Megaport

ASX Release

9 February 2022

1HFY22 Half Year Results and Market Update

Megaport reports strong growth across all operating metrics over previous half, with 170 new customers added and an increase of 42% in revenue over the comparable period in FY21. During the half, the Company launched the PartnerVantage portal supporting indirect partners to resell Megaport services.

Megaport Limited (ASX:MP1) today reported its first half earnings to 31 December 2021 including a general market update.

Performance Highlights

1HFY22 Financial Highlights
● The Company's revenue for the half-year period ended 31 December 2021 was $51.2M, an increase of $15.2M or 42% from the same period ended 31 December 2020.
● Monthly Recurring Revenue (MRR) for the month of December 2021 was $9.2M, an increase of $2.9M or 46% from the month of December 2020.
● The business generated a profit after direct costs[1] of $30.9M for the half-year period ended 31 December 2021, an increase of $12.7M or 69% from the same period ended 31 December 2020 ($18.2M).
● Net loss for the half-year period ended 31 December 2021 was $20.2M.
● At 31 December 2021, the Company's cash position was $104.6M.

Key Performance Metrics

In December 2021, Megaport achieved 2,455 customers across 768 Enabled Data Centres[2] in 190 cities. Of these data centres, 420 were located in North America, 208 in EMEA and 140 in Asia Pacific.

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[1] Direct 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.

[2] Enabled Data Centres is the total of Installed Data Centres plus Extended Data Centres. Extended Data Centres are data centres that can be connected directly to Megaport networking hardware within Installed Data Centres by means of interconnection services provided by the data centre campus / facility operator of the Installed Data Centre.

The key metrics at the end of December 2021 were:

	June 2021	December 2021	Change
Enabled Data Centres[3]	761	768	+1%
Installed Data Centres[3]	405	411	+1%
Cloud Onramps	233	240	+3%
Customers	2,285	2,455	+7%
Ports	7,689	8,523	+11%
MCR	502	603	+20%
Total Services[4]	21,712	24,359	+12%
Monthly Recurring Revenue	$7.5M	$9.2M	+23%

Conclusions and Outlook

Vincent English, Chief Executive Officer, Megaport Limited said: "During the first half of Fiscal Year 2022, the Megaport team delivered an impressive 23% growth in MRR. In addition to strong service uptake across the board, the team drove Megaport Cloud Router sales to surpass 600 installed MCRs globally. With the increased adoption of multicloud architectures, Megaport customers use MCR to enable cloud-to-cloud connections with ease and bill nearly double for Megaport services compared to port-only customers.

"With the launch of the PartnerVantage portal in November, we have transformed our channel programme to align our NaaS offering for reselling across a variety of indirect channel segments. Key agreements with TD SYNNEX and Arrow Electronics make Megaport the first NaaS platform to enable software-defined cloud interconnection services with leading Value Added Distributors.

"Since the acquisition of InnovoEdge in August, 2021, we have moved quickly to integrate the InnovoStudio service with Megaport's NaaS platforms, leading to the launch of Megaport ONE - a whitelabel, SaaS platform that enables connectivity and control to the cloud, and through the cloud. Partners are able to use Megaport ONE to integrate their own unique services into Megaport's NaaS environment and offer holistic IT solutions so their customers can *orchestrate*, *network*, and *enable* critical network, compute, and application resources in real time.

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[3] Installed Data Centres are data centres in which Megaport has a Point of Presence with physical networking hardware.

[4] Total Services comprise of Ports, Virtual Cross Connects (VXCs), Megaport Cloud Router (MCR), Megaport Virtual Edge (MVE), and Internet Exchange (IX)

"We have aligned our business, through innovation, network footprint, product positioning, and partner-building to be *The Edge*. The team will stay focused for the remainder of the fiscal year on executing our plan and achieving our revenue and EBITDA targets."

Authorised by the Board.

Supporting Resources

- Visit Megaport: https://megaport.com
- Subscribe for ASX announcements here
- Follow Megaport on Twitter: @megaportnetwork
- Like Megaport on Facebook
- Follow Megaport on LinkedIn
- Learn more about MCR and MVE
- More information about Megaport PartnerVantage
- For definitions refer to the Glossary for Investors in our Business Overview

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 more than 2,400 customers in over 760 enabled data centres globally. Megaport is an Alibaba Cloud Technology Partner, AWS Technology Partner, AWS Networking Competency Partner, Cloudflare Network Interconnect Partner, Google Cloud Interconnect Partner, IBM Direct Link Cloud Exchange provider, Microsoft Azure Express Route Partner, Nutanix Direct Connect Partner, Oracle Cloud Partner, OVHcloud Partner, Rackspace RackConnect Partner, Salesforce Express Connect Partner, and SAP PartnerEdge Open Ecosystem Partner.

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