



Global Update

Megaport continues growth trajectory with solid 2Q FY18 performance including new cloud and data centre partnerships and increased monthly recurring revenue of 22% QoQ.

Brisbane, AUSTRALIA 18 January, 2018 Megaport Limited (**ASX:MP1**) today reports quarterly earnings to 31 December 2017 and provides a global market update.

Executive Summary

In 2Q FY18, Megaport entered into a key partnership with IBM Cloud to provide direct connectivity to IBM's cloud-native services. Megaport also achieved AWS Networking Competency status and entered into data centre partnerships with Cyxtera and IO Data Centres. The Company continued to grow its footprint with the launch of services in Denver and Hamilton.

Megaport's Chief Executive Officer, Vincent English, said, "Q2 proved to be another solid quarter of revenue growth and Ecosystem building for Megaport. As Cloud Service Providers continue to differentiate their services and bring unique offerings to market, it is critical that we keep delivering more choices and drive more value to our customers. The addition of new service providers like IBM Cloud allows us to provide the scalable connectivity that supports the future wave of AI, analytics, blockchain, and Internet of Things. Furthermore, deepening our existing cloud partner relationships enables us to stay at the forefront of delivering high-performance connectivity and ensuring ease-of-use for getting connected to leading services. Meanwhile, Megaport's service footprint and Ecosystem continues to grow through new data centre partnerships which enables us to bridge the gap between cloud onramps and enterprise data centres. This ongoing activity translates into Megaport continuing to provide a rich and highly-resilient global connectivity platform for customers and partners."

Performance Highlights

2Q FY18 highlights:

- Revenue for the period was \$4.68M, an increase of 12.7% from the last quarter.
- Total Monthly Recurring Revenue (MRR) for December 2017 was \$1.6M, an increase of \$284K, 22% QoQ.
- Total Data Centres enabled was 185 at the end of the quarter.
- Customers increased by 10% QoQ to a total of 860.
- Total Ports increased in the quarter to 2,259, or 9% increase QoQ.
- Total Services¹ increased in the quarter to 5,041 or 14% increase QoQ, of which VXC's increased in the quarter to 2,155 or 22% increase QoQ.

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

- Average Revenue per Port in December 2017 was \$707.
- At the end of December 2017, the Company's cash position was \$21.1M.

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove significant increases in MRR in the second quarter of Fiscal Year 2018. Partnerships in North America continued to drive greater uptake of Megaport services and bolster overall revenue. Increased activity is leading the Company to invest in success-based capacity upgrades to support core network infrastructure.

Key metrics²:

	March 2017	June 2017	September 2017	December 2017	Q1 to Q2 % Change
Data Centres	150	165	173	185	7%
Customers	676	738	783	860	10%
Ports	1,658	1,829	2,064	2,259	9%
Services*	3,269	3,764	4,422	5,041	14%
MRR	\$1M	\$1.2M	\$1.3M	\$1.6M	22%
Qtr Revenue	\$2.94M	\$3.47M	\$4.15M	\$4.68M	12.7%

* Services includes Ports, VXC, and IX

Ecosystem Expansion Update

- **Asia-Pacific:** 52 total data centres with the addition of Hamilton as a new market, new cloud onramps with AWS Direct Connect in Perth, and IBM Direct Link in Sydney and Melbourne.
- **Americas:** 76 total data centres with the addition of Denver as a new market and new cloud onramps with AWS Direct Connect in Denver, Microsoft ExpressRoute in Denver, and IBM Direct Link enabled in Ashburn, Dallas, San Jose, and Toronto.
- **Europe:** 57 total data centres with the addition of new cloud onramps with Oracle Cloud Infrastructure FastConnect in Frankfurt and IBM Direct Link enabled in London, Amsterdam, and Frankfurt.

Conclusions and Outlook

Vincent English said, "We are accelerating our momentum across all vectors. As the leading Network as a Service provider, we now connect 77 cloud onramps and deliver services to

² As of 31 December 2017.

185 data centres globally. The continued maturity of our channel relationships with Cloud Service Providers, Data Centre Operators, and Master Agencies, coupled with our online sales strategy, has yielded our largest growth of MRR to date. Average revenue per Port is at an all-time high as customers connect to multiple leading service providers; they are empowering their multicloud strategies and taking full advantage of our one stop shop for connectivity. Heading into Q3 2018, we will continue to expand our service footprint and enrich our Ecosystem with the next-generation services driving the next wave of cloud to ensure we maintain our first-mover advantage.

Supporting Resources

- Visit Megaport: <https://megaport.com/>
- Follow Megaport on Twitter: [@megaportnetwork](https://twitter.com/megaportnetwork)
- Like Megaport on [Facebook](#)
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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 860 customers throughout over 185 data centres in 46 cities. Megaport is an Alibaba Cloud Technology Partner, Oracle Cloud Partner, AWS Technology Partner, Microsoft Azure ExpressRoute Partner, Google Cloud Interconnect Partner, and an IBM Direct Link Cloud Exchange provider.

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