



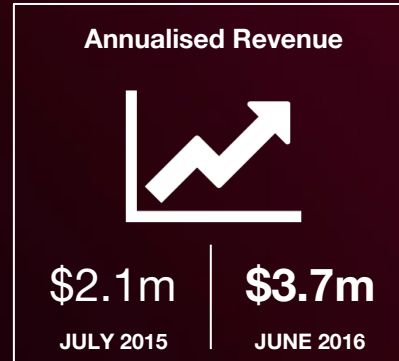
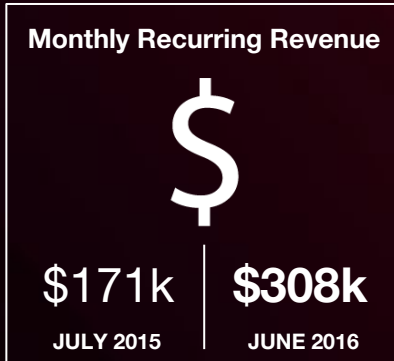
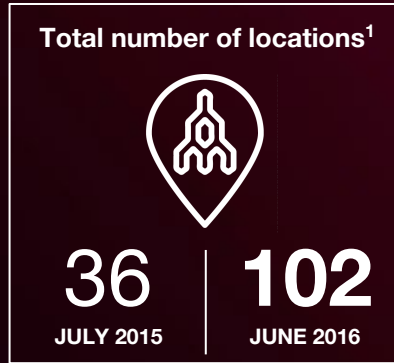
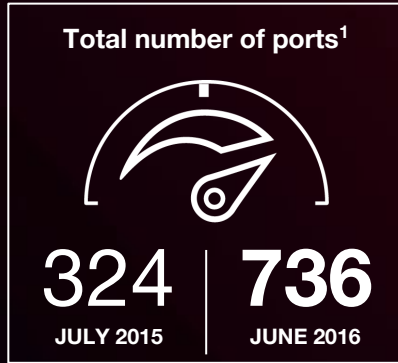
# FY16 Full Year Results and Global Update

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25 August 2016

# Fiscal Year 2016 Highlights

*Building the foundation for FY2017*



1. As at 30th June 2016 (excludes the acquisition of PEERING GmbH)

# Program



**ANNUAL REPORTING RESULTS**



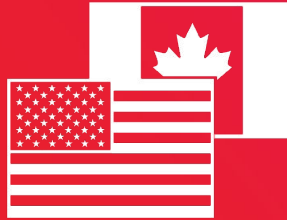
**MEGABUSINESS UPDATE**



**MEGAPRIORITIES**



**AUSTRALIA & NEW ZEALAND  
OPERATING EBITDA POSITIVE**



**NORTH AMERICA  
PROGRESS & PARTNERS**



**EUROPE  
TRANSFORMATIONAL ACQUISITIONS**



# Annual Results 2016



# FY16 Financial Results

	\$
<b>Revenue</b>	<b>2,679,410</b>
Profit/(loss) after direct network costs <sup>1</sup>	(1,539,765)
Total net operating costs <sup>2</sup>	(19,805,445)
<b>Net profit/(loss)</b>	<b>(21,345,210)</b>
Net profit/(loss) adjusted for acquisition / non-recurring costs <sup>3</sup>	(17,734,217)
<b>Cash and cash equivalents</b>	<b>11,869,997</b>
Net assets	17,169,978

1. Revenue less direct network costs, which comprise of data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group.
2. Total net operating costs includes employee benefits expenses, professional fees, travel and marketing expenses, and other income and costs to the business.
3. This restatement of net profit/(loss) is to illustrate Megaport's results excluding one-off costs. This figure is a non-IFRS disclosure and is not audited. Reconciliation from IFRS net profit/(loss) to this restatement included in 2016 Annual Report (Director's Report).

