Global Update

Megaport continues growth trajectory with solid 4Q FY19 performance, growing total revenue by 22% in the quarter ending June 2019 and 78% for the full year, increasing Monthly Recurring Revenue by 16% in the quarter and 82% during the full year, and expanding to 36 installed locations, reaching a total of 300 installed locations across 20 countries at the end of the reporting period.

Brisbane, AUSTRALIA 23 July, 2019 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 30 June 2019 and provides a global market update.

Executive Summary

In 4Q FY19, Megaport continued to expand its Network footprint to new markets while deepening its reach within existing metros, reaching a milestone of 300 installed locations and 528 enabled locations globally. New partnerships included 365 Data Centers, Bluebird Network, Evoque, Digiplex, Ficolo, and Telia. Megaport also released new features to Megaport Cloud Router (MCR 2.0) and expanded MCR service availability to more locations to drive further adoption of cloud connectivity services.

In June 2019, Megaport achieved 1,490 customers, generated $3.6M of Monthly Recurring Revenue (MRR), and reached a total of 528 Enabled Data Centres[1]. MRR in the quarter increased by 16%, and total revenue for the quarter increased by 22% to $10.92M.

Megaport's Chief Executive Officer, Vincent English, commented, "The fourth quarter of Fiscal Year 2019 brought the strongest performance for Monthly Recurring Revenue to date at $3.6M. The combination of accelerating Port sales and increased adoption of services across the platform, up 11% from the previous quarter, enabled us to book a solid $3.6M of MRR. Our 36 Installed Data Centres in the quarter are the result of recent new partnerships and our continued drive to expand to locations with enterprise demand for cloud connectivity. Several of these new locations have bolstered our footprint in Europe where, as a market, cloud adoption is accelerating."

"Reaching our 300 installed locations target for the fiscal year is a testament to the team's ability to execute. Coupled with new features and the expanded reach of Megaport Cloud Router, Megaport is well positioned to address the global market demand for connectivity."

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[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 a dark fibre campus cross connect, provided by the data centre campus/facility operator for a price that is the same or similar to a standard Installed Data Centre cross connect. 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

4Q FY19 highlights:
- Revenue for the period was $10.92M, an increase of 22% from the last quarter.
- Total MRR for June 2019 was $3.6M, an increase of $0.5M, 16% QoQ.
- Total Installed Data Centres was 300 at the end of the quarter, an increase of 36 across three regions, or 14% QoQ.
- Total Enabled Data Centres was 528 at the end of the quarter, an increase of 63 across three regions, or 14% QoQ.
- Customers increased by 9% QoQ to a total of 1,490.
- Total Ports increased in the quarter to 4,069, or 11% QoQ.
- Total Services[2] increased in the quarter to 11,561, or 11% QoQ, of which VXCs increased in the quarter to 6,025, or 13% QoQ.
- Average Revenue per Port in June 2019 increased to $887, or 5% QoQ and 23% YoY.
- At the end of June 2019, the Company's cash position was $74.9M.

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in 4Q FY19.

Key metrics[3]:

	Quarterly Performance						Yearly Performance		
	Jun-18	Sep-18	Dec-18	Mar-19	**Jun-19**	QoQ % Change	FY18	**FY19**	YoY % Change
Enabled Data Centres	*	*	386	465	**528**	**14%**	*	**528**	*
Installed Data Centres	221	234	245	264	**300**	**14%**	221	**300**	**36%**
Cloud On-Ramps	108	109	115	122	**131**	**7%**	108	**131**	**21%**
Customers	1,038	1,161	1,277	1,367	**1,490**	**9%**	1,038	**1,490**	**44%**
Ports	2,755	3,026	3,344	3,668	**4,069**	**11%**	2,755	**4,069**	**48%**
MCR	42	69	99	131	**175**	**34%**	42	**175**	**317%**
Total Services[2]	6,567	7,648	8,735	10,374	**11,561**	**11%**	6,567	**11,561**	**76%**
MRR	$2.0M	$2.4M	$2.7M	$3.1M	**$3.6M**	**16%**	$2.0M	**$3.6M**	**82%**
Revenue	$5.78M	$6.86M	$8.32M	$8.96M	**$10.92M**	**22%**	$19.75M	**$35.06M**	**78%**

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[2] Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

[3] As at 30 June 2019

 * Not available, as Megaport did not count Enabled Data Centres before 31 December 2018

Ecosystem Expansion Update

- **Asia Pacific:** 71 Installed Data Centres with the addition of two new sites in Sydney and Wellington; total of 81 Enabled Data Centres.
- **North America:** 146 Installed Data Centres with the addition of 18 new sites in Ashburn, Atlanta, Charlotte, Chicago, Columbus, Dallas, Denver, Minneapolis, Nashville, Omaha, Philadelphia, Phoenix, Seattle, Tampa, and Toronto; total of 304 Enabled Data Centres.
- **Europe:** 83 Installed Data Centres with the addition of 16 new sites in Birmingham, Brussels, Geneva, Hamburg, Helsinki, London, Oslo, Paris, Stockholm, Vienna, Warsaw, and Zurich; total of 143 Enabled Data Centres.
- **Cloud On-Ramps:** 131 total connected cloud on-ramps globally with the addition of nine in the quarter.

Conclusions and Outlook

Vincent English said, "A key differentiator for Megaport is the number of leading services available across our global fabric. Among the nine new on-ramps added in the quarter is AWS Direct Connect in Hong Kong which supports Chinese businesses undergoing cloud-driven digital transformation initiatives. Additionally, we added high capacity connects to Google Cloud Interconnect in Montreal to support the massive growth of visual effects in the film and digital media industry in Canada. This service-forward strategy enables us to empower data centres with cloud connectivity solutions to stay competitive in a growing cloud economy.

"We will continue to strengthen and add data centre partnerships to expand our footprint and service reach into new markets and countries in the coming quarters. We will also execute on localised go-to-market plans to take advantage of our expanded reach and drive further service uptake on the Megaport platform through channel and direct selling. With more features and extended service reach, MCR 2.0 will continue to play a pivotal role in providing our customers with powerful and easy connectivity solutions that power their next generation IT architectures."

Supporting Resources

- Visit Megaport: https://megaport.com/
- Follow Megaport on Twitter: @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 1,490 customers in 528 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, and Salesforce Express Connect 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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