



Global Update

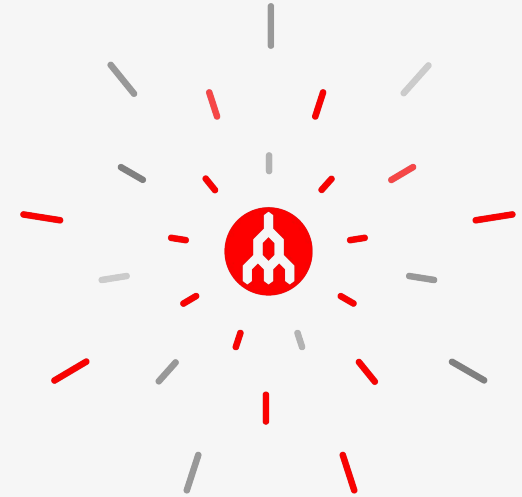
FY19 FULL YEAR RESULTS

21 AUGUST 2019



FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

Company Highlights FY19



Company Highlights FY19



+82%

Monthly Recurring Revenue¹

\$2.0M*

30 JUNE 2018

\$3.6M

30 JUNE 2019



+82%

Annualised Revenue²

\$23.8M

30 JUNE 2018

\$43.3M

30 JUNE 2019



+44%

Total Number of Customers

1,038

30 JUNE 2018

1,490

30 JUNE 2019



+76%

Total Number of Services³

6,567

30 JUNE 2018

11,561

30 JUNE 2019



+48%

Total Number of Ports

2,755

30 JUNE 2018

4,069

30 JUNE 2019



+36%

Total Installed Data Centres⁴

221

30 JUNE 2018

300

30 JUNE 2019

1. Monthly Recurring Revenue (MRR) is revenue (excluding one-off and non-recurring revenue) for the month of June.

2. Annualised Revenue is MRR for the month of June multiplied by 12

3. Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

4. Installed Data Centres are data centres in which Megaport has a Point of Presence with physical infrastructure. This definition is consistent with the data centre count reported previously.

Company Highlights FY19



Leading Cloud Partners

NEW
FY19



NUTANIX



Microsoft
Azure



Google Cloud

ORACLE
Cloud



IBM Cloud

Alibaba Cloud



Cloud Onramps

24

NEW

132

TOTAL



Cloud Regions

11

NEW

73

TOTAL



Total Enabled Data Centres¹

528

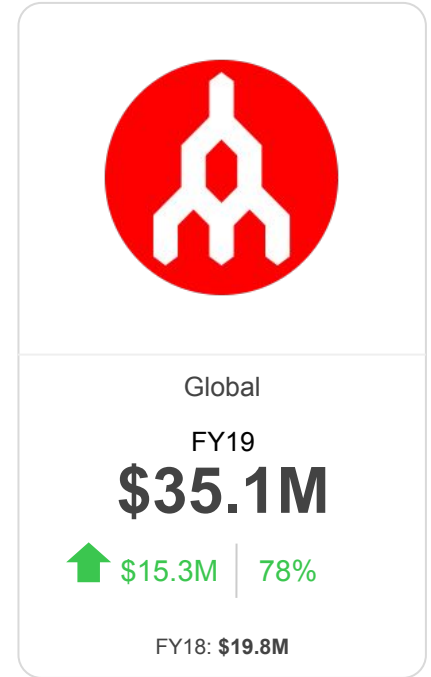
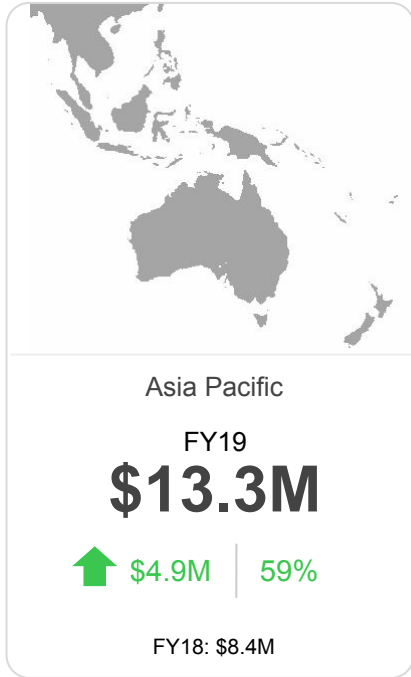


Megaport Marketplace

346

1. Enabled Data Centres represents Installed Data Centres plus data centres that can be connected directly to Megaport equipment within Installed Data Centres by means of a dark fibre campus cross connect, provided by the data centre campus / facility operator for a price that is the same or similar to a standard Installed Data Centre cross connect.

Revenue Performance FY19



Note: Growth rates are calculated using the actual \$ values.

FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

Annual Results FY19



Financial Results

Consolidated Profit & Loss	FY19 \$'000	FY18 \$'000
Revenue	35,065	19,753
Direct network costs ¹	(23,117)	(15,264)
Profit after direct network costs¹	11,948	4,489
Operating Expenses (OPEX)	(36,643)	(26,633)
Normalised EBITDA²	(24,695)	(22,144)
Depreciation and amortisation expense	(9,051)	(4,936)
Equity-settled employee costs	(4,966)	(934)
Foreign exchange gains	4,263	2,443
Non-operating income ³	894	245
Tax (expense)/benefit	(9)	863
Net loss for the year	(33,564)	(24,463)

Financial Results

For year ended 30 June 2019

Revenue \$35.1M up 78%

Profit after direct network costs¹ of \$11.9M improved by \$7.5M

Profit % after direct network costs¹ of 34% improved from 23% in FY18

Normalised EBITDA loss of \$24.7M, 70% of revenue (FY18: 112% of revenue)

1. Direct network costs comprise data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group
 2. Normalised Earnings Before Interest Tax Depreciation and Amortisation (Normalised EBITDA) represents operating results excluding equity-settled employee costs, foreign exchange gains and loss on disposal of property, plant and equipment. Including these amounts, EBITDA would be (\$25.406) in FY19 and (\$20.662) in FY18
 3. Represents interest income offset by finance costs and loss on disposal of property, plant and equipment