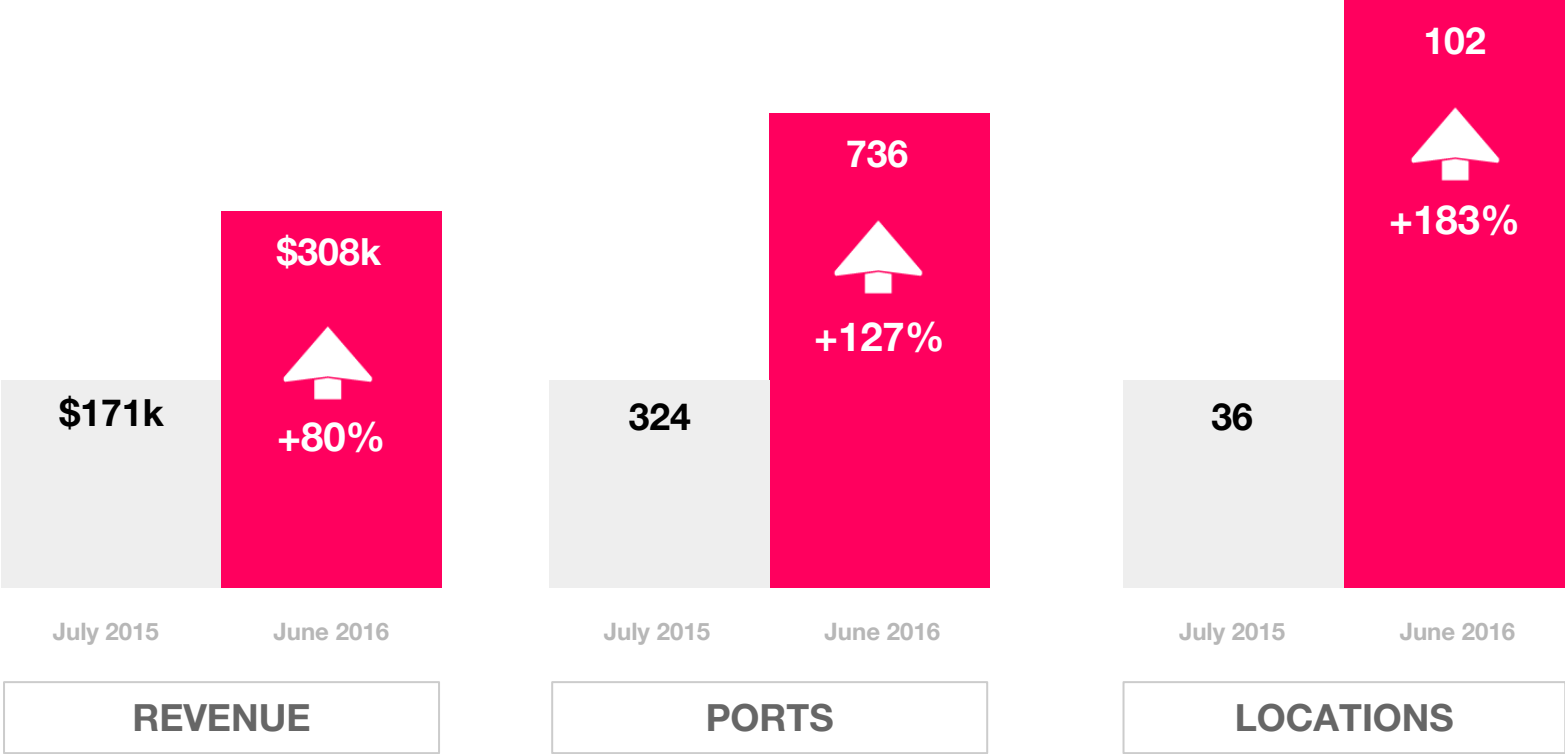
REVENUE  
**\$2.7M**

## Financial Results

First reporting year for eleven months ending 30 June 2016.

- **Revenue was \$2,679,410, monthly recurring revenue up 80% from start of the FY16**
- 86% from Australia business
- Loss after direct network costs for the Group of \$1,539,765
- Asia Pacific business unit is generating a profit after direct network costs
- Net operating costs<sup>2</sup> for investing into rollout of global business and teams
- Net loss adjusted for acquisition and non-recurring costs<sup>3</sup> were \$17,734,217

# FY16 - Growth & Momentum



# Megabusiness Update



# Market Update

**European  
Acquisitions  
COMPLETE**

**TEAM IN PLACE, INTEGRATION UNDERWAY  
WINNING NEW BUSINESS**

**Capital  
Raised  
\$31M**

**OVERSUBSCRIBED CAPITAL RAISING  
\$30M (NET OF FEES AND COSTS)**

**ANZ markets are now  
Operating EBITDA\* positive**

**ECIX acquisition closed on  
11 August 2016**

**Successful capital raising for  
\$31M by 22 August 2016.**

\* Operating EBITDA excludes group and corporate overhead



# Capital Raising Update

## Offer 1 Private Placement - Completed

The Company offered a private placement to institutional and sophisticated investors for **10,500,000** fully paid Ordinary Shares at a discounted price of **\$1.70** to the market price of \$2.06 (based on the last trading day before announcing the placement).

The placement was oversubscribed. The Company successfully completed the private placement and issued **10,500,000** fully paid Ordinary Shares on 5 August 2016 at a discounted price of **\$1.70** to the market price raising **\$17.85M**.

## Capital Raising

Since 30 June 2016, Megaport Limited successfully completed a private placement to institutional and sophisticated investors, which, together with a share purchase plan (SPP) for existing shareholders, raised **\$31 million**.

Net proceeds (after fees and expenses) of **\$30 million** will be used to further fund capital expenditure for the North American and European network and platform upgrades and new global locations, ongoing operating costs of the network, services and staff of existing business units, network capacity investment and additional acquisition opportunities.

## Offer 2 SPP - Completed

The Company also offered existing eligible shareholders the opportunity under the SPP to purchase up to **\$15,000** worth of Ordinary Shares at the same price at which shares were issued under the placement of **\$1.70**.

The SPP closed oversubscribed with applications for 16.0 million shares totaling \$27.2 million. As announced on 22 August 2016, after applicants were scaled back on a pro-rata basis, Megaport issued **7,734,994** shares for **\$13.15M**.

