



Global Update

Megaport continues growth trajectory with solid 2Q FY20 performance, increasing Monthly Recurring Revenue by 12% and launching services in new markets while expanding its data centre footprint and cloud onramp density.

Brisbane, AUSTRALIA 16 January, 2020 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 31 December 2019 and provides a global market update.

Executive Summary

In 2Q FY20, Megaport continued to expand its Network footprint to new markets while deepening its reach within existing metros, reaching a milestone of 317 installed locations and 552 enabled locations globally. Megaport announced the launch of services in Japan with an initial footprint in Tokyo and expansion plans for Osaka in the first quarter of calendar year 2020. The company expanded its reach with existing data centre partners including an announcement with QTS Realty Trust in North America.

In December 2019, Megaport achieved 1,679 customers, generated \$4.6M of Monthly Recurring Revenue (MRR), and reached a total 552 Enabled Data Centres¹. MRR in the quarter increased by 12% (68% YoY), and total revenue for the quarter increased by 15% to \$13.82M (75% YoY).

On 6 December 2019, Megaport announced the successful completion of its approximately \$62 million fully underwritten share placement to institutional, sophisticated, and professional investors. Proceeds raised from the placement will be used to accelerate expansion to new locations and new markets, undertake capacity upgrades, fund innovation and development of new technology, and fund operating costs and general working capital requirements.

Megaport's Chief Executive Officer, Vincent English, commented, "Megaport drove strong revenue momentum throughout the second quarter of Fiscal Year 2020 with Monthly Recurring Revenue (MRR) performance of \$4.6M, up 12% from the previous quarter. We continue to see strong uptake of Megaport Cloud Router (MCR) with 130% year over year growth as customers use our platform to harness the power of multicloud connections. Our successful capital raising this quarter will support the development of new technologies for Megaport's platform to deliver more value to our customers and partners while unlocking new

¹ To align with other industry operators and more accurately reflect the Company's extensive coverage and service availability, Megaport is now including "Enabled Data Centres" in its regularly reported metrics. 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 interconnection services provided by the data centre campus/facility operator of the Installed Data Centre. . 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.

data-driven use cases. We are very focused on achieving profitability and are executing a strong disciplined approach towards costs and cash recovery with our cash receipts up 24% in the quarter; as well as continued improvement in EBITDA quarter on quarter.”

Performance Highlights

2Q FY20 highlights:

- Revenue for the period was \$13.82M, an increase of 15% QoQ.
- Total MRR for December 2019 was \$4.6M, an increase of \$0.5M, or 12% QoQ.
- Total Installed Data Centres was 317 at the end of the quarter, an increase of 13, or 4% QoQ.
- Total Enabled Data Centres was 552 at the end of the quarter, an increase of 17, or 3% QoQ.
- Customers increased by 6% QoQ to a total of 1,679.
- Total Ports increased in the quarter to 4,863, or 9% QoQ.
- Total MCR increased in the quarter to 228, or 15% QoQ
- Total Services² increased in the quarter to 13,914, or 9% QoQ, of which VXC's increased in the quarter to 7,488, or 9% QoQ.
- Average Revenue per Port in December 2019 increased to \$936, or 2% QoQ.
- At the end of December 2019, the Company's cash position was \$119.9M.

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in 2Q FY20.

Key metrics³:

	Quarterly Performance						YoY% Change ⁴
	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	QoQ % Change	
Enabled Data Centres	386	465	528	535	552	3%	43%
Installed Data Centres	245	264	300	304	317	4%	29%
Cloud On-Ramps	115	122	132	141	156	11%	36%
Customers	1,277	1,367	1,490	1,584	1,679	6%	31%
Ports	3,344	3,668	4,069	4,455	4,863	9%	45%
MCR	99	133	175	198	228	15%	130%
Total Services ²	8,735	10,374	11,561	12,815	13,914	9%	59%
MRR	\$2.7M	\$3.1M	\$3.6M	\$4.1M	\$4.6M	12%	68%

² Total Services comprises of Ports, Virtual Cross Connections (VXC's), Megaport Cloud Router (MCR), and Internet Exchange (IX)

³ As at 31 December 2019

⁴ Change in the yearly performance at 31 December 2019 to the prior corresponding period ended 31 December 2018

Revenue	\$8.32M	\$8.96M	\$10.92M	\$12.03M	\$13.82M	15%	75%
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Ecosystem Expansion Update

- **Asia Pacific:** 79 Installed Data Centres with the addition of six new sites; total of 93 Enabled Data Centres.
- **North America:** 153 Installed Data Centres with the addition of five new sites; total of 313 Enabled Data Centres.
- **Europe:** 85 Installed Data Centres with the addition of two new sites; total of 146 Enabled Data Centres.
- **Cloud On-Ramps:** 156 total connected cloud onramps globally with the addition of fifteen in the quarter.

Conclusions and Outlook

Vincent English said, “The power of Megaport’s platform combined with our cloud partnerships with leading providers came to bear this quarter with the addition of fifteen new cloud onramps. Our expanded footprint in Japan drove rapid onboarding of onramps with AWS, Azure, Google, Oracle, IBM, and Salesforce to address the growing demand of cloud services in the market. Megaport’s robust European footprint enabled us to quickly respond to growing investments from cloud providers in-region and drove the onboarding of additional onramps in Zurich. With 156 total onramps available on our platform and an ecosystem of over 350 service providers, it has never been easier for our customers and partners to rapidly create hybrid cloud, multicloud, and direct cloud-to-cloud connections to address their business and IT needs.

“As we enter the second half of the fiscal year, Megaport will stay focused on expanding our network reach into new markets and data centres while continuing to strengthen our cloud partnerships and growing cloud onramp density. Our technology and development teams will execute on our development pipeline to deliver more innovative services to support the growing demand for cloud services globally.”

Authorised by the Board.

Supporting Resources

- Visit Megaport: <https://megaport.com/>
- Follow Megaport on Twitter: [@megaportnetwork](https://twitter.com/megaportnetwork)
- Like Megaport on [Facebook](https://www.facebook.com/megaportnetwork)
- Follow Megaport on [LinkedIn](https://www.linkedin.com/company/megaportnetwork)

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 1,679 customers in 552 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, 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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