to additional dilution for our stockholders. Please see Note 12 within the Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q for sales of our common stock under our ATM programs.

If we are not able to generate sufficient operating cash flows or obtain external financing, our ability to fund incremental expansion plans may be limited.

Our capital expenditures, together with ongoing operating expenses, obligations to service our debt and the cash outlays associated with our REIT distribution requirements, are, and will continue to be, a substantial burden on our cash flow and may decrease our cash balances. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. Our inability to obtain additional debt and/or equity financing or to generate sufficient cash from operations may require us to prioritize projects or curtail capital expenditures which could adversely affect our results of operations.

Our derivative transactions expose us to counterparty credit risk.

Our derivative transactions expose us to risk of financial loss if a counterparty fails to perform under a derivative contract. Disruptions in the financial markets could lead to sudden decreases in a counterparty's liquidity, which could make them unable to perform under the terms of their derivative contract and we may not be able to realize the benefit of the derivative contract.

Risks Related to Environmental Laws and Climate Change Impacts

Environmental regulations may impose upon us new or unexpected costs.

We are subject to various federal, state and local environmental and health and safety laws and regulations in the United States and at our non-U.S. locations, including those relating to the generation, storage, handling and disposal of hazardous substances and wastes. Certain of these laws and regulations also impose joint and several liability, without regard to fault, for investigation and cleanup costs on current and former owners and operators of real property and persons who have disposed of or released hazardous substances into the environment. Our operations involve the use of hazardous substances and materials such as petroleum fuel for emergency generators, as well as batteries, cleaning solutions and other materials. At some of our locations, hazardous substances or regulated materials are known to be present in soil or groundwater, and there may be additional unknown hazardous substances or regulated materials present at sites we own, operate or lease. At some of our locations, there are land use restrictions in place relating to earlier environmental cleanups that do not materially limit our use of the sites. To the extent any hazardous substances or any other substance or material must be cleaned up or removed from our property, we may be responsible under applicable laws, permits or leases for the removal or cleanup of such substances or materials, the cost of which could be substantial.

We purchase significant amounts of electricity from generating facilities and utility companies that are subject to environmental laws, regulations and permit requirements. These environmental requirements are subject to material change, which could result in increases in our electricity suppliers' compliance costs that may be passed through to us. Regulations promulgated by the U.S. EPA or state agencies, or by regulators in other countries, could limit air emissions from fossil fuel-fired power plants, restrict discharges of cooling water, and otherwise impose new operational restraints on power plants that could increase costs of electricity. Regulatory programs intended to promote increased generation of electricity from renewable sources may also increase our costs of procuring electricity. In addition, we are directly subject to environmental, health and safety laws regulating air emissions, storm water management and other issues arising in our business. For example, our emergency generators are subject to state and federal regulations governing air pollutants, which could limit the operation of those generators or require the installation of new pollution control technologies. While environmental regulations do not normally impose material costs upon our operations, unexpected events, equipment malfunctions, human error and changes in law or regulations, among other factors, can lead to additional capital requirements, limitations upon our operations and unexpected increased costs.

Regulation of greenhouse gas ("GHG") emissions could increase our costs of doing business, for example by increasing the cost of electricity by reducing amounts of electricity generated from fossil fuels, by requiring the use of more expensive generating methods, by requiring capture, management or reduction of GHG emissions, or by imposing taxes or fees upon electricity or GHG emissions. In recent years, there has been interest in the U.S. and in countries where we operate abroad in regulating GHG emissions and otherwise addressing risks related to climate change. For example, in the U.S., new regulations and legislation have been proposed or enacted during the Biden Administration that limit or otherwise seeks to discourage carbon dioxide emissions and the use of fossil fuels. Such regulations and legislation have included or may in the future include measures ranging from direct regulation of GHG emissions to "carbon taxes," and tax incentives to promote the development and use of renewable energy and otherwise lower GHG emissions. Other countries in which we operate may also impose requirements and restrictions on GHG emissions.

In the U.S., state regulations also have the potential to increase our costs of obtaining electricity. Certain U.S. states in which we operate have issued or are considering and may enact environmental regulations that could materially affect our facilities and electricity costs. For example, California has limited GHG emissions from new and existing conventional power plants by imposing regulatory caps and by auctioning the rights to emission allowances. Multiple other states have issued regulations (or are considering regulations) to implement carbon cap and trade programs, carbon pricing programs and other mechanisms designed to limit GHG emissions.

To date, regulations aimed at reducing GHG emissions have not had a material adverse effect on our electricity costs, but potential new regulatory requirements and the market-driven nature of some of the programs could have a material adverse effect on electricity costs in the future. U.S. and global environmental regulations are expected to continue to change and evolve and may impose upon us new or unexpected costs. Concern about climate change and sustainability in various jurisdictions may result in more stringent laws and regulatory requirements regarding emissions of carbon dioxide or other GHGs. Restrictions on carbon dioxide or other GHG emissions could result in significant increases in operating or capital costs, including higher energy costs generally, and increased costs from carbon taxes, emission cap and trade programs and renewable portfolio standards that are imposed upon our electricity suppliers. These higher energy costs, and the cost of complying across our global platform or of failing to comply with these and any other climate change regulations, may have an adverse effect on our business and our results of operations. The course of future legislation and regulation in the U.S. and abroad remains difficult to predict and the potential increased costs associated with national or supra-national GHG regulation and other government policies cannot be estimated at this time.

Our business may be adversely affected by physical risks related to climate change and responses to it.

Severe weather events, such as droughts, wildfires, flooding, heat waves, hurricanes, typhoons and winter storms, pose a threat to our IBX data centers and our customers' IT infrastructure through physical damage to facilities or equipment, power supply disruption, and long-term effects on the cost of electricity. The frequency and intensity of severe weather events are reportedly increasing as part of broader climate changes. Changes in global weather patterns may also pose long-term risks of physical impacts to our business.

We maintain disaster recovery and business continuity plans that would be implemented in the event of severe weather events that interrupt our business or affect our customers' IT infrastructure housed in our IBX data centers. While these plans are designed to allow us to recover from natural disasters or other events that can interrupt our business, we cannot be certain that our plans will work as intended, to mitigate the impacts of such disasters or events. Failure to prevent impact to customers from such events could adversely affect our business.

We may fail to achieve our Environmental, Social and Governance ("ESG") and sustainability goals, or may encounter objections to them, either of which may adversely affect public perception of our business and affect our relationship with our customers, our stockholders and/or other stakeholders.

We have prioritized sustainability and ESG objectives, including long term goals of procuring 100% clean and renewable energy coverage and reducing our GHG emissions from our operations and supply chain. We also face pressure from our customers, stockholders and other stakeholders, such as the communities in which we operate, who are increasingly focused on climate change, to prioritize renewable energy procurement, reduce our carbon footprint and promote sustainable practices. To address these goals and concerns, where possible, we plan to continue to scale our renewable energy strategy, seek low-carbon alternatives for traditional fuel sources, use refrigerants that pose fewer risks of environmental impact, and pursue opportunities to improve energy and water efficiency. As a result of these and other initiatives, we intend to make progress towards reducing our environmental impact and global carbon footprint, as well as ensuring that our business remains viable in a low-carbon economy.

Pursuing these objectives involves additional costs for conducting our business. For example, developing and acting on ESG initiatives, including collecting, measuring, and reporting information, goals and other metrics can be costly, difficult and time consuming. We have separately undertaken efforts to procure coverage from renewable energy projects in order to support availability in new renewables development. These efforts to support and enhance renewable electricity generation may increase our costs of electricity above those that would be incurred through procurement of conventional electricity from existing sources or through conventional grids. Reducing our carbon footprint may require physical or operational modifications that may be costly. These initiatives could adversely affect our financial position and results of operations.