Successfully  
raised **\$31M**

Funding for  
**revenue growth,**  
market  
development, and  
**acquisition  
opportunities**

# Use of Funds

\$

## Capital Expenditure

Europe Network and Platform Upgrades \$2.0

New Locations (Global) \$5.0

**Total \$7.0M**

## Ongoing Operating Costs of Network, Services, Staff

North America \$6.4

APAC \$2.6

**Total \$9.0M**

Working Capital \$2.5

Network Investment \$5.0

Acquisition Opportunities \$6.5

Capital Raising Costs \$1.0

**Total \$31.0M**

Current cash position  
30 June 2016 <sup>1</sup>

**\$11.8M**

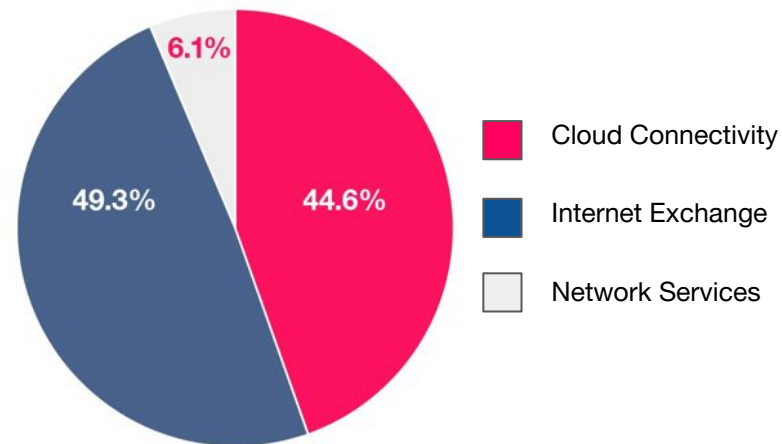
<sup>1</sup> Includes OM-NIX but does not  
include ECIX acquisition

Capital Raised

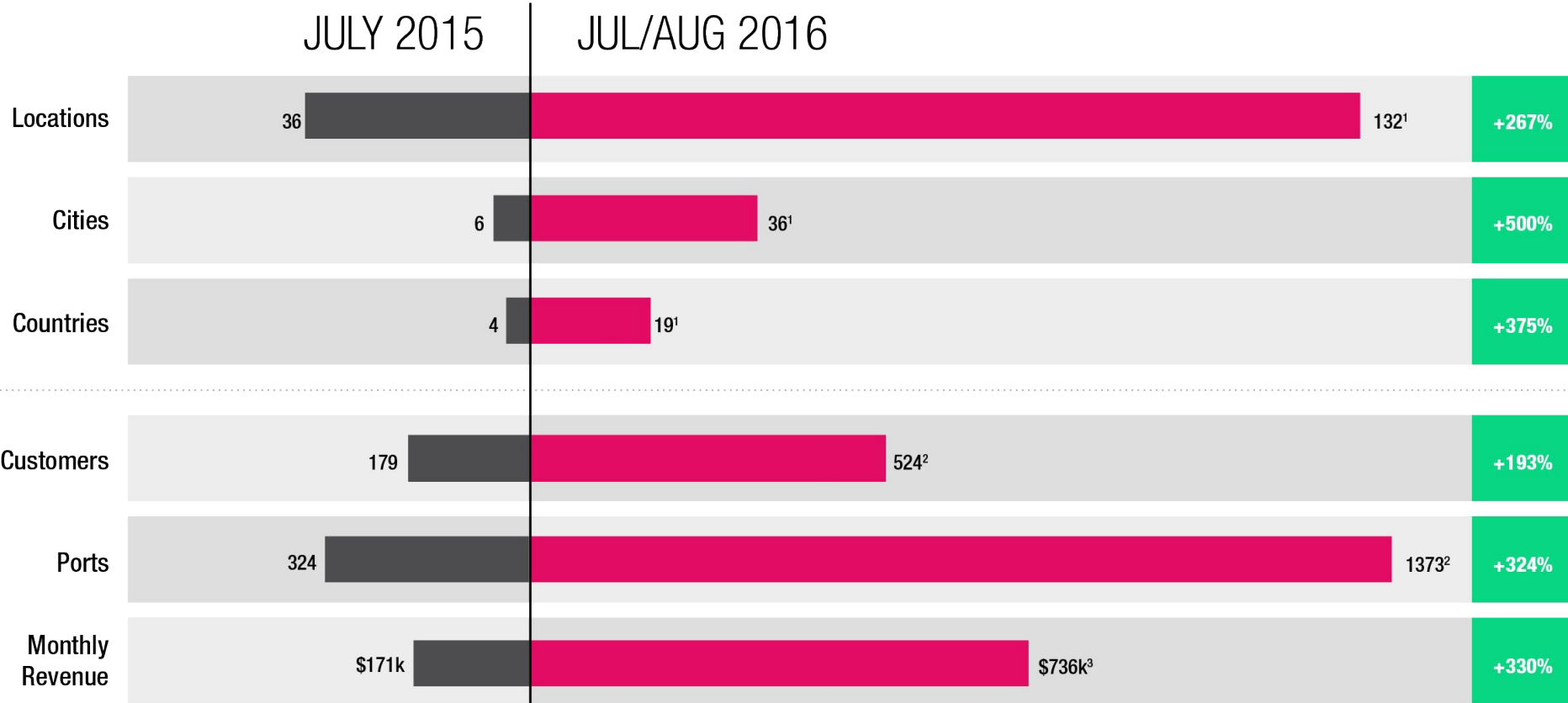
**\$31.0M**

# Revenue Composition and Diversity

Revenue *	MP1	Europe Acquisitions	Total
Cloud Connectivity	\$328k	\$0	\$328k
Internet Exchange	\$35k	\$328k	\$363k
Network Services	\$0	\$45k	\$45k
<b>Monthly Recurring Revenue*</b>	<b>\$363k</b>	<b>\$373k</b>	<b>\$736k</b>
<b>Annualised Revenue</b>	<b>\$4.4M</b>	<b>\$4.5M</b>	<b>\$8.9M</b>



