



## ASX Announcement

22 November 2024

### 2024 Annual General Meeting Addresses from the Chair and Chief Executive Officer

Megaport Limited (**Megaport** or **Company**) (**ASX:MP1**) provides the attached addresses from the Chair and the Chief Executive Officer to be presented at the Annual General Meeting to be held today.

This announcement has been authorised by the Board of Megaport.

#### Supporting Resources

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#### About Megaport

Megaport is changing how businesses connect their infrastructure, with one smart and simple platform to manage every connection. Build secure, scalable, and agile networks in just a few clicks, accessing global endpoints and creating private paths in minutes. Trusted by the world's leading companies, Megaport partners with global service providers, DC operators, systems integrators, and managed services companies, and operates in 930+ enabled locations worldwide. Megaport is ISO/IEC 27001 certified. Join the network revolution at [megaport.com](https://megaport.com).

#### Investor enquiries

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## 2024 Annual General Meeting Chair's Address

Good morning Ladies and Gentlemen.

Welcome to the Annual General Meeting of Megaport Limited.

On behalf of the board and our team of Megaporters, it is my pleasure to welcome you to our AGM for 2024, my first as Chair of the Company.

I'd like to begin by acknowledging and paying my respects to the Turrbal people who are the traditional custodians of the land on which Megaport's head office stands and where we are presenting from today. I would also like to pay my respects to Elders past and present and to extend that respect to other Aboriginal and Torres Strait Islanders who are joining our Annual General Meeting today.

I would now like to introduce you to the members of Megaport's board of Directors and Company Secretary.

I am joined in person here in Brisbane by Michael Reid, our Executive Director and Chief Executive Officer.

Our other Megaport directors: Jay Adelson, Mike Klayko, and Glo Gordon, who are based in the US, are joining us online today.

Also here in Brisbane with me are Leticia Dorman, our Chief Financial Officer, and Celia Pheasant, our Company Secretary, along with other Megaport team members.

The Company's auditor, Richard Wanstall, from Deloitte Touche Tohmatsu is in attendance and will be available to address any questions you may have about the audit of the financial statements later in the meeting.

Lewis Brimelow from Computershare, Megaport's share registry provider, is also in the room today and is our Returning Officer for the meeting.

The purpose of today's meeting is to deal with the formal business as set out in the Notice of Annual General Meeting.

I will deliver the Chair's address and then our CEO, Michael Reid, will present an overview of Megaport's 2024 financial year results and themes as well as give a brief update on our strategic priorities and growth outlook.

We will then consider the Resolutions set out in the Notice of Meeting. I will outline voting arrangements ahead of that section. There will be an opportunity for shareholders to ask questions during the formal items of business as they relate to the Resolution being considered.

## FY24 Financial Performance

As announced in August, Megaport delivered a strong turnaround result in the 2024 financial year, with revenue of \$195.3 million, up 28% year on year. This was an outstanding achievement, with Annual Recurring Revenue<sup>1</sup> (ARR) surpassing \$200 million.

We were pleased to deliver a significant lift in margins and profitability, with EBITDA<sup>2</sup> for FY24 of \$57.1 million. This was achieved within a context of considerable operational change, and a rebuild and renewal of our go-to-market and customer success teams.

## Strategy update

As the market leader in NaaS, the opportunities for Megaport in the flexible networking and cloud connectivity space globally remain vast. We continue to solidify our position as the global leader in Network as a Service, with over 2,600 customer logos and a global reach of over 930 data centres.

As new markets evolve and new technologies emerge, Megaport remains well-positioned to adapt, innovate, and lead. Technologies such as AI and machine learning continue to drive connectivity, demand for bandwidth, and access to data centres and the cloud. Megaport works with all major industry players including the Magnificent Seven<sup>3</sup> who are innovating and expanding at an unprecedented rate, and as such, we are well-positioned to enable, embrace, and accelerate the uptake of these technologies, interconnecting the world's data to new and ever-growing AI models.

Our core strategy remains to land new logos, protect our existing base of revenue, whilst expanding our existing customers through upsell and cross-sell motions. The full management team is vigorously and effectively executing on this. Megaport now operates in 26 countries and will thoughtfully consider entering markets where it is profitable to do so. I recently spent time with a selection of Megaport's Australian corporate customers with national and international operations. It was reaffirming to hear first-hand clients expressing their support for the flexibility and reliability of Megaport's products, and our solutions-focussed client interactions.

The Board remains positive and supportive of the CEO and the management team to deliver this strategy which will provide returns in both the medium and long term for shareholders.

The Company continues to deliver profitable, efficient growth and since Q4 FY23, Megaport has been Net Cash Flow<sup>4</sup> positive and ended the FY24 financial year with a Net Cash<sup>4</sup> balance of \$61.2 million.

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<sup>1</sup> Annual Recurring Revenue (ARR) is the recurring revenue expected over a 12 month period, calculated as Monthly Recurring Revenue for the last month of the period x 12, and excludes any non-recurring or one-off revenue.

<sup>2</sup> Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses. EBITDA excludes restructuring costs of \$1.1M in FY24 (FY23: \$4.9M), and prior to FY24 EBITDA was normalised (adjusted or reduced) for certain one-off accrual reversals and reclassifications in profit and loss.

<sup>3</sup> Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

<sup>4</sup> Net Cash Flow is defined as the movement in Net Cash, which is cash at bank less debt including the vendor financing facility. Net Cash at 30 June 2024 comprises cash at bank of \$72.4M less amounts owing under the vendor financing facility of \$11.2M.

The Board is committed to maximising shareholder value and will continue to monitor and evaluate a range of initiatives consistent with this objective.