Financial Results with Estimated Impact of AASB 16

Consolidated Profit & Loss	FY19 Reported \$'000	AASB 16 Estimated Impact ¹ \$'000	Pro Forma FY19 Under AASB 16 ¹ \$'000
Revenue	35,065	-	35,065
Direct network costs	(23,117)	2,644	(20,473)
Profit after direct network costs	11,948	2,644	14,592
Operating Expenses (OPEX)	(36,643)	129	(36,514)
Normalised EBITDA	(24,695)	2,773	(21,922)
Depreciation and amortisation expense	(9,051)	(2,530)	(11,581)
Equity-settled employee costs	(4,966)	-	(4,966)
Foreign exchange gains	4,263	-	4,263
Non-operating income/(expenses)	894	(398) ²	496
Tax expense	(9)	-	(9)
Net loss for the year	(33,564)	(155)	(33,719)

Pro Forma Financial Results¹

For year ended 30 June 2019

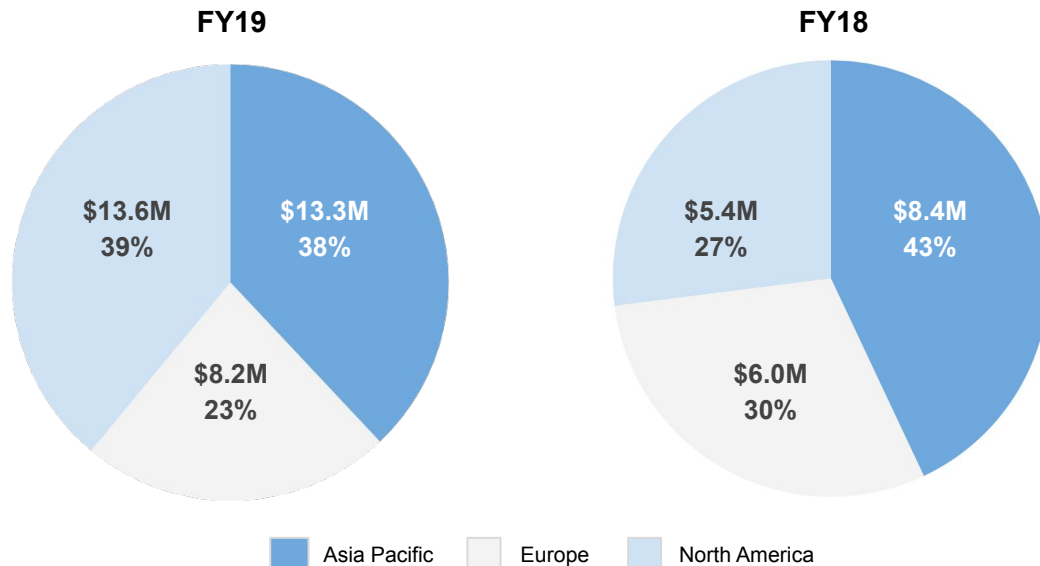
This table sets out the estimated impact on financial performance for the year ended 30 June 2019 as if **AASB 16 Leases** had been adopted from 1 July 2018

The estimated impact considers only those leases which will remain in scope for AASB 16 on transition at 1 July 2019

1. The new Accounting Standard AASB 16 Leases is applicable to Megaport effective 1 July 2019 (for year ended 30 June 2020 onwards). The expected impact at the date of initial application is disclosed in Note 1(b) to the FY19 Annual Report.

2. Represents interest portion of lease payments during FY19

Revenue



REVENUE: \$35.1M

↑ 78% From FY18

MRR*: \$3.6M

↑ 82% From FY18

Financial Results

For year ended 30 June 2019

Revenue of \$35.1M, up 78%, driven by increased usage of services across all regions

39% from NAM
38% from APAC
23% from EUROPE

MRR* was **\$3.6M** for June 2019, **up 82%**, driven by increased utilisation of Megaport services globally

Operating Costs

	FY19 \$'000	FY18 \$'000
Direct network costs	23,117	15,264
Profit after direct network costs¹	11,948	4,489
Employee costs ²	26,031	19,597
Professional fees ³	3,179	2,160
Marketing costs	1,653	859
Travel costs	2,417	1,461
General and administrative costs	3,363	2,556
Total OPEX	36,643	26,633

Financial Results

For year ended 30 June 2019

Average direct network cost¹ per data centre per month is \$7.4K in FY19 (up 3% compared to FY18 after excluding 100G network costs)

Employee costs* increased due to investment in headcount to support business growth

Travel costs increased with business development opportunities in NAM

Other OPEX increased in line with business growth and entering new markets

1. Direct network costs comprise data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group

2. Excludes equity-settled employee costs

3. Excludes business acquisition costs

Financial Position

Consolidated Financial Position	30 June 2019 \$'000	30 June 2018 \$'000
Current assets	85,134	61,355
Non-current assets	41,811	30,802
Total assets	126,945	92,157
Current liabilities	(14,236)	(11,703)
Non-current liabilities	(2,119)	(250)
Total liabilities	(16,355)	(11,953)
Equity	110,590	80,204
Cash position	30 June 2019 \$'000	30 June 2018 \$'000
Cash at end of the year	74,879	56,270

Financial Results

For year ended 30 June 2019

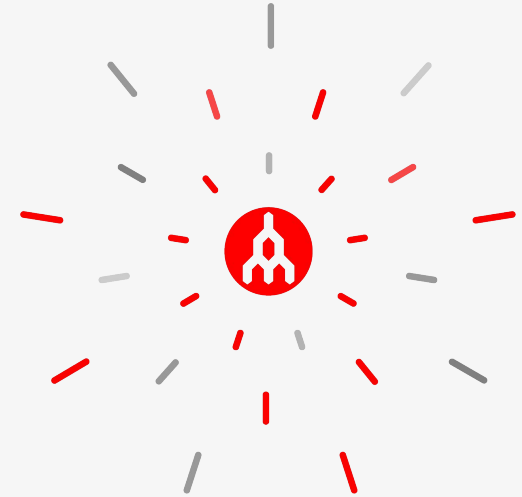
\$60M in equity raised in 2H FY19

Capital invested in deploying to new data centres globally, network expansion, and software and product development