\* Pro-forma Revenues July 2016

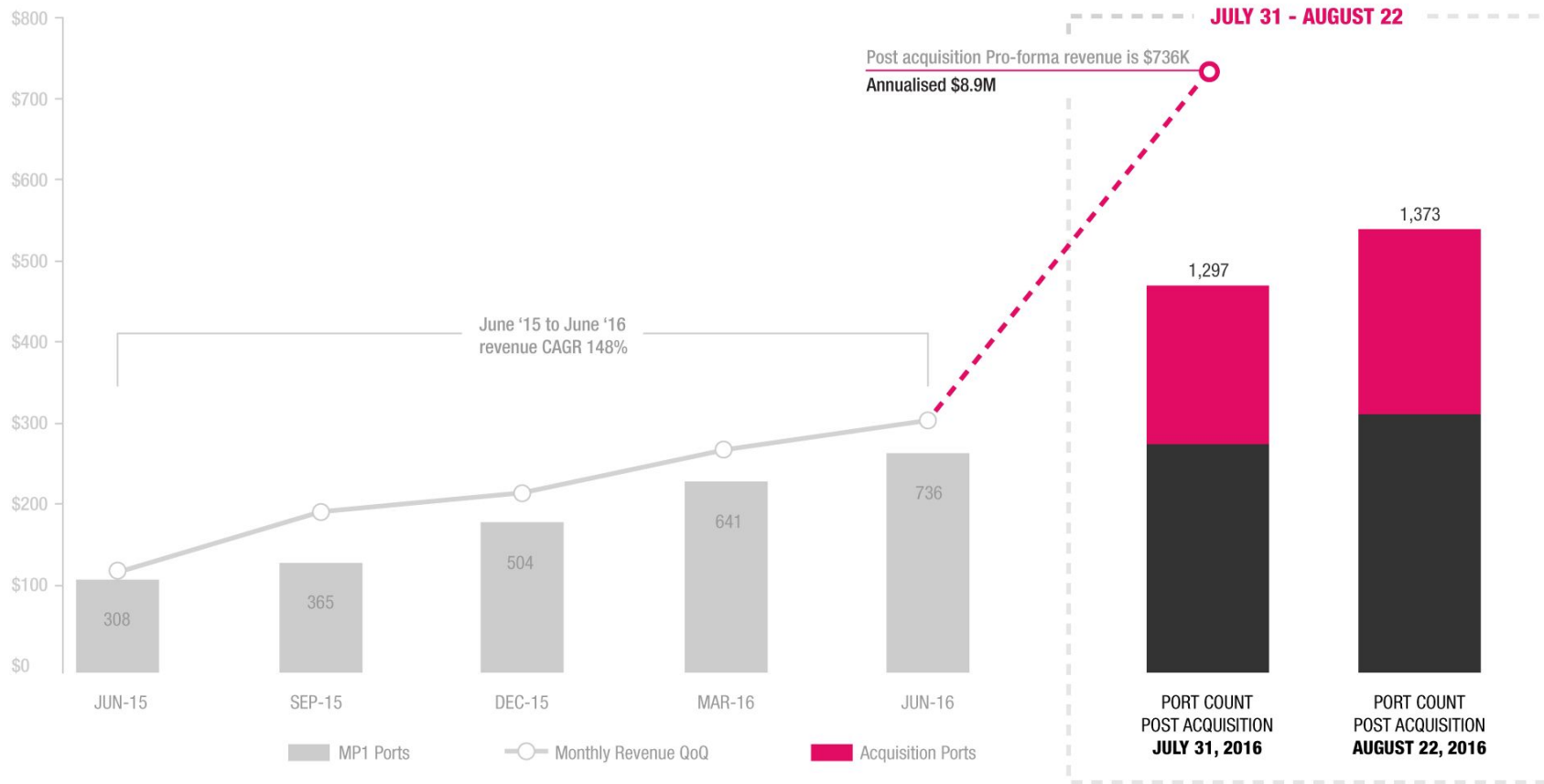


<sup>1</sup>Includes locations and countries post-acquisition as at 22 Aug 2016

<sup>2</sup>Includes pro-forma acquisition ports and customer counts as at 22 Aug 2016

