Global Update

Megaport continues growth trajectory with solid 1Q FY20 performance, increasing Monthly Recurring Revenue by 13%, expansion of Megaport Cloud Router service footprint, and the addition of new SAP cloud onramps.

Brisbane, AUSTRALIA 22 October, 2019 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 30 September 2019 and provides a global market update.

Executive Summary

In 1Q FY20, Megaport continued to expand its Network footprint to new markets while deepening its reach within existing metros, reaching a milestone of 304 installed locations and 535 enabled locations globally. Megaport announced expanded partnerships with CyrusOne and EdgeConnex in Europe and the expansion of the Megaport Cloud Router (MCR) service footprint to enable greater reach and control of cloud-to-cloud traffic and virtual routing capabilities. The Company added new SAP onramps in Sydney, Frankfurt, and Ashburn.

In September 2019, Megaport achieved 1,584 customers, generated $4.1M of Monthly Recurring Revenue (MRR), and reached a total 535 Enabled Data Centres[1]. MRR in the quarter increased by 13% (71% YoY), and total revenue for the quarter increased by 10% to $12.03M (79% YoY).

Megaport's Chief Executive Officer, Vincent English, commented, "Megaport came out of the gates for the first quarter of Fiscal Year 2020 with a strong Monthly Recurring Revenue (MRR) performance of $4.1M, up 13% from the previous quarter. Meanwhile, we have continued to focus on making new services available to our customers and partners alike by deploying additional MCR infrastructure to support virtual routing functions across a wider service footprint. The addition of new SAP onramps is in response to the growing demand for SAP-enabled applications within AWS, Microsoft Azure, and Google Cloud environments. Several recent customer wins, including Karma Automotive and Zuellig Pharma, have taken advantage of Megaport's ability to unlock similar SAP-powered multicloud architectures."

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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

1Q FY20 highlights:
- Revenue for the period was $12.03M, an increase of 10% from the last quarter.
- Total MRR for September 2019 was $4.1M, an increase of $0.5M, or 13% QoQ.
- Total Installed Data Centres was 304 at the end of the quarter, an increase of 4, or 1% QoQ.
- Total Enabled Data Centres was 535 at the end of the quarter, an increase of 7, or 1% QoQ.
- Customers increased by 6% QoQ to a total of 1,584.
- Total Ports increased in the quarter to 4,455, or 9% QoQ.
- Total Services[2] increased in the quarter to 12,815, or 11% QoQ, of which VXCs increased in the quarter to 6,866, or 14% QoQ.
- Average Revenue per Port in September 2019 increased to $914, or 3% QoQ.
- At the end of September 2019, the Company's cash position was $69.2M.

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in 1Q FY20.

Key metrics[3]:

	Quarterly Performance						YoY% Change[4]
	Sep-18	Dec-18	Mar-19	Jun-19	**Sep-19**	QoQ % Change	
Enabled Data Centres	*	386	465	528	**535**	**1%**	*
Installed Data Centres	234	245	264	300	**304**	**1%**	30%
Cloud On-Ramps	109	115	122	132	**141**	**7%**	29%
Customers	1,161	1,277	1,367	1,490	**1,584**	**6%**	36%
Ports	3,026	3,344	3,668	4,069	**4,455**	**9%**	47%
MCR	69	99	133	175	**198**	**13%**	187%
Total Services[2]	7,648	8,735	10,374	11,561	**12,815**	**11%**	68%
MRR	$2.4M	$2.7M	$3.1M	$3.6M	**$4.1M**	**13%**	71%
Revenue	$6.86M	$8.32M	$8.96M	$10.92M	**$12.03M**	**10%**	79%

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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 September 2019

[4] Change in the yearly performance at 30 September 2019 to the prior corresponding period ended 30 September 2018

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

Ecosystem Expansion Update

- **Asia Pacific:** 73 Installed Data Centres with the addition of two new sites; total of 83 Enabled Data Centres.
- **North America:** 148 Installed Data Centres with the addition of two new sites; total of 308 Enabled Data Centres.
- **Europe:** 83 Installed Data Centres; total of 144 Enabled Data Centres.
- **Cloud On-Ramps:** 141 total connected cloud onramps globally with the addition of nine in the quarter.

Conclusions and Outlook

Vincent English said, "Megaport's strong data center expansion performance in the final quarter of the fiscal year 2019 positioned the company to aggressively focus on commercial activities in the first quarter of fiscal year 2020. The addition of nine new cloud onramps integrated with the Megaport platform in the first quarter has taken advantage of this broader data center footprint and is a continuation of our focus in leading the cloud connectivity industry. Greater service provider choice, and the ability to connect closer to the edge, brings more value to our partners and customers and drives up overall utilisation of the Megaport Network. Combined with the power of MCR, the 141 total onramps available through our SDN make it easier than ever to enable hybrid cloud, multicloud, and direct cloud-to-cloud connections."

"In the coming quarters, Megaport will be focusing on expanding our Network reach into new markets and data centres while adding more cloud onramps across the global platform. Our sales and marketing engine has become highly attuned to supporting our data centre partners in their mission to provide seamless cloud interconnection capabilities to their ever-growing enterprise customer base."

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 1,584 customers in 535 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 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/

Investor enquiries
Email: investorcentre@megaport.com

Media enquiries
media@megaport.com