Cash at 30 June 2019 was \$74.9M

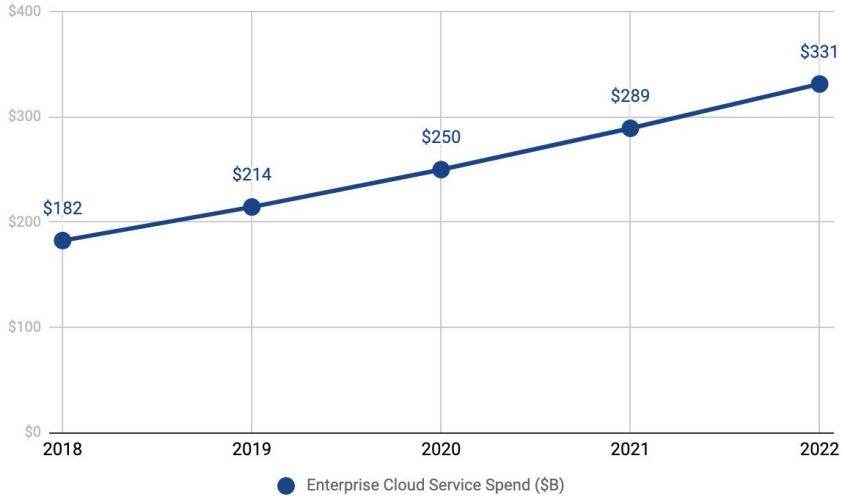
FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

The Megaport Effect



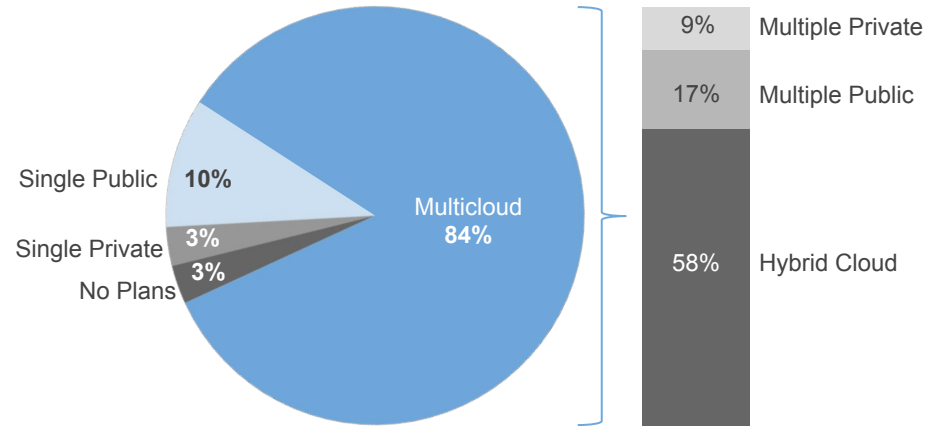
Industry Growth Trends

Enterprise Cloud Service Spend (\$B)



Total of: BPaaS, PaaS, SaaS, Cloud Management & Security Services, Source: Gartner, 2019

Enterprise Cloud Strategy
1000+ Employees



Source: RightScale 2019 State of the Cloud Report

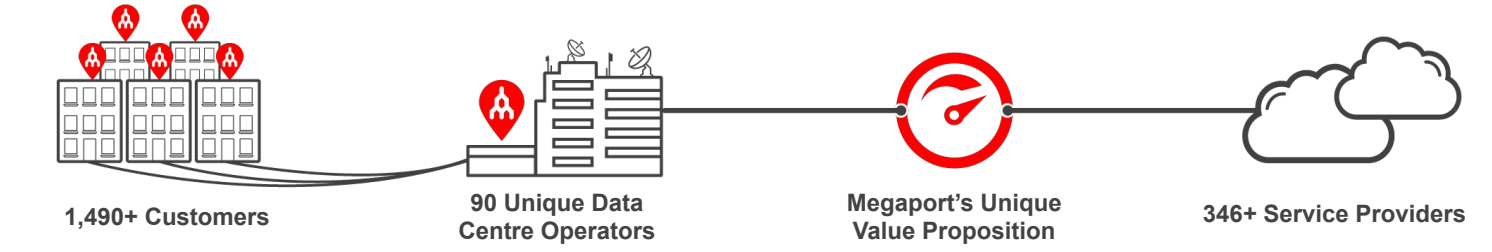


Megaport customers accessing multicloud increased 100% in FY19

The Leader in Network as a Service (NaaS)

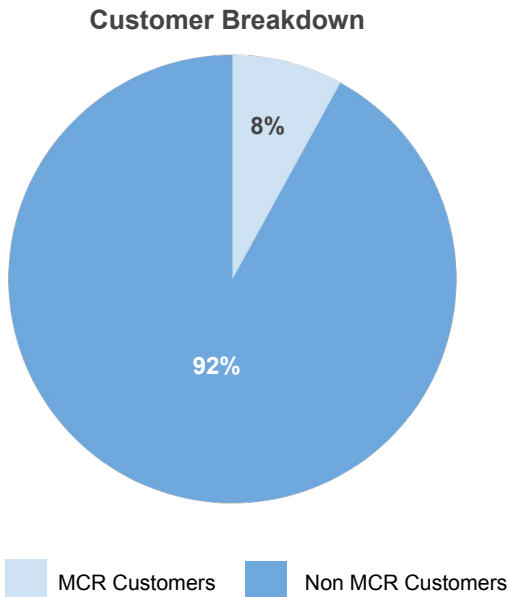
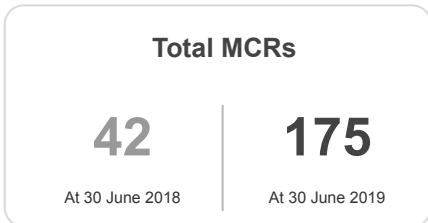
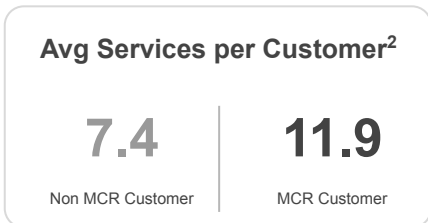
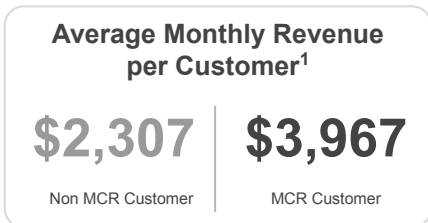
	Megaport's Connectivity Model	Traditional Connectivity
Pricing	Pay for what you use, no setup fees	Expensive locked-in pricing model, expensive setup costs
Speed	Real-time provisioning (59 seconds)	Long setup times (one week – several months)
Capacity	Elastic, right-sized capacity	Fixed capacity
Terms	Flexible terms, month to month contract	Locked-in long term contracts
Providers	Neutral, one-stop shop featuring all service providers	Limited service providers
Ease of Use	Intuitive portal to manage network	Multiple emails, calls to vendors, and contracts

