



## Global Update

***Megaport continues growth trajectory with solid 1QFY18 performance including significant partner revenue lift in North America and increased revenue of 19.6% QoQ.***

**Brisbane, AUSTRALIA 26 October, 2017** Megaport Limited (**ASX:MP1**) today reports quarterly earnings to 30 September 2017, and provides global market update.

## Executive Summary

In 1Q FY18, Megaport entered into a key partnership with NTT, Singapore and expanded into new markets including Adelaide, Kansas City, and Wellington. The Company also bolstered the capabilities of the leadership team with the appointment of Tim Hoffman as Chief Technology Officer. Megaport entered into new data centre partnerships with QTS, Stream, and FORTRUST and activated its first European Oracle Cloud onramp in Frankfurt.

Megaport's Chief Executive Officer, Vincent English, said, "Q1 yielded solid results, and we are particularly happy with the strong performance from North America in the quarter. Reaffirming our partnership strategy, key channel partnerships have contributed significantly to total revenue in the region. We will build on this momentum in the coming quarters as our Ecosystem continues to grow. As part of our expansion strategy, we have extended to Tier 2 markets that have previously been underserved from a cloud access perspective. We have also seen the number of direct connections to cloud providers increase by 56% quarter over quarter."

## Performance Highlights

1Q FY18 highlights:

- Revenue for the period was \$4.15M, an increase of 19.6% from the last quarter.
- Total monthly recurring revenue for September 2017 was \$1.31M, an increase of \$94K, 8% QoQ.
- Total data centres enabled were 173 at the end of the quarter.
- Customers increased by 6% QoQ to a total of 783.
- Total Ports increased in the quarter to 2,064, or 13% increase QoQ.
- Total Services<sup>1</sup> increased in the quarter to 4,422 or 17% increase QoQ, of which VXC's increased in the quarter to 1,761 or 28% increase QoQ.
- Average Revenue per Port in September 2017 is \$636.
- At the end of September 2017, the Company's cash position was \$28.1M.

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<sup>1</sup> Total services comprise of Ports, Virtual Cross Connections (VXC's), and Internet Exchange (IX).

## Key Performance Metrics

While steadily increasing revenue quarter on quarter, Megaport has maintained attention towards footprint growth and its position as the world's leading global Network as a Service provider.

Key metrics<sup>2</sup>:

	March 2017	June 2017	September 2017	QoQ % Change
Data Centres	150	165	173	5%
Customers	676	738	783	6%
Ports	1,658	1,829	2,064	13%
Services*	3,269	3,764	4,422	17%
MRR	\$1M	\$1.2M	\$1.3M	8%
Qtr Revenue	\$2.94M	\$3.47M	\$4.15M	19.6%

\* Services includes Ports, VXC, and IX

## Ecosystem Expansion Update

- **Asia-Pacific:** 52 total data centres, with the addition of new markets, Adelaide, and Wellington in the period.
- **Americas:** 65 total data centres, with the addition of new market, Kansas City in the period. A new Cloud region was established with AWS Canada, and a new Direct Connect location was established in Boston.
- **Europe:** 56 total data centres. Megaport connected London and Hong Kong to support global multi-cloud interconnection.

## Conclusions and Outlook

Vincent English, Chief Executive Officer, said “With a solid start to our fiscal year, Megaport will continue to focus on fundamentals that accelerate our momentum. We will deepen our channel partnership enablement to accelerate revenue growth and expand to more locations underserved by cloud direct connectivity. Having pivoted to a demand-based expansion model, we expect to launch in more Tier 2 markets where enterprises house critical IT assets ready for the jump to cloud. Achieving the network effect and driving greater value to our platform means that we must continue to stay focused on bringing additional services onto the Megaport SDN and adding more onramps. Today, we connect to a total of 67 onramps across the top five global cloud providers. Our strong relationship with cloud service providers positions Megaport to be a leading partner for extending the reach of their services and reducing the barrier to adopting cloud by a greater number of enterprises. I am very

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<sup>2</sup> As of 30th June 2017.

pleased with our performance and the Megaport team is excited to deliver on our vision to transform the connectivity landscape.”

More information can be found in the Appendix 4C lodged with the ASX on 26 October 2017.

### **Supporting Resources**

- Visit Megaport: <https://megaport.com/>
- Follow Megaport on Twitter: [@megaportnetwork](https://twitter.com/megaportnetwork)
- Like Megaport on [Facebook](https://www.facebook.com/megaport)
- Follow Megaport on [LinkedIn](https://www.linkedin.com/company/megaport)

### **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 Megaport’s 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 780 customers throughout over 170 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.

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