IGUAKO CAPITAL · Case study

Kawartha Reach Data Centres

Two Ontario colocation halls bought outright for US$52 million, giving the Information and Data division a processing estate it owns rather than rents.

YEAR	SECTOR	DIVISION
2023	Information Infrastructure	Information & Data

JURISDICTION

Canada

Situation

Until 2023 the Information and Data division bought processing capacity from third parties. It ran research pipelines for the Quantitative division and for the twelve sector desks. Every renewal moved the price and the terms, and two providers changed their data-residency conditions inside a single contract year.

Kawartha Reach Data Centres owned two colocation halls in Ontario with 11.4 megawatts of contracted capacity and a weighted average lease term of 7.2 years. Its owner wanted to fund a third hall and had reached the limit of what a bank would advance against the first two.

Approach

The firm bought the company outright at an enterprise value of US$52 million in June 2023, funded from the proprietary balance sheet. The Toronto office had opened that year and the Canadian entity took the holding. The seller retained the development site for the third hall, which the firm did not want and did not price.

Tenants stayed on their leases. Both halls had been built for tenants, and one row in each was taken out of the letting pool for the firm. Those rows now carry the research pipelines, the document archive and the Client Terminal, which is why the division no longer negotiates data residency with anybody.

The Information Governance Committee set the conditions before completion. Client data and tenant data sit on separate physical infrastructure. No tenant workload touches the systems of the institution. A named person answers for every automated process running in the firm rows, as the first principle of the Ethical Technology Charter requires.

Outcome

Contracted tenant revenue covers the operating cost of both halls, so the firm rows run at incremental cost. Processing cost per research pipeline fell by fifty-eight per cent between 2023 and 2026. Two pipelines that had been priced out under the old arrangement are now run every night.

The estate is the reason the division could absorb thirty-one acquired datasets in 2024 without buying capacity from anyone. Ownership also settles a question clients ask often, which is where the data sits. It sits in two halls the institution owns, in one jurisdiction, on hardware nobody else uses.

Figures

Measure	Value
Enterprise value	US$52 million
Contracted capacity	11.4 megawatts
Processing cost per pipeline	Down 58 per cent since 2023