



Global Update

Megaport executes on expansion plan and accelerates growth trajectory with a solid 3Q FY20 performance bolstered by strong product uptake: increasing Monthly Recurring Revenue by 19%, Ports by 11%, Virtual Cross Connects by 14%, and Megaport Cloud Router by 18%.

Brisbane, AUSTRALIA 6 April, 2020 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 31 March 2020 and provides a global market update.

Executive Summary

In 3Q FY20, Megaport continued to expand its network footprint to new markets while also deepening its reach within existing metros, reaching a milestone of 329 installed locations and 601 enabled locations globally. Megaport expanded its Japan footprint with the addition of two new data centres and integration with two new onramps in Tokyo as well as extension into Osaka with the addition of three new data centres and integration with three new cloud onramps.

In March 2020, Megaport achieved 1,777 customers, generated \$5.4M of Monthly Recurring Revenue (MRR), and reached a total 601 Enabled Data Centres¹. MRR in March 2020 increased by 19% (74% YoY), and total revenue for the quarter increased by 10% to \$15.19M (74% YoY).

Megaport's Chief Executive Officer, Vincent English, commented, "Megaport has continued its strong growth momentum, with solid revenue results throughout the third quarter of Fiscal Year 2020. Monthly Recurring Revenue (MRR) was up 19% on the previous quarter to \$5.4M, with strong demand for our interconnection platform as businesses increasingly shift their IT systems to public and hybrid cloud services. Megaport Cloud Router (MCR) further continues to grow as our customers accelerate adoption of multi-cloud solutions. Fundamentally the Megaport Platform has enabled customers the flexibility to respond to their rapidly changing business environment. Year over year, MCR has grown 130% and is an integral part of driving greater overall service usage across the Megaport platform. Total Services grew 12% in the quarter, an increase of 50% year over year with North America now the largest market for the company. As a result of our strong services growth and aided by the strong US Dollar, we have achieved our highest MRR to date."

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.

Performance Highlights

3Q FY20 highlights:

- Revenue for the period was \$15.19M, an increase of 10% QoQ.
- Total MRR for March 2020 was \$5.4M, an increase of \$0.9M, or 19% QoQ.
- Total Installed Data Centres was 329 at the end of the quarter, an increase of 12, or 4% QoQ.
- Total Enabled Data Centres was 601 at the end of the quarter, an increase of 49, or 9% QoQ.
- Customers increased by 6% QoQ to a total of 1,777.
- Total Ports increased in the quarter to 5,375, or 11% QoQ.
- Total MCR increased in the quarter to 268, or 18% QoQ
- Total Services² increased in the quarter to 15,531, or 12% QoQ, of which VXC's increased in the quarter to 8,529, or 14% QoQ.
- Average Revenue per Port in March 2020 increased to \$1,008, or 8% QoQ.
- At the end of March 2020, the Company's cash position was \$108.7M.

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in 3Q FY20.

Key metrics³:

	Quarterly Performance						YoY% Change ⁴
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	QoQ % Change	
Enabled Data Centres	465	528	535	552	601	9%	29%
Installed Data Centres	264	300	304	317	329	4%	25%
Cloud On-Ramps	122	132	141	156	171	10%	40%
Customers	1,367	1,490	1,584	1,679	1,777	6%	30%
Ports	3,668	4,069	4,455	4,863	5,375	11%	47%
MCR	133	175	198	228	268	18%	102%
Total Services ²	10,374	11,561	12,815	13,914	15,531	12%	50%
MRR	\$3.1M	\$3.6M	\$4.1M	\$4.6M	\$5.4M	19%	74%
Revenue	\$8.96M	\$10.92M	\$12.03M	\$13.82M	\$15.19M	10%	74%

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

³ As at 31 March 2020. Percentage change figures have been calculated on actual rather than rounded figures.

⁴ Change in the yearly performance at 31 March 2020 to the prior corresponding period ended 31 March 2019.

Ecosystem Expansion Update

- **Asia Pacific:** 85 Installed Data Centres with the addition of six new sites; total of 103 Enabled Data Centres.
- **North America:** 158 Installed Data Centres with the addition of five new sites; total of 331 Enabled Data Centres.
- **Europe:** 86 Installed Data Centres with the addition of one new site; total of 167 Enabled Data Centres.
- **Cloud On-Ramps:** 171 total connected cloud onramps globally with the addition of fifteen in the quarter including: multiple CSPs in Osaka; Salesforce in Tokyo; multiple Oracle expansions in Melbourne, Montreal, Osaka, and London GovCloud; and multiple CSP onramps throughout Europe including Paris, Stockholm Oslo, and Geneva.

Conclusions and Outlook

Vincent English said, “Megaport’s path towards profitability remains in focus and firmly on track as we continue to execute our network expansion and operational goals. Continued accelerated growth in the face of unprecedented global market conditions shows the strengths of our platform and partnerships. With 171 total cloud onramps and an ecosystem of over 360 service providers, our global footprint makes it easier than ever for customers and partners to create, adapt, and scale their IT systems to suit their rapidly changing business needs.

“Megaport has seen an uptick in connections supporting Virtual Desktop Infrastructure, cloud-based productivity applications, ERP and public cloud-enabled business applications, as well as peering for broadband service providers supporting increased consumption of internet services by residential users. The Megaport platform was purpose-built to scale capacity rapidly, on-demand, and with minimal touch. This strongly positions Megaport to support the growing connectivity needs of organisations grappling with the new cloud-enabled paradigm of remote and at-home workforces as well as the increase in public cloud dependence to respond to the unprecedented shift towards online supporting services.

“As we enter the fourth quarter, we’re focused on continuing to expand our network into new markets and data centres, with our industry-leading cloud partnerships and ever-growing onramp density allowing our customers and partners to quickly and easily deploy and scale their hybrid cloud, multicloud, and direct cloud-to-cloud connections. As the global demand for cloud services and connectivity solutions surges to unprecedented levels, Megaport continues to expand and innovate in support of the changing needs of the world’s business connectivity.”

Megaport will publish its 3QFY20 Appendix 4C on 23 April, 2020.

Authorised by the Board.

Supporting Resources

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

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 1,777 customers in 601 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/>

Investor enquiries

Steve Loxton

Investor Relations

investor@megaport.com

Media enquiries

media@megaport.com

Megaport Limited

Level 3, 825 Ann Street

Fortitude Valley QLD 4006

Australia