



Global Update

Megaport executes on expansion plans and continues growth in customers and services with a solid 4Q FY20 performance, growing total revenue by 12% in the quarter and by 66% for the full year to \$58.0 million. The Company grew cloud onramp penetration by 15% in the quarter and 49% for the full year bolstering its ecosystem of leading service providers.

Brisbane, AUSTRALIA 23 July, 2020 Megaport Limited (**ASX:MP1**) today reports its quarterly Key Performance Indicators to 30 June 2020, and provides a global market update.

Executive Summary

In 4Q FY20, Megaport continued to expand its network footprint to new markets while also deepening its reach within existing metros, reaching 669 enabled locations¹ globally. As at 30 June 2020, installed locations² totalled 366, and as at 23 July 2020 there were an additional 18 installed locations awaiting third party connectivity, which will bring the total number of installed locations to 384 and enabled locations to over 700.

Megaport established a presence in Denmark and Spain, bringing the Megaport platform to 23 countries and 128 cities globally. The total cloud on-ramps increased 15% at the end of June to 197. New data centre partnership announcements in the period include Sabey Data Centers, Tech Vault, 1623 Farnam, and Tampnet.

In June 2020, Megaport achieved 1,842 customers, 5,767 ports, and total services of 16,712. Quarterly revenue was \$17.0M, up 12% QoQ and up 66% compared to FY19. Monthly Recurring Revenue (MRR) in June 2020 increased by 4% QoQ and 57% YoY to \$5.7M. 4Q FY20 growth in MRR and average revenue per port were adversely impacted by the appreciation in the Australian dollar. The growth in our regional business units remains strong with June 2020 MRR in local currency up 15% in North America, up 15% in Europe and up 9% in Asia Pacific compared to March 2020.

¹ Enabled Data Centres represents Installed Data Centres plus data centres that can be connected directly to Megaport equipment within Installed Data Centres by means of a dark fibre campus cross connect, provided by the data centre campus/facility operator for a price that is the same or similar to a standard Installed Data Centre cross connect.

² Installed Data Centres are data centres in which Megaport has a Point of Presence with physical infrastructure. This definition is consistent with the data centre count reported previously.

MegaPort's Chief Executive Officer, Vincent English, commented, "MegaPort has continued its strong growth momentum, with solid revenue results throughout Fiscal Year 2020. Quarterly revenue was up 12% on the previous quarter to \$17.0M, and Monthly Recurring Revenue (MRR) reached a new high of \$5.7M, driven by existing customers. Ports were up 7% QoQ and Total Services up 8%, with strong demand for our interconnection platform as businesses increasingly shift their IT systems to public and hybrid cloud services. MegaPort Cloud Router (MCR) continued its growth as our customers accelerated adoption of multi-cloud solutions. The MegaPort platform has enabled customers the flexibility to respond to their rapidly changing business environment. MCR has grown 15% in the quarter and 75% compared to last year, and is an integral part of driving greater overall service usage across the MegaPort platform."

Performance Highlights

4Q FY20 highlights:

- Revenue for the period was \$17.0M, an increase of 12% QoQ and 66% YoY.
- Total MRR for the month of June 2020 was \$5.7M, an increase of \$0.2M, or 4% QoQ and 57% YoY.
- Total Installed Data Centres was 366 at the end of the quarter, an increase of 37, or 11% QoQ and 22% YoY.
- Total Enabled Data Centres was 669 at the end of the quarter, an increase of 68, or 11% QoQ and 27% YoY.
- Customers increased by 4% QoQ and 24% YoY to a total of 1,842.
- Total Ports increased in the quarter to 5,767, or 7% QoQ and 42% YoY.
- Total MCR increased in the quarter to 307, or 15% QoQ and 75% YoY.
- Total Services³ increased in the quarter to 16,712, or 8% QoQ and 45% YoY, of which VXC's increased in the quarter to 9,248, or 8% QoQ and 53% YoY.
- Average Revenue per Port in June 2020 decreased 3% QoQ to \$980, and increased 10% YoY.
- At the end of June 2020, the Company's cash position was \$166.9M.

³ Total Services comprise Ports, Virtual Cross Connections (VXC's), MegaPort Cloud Router (MCR), and Internet Exchange (IX).

Key Performance Metrics

While continuing to grow the Company's global footprint and position as the world's leading global Network as a Service provider, Megaport drove consistent increases in all metrics across all regions in 4Q FY20.