There is also a risk that our ESG and sustainability objectives will not be successful. It is possible that we may fail to reach our stated environmental goals in a timely manner or that our customers, stockholders or members of our communities might not be satisfied with our sustainability efforts or the speed of their adoption. Our customers, shareholders or others may object to our ESG and sustainability objectives or the manner in which we seek to achieve such objectives. A failure to meet our environmental goals, or significant controversy regarding these goals, could adversely affect public perception of our business, employee morale or customer, stockholder or community support. If we do not meet our customers' or stockholders' expectations regarding those initiatives, or lose support in our communities, our business and/or our share price could be harmed.

There is some indication that ESG and sustainability goals are becoming more controversial, as some governmental entities in the U.S. and certain investor constituencies question the appropriateness of or object to ESG and sustainability initiatives. Some investors may use ESG-related factors to guide their investment strategies and may choose not to invest in us, a factor that would tend to reduce demand for our shares and possibly affect our share price adversely. We also may face potential governmental enforcement actions or private litigation challenging our ESG and sustainability goals, or our disclosure of those goals and our metrics for measuring achievement of them. New or changing regulation or public opinion regarding our ESG and sustainability goals or our actions to achieve them may result in adverse effects on our financial performance, reputation or demand for our services and products, or may otherwise result in obligations and liabilities that cannot predicted or estimated at this time.

Risks Related to Certain Regulations and Laws, Including Tax Laws

Changes in U.S. or foreign tax laws, regulations, or interpretations thereof, including changes to tax rates, may adversely affect our financial statements and cash taxes.

We are a U.S. company with global subsidiaries and are subject to income and other taxes in the U.S. (although currently limited due to our taxation as a REIT) and many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income and other taxes. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no certainty that additional taxes will not be due upon audit of our tax returns or as a result of changes to the tax laws and interpretations thereof. For example, we are currently undergoing audits in a number of jurisdictions where we operate. The final results of these audits are uncertain and may not be resolved in our favor.

The Organization for Economic Co-operation and Development ("OECD") is an international association made up of over 30 countries including the U.S. The OECD has proposed and made numerous changes to long-standing tax principles, which, if adopted by the member countries, could have a materially adverse effect on our tax liabilities. For example, various foreign jurisdictions are starting to explore the taxation of digital services and the mechanism of levying a top-up tax through the adoption of OECD tax principles which could have a negative effect on our tax liability.

The COVID-19 pandemic led to increased spending by many governments in the past years. Because of this, there could be pressure to increase taxes in the future to pay back debts and generate revenues. The nature and timing of any future changes to each jurisdiction's tax laws and the impact on our future tax liabilities cannot be predicted with any accuracy, but could materially and adversely impact our results of operations and financial position or cash flows.

Government regulation or failure to comply with laws and regulations may adversely affect our business.

Various laws and governmental regulations, both in the U.S. and abroad, governing internet-related services, related communications services and information technologies remain largely unsettled, even in areas where there has been some legislative action. For example, the Federal Communications Commission ("FCC") recently overturned network neutrality rules, which may result in material changes in the regulations and contribution regime affecting us and our customers. Furthermore, the U.S. Congress and state legislatures are reviewing and considering changes to the new FCC rules making the future of network neutrality uncertain. Changes to these laws and regulations could have a material adverse effect on us and our customers. We expect there may also be forthcoming regulation in the U.S. on a federal or state level in the areas of cybersecurity, data privacy, sustainability, taxation and data security, any of which could impact us and our customers. Similarly, data privacy regulations continue to evolve and must be addressed by Equinix as a global company.

Additionally, laws and regulations related to economic sanctions, export controls, anti-bribery and anti-corruption, and other international activities may restrict or limit our ability to engage in transactions or dealings with certain counterparties, in or with certain countries or territories, or in certain activities. We cannot guarantee compliance with all such laws and regulations, and failure to comply with such laws and regulations could expose us to fines, penalties, or costly and expensive investigations.

We remain focused on whether and how existing and changing laws, such as those governing intellectual property, privacy, libel, telecommunications services, data flows/data localization, carbon emissions impact, competition and antitrust, and taxation apply to our business and those which might have a material effect on our customers' decisions to purchase our solutions. Substantial resources may be required to comply with regulations or bring any non-compliant business practices into compliance with such regulations. In addition, the continuing development of the market for online commerce and the displacement of traditional telephony service by the internet and related communications services may prompt an increased call for more stringent consumer protection laws or other regulation both in the U.S. and abroad that may impose additional burdens on companies conducting business online and their service providers.

Our business was designated "critical infrastructure" or "essential services" which allowed our data centers to remain open in many jurisdictions during the COVID-19 pandemic. Any regulations restricting our ability to operate our business for any reason could have a material adverse effect on our business. Additionally, these "essential services" and "critical infrastructure" designations could lead countries or local regulators to impose additional regulations on the data center industry in order to have better visibility and control over our industry for future events and crises.

We strive to comply with all laws and regulations that apply to our business. However, as these laws evolve, they can be subject to varying interpretations and regulatory discretion. To the extent a regulator or court disagrees with our interpretation of these laws and determines that our practices are not in compliance with applicable laws and regulations, we could be subject to civil and criminal penalties that could adversely affect our business operations. The adoption, or modification of laws or regulations relating to the internet and our business, or interpretations of existing laws, could have a material adverse effect on our business, financial condition and results of operations.

Our business could be adversely affected if we are unable to maintain our complex global legal entity structure.

We maintain a complex global organizational structure, containing numerous legal entities of varied types and serving various purposes, in each country in which we operate. For example, to maintain our qualification for taxation as a REIT for U.S. federal income tax purposes, we use TRSs and qualified REIT subsidiaries ("QRSs") in order to segregate our income between net income from real estate and net income from other activities and in order to satisfy other REIT qualification requirements. This results in significantly more entities than we might otherwise utilize if we were not maintaining our qualification for taxation as a REIT.

Additionally, we maintain certain other region-specific organizational structures for various tax, legal and other business purposes. The organization, maintenance and reporting requirements for our entity structure are complex and require coordination amongst many teams within Equinix and the use of outside service providers. While we use automation tools and software where possible to manage this process, some work continues to be manual. We believe we have adequate controls in place to manage these complex structures, but if our controls fail, there could be significant legal and tax implications to our business and our operations including but not limited to material tax and legal liabilities.

Risks Related to Our REIT Status in the U.S.

We may not remain qualified for taxation as a REIT.

We elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our 2015 taxable year. We believe that our organization and method of operation comply with the rules and regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), such that we will continue to qualify for taxation as a REIT. However, we cannot assure you that we have qualified for taxation as a REIT or that we will remain so qualified. Qualification for taxation as a REIT involves the application of highly technical and complex provisions of the Code to our operations as well as various factual determinations concerning matters and circumstances not entirely within our control. There are limited judicial or administrative interpretations of applicable REIT provisions of the Code.

If, in any taxable year, we fail to remain qualified for taxation as a REIT and are not entitled to relief under the Code:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to U.S. federal and state income tax on our taxable income at regular corporate income tax rates; and
- we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we failed to qualify for taxation as a REIT.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes. If we fail to remain qualified for taxation as a REIT, we may need to borrow additional funds or liquidate some investments to pay any additional tax liability. Accordingly, funds available for investment and distributions to stockholders could be reduced.

As a REIT, failure to make required distributions would subject us to federal corporate income tax.