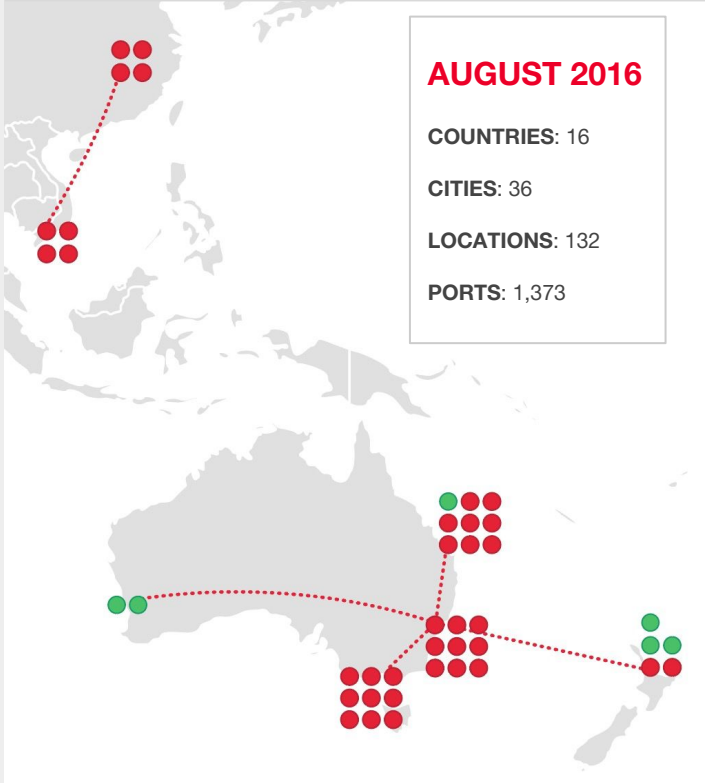
<sup>3</sup>Includes pro-forma acquisition revenue as at 31 Jul 2016. (August not shown as not yet complete)

# Journey by numbers<sup>\*</sup>



# Global Megaport Network Map

## ASIA PACIFIC



## NORTH AMERICA



## EUROPE





# OUR VISION

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*To become the global leader  
in elastic interconnection*

# MegaPriorities



**Accelerate** revenue growth in all markets, especially Europe and North America

**Continue** ecosystem expansion with addition of new partners and geographic reach

**Complete** network development through organic means and acquisitions

**Drive** towards operational EBITDA positive at group level



# Australia & New Zealand



# Australia & New Zealand

**OPERATING  
EBITDA\*  
POSITIVE**

**AUSTRALIA AND NEW ZEALAND  
ARE NOW EBITDA POSITIVE**



**516 PORTS ACROSS  
ANZ OVER 34 LOCATIONS**



**AUSTRALIA BUSINESS OPERATING EBITDA\*  
POSITIVE IN 2 YEARS & 7 MONTHS**



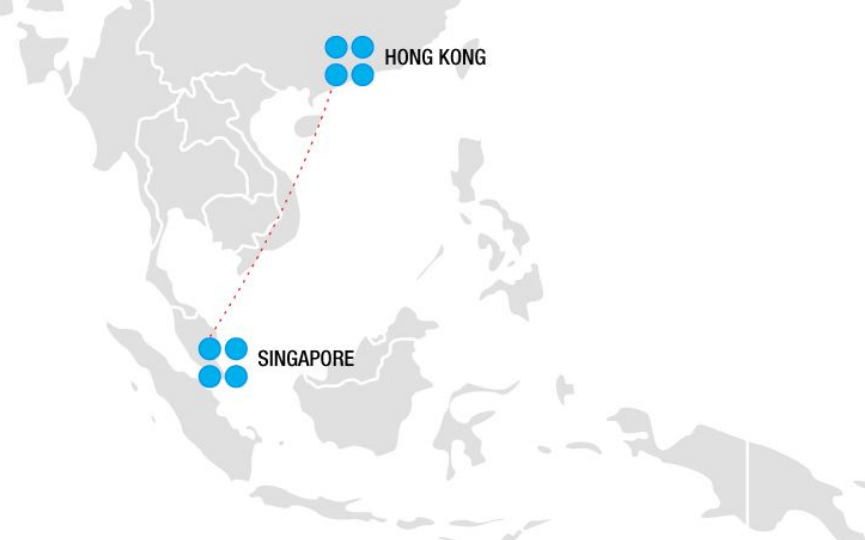
**NEW ZEALAND BUSINESS OPERATING  
EBITDA\* POSITIVE IN 1 YEAR & 6 MONTHS**

**ANZ markets are  
now Operating  
EBITDA\* positive**

**Mature footprint  
with expanding  
customer base**

**Opportunistic  
growth happening  
through strategic  
partnerships**

\* Operating EBITDA excludes group and  
corporate overhead



**WHAT HAS HAPPENED IN APAC**

Australia and New Zealand are Operating EBITDA\* positive in July 2016

Expanded underserved markets for cloud connectivity such as Perth and Auckland with 6 new locations

Hong Kong to Singapore international capacity enabled for inter-regional cloud connectivity



**APAC**

Metro	Locations	
	Pre IPO	Post IPO
Brisbane, QLD	8	9
Sydney, NSW	9	9
Melbourne, VIC	9	9
Perth, WA	0	2
Auckland, NZ	2	5
Hong Kong	4	4
Singapore	4	4
<b>TOTAL</b>	<b>36</b>	<b>42</b>

● PRE IPO ● POST IPO

\* Operating EBITDA excludes group and corporate overhead

# North America



# Accomplishments and Progress

Strong strategic partnerships, footprint growth beyond IPO plan,  
and generating revenue upon completion of network build in April 2016