Key metrics⁴:

	Quarterly Performance						Yearly Performance		
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	QoQ % Change	FY19	FY20	YoY% ⁵ Change ⁵
Enabled Data Centres	528	535	552	601	669	11%	528	669	27%
Installed Data Centres	300	304	317	329	366	11%	300	366	22%
Cloud On-Ramps	132	141	156	171	197	15%	132	197	49%
Customers	1,490	1,584	1,679	1,777	1,842	4%	1,490	1,842	24%
Ports	4,069	4,455	4,863	5,375	5,767	7%	4,069	5,767	42%
MCR	175	198	228	268	307	15%	175	307	75%
Total Services	11,561	12,815	13,914	15,531	16,712	8%	11,561	16,712	45%
MRR ⁶ (M)	\$3.6	\$4.1	\$4.6	\$5.4	\$5.7	4%	\$3.6	\$5.7	57%
Revenue (M)	\$10.92	\$12.03	\$13.82	\$15.19	\$17.00	12%	\$35.06	\$58.04	66%

Ecosystem Expansion Update

- **Asia Pacific:** 87 Installed Data Centres with the addition of two new sites; total of 114 Enabled Data Centres.
- **North America:** 174 Installed Data Centres with the addition of 16 new sites; total of 374 Enabled Data Centres.
- **Europe:** 105 Installed Data Centres with the addition of 19 new sites; total of 181 Enabled Data Centres.
- **Cloud On-Ramps:** 197 total connected cloud onramps globally with the addition of 26 in the quarter including: multiple CSPs across Hong Kong, Sydney, Tokyo, and Osaka including Salesforce in London and Sydney; and multiple CSP onramps throughout Europe including London, Paris and Stavanger. The company added Rackspace RackConnect Global to its cloud onramp portfolio with the addition of 11 onramps.

⁴ As at 30 June 2020.

⁵ Change in the yearly performance at 30 June 2020 to the prior corresponding period ended 30 June 2019.

⁶ Monthly Recurring Revenue is revenue (excluding one-off and non-recurring revenue) for the last month of the relevant period.

Executive Update

Sean Cassidy joined the Company as Chief Financial Officer on 1 July 2020. Sean has over 15 years' industry experience and joins Megaport after having spent two years as CFO at Blu Wireless Technology Limited in the UK. In the four years prior to that, Sean held CFO Commercial Operations and Senior Vice President Finance - Consumer Group roles at Cable & Wireless Communications plc in Miami, USA. Prior to joining Cable & Wireless, Sean held senior finance roles with Digicel Group in Jamaica and Marks and Spencer plc in the UK.

FY20 Full Year Reporting

Megaport intends to release its FY20 Full Year Results and Global Update and Appendix 4E and FY20 Annual Report to ASX on 19 August 2020. The company will also host its FY20 Full Year earnings call to discuss the financial results and highlights for the year ending 30 June 2020 and details of product initiatives for Fiscal Year 2021.

Conclusions and Outlook

Vincent English said, "Megaport's strategy revolves around driving more value for our customers, partners, and shareholders. We have grown our ecosystem to over 360 service providers and now connect customers to 197 cloud onramps – the most of any neutral global interconnection fabric. We've made it easier than ever for our customers and partners to securely connect to the services that power their businesses. This has paid off with strong growth in our regional business units which is underpinned by increased customer usage and the growing adoption of multicloud.

"Profitability remains a company-wide priority. We will focus on achieving EBITDA breakeven by the close of Fiscal Year 2021 by driving further customer growth across all regions. With our SDN reaching over 700 enabled data centres across 23 countries, we are well positioned to capture the demand for elastic interconnection to support the ever-increasing surge of data powered by the digital economy.

"Our robust product pipeline will enable customers to take greater advantage of the Megaport platform. As we continue to innovate our product set, we will further break down location and technical barriers to unlock the true potential of digital transformation and the cloud economy. We are excited to leverage the investments we've made in our people, network, and technology to grow our business in FY21 and deliver even more value."

Authorised by the Board.

Supporting Resources

- Visit Megaport: <https://megaport.com/>
- Subscribe for ASX announcements [here](#)
- Follow Megaport on Twitter: [@megaportnetwork](#)
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About Megaport

Megaport is the global leading provider of Elastic Interconnection services. Using Software Defined Networking (SDN), the Company's global platform enables customers to rapidly connect their network to other services across the Megaport Network. Services can be directly controlled by customers via mobile devices, their computer, or our open API. Megaport connects more than 1,842 customers in 669 enabled data centres globally. Megaport is an Alibaba Cloud Technology Partner, AWS Technology Partner, AWS Networking Competency Partner, Google Cloud Interconnect Partner, IBM Direct Link Cloud Exchange provider, Microsoft Azure Express Route Partner, Nutanix Direct Connect Partner, Oracle Cloud Partner, Rackspace RackConnect Partner, Salesforce Express Connect Partner, and SAP PartnerEdge Open Ecosystem Partner.

About Megaport Cloud Router

Launched in January 2018, Megaport Cloud Router (MCR) enables customers to instantly provision and control virtual routers through Megaport's web-based portal. Enterprises and Service Providers can unlock powerful use cases such as cloud-to-cloud networking and deploy Virtual Points of Presence (VPOPs) without the need to purchase or maintain physical routing equipment. MCR enables customers to rapidly deploy services, granularly control traffic, and reduce total cost of ownership. More information about MCR can be found at: <https://www.megaport.com/services/megaport-cloud-router/>

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