We paid a quarterly distribution on June 21, 2023 and have declared a quarterly distribution to be paid on September 20, 2023. The amount, timing and form of any future distributions will be determined, and will be subject to adjustment, by our Board of Directors. To remain qualified for taxation as a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year, or in limited circumstances, the following year, to our stockholders. Generally, we expect to distribute all or substantially all of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain distributions that approximate our REIT taxable income and may fail to remain qualified for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the payment of expenses and the recognition of income and expenses for federal income tax purposes, or the effect of nondeductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, interest expense deductions limited by Section 163(j) of the Code, the creation of reserves or required debt service or amortization payments.

To the extent that we satisfy the 90% distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax on our undistributed taxable income if the actual amount that we distribute to our stockholders for a calendar year is less than the minimum amount specified under the Code.

Complying with REIT requirements may limit our flexibility or cause us to forgo otherwise attractive opportunities.

To remain qualified for taxation as a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets and the amounts we distribute to our stockholders. For example, under the Code, no more than 20% of the value of the assets of a REIT may be represented by securities of one or more TRSs. Similar rules apply to other nonqualifying assets. These limitations may affect our ability to make large investments in other non-REIT qualifying operations or assets. In addition, in order to maintain our qualification for taxation as a REIT, we must distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. Even if we maintain our qualification for taxation as a REIT, we will be subject to U.S. federal income tax at regular corporate income tax rates for our undistributed REIT taxable income, as well as U.S. federal income tax at regular corporate income tax rates for income recognized by our TRSs; we also pay taxes in the foreign jurisdictions in which our international assets and operations are held and conducted regardless of our qualification for taxation as a REIT. Because of these distribution requirements, we will likely not be able to fund future capital needs and investments from operating cash flow. As such, compliance with REIT tests may hinder our ability to make certain attractive investments, including the purchase of significant nonqualifying assets and the material expansion of non-real estate activities.

Our use of TRSs, including for certain of our international operations, may cause us to fail to remain qualified for taxation as a REIT in the U.S.

Our operations utilize TRSs to facilitate our qualification for taxation as a REIT. The net income of our TRSs is not included in our REIT taxable income unless it is distributed by an applicable TRS, and income that is not included in our REIT taxable income generally is not subject to the REIT income distribution requirement. Our ability to receive distributions from our TRSs is limited by the rules with which we must comply to maintain our qualification for taxation as a REIT. In particular, at least 75% of our gross income for each taxable year as a REIT must be derived from real estate. Consequently, no more than 25% of our gross income may consist of dividend income from our TRSs and other nonqualifying types of income. Thus, our ability to receive distributions from our TRSs may be limited and may impact our ability to fund distributions to our stockholders using cash flows from our TRSs.

Further, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes (1) the fair market value of our securities in our TRSs to exceed 20% of the fair market value of our assets or (2) the fair market value of our securities in our TRSs and other nonqualifying assets to exceed 25% of the fair market value of our assets, then we will fail to remain qualified for taxation as a REIT. Further, a substantial portion of our TRSs are overseas, and a material change in foreign currency rates could also negatively impact our ability to remain qualified for taxation as a REIT.

The Code imposes limitations on the ability of our TRSs to utilize specified income tax deductions, including limits on the use of net operating losses and limits on the deductibility of interest expense.

Even if we remain qualified for taxation as a REIT, some of our business activities are subject to corporate level income tax and foreign taxes, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.

Even if we remain qualified for taxation as a REIT, we may be subject to some federal, state, local and foreign taxes, including taxes on any undistributed income, and state, local or foreign income, franchise, property and transfer taxes. In addition, we could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in respect of dealer property income or in order to utilize one or more relief provisions under the Code to maintain our qualification for taxation as a REIT.

A portion of our business is conducted through wholly owned TRSs because certain of our business activities could generate nonqualifying REIT income as currently structured and operated. The income of our U.S. TRSs will continue to be subject to federal and state corporate income taxes. In addition, our international assets and operations will continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted. Any of these taxes would decrease our earnings and our available cash.

We will also be subject to a U.S. federal corporate level income tax at the highest regular corporate income tax rate on gain recognized from a sale of a REIT asset where our basis in the asset is determined by reference to the basis of the asset in the hands of a C corporation (such as an asset that we or our QRSs hold following the liquidation or other conversion of a former TRS). This tax is generally applicable to any disposition of such an asset during the five-year period after the date we first owned the asset as a REIT asset, to the extent of the built-in-gain based on the fair market value of such asset on the date we first held the asset as a REIT asset.

Our certificate of incorporation contains restrictions on the ownership and transfer of our stock, though they may not be successful in preserving our qualification for taxation as a REIT.

In order for us to remain qualified for taxation as a REIT, no more than 50% of the value of outstanding shares of our stock may be owned, beneficially or constructively, by five or fewer individuals at any time during the last half of each taxable year. In addition, rents from "affiliated tenants" will not qualify as qualifying REIT income if we own 10% or more by vote or value of the customer, whether directly or after application of attribution rules under the Code. Subject to certain exceptions, our certificate of incorporation prohibits any stockholder from owning, beneficially or constructively, more than (i) 9.8% in value of the outstanding shares of all classes or series of our capital stock or (ii) 9.8% in value or number, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. We refer to these restrictions collectively as the "ownership limits" and we included them in our certificate of incorporation to facilitate our compliance with REIT tax rules. The constructive ownership rules under the Code are complex and may cause the outstanding stock owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of our outstanding common stock (or the outstanding shares of any class or series of our stock) by an individual or entity could cause that individual or entity or another individual or entity to own constructively in excess of the relevant ownership limits. Any attempt to own or transfer shares of our common stock or of any of our other capital stock in violation of these restrictions may result in the shares being automatically transferred to a charitable trust or may be void. Even though our certificate of incorporation contains the ownership limits, there can be no assurance that these provisions will be effective to prevent our qualification for taxation as a REIT from being jeopardized, including under the affiliated tenant rule. Furthermore, there can be no assurance that we will be able to monitor and enforce the ownership limits. If the restrictions in our certificate of incorporation are not effective and, as a result, we fail to satisfy the REIT tax rules described above, then absent an applicable relief provision, we will fail to remain qualified for taxation as a REIT.

In addition, the ownership and transfer restrictions could delay, defer or prevent a transaction or a change in control that might involve a premium price for our stock or otherwise be in the best interest of our stockholders. As a result, the overall effect of the ownership and transfer restrictions may be to render more difficult or discourage any attempt to acquire us, even if such acquisition may be favorable to the interests of our stockholders.

General Risk Factors

The effects of a pandemic (including COVID-19) could have a negative effect on our business, results of operations and financial condition.

We continuously monitored our global operations in light of the COVID-19 pandemic. We implemented procedures focusing on the health and safety of our employees, customers, partners and communities, the continuity of our business offerings and compliance with governmental regulations and local public health guidance and ordinances. While our business operations continued without interruption and our IBX data centers remained fully operational to date, we cannot guarantee our business operations or our IBX data centers will not be negatively impacted in the future because of another pandemic, including one related to COVID-19.

The market price of our stock may continue to be highly volatile, and the value of an investment in our common stock may decline.

The market price of the shares of our common stock has recently been and may continue to be highly volatile. General economic and market conditions, like the ones we are currently experiencing, and market conditions for telecommunications, data center and REIT stocks in general, may affect the market price of our common stock.