Connecting the Ecosystem



1,490+ Customers	90 Unique Data Centre Operators	Megaport's Unique Value Proposition	346+ Service Providers

MegaPort Cloud Router (MCR)



- Customer Benefits**
- Ease of Use
 - No Customer Infrastructure Needed
 - Real-Time Provisioning
 - Global Reach
 - Cloud and Service Agnostic
 - Cloud to Cloud Networking

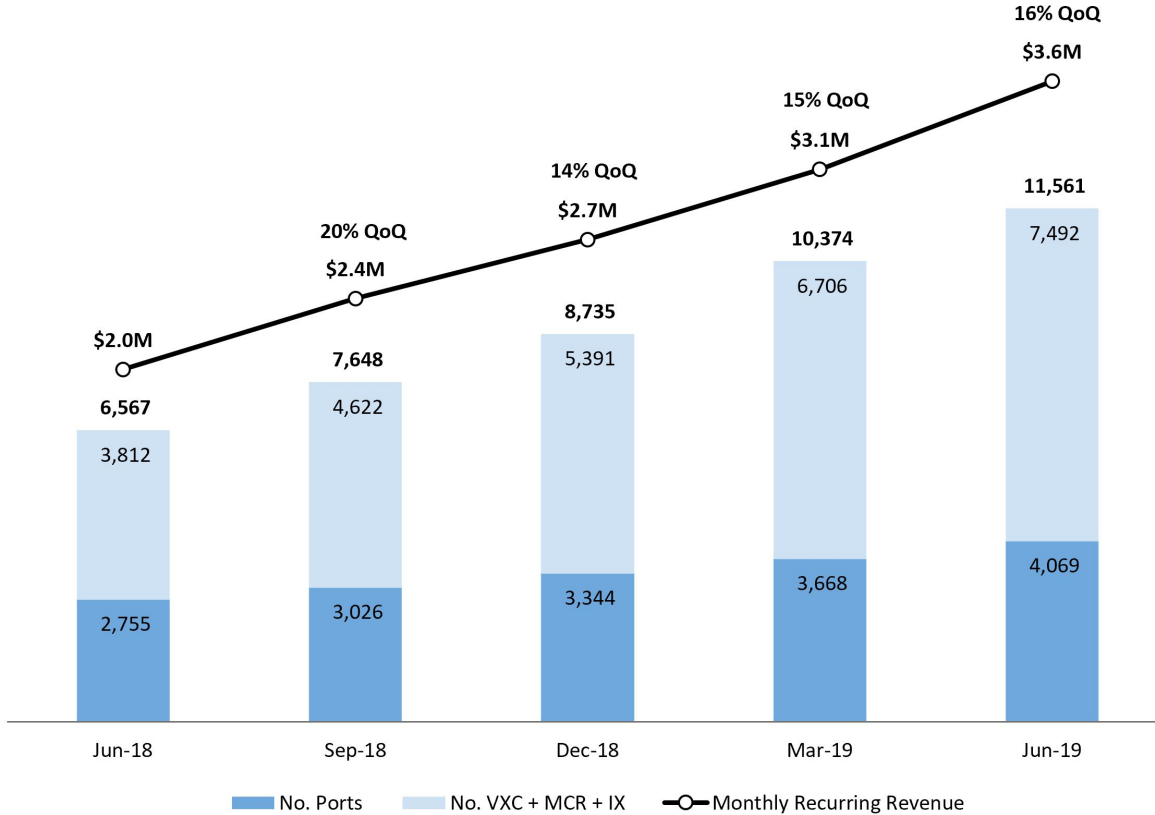
1. Represents June 2019 MRR divided by relevant customer count at 30 June 2019
 2. At 30 June 2019

FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

Business Update FY19



Growth Trends



Ecosystem richness drives greater service connection opportunities

Growth in services indicates overall customer usage on the Network

Increased Services per Port drives greater MRR* growth and increased Revenue per Port

MRR* has grown to \$3.6M, up 82% from June 2018

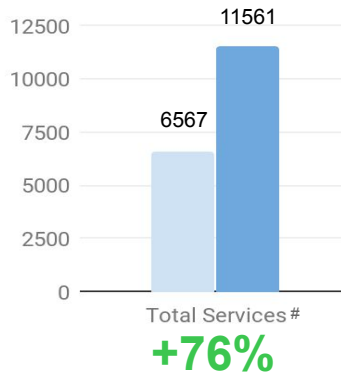
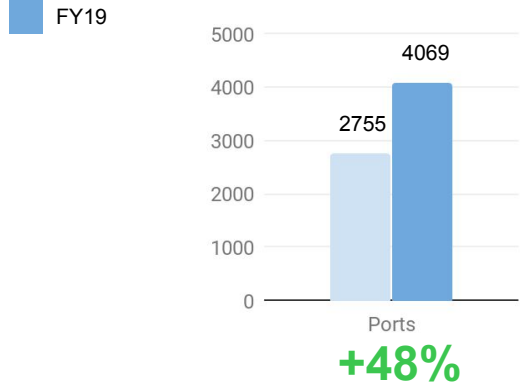
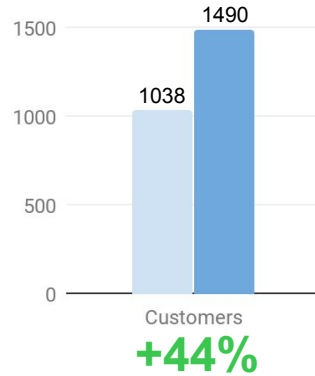
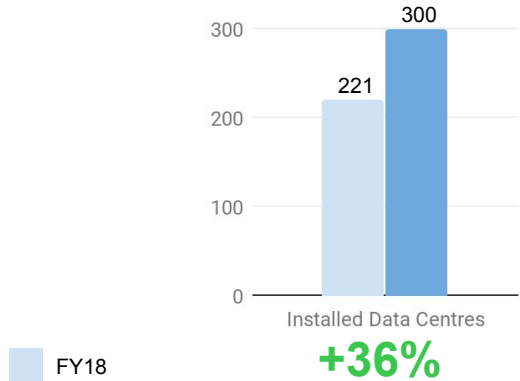
Monthly Recurring Revenue*