## **Board and governance update**

In relation to our Board, as shareholders would be aware, Megaport's founder, Bevan Slattery stepped down at the end of June and I was pleased to step into the Chair role having spent three years as Chair of the Audit and Risk Committee. We are continuing to review the composition and skill set of the Board to best support management for growth for the business, recognising that a mix of skills, knowledge, experience, diversity, and independence is required to help fulfil its role. With the assistance of advisers we are currently recruiting additional directors, including what is expected to be Australian-based directors to chair the Audit and Risk, and Remuneration and Nomination committees. We expect to update the market on progress on this front soon.

As set out in the Notice of Meeting, I am up for re-election at this year's AGM. After three and a half years on the board, and now especially as Chair, I continue to feel privileged to support the business on its growth strategy.

As a Board we recognise that it is important that Megaport grows in a sustainable way, delivering long-term value for shareholders. Our ESG Working Group, consisting of representatives from across the business, is developing an ESG roadmap to ensure continuous improvement in this space. The Company will also soon publish its third Modern Slavery Statement.

## **People**

Michael Reid has been CEO since May 2023, and quickly adopted a transparent and inclusive leadership style that has reinvigorated the organisation, with an unwavering focus on Megaport's vision and values. Megaport has strategies to support an inclusive work environment and understands that further efforts in this area is an important feature for attracting and retaining talent.

The Megaport team around the globe and at head office here in Brisbane now sits at 311 people. Pleasingly, a majority of staff are shareholders or hold restricted stock units.

Personally, as well as on behalf of the Board, I would like to thank Michael and the broader Megaport team for their passion, hard work, and innovation in laying the foundation for continued profitable growth globally. Your dedication, values-driven team culture, and vibrant leadership style are key to the foundation of our successes this year, and in future years.

I'd also like to thank my fellow directors for their commitment, expertise, time, and effort in guiding Megaport as the global leader in Network as a Service.

Finally, I'd like to thank you, our shareholders, for your ongoing support.

## 2024 Annual General Meeting CEO's Address

Shareholders and guests,

2024 was a big year for Megaport. We saw huge changes across the business—from leadership and strategy to product, engineering, sales, and marketing. And it is paying off. We broke through \$200 million in Annual Recurring Revenue<sup>5</sup> (ARR) and after implementing a significant cost cutting program we hit \$57.1 million in EBITDA<sup>6</sup> in FY24, a 182% jump from the previous year.

Even better still, we posted our first ever Net Cash Flow<sup>7</sup> positive year generating \$28 million, a \$62.5 million improvement in Net Cash Flow<sup>7</sup> and delivered a full year of profitability after tax—a huge achievement.

Innovation took centre stage as our product and engineering teams rolled out more launches in FY24 than in the prior five years combined. Megaport Reach, Global WAN, Data Centre Interconnect, and Megaport Internet: these products make it easier for businesses to adopt hybrid and multicloud, connect global data centres, and scale their networks with confidence. Global WAN even landed us our largest deal ever — \$4.2 million in total contract value.

We also supercharged our network, with a 400G backbone enabling us to 10x the speed of our customer connectivity with 100G VXC's delivering faster, more reliable connections for our customers. At the same time, we expanded our ecosystem with more data centres, Internet Exchange (IX) locations, and Megaport Virtual Edge (MVE) providers. And behind the scenes we delivered the single biggest product and pricing update in our history, designed to deliver more value to our customers and make us even more competitive on a global scale.

Our customers keep evolving and accelerating, and so do we. AI and cloud demand continues to drive data centre growth at an unprecedented pace, and hybrid and multicloud adoption has become the norm, with customers mixing and matching between the hyperscalers and niche cloud and GPUasS providers for their specific needs. It's clear: the world needs more and more connectivity and Megaport is perfectly positioned as a global leader to capitalise on this growth.

More than a decade in, Megaport is still leading the way. Our ecosystem and global footprint continues to grow, with 930+ enabled locations and a presence in 26 countries, having recently launched in Italy and Brazil. It's all thanks to the incredible dedication from the Megaport team; I can't thank them enough for their passion and hard work.

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<sup>7</sup> Net Cash Flow is defined as the movement in Net Cash, which is cash at bank less debt including the vendor financing facility. Net Cash at 30 June 2024 comprises cash at bank of \$72.4M less amounts owing under the vendor financing facility of \$11.2M.

Our robust balance sheet position and strong cash generation has allowed us to reinvest back into the business in the areas we are seeing success and where it is financially accretive to do so. Q1 FY25 saw us strategically hire key go-to-market roles across Sales Executives, Solution Architects, Channel Managers, and Customer Success Managers. We will continue to evaluate opportunities to reinvest in FY26 provided it supports our relentless focus on Net Revenue Retention and new logos, accelerating Annual Recurring Revenue<sup>8</sup> growth.

Today we are reaffirming full year guidance:

- FY25 EBITDA<sup>9</sup> guidance of \$57-\$65 million<sup>10</sup>
- FY25 revenue guidance of \$214-\$222 million<sup>10</sup>

Early trends are indicative of a continuation of this revenue growth trajectory into FY26.

Finally, to you, our shareholders: your support means everything. The stage is set and we're geared up to take our network revolution to this incredible addressable market, disrupting the status quo with tremendous value for our customers.

Game on!

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<sup>10</sup> Guidance is provided after taking into account the planned investment in go-to-market capabilities, product development, marketing, advertising, travel, entertainment, professional fees and planned capital expenditure, and excludes any future strategic initiatives the Company may decide to undertake. FY25 Guidance assumes a foreign exchange rate of AUD \$1.00 to USD \$0.668. Any variation in the exchange rate will impact revenue, costs and cash flow.