Announcements by us or others, or speculations about our future plans, may also have a significant impact on the market price of our common stock. These may relate to:

- our results of operations or forecasts;
- new issuances of equity, debt or convertible debt by us, including issuances through any existing ATM Program;
- increases in market interest rates and changes in other general market and economic conditions, including inflationary concerns;
- changes to our capital allocation, tax planning or business strategy;
- our qualification for taxation as a REIT and our declaration of distributions to our stockholders;
- changes in U.S. or foreign tax laws;
- changes in management or key personnel;
- developments in our relationships with customers;
- announcements by our customers or competitors;
- changes in regulatory policy or interpretation;
- governmental investigations;
- changes in the ratings of our debt or stock by rating agencies or securities analysts;
- our purchase or development of real estate and/or additional IBX data centers;

- our acquisitions of complementary businesses; or
- the operational performance of our IBX data centers.

The stock market has from time-to-time experienced extreme price and volume fluctuations, which have particularly affected the market prices for telecommunications companies, and which have often been unrelated to their operating performance. These broad market fluctuations may adversely affect the market price of our common stock. One of the factors that investors may consider in deciding whether to buy or sell our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If market interest rates increase, prospective investors may demand a higher distribution rate or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and conditions in the capital markets may affect the market value of our common stock. Furthermore, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and/or damages, and divert management's attention from other business concerns, which could seriously harm our business.

Inadequate or inaccurate external and internal information, including budget and planning data, could lead to inaccurate financial forecasts and inappropriate financial decisions.

Our financial forecasts are dependent on estimates and assumptions regarding budget and planning data, market growth, foreign exchange rates, our ability to remain qualified for taxation as a REIT, and our ability to generate sufficient cash flow to reinvest in the business, fund internal growth, make acquisitions, pay dividends and meet our debt obligations. Our financial projections are based on historical experience and on various other assumptions that our management believes to be reasonable under the circumstances and at the time they are made.

We continue to evolve our forecasting models as necessary and appropriate but if our predictions are inaccurate and our results differ materially from our forecasts, we could make inappropriate financial decisions. Additionally, inaccuracies in our models could adversely impact our compliance with REIT asset tests, future profitability, stock price and/or stockholder confidence.

Fluctuations in foreign currency exchange rates, especially the strength of the U.S. dollar, in the markets in which we operate internationally could harm our results of operations.

We have experienced and may continue to experience gains and losses resulting from fluctuations in foreign currency exchange rates. To date, the majority of revenues and costs in our international operations are denominated in foreign currencies. Where our prices are denominated in U.S. Dollars, our sales and revenues could be adversely affected by declines in foreign currencies relative to the U.S. Dollar, thereby making our offerings more expensive in local currencies. We are also exposed to risks resulting from fluctuations in foreign currency exchange rates in connection with our international operations. To the extent we are paying contractors in foreign currencies, our operations could cost more than anticipated as a result of declines in the U.S. Dollar relative to foreign currencies. In addition, fluctuating foreign currency exchange rates have a direct impact on how our international results of operations translate into U.S. Dollars.

Although we currently undertake, and may decide in the future to further undertake, foreign exchange hedging transactions to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. In addition, REIT compliance rules may restrict our ability to enter into hedging transactions. Therefore, any weakness of the U.S. Dollar may have a positive impact on our consolidated results of operations because the currencies in the foreign countries in which we operate may translate into more U.S. Dollars. However, as we have experienced more recently, if the U.S. Dollar strengthens relative to the currencies of the foreign countries in which we operate, our consolidated financial position and results of operations may be negatively impacted as amounts in foreign currencies will generally translate into fewer U.S. Dollars. For additional information on foreign currency risks, refer to our discussion of foreign currency risk in "Quantitative and Qualitative Disclosures about Market Risk" included in Item 3 of this Quarterly Report on Form 10-Q.

If our internal controls are found to be ineffective, our financial results or our stock price may be adversely affected.

Our most recent evaluation of our controls resulted in our conclusion that, as of December 31, 2022, in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, our internal controls over financial reporting were effective. Our ability to manage our operations and growth through, for example, the integration of recently acquired businesses, the adoption of new accounting principles and tax laws, and our overhaul of our back-office systems that, for example, support the customer experience from initial quote to customer billing and our revenue recognition process, will require us to further develop our controls and reporting systems and implement or amend new or existing controls and reporting systems in those areas where the implementation and integration is still ongoing. All of these changes to our financial systems and the implementation and integration of acquisitions create an increased risk of deficiencies in our internal controls over financial reporting. If, in the future, our internal control over financial reporting is found to be ineffective, or if a material weakness is identified in our controls over financial reporting, our financial results may be adversely affected. Investors may also lose confidence in the reliability of our financial statements which could adversely affect our stock price.

Terrorist activity, or other acts of violence, including violence stemming from the current climate of political and economic uncertainty, could adversely impact our business.

The continued threat of terrorist activity and other acts of war or hostility both domestically and abroad by terrorist organizations, organized crime organizations, or other criminals along with violence stemming from political unrest, contribute to a climate of political and economic uncertainty in many of the regions in which we operate. Due to existing or developing circumstances, we may need to incur additional costs in the future to provide enhanced security, including cyber security and physical security, which could have a material adverse effect on our business and results of operations. These circumstances may also adversely affect our ability to attract and retain customers and employees, our ability to raise capital and the operation and maintenance of our IBX data centers.

We may be subject to securities class action and other litigation, which may harm our business and results of operations.

We may be subject to securities class action or other litigation. For example, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. Litigation can be lengthy, expensive, and divert management's attention and resources. Results cannot be predicted with certainty and an adverse outcome in litigation could result in monetary damages or injunctive relief. Further, any payments made in settlement may directly reduce our revenue under U.S. GAAP and could negatively impact our results of operations for the period. For all of these reasons, litigation could seriously harm our business, results of operations, financial condition or cash flows.

We may not be able to protect our intellectual property rights.

We cannot make assurances that the steps taken by us to protect our intellectual property rights will be adequate to deter misappropriation of proprietary information or that we will be able to detect unauthorized use and take appropriate steps to enforce our intellectual property rights. We also are subject to the risk of litigation alleging infringement of third-party intellectual property rights. Any such claims could require us to spend significant sums in litigation, pay damages, develop non-infringing intellectual property or acquire licenses to the intellectual property that is the subject of the alleged infringement.

We have various mechanisms in place that may discourage takeover attempts.

Certain provisions of our certificate of incorporation and bylaws may discourage, delay or prevent a third party from acquiring control of us in a merger, acquisition or similar transaction that a stockholder may consider favorable. Such provisions include:

- ownership limitations and transfer restrictions relating to our stock that are intended to facilitate our compliance with certain REIT rules relating to share ownership;
- authorization for the issuance of "blank check" preferred stock;
- the prohibition of cumulative voting in the election of directors;

- limits on the persons who may call special meetings of stockholders;
- limits on stockholder action by written consent; and
- advance notice requirements for nominations to the Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law, which restricts certain business combinations with interested stockholders in certain situations, may also discourage, delay or prevent someone from acquiring or merging with us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2023, each of the following directors and/or officers adopted or terminated a “Rule 10b5-1 trading arrangement”, as such term is defined in Item 408(a) of Regulation S-K. All trading plans that were adopted during the period were entered into during an open insider trading window and are intended to satisfy the affirmative defense of Rule 10b5-1-(c) under the Securities Exchange Act of 1934, as amended, and our policies regarding transactions in our securities. No director or officer adopted or terminated a "non-Rule 10b5-1 trading arrangement," as such term is defined in Item 408(a) of Regulation S-K.

