



ASX RELEASE

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FY17 Full Year Results and Global Update

Record revenue growth of 298% YoY, strong product and service uptake, and expanded global footprint positions company to capitalise on growth opportunities for FY18.

Brisbane, AUSTRALIA August 24, 2017 Megaport Limited (**ASX:MP1**) today reported its annual earnings to 30 June 2017, and released a market trading update.

Performance Highlights

FY17 highlights:

- Revenue for the period was \$10.7M, an increase of 298% from the last year.
- Total monthly recurring revenue for June 2017 was \$1.22M, an increase of \$892K, 294% YoY.
- Total data centres enabled were 165 at the end of the year.
- Customers increased by 135% YoY to a total of 738.
- Total Ports sold increased in the year to 1,829, or 149% increase YoY.
- Total Services¹ sold increased in the year to 3,764, or 151% increase YoY.
- Average Revenue per Port in June 2017 increased to \$667, due to increased usage. In June 2016, the average Revenue per Port was \$418.
- The overall business generated a profit after direct network costs² during the second half of the financial year of \$253K. The full year result was a loss after direct network costs of \$578K.
- Net loss for the full year was \$29.9M.
- Completed a successful \$27.8M capital raising on 28 June, of which \$11.4M was received from US investors before 30 June and the remaining \$16.4M less capital raising costs of \$417K was received on 3 July 2017.
- At the end of June 2017, the Company's cash position was \$21M. This does not include the \$16.4M capital raising proceeds referred to above received on 3 July.

¹ Total services comprise of Ports, Virtual Cross Connections (VXCs), and Internet Exchange (IX).

² 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, "MegaPort achieved significant milestones in Fiscal Year 2017. Exiting the year with gross profit after network costs is a result of increased sales activities and the initial benefits of scale and the network effect related to our service deployment and ongoing operations. North America in particular has experienced significant increase in customer traction and revenue growth. This is an encouraging trend as we continue to grow and capture opportunities in this market. Leveraging our strategic partnerships for indirect and sell-through opportunities will continue to play a key role in accelerating our growth trajectory."

Key Performance Metrics

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

Key metrics³:

	June 2016	December 2016**	June 2017	YoY % Change
Data Centres	102	141	165	62%
Customers	314	621	738	135%
Ports	736	1479	1829	149%
Services*	1500	2768	3764	151%
MRR	\$308K	\$909K	\$1.2M	294%

* Services includes Ports, VXC, and IX

** Includes acquisitions

Conclusions and Outlook

On 28 June 2017, MegaPort successfully completed a strategic capital raising of \$27.8M. The net proceeds will be used to fund North American and European network-related capital expenditures, ongoing operating costs, and new product initiatives. The Company's priorities in the coming year are:

- Connect to new locations, partners, and enterprises
- Accelerate partner enablement to maximise sales opportunity
- Strengthen our position as the leading innovator in global Network as a Service (NaaS)
- Deliver revenue growth with prudent cost management and meaningful reduction in cash burn

³ As of 30th June 2017.

Vincent English, Chief Executive Officer, said “Throughout Fiscal Year 2017 Megaport focused on expanding our Software Defined Network to key locations, all the while enriching the value of our service provider Ecosystem. Recently executed partnerships with Oracle Cloud and Alibaba Cloud provide our customers with a whole new level of choice for their cloud-enabled IT architecture. With over 240 service providers on our platform, we have positioned Megaport as a ‘one-stop-shop’ for connectivity. All indicators point to greater cloud adoption and increasing bandwidth requirements in all sectors for many years to come. Megaport is well positioned to capture the opportunities driven by increased demand for interconnection and direct connectivity to cloud services in FY18 and beyond.”

More information can be found in the FY17 Full Year Results and Global Update lodged with the ASX on 24 August 2017.

Supporting Resources

- Visit Megaport: <https://megaport.com/>
- Follow Megaport on Twitter: [@megaportnetwork](https://twitter.com/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. The Company's extensive footprint in Australia, Asia Pacific, North America, and Europe, provides a neutral platform that spans many key data centre providers across various markets.

Established in 2013 and founded by Bevan Slattery, Megaport built the world's first SDN-based Elastic Interconnection platform designed to provide the most secure, seamless, and on-demand way for enterprises, networks, and services to interconnect. Led by Vincent English, Megaport has been built by a highly experienced team with extensive knowledge in building large scale global carrier networks and connects over 730 customers throughout over 165 data centres in 37 cities. Megaport is an Alibaba Cloud Technology Partner, Oracle Cloud Partner, AWS Technology Partner, Microsoft Azure ExpressRoute Partner, and Google Cloud Interconnect Partner.

Megaport, Virtual Cross Connect, VXC, and MegaIX are registered trademarks of Megaport (Services) Pty Ltd ACN 607 432 646. To learn more about Megaport, please visit: www.megaport.com.

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