\$2.0M
June 2018

\$3.6M
June 2019

*MRR is revenue (excluding one-off and non-recurring revenue) for the last month of the quarter

Growth FY19



Revenue Growth

The increase in Services per Port directly increases Port value

Average Revenue per Port*

\$720
June 2018

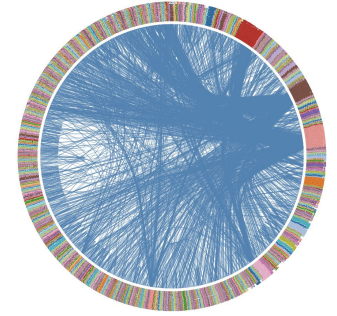
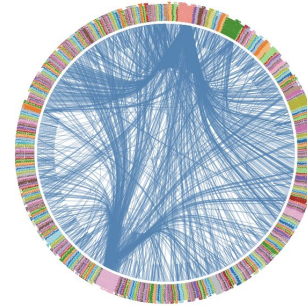
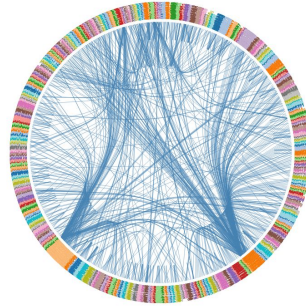
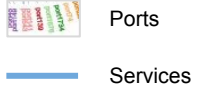
\$887
June 2019

↑ \$167 / 23%

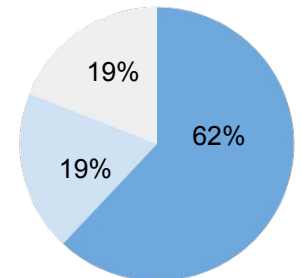
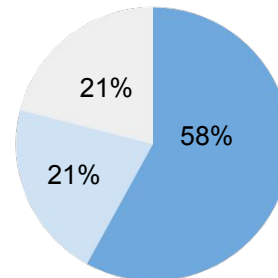
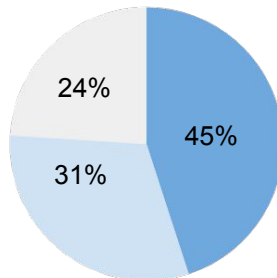
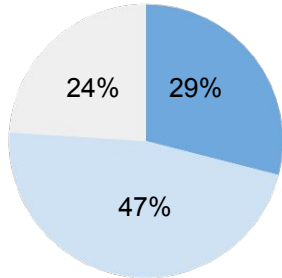
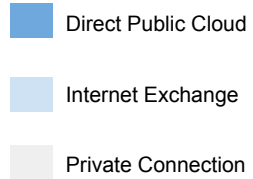
* MRR divided by number of Ports at reporting period end date
 # Total Services comprises Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

The Network Effect

Megaport Service Connections



Service Connection Types



Megaport Cloud Enablement

132 Total Onramps

*Increase: 24 **+22%**

	Total Onramps
Amazon Web Services	37
Microsoft Azure	31
Google Cloud	24
IBM Cloud	14
Oracle Cloud	11
Alibaba Cloud	8
Salesforce	3
Nutanix	3
SAP	1

73 Total Cloud Regions

*Increase: 11 **+18%**



- San Francisco
- Santa Clara
- Ashburn

- Asia Pacific SE1 (Singapore)
- Asia Pacific SE2 (Sydney)
- CN-Hong Kong
- US West 1 (Silicon Valley)
- US East 1 (Virginia)

- Asia Pacific South
- EU (UK)
- EU (Germany)
- UK South
- US East
- US South

- US East US
- Central EU
- US West

- Sydney



- Asia Pacific (Sydney)
- Asia Pacific (Hong Kong)
- Asia Pacific (Singapore)
- EU (London)
- EU (Ireland)
- EU (Frankfurt)
- AWS GovCloud
- US (Ohio)
- US East (N.Virginia)
- US West (N.California)
- US West (Oregon)
- Canada (Central)

- Australia South East
- Australia East
- East Asia
- Southeast Asia
- UK South
- North Europe
- West Europe
- Germany Central
- US Gov Arizona
- US DoD East
- US DoD Central
- US Gov Virginia

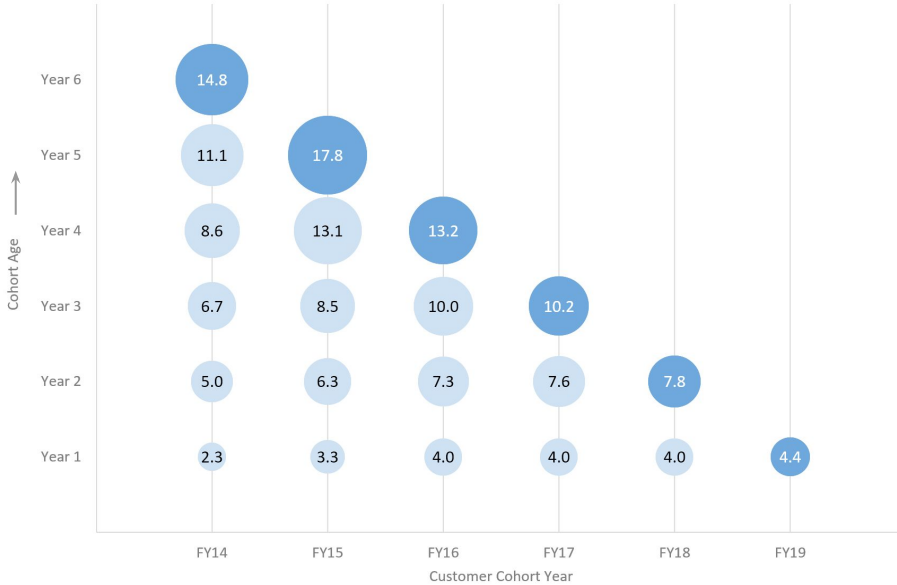
- US Gov Texas
- US Gov Iowa
- US East
- US West
- West US2
- West Central US
- South Central US
- North Central US
- Canada East
- Canada Central