	Date	Action	Expiration Date	Total Shares to be Sold
Mike Campbell, Chief Sales Officer	May 17, 2023	Adoption	April 30, 2024	See footnote (1)
Scott Crenshaw, Executive Vice President and General Manager, Digital Services	May 26, 2023	Adoption	September 30, 2023	See footnote (2)
Charles Meyers, Director, Chief Executive Officer and President	May 12, 2023	Adoption	April 30, 2024	See footnote (3)
Peter Van Camp, Executive Chairman	May 12, 2023	Adoption	April 30, 2024	See footnote (4)

(1) Mr. Campbell’s plan includes, subject to the achievement of performance conditions, the potential sale of shares for tax withholding and/or diversification purposes relating to awards totaling up to 11,014 shares on a grant-by-grant basis. This plan also includes any shares to be granted under the 2023 Annual Incentive Plan, as determined based on final company performance, to be sold for tax withholding and/or diversification purposes.

(2) Mr. Crenshaw’s plan includes the potential sale of shares for tax withholding purposes relating to an award totaling up to 1,782 shares.

(3) Mr. Meyers' plan includes (a) 7,439 shares and (b) subject to the achievement of performance conditions, the potential sale of up to 40,280 shares for tax withholding and/or diversification purposes on a grant-by-grant basis. This plan also includes any shares to be granted under the 2023 Annual Incentive Plan, as determined based on final company performance, to be sold for tax withholding and/or diversification purposes.

(4) Mr. Van Camp’s plan includes, subject to the achievement of performance conditions, the potential sale of shares for tax withholding and/or diversification purposes relating to awards totaling up to 2,014 shares on a grant-by-grant basis. This plan also includes any shares to be granted under the 2023 Annual Incentive Plan, as determined based on final company performance, to be sold for tax withholding and/or diversification purposes.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date/ Period End Date	Exhibit	Filed Herewith
2.1	Rule 2.7 Announcement, dated as of May 29, 2015. Recommended Cash and Share Offer for Telecity Group plc by Equinix, Inc.	8-K	5/29/2015	2.1	
2.2	Cooperation Agreement, dated as of May 29, 2015, by and between Equinix, Inc. and Telecity Group plc.	8-K	5/29/2015	2.2	
2.3	Amendment to Cooperation Agreement, dated as of November 24, 2015, by and between Equinix, Inc. and Telecity Group plc.	10-K	12/31/2015	2.3	
2.4	Transaction Agreement, dated as of December 6, 2016, by and between Verizon Communications Inc. and Equinix, Inc.	8-K	12/6/2016	2.1	
2.5	Amendment No. 1 to the Transaction Agreement, dated February 23, 2017, by and between Verizon Communications Inc. and Equinix, Inc.	10-K	12/31/2016	2.5	
2.6	Amendment No. 2 to the Transaction Agreement, dated April 30, 2017, by and between Verizon Communications Inc. and Equinix, Inc.	8-K	5/1/2017	2.1	
2.7	Amendment No. 3 to the Transaction Agreement, dated June 29, 2018, by and between Verizon Communications Inc. and Equinix, Inc.	10-Q	8/8/2018	2.7	
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.	10-K/A	12/31/2002	3.1	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant.	8-K	6/14/2011	3.1	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant.	8-K	6/11/2013	3.1	
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant.	10-Q	6/30/2014	3.4	
3.5	Certificate of Designation of Series A and Series A-1 Convertible Preferred Stock.	10-K/A	12/31/2002	3.3	
3.6	Amended and Restated Bylaws of the Registrant.	8-K	4/13/2022	3.1	
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6.				
4.2	Indenture, dated as of December 12, 2017, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	12/5/2017	4.1	

4.3	Fourth Supplemental Indenture, dated as of November 18, 2019, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	11/18/2019	4.2
4.4	Form of 2.625% Senior Notes due 2024 (See Exhibit 4.3)			
4.5	Fifth Supplemental Indenture, dated as of November 18, 2019, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	11/18/2019	4.4
4.6	Form of 2.900% Senior Notes due 2026 (See Exhibit 4.5)			
4.7	Sixth Supplemental Indenture, dated as of November 18, 2019, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	11/18/2019	4.6
4.8	Form of 3.200% Senior Notes due 2029 (See Exhibit 4.7)	8-K	6/22/2020	
4.9	Seventh Supplemental Indenture, dated as of June 22, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	6/22/2020	4.2
4.10	Form of 1.250% Senior Note due 2025 (See Exhibit 4.9)			
4.11	Eighth Supplemental Indenture, dated as of June 22, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	6/22/2020	4.4
4.12	Form of 1.800% Senior Note due 2027 (See Exhibit 4.11)			
4.13	Ninth Supplemental Indenture, dated as of June 22, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	6/22/2020	4.6
4.14	Form of 2.150% Senior Note due 2030 (see Exhibit 4.13)			
4.15	Tenth Supplemental Indenture, dated as of June 22, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	6/22/2020	4.8
4.16	Form of 3.000% Senior Note due 2050 (See Exhibit 4.15)			
4.17	Eleventh Supplemental Indenture, dated as of October 7, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	10/7/2020	4.2
4.18	Form of 1.000% Senior Note due 2025 (included in Exhibit 4.17)			
4.19	Twelfth Supplemental Indenture, dated as of October 7, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	10/7/2020	4.4
4.20	Form of 1.550% Senior Note due 2028 (included in Exhibit 4.19)			
4.21	Thirteenth Supplemental Indenture, dated as of October 7, 2020, among Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	10/7/2020	4.6
4.22	Form of 2.950% Senior Note due 2051 (included in Exhibit 4.21)			

4.23	Fourteenth Supplemental Indenture, dated as of March 10, 2021, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	3/11/2021	4.2
4.24	Form of 0.250% Senior Note due 2027 (included in Exhibit 4.23)			
4.25	Fifteenth Supplemental Indenture, dated as of March 10, 2021, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	3/11/2021	4.4
4.26	Form of 1.000% Senior Note due 2033 (included in Exhibit 4.25)			
4.27	Sixteenth Supplemental Indenture, dated as of May 17, 2021, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	5/17/2021	4.2
4.28	Form of 1.450% Senior Note due 2026 (included in Exhibit 4.27)			
4.29	Seventeenth Supplemental Indenture, dated as of May 17, 2021, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	5/17/2021	4.4
4.30	Form of 2.000% Senior Note due 2028 (included in Exhibit 4.29)			
4.31	Eighteenth Supplemental Indenture, dated May 17, 2021, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	5/17/2021	4.6
4.32	Form of 2.500% Senior Note due 2031 (included in Exhibit 4.31)			
4.33	Nineteenth Supplemental Indenture, dated May 17, 2021, between Equinix, Inc. and U.S. Bank National Association, as Trustee.	8-K	5/17/2021	4.8
4.34	Form of 3.400% Senior Note due 2052 (included in Exhibit 4.33)			
4.35	Twentieth Supplemental Indenture, dated as of April 5, 2022, between Equinix, Inc. and U.S. Bank Trust Company National Association, as Trustee.	8-K	4/5/2022	4.2
4.36	Form of 3.900% Senior Notes due 2032 (included in Exhibit 4.35)			
4.37	Form of Registrant's Common Stock Certificate.	10-K	12/31/2014	4.13
4.38	Description of Securities	10-K	12/31/2022	4.38
4.39	Notes Purchase Agreement, dated February 7, 2023, and issued by Equinix Japan K.K. and Equinix, Inc. as Parent Guarantor.	10-Q	3/31/2023	4.39
10.1**	Form of Indemnification Agreement between the Registrant and each of its officers and directors.	S-4 (File No. 333-93749)	12/29/1999	10.5
10.2**	2000 Equity Incentive Plan, as amended.	10-K	12/31/2021	10.2
10.3**	2020 Equity Incentive Plan	DEF14A	4/27/2020	Appendix A
10.4**	Equinix, Inc. 2004 Employee Stock Purchase Plan, as amended.	10-K	12/31/2022	10.4

