

---

# EQUINIX: 79 CONSECUTIVE QUARTERS OF REVENUE GROWTH

Christopher Gannatti – Global Head of Research, WisdomTree.  
08 Dec 2022

Companies reporting their quarterly results always offers new, potentially eyebrow raising, details. It caught our eye when we saw that Equinix, which focuses on the real estate underpinning our world's digital infrastructure, indicated it had increased revenues over 79 consecutive quarters.

That means that Equinix has increased its revenues, quarter-to-quarter, for just about 20 years.

Additionally, Equinix made the statement that this was the longest quarterly streak of revenue increases of any company included in the S&P 500 Index<sup>1</sup>.

To say the least, this piqued our curiosity to find out more:

- Is there a group of companies sitting there at about 70 consecutive quarters, or something close to that? How truly unique is 79 quarters in a row, given today's environment?
- If we looked at the top 10 companies ranked by consecutive quarters of revenue growth, can we draw any conclusions about industry, valuation, or something else?

While this isn't the most technical of analyses to perform, it's also nearly impossible to have any intuition until you look at the data.

Looking at Figure 1:

- Equinix and Salesforce are the clear leaders of the pack, delivering 79 and 76 quarters of consecutive revenue growth, respectively. CoStar Group and ServiceNow appear in the next cohort, with 53 and 44 consecutive quarters of revenue growth, respectively. Then, there is a big drop to get to the rest of the top 10.
- Since Equinix is in the Equity Real Estate Investment Industry, a natural question is whether this industry is strongly represented in the top 10. As of the current data, it does not appear to be the case, with only Equinix and Healthpeak Properties.
- Salesforce and ServiceNow are the two representatives from the Software Industry.
- It is very interesting to see Salesforce with a price-to-sales ratio of less than 5.0.

Figure 1: The top 10 companies in the S&P 500 Index, ranked by consecutive

quarters of increasing revenue

Company Name	Consecutive Quarters of Increasing Revenue	GICS Industry Name	Price-to-Sales Ratio
EQUINIX INC	79	Equity Real Estate Investment	7.83
SALESFORCE INC	76	Software	4.71
COSTAR GROUP INC	53	Professional Services	14.87
SERVICENOW INC	44	Software	10.49
VERTEX PHARMACEUTICALS INC	14	Biotechnology	9.07
VERISIGN INC	13	IT Services	13.82
FACTSET RESEARCH SYSTEMS INC	12	Capital Markets	8.44
HEALTHPEAK PROPERTIES INC	11	Equity Real Estate Investment	6.41
SIGNATURE BANK	10	Banks	2.91
ANALOG DEVICES INC	10	Semiconductors & Semiconductor Equipment	6.66

Source: Bloomberg, with universe of companies being the S&P 500 Index as of 4 November 2022.

GICS stands for Global Industry Classification Standard.

**Historical performance is not an indication of future performance and any investments may go down in value.**

It also made sense, since Equinix is in the Equity Real Estate Investment Industry, to screen for only companies within this Industry to indicate how unique or similar Equinix’s track record is relative to companies that are more similar.

Within Figure 2:

- Equinix and Healthpeak Properties are carried over as the leaders from Figure 1.
- Once the top 10 companies are accounted for, all of the others are below 10 consecutive quarters of increasing revenue. 5 companies do however sit at 9 consecutive quarters.

So, even within the Equity Real Estate Investment industry, Equinix has delivered quite a unique result.

**Figure 2: The top 10 companies in the Equity Real Estate Investment Industry in the S&P 500 Index, ranked by consecutive quarters of increasing revenue**

Company Name	Consecutive Quarters of Increasing Revenue	GICS Industry Name
EQUINIX INC	79	Equity Real Estate Investment
HEALTHPEAK PROPERTIES INC	11	Equity Real Estate Investment
SBA COMMUNICATIONS CORP	9	Equity Real Estate Investment
MID-AMERICA APARTMENT COMM	9	Equity Real Estate Investment
PUBLIC STORAGE	9	Equity Real Estate Investment
EXTRA SPACE STORAGE INC	9	Equity Real Estate Investment
INVITATION HOMES INC	9	Equity Real Estate Investment
REALTY INCOME CORP	8	Equity Real Estate Investment
BOSTON PROPERTIES INC	7	Equity Real Estate Investment
ALEXANDRIA REAL ESTATE EQUIT	7	Equity Real Estate Investment

Source: Bloomberg, with universe of companies being the S&P 500 Index as of 4 November 2022.

**Historical performance is not an indication of future performance and any investments may go down in value.**

**Conclusion: Is Equinix a bright spot in an otherwise bleak environment?**

The current paradigm we are seeing happen again and again in the software space as companies report their results for the period-ended 30 September 2022 goes as follows:

First, the company reports the current results. Many times, there is still growth and the consensus estimates do get beaten fairly often, though not every time. If stocks traded more based on the 'recent past' then the picture would look pretty good.

Second, the company gets into the guidance for the current period—the fourth quarter of 2022 which we are now in. Most companies are indicating a slowing picture and worse results than otherwise expected. There will tend to be a consensus expectation and in many cases companies are guiding expectations even below that level.

Coverage will focus on 'moderating growth' or 'lowering guidance' as the explanation for a falling share price.

So, when Equinix notably raised its full year 2022 outlook, this stood out, in that many companies are not raising their full year outlooks. Many companies in the digital infrastructure space responsible for running data centres globally would be talking about energy prices. Equinix has a hedging program in place, so customers are paying more but they are typically paying energy cost increases that are below the levels they would see if they were transacting at values closer to current market rates<sup>2</sup>.

Equinix tends to think that long-term revenue growth should be in the range of 8-10% per year, which is almost exactly where the current year-over-year results were. Equinix also spends about \$2.2 billion a year on capital investments, and they have seen strong returns on this spending as Equinix has increased both list prices and renewal rates<sup>3</sup>.

**Sources**

<sup>1</sup> Source: <https://investor.equinix.com/> accessed on 7 November 2022.

<sup>2</sup> Source: Savitz, Eric J. "Equinix Stock Rallies on Higher Cash Flow Outlook." Barron's. 3 November 2022.

<sup>3</sup> Source: Savitz, 3 November 2022.

**Related blogs**

+ [Data centres are the physical backbone of digital life](#)

**Related products**

+ [WisdomTree New Economy Real Estate UCITS ETF - USD Acc \(WTRE\)](#)

View the online version of this article [here](#).

Important Information

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

**For professional clients only.** The information contained in this document is for your general information only and is neither an offer for sale nor a solicitation of an offer to buy securities or shares. This document should not be used as the basis for any investment decision. Investments may go up or down in value and you may lose some or all of the amount invested. Past performance is not necessarily a guide to future performance. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

The application of regulations and tax laws can often lead to a number of different interpretations. Any views or opinions expressed in this communication represent the views of WisdomTree and should not be construed as regulatory, tax or legal advice. WisdomTree makes no warranty or representation as to the accuracy of any of the views or opinions expressed in this communication. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice.

This document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares or securities in the United States or any province or territory thereof. Neither this document nor any copy hereof should be taken, transmitted or distributed (directly or indirectly) into the United States.

Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.