- APAC Sydney
- EMEA Frankfurt
- EMEA Slough
- EMEA Amsterdam
- US Ashburn
- US Chicago
- US Phoenix
- US Gov DC
- US Gov PHX

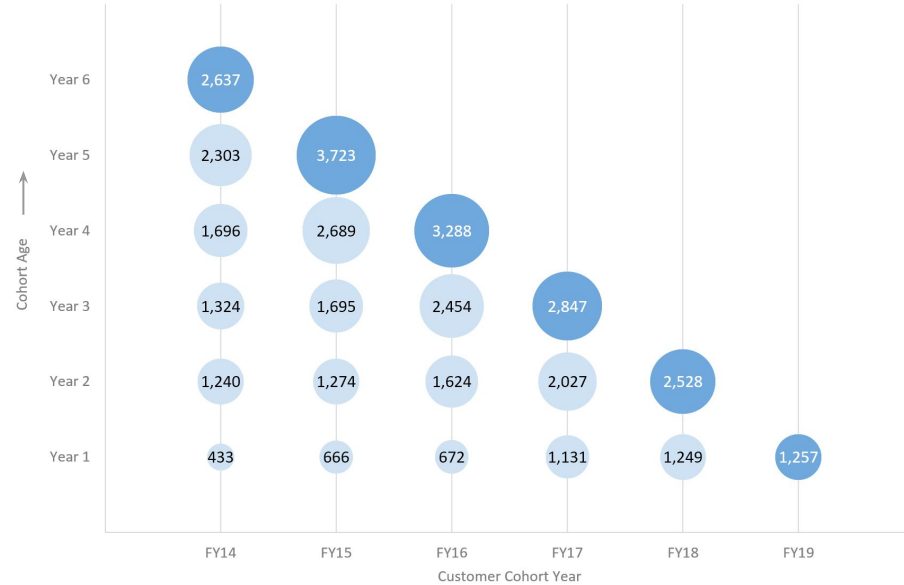
- Asia Southeast1 (Singapore)
- Australia South East1 (Sydney)
- Asia East1 (Taiwan)
- Europe West2 (UK)
- Europe West3 (Germany)
- Europe West4 (Netherlands)
- North America-Northeast1 (Montréal)
- US Central1 (Iowa)
- US East1 (South Carolina)
- US East4 (Virginia)
- US West1 (Oregon)
- US West2 (Los Angeles)

Customer Cohort Trends

Average Services per Customer



Average Monthly Revenue per Customer (\$)