**MEGAPORT NORTH AMERICA**  
LIVE APRIL 2016



**33 SITES LIVE SINCE IPO**  
DECEMBER 2015



**amsix**

**LEADING INTERNET**  
EXCHANGE PARTNERSHIP

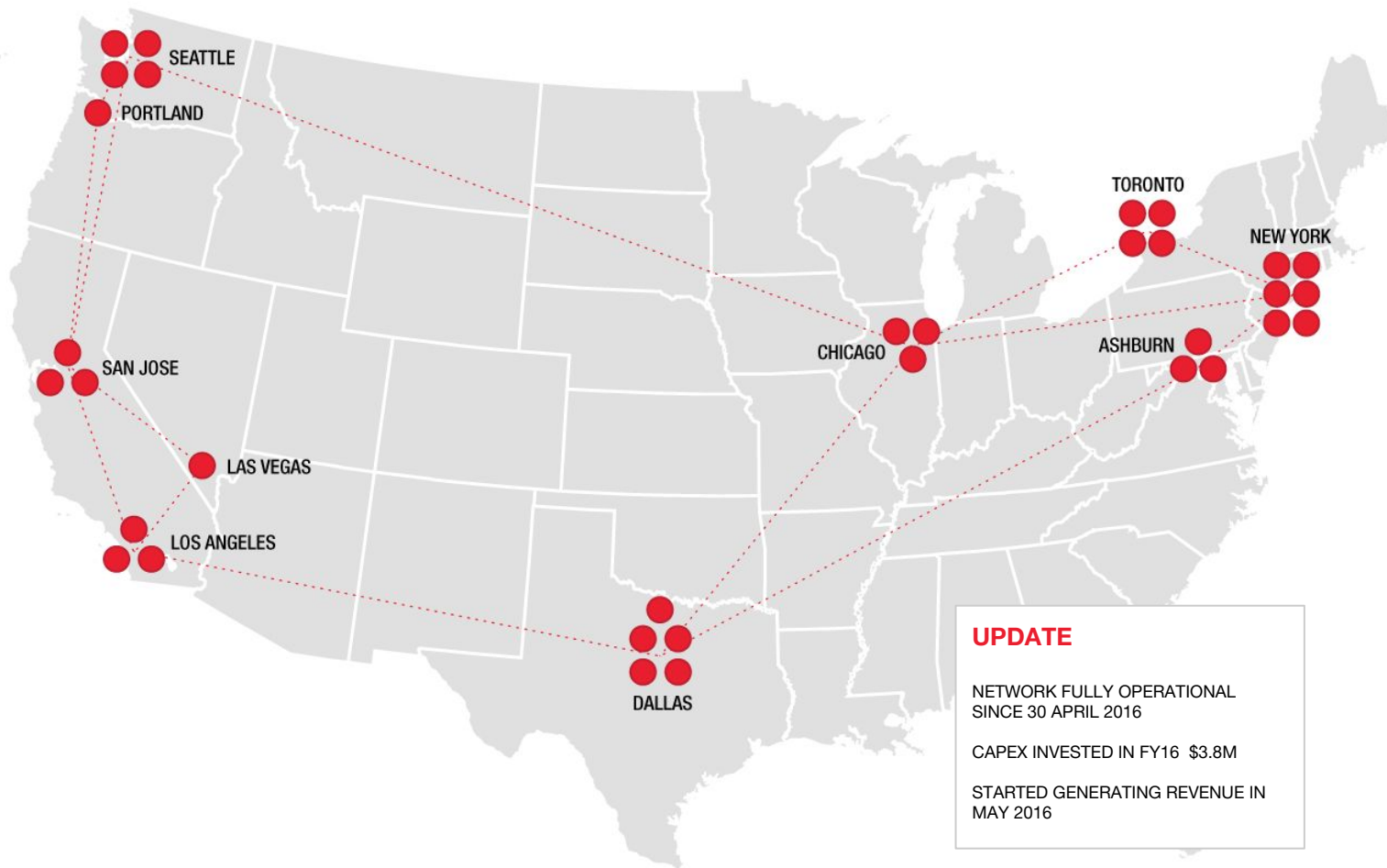


**NATIONAL CLOUD**  
NETWORKING PARTNERSHIP



**CyrusOne**

**DIRECT CLOUD**  
NETWORKING PARTNERSHIP



## North America

Metro	Sites
Ashburn, Virginia	3
Chicago, Ohio	3
Dallas, Texas	5
Las Vegas, Nevada	1
Los Angeles, California	3
New York City, New York	6
Portland, Oregon	1
San Jose, California	3
Seattle, Washington	4
Toronto, Canada	4
<b>TOTAL SITES</b>	<b>33</b>
<i>Prospectus sites</i>	27

# Europe



# European Acquisitions - Update

Commercial IX services in Europe are very important and perfectly align with the Megaport technology stack. **ECIX** and **OM-NIX** acquisitions enhance MP1 earnings and jumpstart the network footprint throughout Europe.



Carrier-grade Pan-European transport services provider with access to key interconnection buildings and extensive Balkans footprint.

Locations: 18

Countries: 9

Services:

Remote Peering

Network on Demand

Founded: 2014

*Acquisition Completed on 30th June 2016*



2nd largest IXP in Germany with 160+ customers and aggregate traffic of 1Tbps. Deep German footprint including core metros and Enterprise-rich hubs.

