ASX RELEASE

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FY19 Full Year Results and Global Update

Megaport accelerates growth trajectory delivering 78% revenue increase bolstered by significant rise in customers, Ports, and Total Services. Extending to 20 countries, Megaport reaches 528 Enabled Data Centres[1] including 300 Installed Data Centres[2].

Brisbane, AUSTRALIA August 21, 2019 Megaport Limited (**ASX:MP1**) today reported its annual earnings to 30 June 2019, and released a global market update.

Performance Highlights

FY19 highlights:
- Revenue for the period was $35.1M, an increase of 78% from last year.
- Total monthly recurring revenue (MRR) for June 2019 was $3.6M, an increase of $1.6M, 82% YoY.
- Total Installed Data Centres was 300 at the end of June 2019, an increase of 79, 36% YoY. Total Enabled Data Centres was 528 at the end of June 2019.
- Customers increased by 44% YoY to a total of 1,490.
- Total Ports sold increased in the fiscal year to 4,069, a 48% increase YoY.
- Total Services[3] sold increased in the fiscal year to 11,561, a 76% increase YoY.
- Average Revenue per Port in June 2019 increased to $887, due to increased service adoption. In June 2018, the average Revenue per Port was $720.
- The business generated a profit after direct network costs[4] during the fiscal year of $11.9M, an increase of $7.5M, 166% YoY.
- Net loss for the full year was $33.6M.
- Successful capital raising activities of $60M were completed during the fiscal year.
- At the end of June 2018, the Company's cash position was $74.9M.

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[1] 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

[2] 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

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

[4] 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

Megaport's Chief Executive Officer, Vincent English, said, "The Company has reached $3.6 million in monthly recurring revenue, an 82% increase from last year. This growth is underpinned by our North American business contributing $13.6 million this fiscal year, an increase of 154% from FY18. Expanding our presence in Europe and other key areas in Asia Pacific, the US, and Canada has enabled Megaport to reach a milestone of 20 countries, and 528 enabled locations including 300 installed data centres. This accelerated growth and reach empowers the Company to continue unlocking major use cases for cloud connectivity and on-demand networking for customers across the globe."

Key Performance Metrics

Executing on global demand for direct cloud connectivity, Megaport has solidified its position as the world's leading global Network as a Service provider.

Key metrics[5]:

	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 Onramps	108	109	115	122	**132**	8%	108	**132**	22%
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[6]	6,567	7,648	8,735	10,374	**11,561**	11%	6,567	**11,561**	76%
MRR[7]	$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%

Capital Raising

The Company undertook a capital raising of $60M 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.

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[5] As at 30 June 2019

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

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

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

Conclusions and Outlook

In the coming year, Megaport will focus on an aggressive global expansion strategy while continuing to innovate the product set to maintain its first-mover advantage and drive greater value to customers and partners.

Vincent English, Chief Executive Officer, said "This year, Megaport's investment in product innovation delivered MCR 2.0, an enhanced version of our virtual routing service that equips enterprises to perform complex cloud networking scenarios with ease and simplicity. We expanded our cloud partner ecosystem with the addition of Nutanix and SAP, grew our industry-leading number of cloud onramps to 132, and cloud regions to 73. In FY20, we will continue to extend the reach and availability of public cloud onramps to enterprise data centres while further reducing the complexity of getting connected to critical cloud-based services. Combined with our robust ecosystem of service providers, our innovative networking tools will continue to support the scaling of secure and high-performance hybrid and multicloud architectures.

"Deepening our footprint in existing markets, as well as extending the reach of interconnectivity services into new markets, will be a key priority for the next fiscal year. Whether that means enabling underserved metros or encouraging choice within mature metros, Megaport will endeavour to deliver dedicated, simplified connectivity to the enterprise."

More information can be found in the FY19 Full Year Results and Global Update lodged with the ASX on 21 August 2019.

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, Salesforce Express Connect Partner, and a member of the SAP PartnerEdge open ecosystem.

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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