

**Tier1Research**

## FiberMedia receives equity investment from Stephens Group

Datacenters and Colocation

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**FiberMedia** has received an equity investment from the **Stephens Group**, eyeing a long-term relationship. Both parties agree to avoid an IPO rush, and are interested in pursuing conscientious, yet aggressive, growth. FiberMedia is confident in the partnership. It believes that the Stephens Group is the ideal tight-knit group that has the ability to be receptive to its growth strategy. Thus far, FiberMedia has disclosed that it will use the funds to enhance its six existing facilities with the necessary infrastructure and customer service in order to reach full capacity. It is also building a mesh network that will connect all of its facilities, offering clients access to a significantly larger number of connectivity providers and data services.

### About FiberMedia

FiberMedia's design/build division has been active for 20 years. Currently, FiberMedia operates 6 datacenters. The facilities offer a total datacenter footprint of 140,000 square feet with approximately 91,000 net sellable square feet. The company's datacenter footprint includes Brooklyn, New York; Jersey City, New Jersey; New York; Chappaqua, New York; Secaucus, New Jersey; and Cleveland, Ohio. FiberMedia has significant expansion capacity across all datacenters in terms of power and space. FiberMedia has disclosed plans to commence expansions upon reaching 60% utilization. It will also deploy a public/private hybrid cloud product within the next six months aimed at enterprise clients requiring low latency and elastic compute resources. FiberMedia focuses on the medium-sized enterprise (MSE) market, but can also meet requirements for larger enterprises. It has client concentrations across the following four industry verticals: financial services, media, healthcare and IT services.

### About the Stephens Group

The Stephens Group is a private, family-owned firm that invests its capital in private and public companies in growing industries. The Stephens Group has large positions in gas exploration and production, media, communications, consumer, manufacturing and other industries. The Stephens Group provides equity capital of \$5 to 75m per transaction and looks to invest \$100-200m per year.

### T1R take

FiberMedia will provide a breath of fresh air in the capacity-constrained New York/northern New Jersey primary datacenter market. FiberMedia's facilities are currently at approximately 30% utilization. Once the five New York-area datacenters are revamped, we foresee that metric climbing quickly as MSEs take advantage of this space to fulfill their primary datacenter and DR needs. What is most interesting about FiberMedia is its mix of build-to-suit, migration and hosting services. It establishes long-term relationships with clients, first engineering IT on site and eventually migrating IT to its datacenters. This mix of services makes the transition to outsourced IT much easier for enterprises and will serve as a differentiating factor as the company moves forward.

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