



## ASX Release

10 February 2021

### 1HFY21 Half Year Results and Market Update

***Megaport continues growth trajectory with solid 1HFY21 performance, with all regions EBITDA positive<sup>1</sup> in 2Q FY21. On target to achieve EBITDA breakeven on a run rate basis during FY21.***

Megaport Limited (ASX:MP1) today reported its first half earnings to 31 December 2020 including a general market update.

### Performance Highlights

#### 1HFY21 Financial Highlights

- The Company's revenue for the half-year period ended 31 December 2020 was \$36.0M, an increase of \$10.1M or 39% from the same period ended 31 December 2019.
- Monthly Recurring Revenue (MRR) for the month of December 2020 was \$6.3M, an increase of \$1.7M or 37% from the month of December 2019.
- The business generated a profit after direct network costs<sup>2</sup> of \$18.2M for the half-year period ended 31 December 2020, an increase of \$5.1M or 38% from the same period ended 31 December 2019 (\$13.2M).
- Net loss for the half-year period ended 31 December 2020 was \$38.4M.
- At 31 December 2020, the Company's cash position was \$144.8M.

### Impact of Foreign Exchange Movements

Both Revenue and MRR growth in the half-year period ended 31 December 2020 were impacted by the continued appreciation in the Australian dollar, particularly against the US dollar. While North American MRR in US dollars increased by 26% from Jun-20 to Dec-20, the reported growth in AUD was 15% due to a 9% appreciation of the Australian dollar.

AUD/USD exchange rates were volatile over the previous four quarters. North American MRR growth QoQ has been more consistent when measured in local currency. Further

<sup>1</sup> North America reported positive EBITDA on a regional basis in 2QFY21.

<sup>2</sup> 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.

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details can be found in Megaport's 2QFY21 Global Update released to ASX on 19 January 2021.

Vincent English, Chief Executive Officer, Megaport Limited said: "As we continued to expand our footprint to new locations, adding 23 new cloud onramps representing access to 11 new cloud regions, Megaport has continued our strong revenue performance during the first half of Fiscal Year 2021. Our path to profitability remains firmly in focus, with all three regions now EBITDA positive.

"As a high-growth region, North America has always represented a significant market opportunity for Megaport and our investments there continue to pay off. North America was EBITDA positive on a regional basis in 2QFY21, notwithstanding some unfavourable FX movements. With all regions now EBITDA positive, we are on track to achieve EBITDA breakeven for the Group on a run rate basis this Fiscal Year as we continue to optimise our footprint to maximise margins and move to profitability."

### Key Performance Metrics

In December 2020, Megaport achieved 2,043 customers across 716 Enabled Data Centres<sup>3</sup> in 130 cities. Of these data centres, 390 were located in North America, 202 in EMEA and 124 in Asia Pacific.

The key metrics at the end of December 2020 were:

	June 2020	December 2020	Change
Enabled Data Centres <sup>3</sup>	669	716	+7%
Installed Data Centres <sup>4</sup>	366	386	+5%
Cloud Onramps	197	220	+12%
Customers	1,842	2,043	+11%
Ports	5,767	6,691	+16%
MCR	307	382	+24%
Total Services <sup>5</sup>	16,712	19,278	+15%
Monthly Recurring Revenue	\$5.7M	\$6.3M	+11%

<sup>3</sup> Enabled Data Centres is the total of Installed Data Centres plus Extended Data Centres. Extended Data Centres are data centres that can be connected directly to Megaport networking hardware within Installed Data Centres by means of interconnection services provided by the data centre campus / facility operator of the Installed Data Centre.

<sup>4</sup> Installed Data Centres are data centres in which Megaport has a Point of Presence with physical networking hardware.

<sup>5</sup> Total Services comprise of Ports, Virtual Cross Connects (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

## Conclusions and Outlook

Vincent English, Chief Executive Officer, Megaport Limited said: “During the first half of Fiscal Year 2021, the Megaport team reached a number of crucial milestones. We now service more than 2,000 customers, helping companies of all sizes modernise their network architecture and respond to the business demands of today and the unknown challenges of tomorrow. We achieved ISO 27001 certification, a validation of the strength of our systems and processes and commitment to keeping our customers’ and partners’ data safe. As of the second quarter of Fiscal Year 2021, all three of our operating regions are EBITDA positive. This puts us on track to achieve our goal of Group EBITDA break even on a run rate basis within Fiscal Year 2021.

“On March 31, we will launch Megaport Virtual Edge, having currently deployed MVE infrastructure to eleven metros globally. An additional ten metros will be enabled by the end of this fiscal year. Our industry-first integration between Cisco and MVE to support Viptela SD-WAN services is well on track and customer field trials are underway. Additionally, our Technology Partner pipeline for MVE integration covers about 50% of SD-WAN market share globally. This positions us to greatly expand our addressable market and drive more uptake of Megaport services through channel programmes with leading technology companies while providing more choices to our customers in how they engineer their IT solutions.

“The addition of Rodney Foreman as Chief Revenue Officer strengthens our commercial position. With our innovative product suite and the investments we have made in our commercial capabilities, we are in an excellent position to drive more business through our partnerships with data centre operators, network service providers, systems integrators, and technology partners around the world.”

Authorised by the Board.

### Supporting Resources

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- Follow Megaport on Twitter: [@megaportnetwork](#)
- Like Megaport on [Facebook](#)
- Follow Megaport on [LinkedIn](#)
- Learn more about [MCR](#) and [MVE](#)
- For definitions refer to the [Glossary for Investors](#) in our [Business Overview](#)

### 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 more than 2,050 customers in over 700 enabled data centres globally. Megaport is an Alibaba Cloud Technology Partner, AWS Technology Partner, AWS Networking Competency Partner, Cloudflare Network Interconnect Partner, Google Cloud Interconnect Partner, IBM Direct Link Cloud Exchange provider, Microsoft Azure Express Route Partner, Nutanix Direct Connect Partner, Oracle Cloud Partner, Rackspace RackConnect Partner, Salesforce Express Connect Partner, and SAP PartnerEdge Open Ecosystem Partner.

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