



Global Update

Megaport continues growth trajectory with solid 3Q FY18 performance, including new cloud, data centre, and sales channel partnerships, while increasing monthly recurring revenue 12% QoQ.

Brisbane, AUSTRALIA 26 April, 2018 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 31 March 2018 and provides a global market update.

Executive Summary

In 3Q FY18, Megaport continued to expand its network footprint and service reach, and enrich its Ecosystem, globally. New partnerships with network service providers include NTT Indonesia and Cinia, a leading network operator in Finland, to enable direct cloud connectivity services in their core markets. Megaport also launched direct connectivity services to Salesforce, the global leader in CRM.

Megaport Cloud Router (MCR), a virtual router service, was launched in January and opens up Megaport services to a wider market by removing the need for customers to own or manage routers or physical infrastructure. MCR also enables cloud-to-cloud connections to support cloud interoperability and multicloud architectures.

On 21 March, Megaport announced the successful completion of a \$50 million fully underwritten Placement to high-quality institutional investors based in the US and Australia. Coupled with \$10 million raised via a Share Purchase Plan (completed on 20 April, 2018), the capital raise will be used to upgrade network capacity, accelerate expansion to new locations and new markets, as well as fund staffing, marketing, and operating costs and general working capital requirements.

Megaport's Chief Executive Officer, Vincent English, commented: "The third quarter saw continued investment in network expansion through new data centre deployments and network partnerships. This, combined with new products like Megaport Cloud Router and the addition of Salesforce to our service provider Ecosystem, positions Megaport to further leverage our first-mover advantage and capture the market's increasing need for on-demand, direct cloud connectivity enabled by our Network as a Service model. All of this aligns with our vision to be the world's one-stop shop for connectivity."

Performance Highlights

3Q FY18 highlights:

- Revenue for the period was \$5.14M, an increase of 10% from the last quarter.
- Total Monthly Recurring Revenue (MRR) for March 2018 was \$1.8M, an increase of

\$193K, 12% QoQ.

- Total data centres enabled was 206 at the end of the quarter, an increase of 21 across three regions, 11% QoQ.
- Customers increased by 11% QoQ to a total of 951.
- Total Ports increased in the quarter to 2,520, or 12% increase QoQ.
- Total Services¹ increased in the quarter to 5,731, or 14% increase QoQ, of which VXC's increased in the quarter to 2,513 or 17% increase QoQ.
- Average Revenue per Port in March 2018 has marginally improved to \$710.
- At the end of March 2018, the Company's cash position was \$57.1M (including bank term deposits). This does not include the \$10M proceeds of the Share Purchase Plan which completed on 20 April 2018.

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in the third quarter of Fiscal Year 2018. The Company had a strong focus in North America, adding 15 of 21 new data centres in the quarter, and also completed a 100 Gbps network backbone upgrade in April where customers are already taking advantage of the new capacity.

Key metrics²:

	June 2017	September 2017	December 2017	March 2018	QoQ % Change
Data Centres	165	173	185	206	11%
Customers	738	783	860	951	11%
Ports	1,829	2,064	2,259	2,520	12%
Services*	3,764	4,422	5,041	5,731	14%
MRR	\$1.2M	\$1.3M	\$1.6M	\$1.8M	12%
Qtr Revenue	\$3.47M	\$4.15M	\$4.68M	\$5.14M	10%

* Services includes Ports, VXC, MCR and IX

Ecosystem Expansion Update

- **Asia Pacific:** 54 total data centres with the addition of two new sites in Brisbane and Perth.
- **Americas:** 91 total data centres with the addition of 15 new sites across San Francisco, Boston, St Louis, Austin, New York, Phoenix, Philadelphia, Sacramento, and Columbus.

¹ Total services comprise of Ports, Virtual Cross Connections (VXC's), Megaport Cloud Router (MCR) and Internet Exchange (IX)

² As of 31 March 2018

- **Europe:** 61 total data centres with the addition of four new sites across London, Amsterdam, and Stockholm, and the addition of a new cloud on-ramp with Salesforce in Frankfurt.
- **Cloud On-Ramps:** 106 total connected cloud on-ramps globally with the addition of four in the quarter.

Conclusions and Outlook

Vincent English said, “Megaport’s ongoing expansion into new data centres in markets like Austin, Sacramento, and St. Louis enable us to support enterprises in locations that have been underserved by direct connectivity to public cloud services. Providing access to major business services such as Salesforce opens the door to a host of new customers, as does innovations like Megaport Cloud Router with its ability to virtualise infrastructure and support cloud-to-cloud connectivity. Strengthening our relationships with the major cloud service providers and the rapid expansion of our network reach increases Megaport’s ability to bring the next generation of IT services to where they are in demand and increases the value of our Ecosystem.”

“The significant interest we received in our recent Share Placement and Share Purchase Plan demonstrates confidence in Megaport both as a business and as a way of investing in the booming digital economy. We are excited to scale our operations to fulfil the future needs of our customers and partners and provide value to our shareholders.”

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 our open API. Megaport connects over 900 customers in more than 200 data centres globally. Megaport is an Alibaba Cloud Technology Partner, Oracle Cloud Partner, AWS Technology Partner, AWS Networking Competency Partner, Microsoft Azure ExpressRoute Partner, Google Cloud Interconnect Partner, IBM Direct Link Cloud Exchange provider, and Salesforce Express Connect Partner.

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