10.5**	2021 Form of Revenue/AFFO per Share Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2021	10.11
10.6**	2021 Form of TSR Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2021	10.12
10.7**	2021 Form of Time-Based Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2021	10.13
10.8**	2022 Form of Revenue/AFFO per Share/Digital Services Performance Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2022	10.11
10.9**	2022 Form of TSR Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2022	10.12
10.10**	2022 Form of Time-Based Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2022	10.13
10.11**	2022 Equinix, Inc. Annual Incentive Plan.	10-Q	3/31/2022	10.14
10.12**	2023 Form of Revenue/AFFO per Share/Digital Services Performance Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2023	10.15
10.13**	2023 Form of TSR Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2023	10.16
10.14**	2023 Form of Time-Based Restricted Stock Unit Agreement for Executives.	10-Q	3/31/2023	10.17
10.15**	2023 Equinix, Inc. Annual Incentive Plan.	10-Q	3/31/2023	10.18
10.16	Agreement for Purchase and Sale of Shares Among RW Brasil Fundo de Investimentos em Participação, Antônio Eduardo Zago De Carvalho and Sidney Victor da Costa Breyer, as Sellers, and Equinix Brasil Participaçãoes Ltda., as Purchaser, and Equinix South America Holdings LLC., as a Party for Limited Purposes and ALOG Soluções de Tecnologia em Informática S.A. as Intervening Consenting Party dated July 18, 2014.	10-Q	9/30/2014	10.67
10.17	Credit Agreement dated January 7, 2022 by and among Equinix, as borrower, a syndicate of financial institutions, as lenders, Bank of America, N.A., as administrative agent, Citibank, N.A., JPMorgan Chase Bank, N.A., MUFG Bank, Ltd., RBC Capital Markets, Goldman Sachs Bank USA and HSBC Securities (USA) Inc., as co-syndication agents, Barclays Bank PLC, BNP Paribas, Deutsche Bank AG New York Branch, ING Bank N.V., Dublin Branch, Morgan Stanley Senior Funding, Inc., Sumitomo Mitsui Banking Corporation, The Bank of Nova Scotia and TD Securities (USA) LLC, as co-documentation agents, and BofA Securities, Inc., Citibank, N.A., JPMorgan Chase Bank, N.A., MUFG Bank, Ltd., RBC Capital Markets, Goldman Sachs Bank USA and HSBC Securities (USA) Inc., as joint lead arrangers and book runners.	10-K	12/31/2021	10.22

10.18**	Relocation Letter Agreement by and between Equinix, Inc. and Charles Meyers dated October 12, 2018.	10-K	2/22/2019	10.37	
10.19**	Change in Control Severance Agreement between Equinix, Inc. and Mike Campbell dated October 3, 2019.	10-Q	9/30/2019	10.25	
10.20**	Change in Control Severance Agreement between Equinix, Inc. and Brandi Galvin Morandi dated October 3, 2019.	10-Q	9/30/2019	10.26	
10.21**	Change in Control Severance Agreement between Equinix, Inc. and Karl Strohmeyer dated October 3, 2019.	10-Q	9/30/2019	10.27	
10.22**	Change in Control Severance Agreement between Equinix, Inc. and Peter Van Camp dated October 3, 2019.	10-Q	9/30/2019	10.28	
10.23**	Change in Control Severance Agreement between Equinix, Inc. and Charles Meyers dated October 4, 2019.	10-Q	9/30/2019	10.29	
10.24**	Change in Control Severance Agreement between Equinix, Inc. and Keith Taylor dated October 3, 2019.	10-Q	9/30/2019	10.31	
10.25**	Change in Control Severance Agreement between Equinix, Inc and Jon Lin dated January 2, 2022.	10-K	12/31/2022	10.24	
10.26**	Change in Control Severance Agreement between Equinix, Inc. and Scott Crenshaw dated August 1, 2022.	10-K	12/31/2022	10.25	
10.27**	Side Letter Agreement Regarding RSUs between Equinix, Inc. and Charles Meyers dated October 4, 2019.	10-Q	9/30/2019	10.34	
10.28**	Side Letter Agreement Regarding RSUs between Equinix, Inc. and Keith Taylor dated October 3, 2019.	10-Q	9/30/2019	10.36	
10.29**	Side Letter Agreement Regarding RSUs between Equinix, Inc. and Mike Campbell dated October 3, 2019.	10-Q	9/30/2019	10.37	
10.30**	Side Letter Agreement Regarding RSUs between Equinix, Inc. and Brandi Galvin Morandi dated October 3, 2019.	10-Q	9/30/2019	10.38	
10.31**	Side Letter Agreement Regarding RSUs between Equinix, Inc. and Karl Strohmeyer dated October 3, 2019.	10-Q	9/30/2019	10.39	
10.32**	Side Letter Agreement Regarding RSUs between Equinix, Inc. and Peter Van Camp dated October 3, 2019.	10-Q	9/30/2019	10.40	
10.33**	Amendment to Relocation Letter Agreement by and between Equinix, Inc. and Charles Meyers dated September 21, 2022.	10-Q	9/30/2022	10.39	
21.1	Subsidiaries of Equinix, Inc.				X
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.	10-K/A	12/31/2022	23.1	

31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X

** Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

EQUINIX, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQUINIX, INC.

Date: August 4, 2023

By: /s/ KEITH D. TAYLOR

Chief Financial Officer
(Principal Financial Officer)

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INDEX TO EXHIBITS

Exhibit Number	Description of Document
21.1	Subsidiaries of Equinix, Inc.
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Document.
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

Exhibit 21.1

Subsidiaries of Equinix, Inc.

Entity	Jurisdiction
Equinix Canada Holdings Limited	British Colombia, Canada
Equinix (Australia) Enterprises Pty Limited	Australia
Equinix Australia Pty Limited	Australia
McLaren Pty Limited	Australia
Metronode (ACT) Pty Limited	Australia
Metronode (NSW) Pty Limited	Australia
Metronode C1 Pty Limited	Australia
Metronode Group Pty Limited	Australia
Metronode Investments Pty Limited	Australia
Metronode M2 Pty Ltd	Australia
Metronode P2 Pty Limited	Australia
MGH Pegasus Pty Ltd	Australia
Equinix Australia National Pty Ltd	Australia
Metronode S2 Pty Ltd	Australia
Metronode New Zealand Limited	New Zealand
MGH Bidco Pty Limited	Australia
MGH Finco Pty Limited	Australia
MGH Holdco Pty Ltd	Australia
McLaren Unit Trust	Australia
Equinix South America Holdings, LLC	Delaware, U.S.
Equinix do Brasil Soluções de Tecnologia em Informática Ltda.	Brazil
Equinix do Brasil Telecomunicações Ltda.	Brazil
Equinix Colombia, Inc. Pte. Ltd.	Singapore
Equinix (Bulgaria) Data Centers EOOD	Bulgaria
Equinix (Canada) Enterprises Ltd.	Ontario, Canada
Equinix Canada Ltd.	Ontario, Canada
CHI 3, LLC	Delaware, U.S.
Equinix (EMEA) Management, Inc.	Delaware, U.S.
Equinix (US) Enterprises, Inc.	Delaware, U.S.
Equinix LLC	Delaware, U.S.
Equinix Pacific LLC	Delaware, U.S.
Equinix Professional Services, Inc	Delaware, U.S.
Equinix Government Solutions LLC	Delaware, U.S.
Equinix RP II LLC	Delaware, U.S.
Moran Road Partners, LLC	Delaware, U.S.
Infomart Dallas GP, LLC	Delaware, U.S.
Infomart Dallas, LP	Delaware, U.S.
LA4, LLC	Delaware, U.S.
NY2 Hartz Way, LLC	Delaware, U.S.
SV1, LLC	Delaware, U.S.

