Rackspace Technology Announces Pricing of Initial Public Offering

August 4, 2020

SAN ANTONIO--(BUSINESS WIRE)--Aug. 4, 2020-- Rackspace Technology, Inc. (“Rackspace Technology”) today announced the pricing of its initial public offering of 33,500,000 shares of its common stock at an initial public offering price of $21.00 per share. In addition, Rackspace Technology granted to the underwriters a 30-day option to purchase up to an additional 5,025,000 shares of common stock at the initial public offering price, less underwriting discounts and commissions.

The shares are expected to begin trading on the Nasdaq Global Select Market under the ticker symbol "RXT" on August 5, 2020. The offering is expected to close on August 7, 2020, subject to customary closing conditions.

Rackspace Technology expects to receive gross proceeds of approximately $703.5 million from the offering, before deducting underwriting discounts and commissions and other offering expenses, or approximately $809.0 million if the underwriters exercise their over-allotment option in full. Rackspace Technology intends to use a portion of the net proceeds from the offering to redeem, retire or repurchase $600 million aggregate principal amount of its outstanding 8.625% Senior Notes due 2024 and to pay related premiums, fees and expenses. The remainder of the net proceeds will be used for general corporate purposes.

Goldman Sachs & Co. LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities LLC are serving as joint lead book-running managers and as representatives of the underwriters for the offering. RBC Capital Markets, LLC and Evercore Group L.L.C. are also serving as book-running managers for the offering. Barclays Capital Inc., BMO Capital Markets Corp., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and HSBC Securities (USA) Inc. are serving as bookrunners for the offering. LionTree Advisors LLC, Siebert Williams Shank & Co., LLC, Drexel Hamilton, LLC and Apollo Global Securities, LLC are serving as co-managers for the offering.

The offering is being made only by means of a prospectus. Copies of the final prospectus may be obtained, when available, from: Goldman Sachs & Co. LLC, Attention: Prospectus Department, 200 West Street, New York, New York 10282 telephone: 1-866-471-2526, facsimile: 212-902-9316 or by emailing prospectus-ny@ny.email.gs.com; Citigroup Global Markets Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 or by telephone at 1-800-831-9146; or J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, collect telephone: 1-212-834-4533, or by emailing at prospectus-eq_fi@jpmchase.com.

A registration statement on Form S-1 relating to these securities has been filed with and declared effective by the Securities and Exchange Commission.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor will there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Rackspace Technology

Rackspace Technology is a leading end-to-end multicloud technology services company. We design, build and operate our customers’ cloud environments across all major technology platforms, irrespective of technology stack or deployment model. We partner with our customers at every stage of their cloud journey, enabling them to modernize applications, build new products and adopt innovative technologies.

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