Locations: 30

Countries: 2

Services:

Internet Exchange

Network on Demand

Founded: 2002

*Acquisition Completed on 11th August 2016*

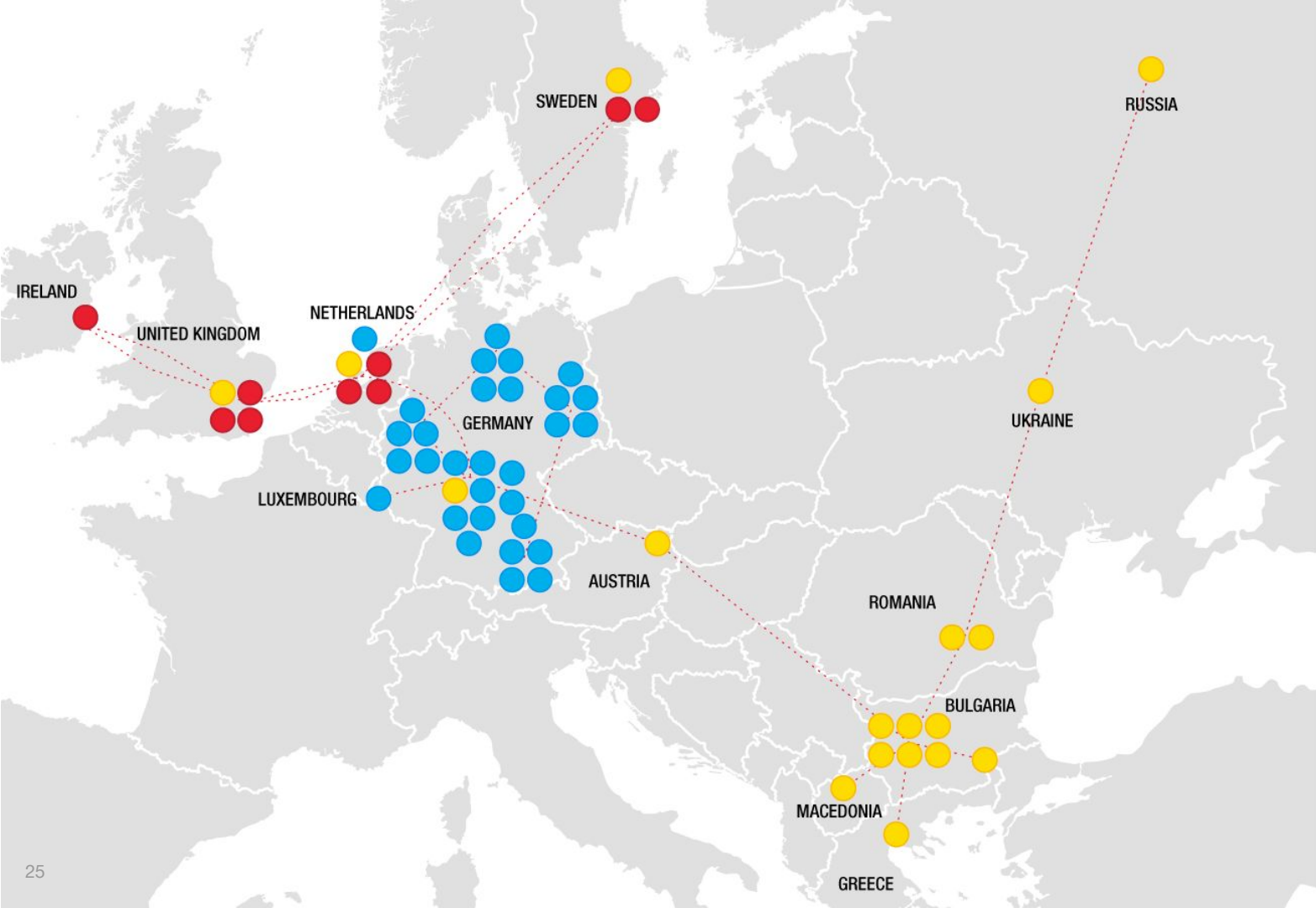
**Total Cost of Acquisitions: \$3.1M<sup>3</sup>**

## Impact of Completed Acquisitions

Pro-forma P&L <sup>1</sup>	Monthly \$	Annualised \$
Revenue	\$373k	\$4.5m
Direct Network Costs	\$168k	\$2.0m
Gross Margin	\$205k	\$2.5m
Operating Costs	\$124k	\$1.5m
EBITDA <sup>2</sup>	\$81k	\$1.0m
EBITDA <sup>2</sup> %	22%	22%

1. This is the pro-forma P&L for the combined acquisitions
2. This is the pro-forma EBITDA of the combined acquisitions on a standalone basis, as per standard accounting definition
3. Includes purchase price plus cost of acquisition