Switch & Data Facilities Company LLC	Delaware, U.S.
Switch & Data LLC	Delaware, U.S.
Switch & Data MA One LLC	Delaware, U.S.
Switch & Data WA One LLC	Delaware, U.S.
Switch and Data NJ Two LLC	Delaware, U.S.
Switch and Data Operating Company LLC	Delaware, U.S.
CHI 3 Procurement, LLC	Illinois, U.S.
VDC I, LLC	Delaware, U.S.
VDC V, LLC	Delaware, U.S.
CHI 8, LLC	Delaware, U.S.
Equinix Hyperscale (LP) LLC	Delaware, U.S.
Equinix Hyperscale (GP) LLC	Delaware, U.S.
Equinix Services, Inc.	Delaware, U.S.
Equinix Montreal Ltd.	Ontario, Canada
Equinix (Finland) Enterprises Oy	Finland
Equinix (Finland) Oy	Finland
Equinix (France) Enterprises SAS	France
Equinix (Real Estate) Holdings SC	France
Equinix (Real Estate) SCI	France
Equinix France SAS	France
Equinix (Germany) Enterprises GmbH	Germany
Equinix (Germany) GmbH	Germany
Equinix (Real Estate) GmbH	Germany
Upminster GmbH	Germany
Equinix Hyperscale 1 (FR9) GmbH	Germany
Equinix Hyperscale 1 (FR11) GmbH	Germany
Equinix Hyperscale 1 (FR9) Enterprises GmbH	Germany
Equinix Hyperscale 1 (FR11) Enterprises GmbH	Germany
Equinix (Hong Kong) Enterprises Limited	Hong Kong
Equinix Hong Kong Limited	Hong Kong
Equinix (Ireland) Enterprises Limited	Ireland
Equinix (Ireland) Limited	Ireland
Equinix (Italia) Enterprises S.r.l.	Italy
Equinix Italia S.r.l.	Italy
Equinix (Japan) Enterprises K.K.	Japan
Equinix (Japan) Technology Services K.K.	Japan
Equinix Japan K.K. (in Kanji)	Japan
Equinix Muscat LLC	Oman
Equinix Middle East Services LLC	Oman
Equinix (China) Investment Holding Co., Ltd. (亿利互连(中国)投资有限公司)	People’s Republic of China
Equinix Information Technology (Shanghai) Co., Ltd. (亿利互连信息技术（上海）有限公司)	People’s Republic of China

Equinix WGQ Information Technology (Shanghai) Co., Ltd. (亿利互连(上海)通讯科技有限公司)	People’s Republic of China
Equinix YP Information Technology (Shanghai) Co., Ltd. (亿利互连数据系统(上海)有限公司)	People’s Republic of China
Gaohong Equinix (Shanghai) Information Technology Co., Ltd (高鸿亿利(上海)信息技术有限公司)	People’s Republic of China
Equinix India Private Limited	India
GPX India Private Limited	India
GPX India II Private Limited	India
GPX India Services Private Limited	India
Equinix (Poland) Technology Services sp. z o.o.	Poland
Equinix (Poland) Enterprises sp. z o.o.	Poland
Equinix (Poland) sp. z o.o.	Poland
Equinix (EMEA) Services B.V.	Netherlands
Equinix (Portugal) Data Centers, S.A.	Portugal
Equinix II (Portugal) Enterprises Data Centers, Unipessoal Lda	Portugal
Equinix Korea LLC	Republic of Korea
Equinix (Singapore) Enterprises Pte. Ltd.	Singapore
Equinix Asia Pacific Holdings Pte. Ltd.	Singapore
Equinix Asia Pacific Pte. Ltd.	Singapore
Equinix Singapore Holdings Pte. Ltd.	Singapore
Equinix Singapore Pte. Ltd.	Singapore
Equinix (Spain) Enterprises, S.L.U.	Spain
Equinix (Spain), S.A.U.	Spain
Equinix (Sweden) AB	Sweden
Equinix (Sweden) Enterprises AB	Sweden
Equinix (Switzerland) Enterprises GmbH	Switzerland
Equinix (Switzerland) GmbH	Switzerland
EMEA Hyperscale 1 C.V.	Netherlands
Equinix Hyperscale 1 Holdings B.V.	Netherlands
Equinix (EMEA) Acquisition Enterprises B.V.	Netherlands
Equinix (EMEA) B.V.	Netherlands
Equinix (Netherlands) B.V.	Netherlands
Equinix (Netherlands) Enterprises B.V.	Netherlands
Equinix (Netherlands) Holdings B.V.	Netherlands
Virtu Secure Webservices B.V.	Netherlands
Tussenlanen B.V.	Netherlands
Equinix (EMEA) Hyperscale Services B.V.	Netherlands
Equinix Turkey Data Merkezi Üretim Inşaat Sanayi ve Ticaret Anonim Şirketi	Turkey
Equinix Turkey Enterprises Data Merkezi Üretim Inşaat Sanayi ve Ticaret Anonim Şirketi	Turkey
Equinix Middle East FZ-LLC	United Arab Emirates
Equinix Hyperscale 1 (LD11) Limited	United Kingdom
Equinix (Services) Limited	United Kingdom
Equinix (UK) Enterprises Ltd	United Kingdom
Equinix (UK) Limited	United Kingdom

Equinix Hyperscale 1 (France) Holdings SAS	France
Equinix Hyperscale 1 (PA9) SAS	France
Equinix Hyperscale 1 (PA8) SAS	France
Equinix Hyperscale 1 (UK) Financing Limited	United Kingdom
Equinix Hyperscale 1 (LD13) Limited	United Kingdom
Equinix Hyperscale 1 (DB5) Limited	Ireland
Equinix Hyperscale 1 (DB5) Enterprises Limited	Ireland
Equinix Hyperscale 2 (ML7) S.r.l.	Italy
Equinix (MA5) Limited	United Kingdom
Equinix (Poland) Services sp. z o.o	Poland
Equinix (PA-C) SAS	France
Equinix Mexico Holdings, S. de R.L. de C.V.	Mexico
Equinix MX Sales, S. de R.L. de C.V.	Mexico
Equinix Queretaro, S. de R.L. de C.V.	Mexico
Equinix MX Services, S.A. de C.V.	Mexico
Contrato de Fideicomiso Irrevocable de Administración de Bienes Inmuebles número "CIB/3714"	Mexico
Contrato de Fideicomiso Irrevocable de Administración Número "CIB/3933"	Mexico
Equinix APAC 1 Hyperscale Holdings 1 Pte. Ltd.	Singapore
Equinix APAC 1 Hyperscale Holdings 2 Pte. Ltd.	Singapore
Equinix Hyperscale 1 GK	Japan
Equinix Hyperscale 1 (TY12) GK	Japan
Equinix Hyperscale 1 (TY12) Enterprises GK	Japan
Equinix Hyperscale 1 (TY14) GK	Japan
Equinix Hyperscale 1 (OS2) GK	Japan
Equinix Hyperscale 1 (OS2) Enterprises GK	Japan
Equinix Hyperscale 2 (FR10) GmbH	Germany
Equinix Hyperscale 2 (SK5) AB	Sweden
Equinix Hyperscale 1 (Japan) TMK	Japan
Equinix Hyperscale 2 (FR16) GmbH	Germany
Equinix Hyperscale 2 (PA12) SAS	France
Equinix Hyperscale 2 (PA13) SAS	France
Equinix Hyperscale (GP) Pte. Ltd.	Singapore
Equinix APAC Hyperscale 1 (LP) LLC	Delaware, U.S.
Equinix (APAC) Hyperscale Services Pte Ltd	Singapore
APAC 1 Hyperscale LP	Singapore
Equinix APAC 1 Hyperscale Holdings Pte. Ltd.	Singapore
Equinix APAC Hyperscale 2 (LP) LLC	Delaware, U.S.
Equinix Hyperscale 2 (GP) LLC	Delaware, U.S.
Equinix Hyperscale 2 (LP) LLC	Delaware, U.S.
Equinix Australia Real Estate Pty Ltd	Australia
Equinix APAC Hyperscale 2 (GP) Pte. Ltd.	Singapore
APAC Hyperscale 2 LP	Singapore
Equinix APAC Hyperscale 2 Holdings 1 Pte. Ltd.	Singapore
Equinix APAC Hyperscale 2 Holdings 2 Pte. Ltd.	Singapore