Average Services per Customer

7.8

+23%¹

Customer spend increases over time as a result of service uptake and adoption

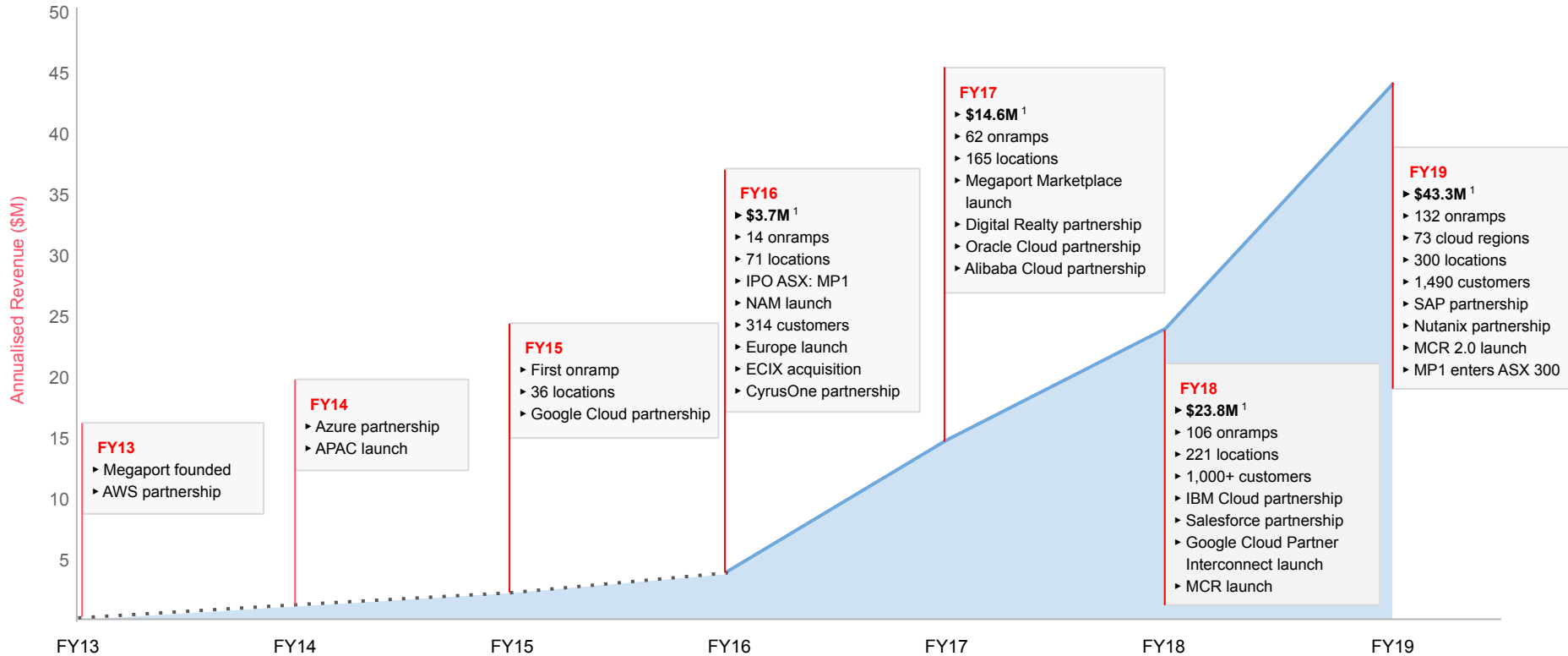
Average Revenue per Customer²

\$2,422

+27%

Note: Yearly cohorts are customers acquired in a given reporting year
 1. At 30 June 2019; percentage represents growth compared to 12 months earlier
 2. Represents June 2019 MRR divided by total customers at 30 June 2019; percentage represents movement compared to 12 months earlier

Company Milestones

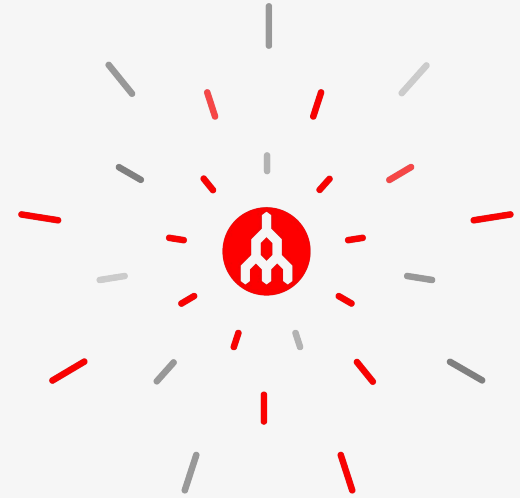


1. Annualised Revenue at year end, which is MRR for the month of June multiplied by 12

FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

Regional Highlights

ASIA PACIFIC | NORTH AMERICA | EUROPE



Growing Global Ecosystem

North America



Countries	Cities	Installed	Enabled
2	64	146	304

Europe



Countries	Cities	Installed	Enabled
14	23	83	143

Asia Pacific



Countries	Cities	Installed	Enabled
4	11	71	81

Asia Pacific

APAC EBITDA Positive

Total Installed Data Centres



59

30 JUNE 2018

71

30 JUNE 2019

Total Number of Customers



529

30 JUNE 2018

673

30 JUNE 2019

Total Number of Ports



1,355

30 JUNE 2018

1,861

30 JUNE 2019

Total Number of Services¹

3,676

30 JUNE 2018

5,501

30 JUNE 2019

Monthly Recurring Revenue²

\$0.9M

JUNE 2018

\$1.4M

JUNE 2019

Profit After Direct Network Costs



62%

For the Month JUNE 2019

Average Revenue per Port³

\$730

+13%

No. of Ports per Data Centre

26

+14%

Services per Port

3.0

+9%

Services per Customer

8.2

+18%

Port Utilisation⁴

52%

Figures as at 30 June 2019 (vs 30 June 2018)

1. Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

2. Monthly Recurring Revenue (MRR) is revenue (excluding one-off and non-recurring revenue) for the month of June

3. MRR divided by number of Ports at reporting period end date

4. Ports sold/used divided by total Ports available

North America

NAM Profit After Direct Network Costs Positive for Full Year

Total Installed Data Centres



100 | **146**
30 JUNE 2018 | 30 JUNE 2019

Total Number of Customers



340 | **653**
30 JUNE 2018 | 30 JUNE 2019

Total Number of Ports



812 | **1,593**
30 JUNE 2018 | 30 JUNE 2019

Total Number of Services¹



2,057 | **4,275**
30 JUNE 2018 | 30 JUNE 2019

Monthly Recurring Revenue²



\$0.5M | **\$1.5M**
JUNE 2018 | JUNE 2019

Profit After Direct Network Costs



22%
For the Month JUNE 2019

Average Revenue per Port³

\$919 | **+36%**

No. of Ports per Data Centre

11 | **+34%**

Services per Port

2.7 | **+6%**

Services per Customer

6.5 | **+8%**

Port Utilisation⁴

31%

Figures as at 30 June 2019 (vs 30 June 2018)

1. Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

2. Monthly Recurring Revenue (MRR) is revenue (excluding one-off and non-recurring revenue) for the month of June

3. MRR divided by number of Ports at reporting period end date

4. Ports sold/used divided by total Ports available

Europe

Europe Expansion into 6 New Countries

Total Installed Data Centres



62

30 JUNE 2018

83

30 JUNE 2019

Total Number of Customers



251

30 JUNE 2018

296

30 JUNE 2019

Total Number of Ports



588

30 JUNE 2018

615

30 JUNE 2019

Total Number of Services¹



834

30 JUNE 2018

1,785

30 JUNE 2019

Monthly Recurring Revenue²



\$0.6M

JUNE 2018

\$0.8M

JUNE 2019

Profit After Direct Network Costs



40%

For the Month JUNE 2019

Average Revenue per Port³

\$1,280

+35%

No. of Ports per Data Centre⁴

7

-22%

Services per Port

2.9

+105%

Services per Customer

6.0

+81%

Port Utilisation⁵

30%

Figures as at 30 June 2019 (vs 30 June 2018)

1. Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

2. Monthly Recurring Revenue (MRR) is revenue (excluding one-off and non-recurring revenue) for the month of June

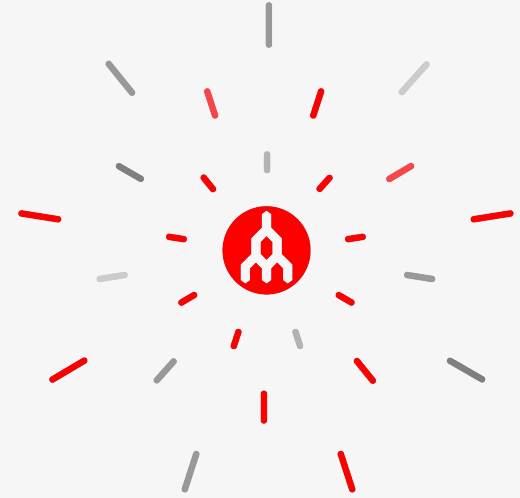
3. MRR divided by number of Ports at reporting period end date

