



ASX RELEASE

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FY20 Full Year Results and Global Update

Megaport executes on expansion plans and continues growth in customers and services with a solid FY20 performance, highlighted by revenue increasing 66% to \$58.0 million. The Company also announced the development of Megaport Virtual Edge to transform edge networking.

Brisbane, AUSTRALIA August 19, 2020 Megaport Limited (**ASX:MP1**) today reports its annual earnings to 30 June 2020, and releases a global market update.

Performance Highlights

FY20 highlights:

- Revenue for the period was \$58.0M, an increase of 66% from last year.
- MRR for the month of June 2020 was \$5.7M, an increase of \$2.0M, or 57% YoY.
- Installed Data Centres at the end of June 2020 increased by 66, or 22% YoY to 366 locations.
- Enabled Data Centres at the end of June 2020 increased by 141, or 27% YoY to 669 locations.
- Customers increased by 352, or 24% YoY to a total of 1,842.
- Ports increased by 1,698, or 42% in the fiscal year to 5,767.
- MCRs increased 132, or 75% in the fiscal year to 307.
- Total Services¹ increased by 5,151, or 45% in the fiscal year to 16,712, including a 53% increase in VXC's to 9,248.
- Average Revenue per Port in June 2020 increased by \$93 or 10% YoY to \$980.
- The business generated a profit after direct network costs² during the fiscal year of \$29.5M, an increase of \$17.6M, or 147% YoY.
- Net loss for the full year was \$47.7M.
- The Company completed two successful capital raisings during the fiscal year, adding \$134M to its available funding.
- At the end of June 2020, the Company's cash position was \$166.9M.

Megaport's Chief Executive Officer, Vincent English, said, "The Company has reached \$5.7 million in monthly recurring revenue, a 57% increase from last year. This growth is

¹ Total Services comprise Ports, Virtual Cross Connections (VXC's), Megaport Cloud Router (MCR), and Internet Exchange (IX).

² Direct network costs comprise data centre power and space costs, physical cross connect fees, bandwidth and dark fibre costs, network operation and maintenance fees, and channel commissions, which are directly related to generating the service revenue of Megaport Group.

underpinned by our North American business contributing \$26.3 million this fiscal year, an increase of 94% from FY19. Our continued global expansion to key locations in Europe, Asia Pacific, and North America has enabled Megaport to reach 23 countries, and 669 enabled locations including 366 installed data centres in 128 cities globally. Our expansion into Japan with the enablement of Tokyo and Osaka has unlocked new opportunities as Megaport is the first global neutral interconnection fabric in the market. Customers grew across many verticals while Financial Services, Manufacturing, Healthcare, and Digital Media continue to perform exceptionally as a result of increased demand for cloud connectivity and data requirements within vertical-specific digital supply chains.”

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 FY20.

Key metrics³:

	Quarterly Performance						Yearly Performance		
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	QoQ % Change	FY19	FY20	YoY % Change ⁴
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 ⁵ (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%

Product Update: Megaport Virtual Edge

Megaport announced development of Megaport Virtual Edge (MVE) on 17 August 2020. MVE Megaport Virtual Edge will integrate Megaport’s Platform with various networking technologies including SD-WAN. MVE will enable businesses to achieve global network connectivity by securely connecting users, branch locations, data centres, and XaaS - in a matter of minutes.

³ As at 30 June 2020.

⁴ Change in the yearly performance at 30 June 2020 to the prior corresponding period ended 30 June 2019.

⁵ Monthly Recurring Revenue is revenue (excluding one-off and non-recurring revenue) for the last month of the relevant period.

MegaPort has partnered with Cisco to enable SD-WAN as the first use case on MVE. General availability for MVE is expected in 2Q FY21 with Cisco Secure SD-WAN available in 3Q FY21. For more information see the announcement titled "[MegaPort Announces Development of MegaPort Virtual Edge. MegaPort-built Platform to Enable SD-WAN Capabilities Through Strategic Collaboration](#)" released to ASX on 17 August 2020.

Capital Raising

The Company completed two successful capital raisings during the fiscal year, raising \$134 million to accelerate expansion to new locations and new markets, undertake capacity upgrades, fund innovation and internal development of new technology, and fund operating costs and general working capital requirements.

Conclusions and Outlook

Vincent English said, "MegaPort's performance in Fiscal Year 2020 has positioned the company on a path to profitability. We are driving our business to achieve EBITDA breakeven on an exit run rate basis in Fiscal Year 2021. With the investments we've made in our people, technology, and network footprint, MegaPort is well positioned to achieve our revenue and profitability objectives. The development of MegaPort Virtual Edge and our collaboration with Cisco to enable SD-WAN capabilities will unlock a new level of value for our customers and enable more businesses to take advantage of MegaPort's industry-first elastic interconnection platform. I'm very proud of the MegaPort team for their commitment to our shared success. With a customer-first focus, our team members continue to evolve our platform and transform the way business gets done in the Cloud Economy by empowering our customers with an agile networking methodology."

More information can be found in the FY20 Full Year Results and Global Update and Appendix 4E and FY20 Annual Report lodged with the ASX on 19 August 2020.

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 1,850 customers in

over 700 enabled data centres globally. Megaport is an Alibaba Cloud Technology Partner, AWS Technology Partner, AWS Networking Competency Partner, Cloudflare Network Interconnect 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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