### Europe

Metro	Sites
Vienna, Austria	1
Sofia, Bulgaria	6
Kapitan Andreevo, Bulgaria	1
Düsseldorf, Germany	5
Berlin, Germany	5
Nürnberg, Germany	2
Frankfurt, Germany	7
Munich, Germany	5
Hamburg, Germany	5
Thessaloniki, Greece	1
Dublin, Ireland	1
Luxembourg, Luxembourg	1
Skopje, Macedonia	1
Amsterdam, Netherlands	5
Bucharest, Romania	2
Moscow, Russia	1
Stockholm, Sweden	3
Kiev, Ukraine	1
London, United Kingdom	4
<b>TOTAL</b>	<b>57</b>



# MegaPort Europe

**OPERATING  
EBITDA<sup>1</sup>  
POSITIVE**

MARKET FULLY OPERATIONAL

**57**

locations

19 CITIES, 13 COUNTRIES



TOP 5 DATA CENTRE  
LOCATIONS IN EUROPE



EUROPE IS LARGEST BUSINESS IN  
MP1 GROUP BY LOCATIONS,  
REVENUE, AND OPERATING  
EBITDA<sup>1</sup>



LEAPFROGGING THE PLAN WITH  
SIZE AND REVENUE  
THROUGH ACQUISITION



ACQUIRED ECIX AND OM-NIX FOR  
COMBINED TOTAL OF \$3.1M<sup>3</sup>



ACQUISITIONS GENERATE  
ANNUALISED REVENUE OF \$4.5M  
AND EBITDA<sup>2</sup> OF \$1M WITH 180+  
ADDITIONAL CUSTOMERS



ACQUISITION OF ECIX GIVES  
MEGAPORT A LARGE FOOTPRINT  
IN GERMANY,  
EUROPE'S RICHEST MARKET



MARK COOPER, FORMER CHIEF  
REVENUE OFFICER OF AMS-IX, NEW  
EVP OF SALES, EUROPE



FUTURE INVESTMENTS REQUIRED  
FOR EXPANSIONS AND  
UPGRADES CIRCA \$2M

1. Operating EBITDA excludes group and corporate overhead
2. This is the pro-forma EBITDA of the combined acquisitions on a standalone basis, as per standard accounting definition
3. Includes purchase price plus cost of acquisition

# About Megaport



# Team Megaport

**Denver Maddux**  
CEO & Executive Director

**Vincent English**  
COO & CFO

**Belle Lajoie**  
EVP Terraforming & Sales APAC

**Eric Troyer**  
CMO

**Cameron Daniel**  
VP of Technology &  
Founding Engineer

**Dan Ryan**  
VP of Sales, North America

**Mark Cooper**  
EVP of Sales, Europe

## Proven industry leadership from sectors including:

- Telecommunications
- Content Delivery
- Cloud Services
- Data Centre
- Digital Media
- Internet Exchange
- Mobile  
Telecommunications

Guidance and executive leadership from founder **Bevan Slattery** as **Executive Chairman**, and further board support from **Simon Moore** and **Drew Kelton**

Investments in North American sales leadership and sales execution capabilities

Launched Solutions Architecture, Customer Success, and Cloud Strategy teams in February and March 2016

Vincent English transitioning to Chief Operations Officer in September

New Chief Financial Officer Haidee Van Ruth starting on 5 September 2016

Mark Cooper joined on 8 August 2016

# About Megaport

**Megaport was founded in 2013 to become a global leader in the fast-growing elastic bandwidth services market.**

The Company developed a software driven platform to give customers the ability to connect their network with a wide ecosystem of service providers including Cloud, Networking, Content, and Managed Services.

Bandwidth and services can be directly controlled via connected devices such as mobile phones and laptops or an open API to enable total services automation.

**At Megaport we have created a better way for networks and cloud to interconnect.**

Megaport now operates globally, has over **320 active customers**, and secured partnerships with some of the world's major cloud service providers, network operators, data centre operators, and content providers.

**Megaport pioneered SDN-based Elastic Bandwidth**

**Network on Demand**

**Amazon AWS Technology Partner**

**Microsoft Azure ExpressRoute & O365 Partner**

**Google Cloud Interconnection partner**

# What is Elastic Bandwidth?

Elastic Bandwidth aligns network economics and capabilities with the flexibility and cost controls of cloud computing models

- Provision bandwidth in **real-time**
- **Right-size capacity** based on actual demand
- **Directly connect** to multiple partners & data centres on one platform
- Discover providers from a rich **ecosystem**

MegaPort provides the tools to create an **on-demand network** enabling a variety of use-cases

- Multi and Hybrid Cloud
- Metro and longhaul backbone
- Backup and Site Recovery
- IP Peering and access to IP Transit



“... we like the ability to just flick a switch and ramp the bandwidth up for a period of time”

**JB HI-FI**

“... we can now seamlessly interconnect to all three of our key public cloud services through a single provider”

*News Corp* Australia

# Important Information

## Megaport Limited ACN 607 301 959

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EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation. A measure of company operating cash flow calculated by earnings before the deduction of interest expenses, taxes, depreciation, and amortisation. Operating EBITDA for a particular geography is the earnings in that geography before interest, taxes, depreciation and amortisation, but excludes, in the calculation of earnings, group and corporate overheads.

All reference to “\$” are to Australian currency (AUD) unless otherwise noted.

Exchange rates for July figures used in this presentation are AUD:EUR 0.68, AUD:USD 0.74. All other exchange rates are reported figures and converted at time of reporting using current rate, as per the date noted.

# Thank you



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