Equinix Hyperscale 2 (SY9) Pty Limited	Australia
Equinix Hyperscale 2 (SY10) Pty Limited	Australia
Equinix Hyperscale 2 (Australia) Enterprises 1 Pty Limited	Australia
Equinix Hyperscale 2 (Australia) Enterprises 2 Pty Limited	Australia
Equinix Saudi for Information Technology LLC	Saudi Arabia
Equinix Hyperscale 2 (WA4) sp. z o.o.	Poland
Equinix Hyperscale 2 IL5 Data Merkezi Uretim Insaat Sanayi Ve Ticaret Limited Sirketi	Turkey
Equinix Hyperscale 1 (Turkey) Holdings B.V.	Netherlands
EMEA Hyperscale 2 C.V.	Netherlands
Equinix Hyperscale 1 IL2 Data Merkezi Üretim İnşaat Sanayi ve Ticaret Limited Şirketi	Turkey
Equinix Hyperscale 2 (MD3) S.L.	Spain
Equinix Hyperscale 1 (LD11) Enterprises Limited	United Kingdom
Equinix Hyperscale 2 (LDx) Limited	United Kingdom
Equinix Hyperscale 2 Finco A B.V.	Netherlands
Equinix Hyperscale 2 Finco B B.V.	Netherlands
Equinix Hyperscale 2 (SP5) LTDA	Brazil
Equinix Hyperscale 2 (SP7) LTDA	Brazil
Equinix Hyperscale 2 (SP5) Enterprises LTDA	Brazil
Equinix Hyperscale 2 (France) Holdings B.V	Netherlands
PT Equinix Indonesia JKT	Indonesia
Equinix Hyperscale 2 Holdings B.V.	Netherlands
Equinix Hyperscale 2 Holdings 2 B.V.	Netherlands
Equinix Hyperscale 2 Holdings A B.V.	Netherlands
Equinix Hyperscale 2 Holdings B B.V.	Netherlands
Equinix Hyperscale 2 Holdings C B.V.	Netherlands
Equinix Hyperscale 2 Holdings D B.V.	Netherlands
Equinix Colombia, Inc. Pte. Ltd. Sucursal Colombia	Colombia
Equinix (APAC) Services Pte. Ltd.	Singapore
Equinix Africa Investment LLC	Delaware, U.S.
Equinix (West Africa) Acquisition Holdings B.V.	Netherlands
Equinix (West Africa) Acquisition Enterprises B.V.	Netherlands
Equinix Colombia (BG3) S.A.S	Colombia
Equinix Security LLC	Delaware, U.S.
Equinix India Professional Services Private Limited	India
Equinix Hyperscale 2 (AM12) B.V.	Netherlands
Equinix Chile SpA	Chile
Equinix Chile Enterprises SpA	Chile
Equinix Peru S.R.L.	Peru
Equinix APAC Hyperscale 3 (GP) Pte. Ltd.	Singapore
Equinix Hyperscale 2 (MD3) Enterprises SLU	Spain
Equinix Hyperscale 2 (ML9) S.r.l.	Italy
Equinix Hyperscale 2 (HE10) Oy	Finland
Equinix Hyperscale 2 (HE10) Enterprises Oy	Finland
MainOne Cable Company Ltd	Mauritius
MainOne Cable Company Nigeria Limited	Nigeria

Infraco Nigeria Limited	Nigeria
MainData Nigeria Limited	Nigeria
MainOne Cable Company Ghana Ltd	Ghana
MainData Ghana Ltd	Ghana
MainOne Cote D'Ivoire	Ivory Coast
MainOne Cable Company Portugal, S.A.	Portugal
MainData Cote D'Ivoire	Ivory Coast
FibreAcess Nigeria Limited	Nigeria
MainOne Company Nigeria LFZ Enterprise	Nigeria
Maintecknosoft Ltd	Ghana
Equinix Hyperscale 2 (FR10) Enterprises GmbH	Germany
Equinix Hyperscale 2 (FR16) Enterprises GmbH	Germany
APAC Hyperscale 3 Private Limited	Singapore
Capitaland Korea No.8 Qualified Private Real Estate Investment Company	Republic of Korea
Capitaland Korea No.9 Qualified Private Real Estate Investment Company	Republic of Korea
Equinix APAC Hyperscale 3 LP	Singapore
Equinix Hyperscale 3 (SL2) LLC	Republic of Korea
Equinix Hyperscale 3 (SL3) LLC	Republic of Korea
Equinix Korea Holdings LLC	Republic of Korea
Equinix (Singapore) Realty Services Pte. Ltd.	Singapore
Equinix (UK) Realty Services Limited	United Kingdom
Equinix Malaysia Sdn Bhd	Malaysia
PT Equinix Indonesia Hldgs	Indonesia
Equinix Security (CU1) LLC	Delaware, U.S.
Equinix Southeast Asia Pte. Ltd.	Singapore
Equinix (South Africa) (Pty) Ltd.	South Africa
Equinix (LD-A) Limited	Jersey, United Kingdom
Equinix Hyperscale 2 (PA12) Enterprises SAS	France
Equinix Hyperscale 2 (PA13) Enterprises SAS	France
Equinix (Philippines) Services Inc.	Philippines
Equinix Hyperscale Canada LP Limited	Ontario, Canada
Equinix Hyperscale 4 (CL4) ULC	British Columbia, Canada
Equinix (South Africa) Enterprises (Pty) Ltd.	South Africa
Sotus 849. GmbH	Germany
Equinix Hyperscale 2 (ML7) Enterprises S.r.l.	Italy
SV12x LLC	Delaware, U.S.
Equinix India Metal Private Limited	India
Equinix Malaysia Enterprises Sdn. Bhd.	Malaysia
Odyssey Solutions S.A.R.L.	Ivory Coast
Equinix Services Colombia S.A.S	Colombia
Equinix Hyperscale 2 (WA4) Enterprises sp. z.o.o.	Poland

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles Meyers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equinix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Charles Meyers

Charles Meyers
Chief Executive Officer and President
Dated: August 4, 2023

Exhibit 31.2

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Keith D. Taylor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Equinix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer
Dated: August 4, 2023

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Equinix, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles Meyers, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Charles Meyers

Charles Meyers
Chief Executive Officer and President

August 4, 2023

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Equinix, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Keith D. Taylor, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

August 4, 2023