4. Number of Ports per data centre have been diluted due to 16 new Data Centres added in Q4

5. Ports sold/used divided by total Ports available

FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

Partners & Customers



90 Unique Data Centre Operators

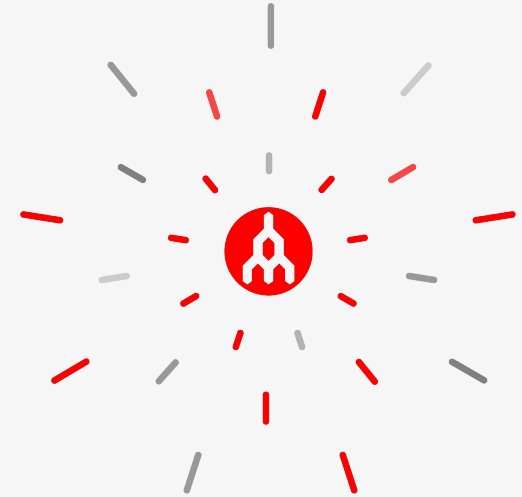


Key Customer Wins FY19



FY19 FULL YEAR RESULTS AND GLOBAL UPDATE

Focus FY20



Focus For FY20

EXECUTE

Accelerate partner enablement to maximise sales opportunities and maintain exceptional performance across our global teams.

LEVERAGE

Strengthen our ecosystem, deepen our footprint in existing markets, and extend our reach globally to deliver more services to customers and partners.

INNOVATE

Strengthen our position as the leading innovator in global Network as a Service (NaaS) and evolve our products and services with customer and connectivity demand.

Important Information

Megaport Limited ACN 607 301 959

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell Megaport securities in any jurisdiction. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the information, whether as to the past or future. Recipients of the document must make their own independent investigations, consideration and evaluation. The information contained in this presentation is subject to change without notification.

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All references to "\$" are to Australian currency (AUD) unless otherwise noted.

Direct network costs: Revenue less direct network costs, which comprise of data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group.

Normalised Earnings Before Interest Tax Depreciation and Amortisation (Normalised EBITDA) represents operating results excluding equity-settled employee benefit, foreign exchange gains / (losses) and non-operating expenses.

Thank you


ASX: MP1


On the Web

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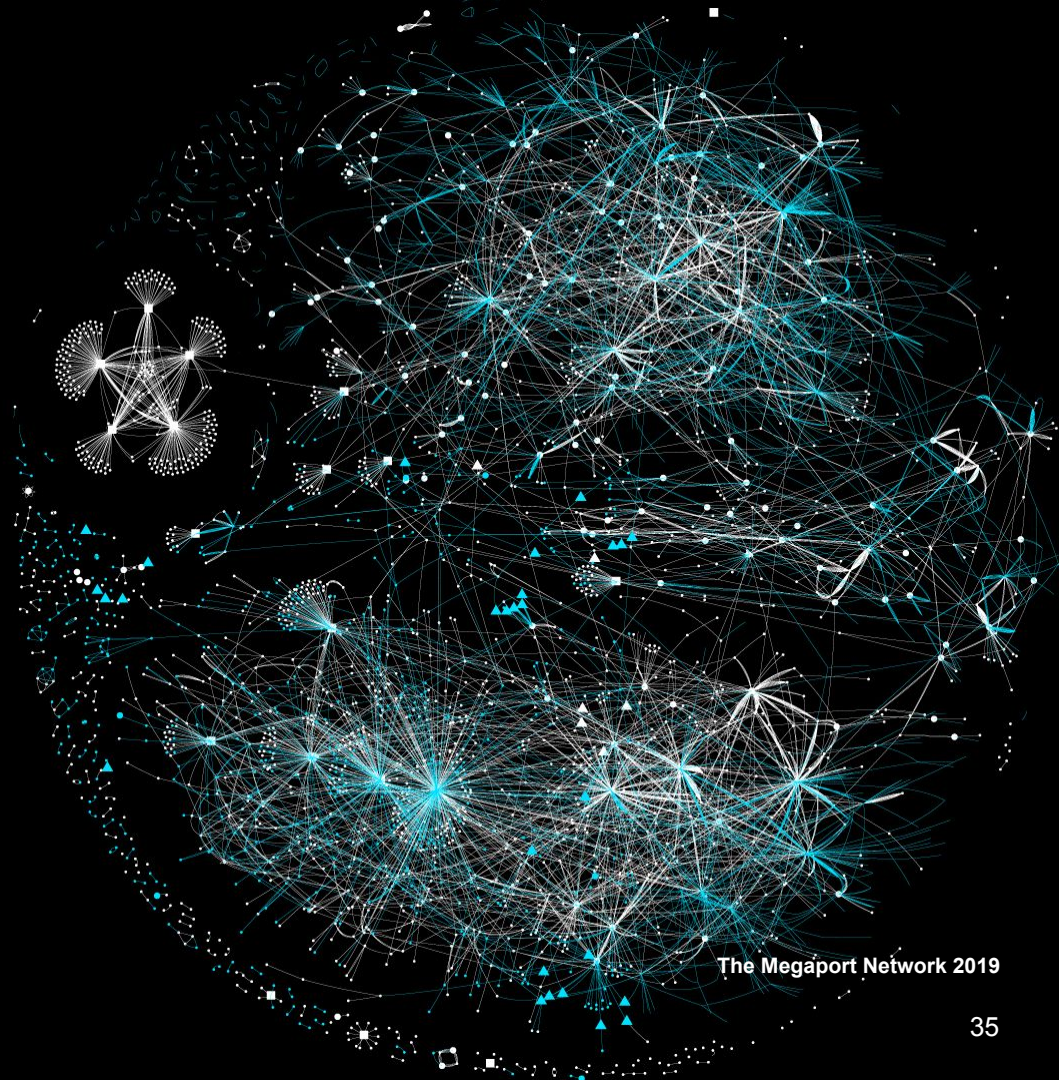
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