



ASX RELEASE

20 February 2024

FY24 Half Year Results Announcement

Megaport delivered a record performance in the half year ended 31 December 2023, highlighted by revenue increasing 35% to \$95.1M, generating EBITDA¹ of \$30.1M, and Net Cash Flow² of \$12.5M.

Brisbane, AUSTRALIA February 20, 2024 Megaport Limited (**ASX:MP1**) today reports its half-year earnings to 31 December 2023, delivering continued improvements in EBITDA¹, costs, and Net Cash Flow² as well as record Annual Recurring Revenue³.

Total revenue for 1H FY24 was \$95.1M, up \$24.4M or 35% compared to 1H FY23. Annual Recurring Revenue (ARR)³ grew to \$191.7M in December 2023, up \$43.4M or 29% compared to December 2022. Gross Profit⁴ in 1H FY24 was \$66.6M, up \$20.1M or 43% on 1H FY23.

Megaport delivered a record EBITDA¹ of \$30.1M in 1H FY24, an improvement of \$26.7M or 785% from an EBITDA¹ of \$3.4M in 1H FY23. The improvement in EBITDA¹ was the result of a robust 35% top-line revenue growth and a strong focus on cost control within the business. This improvement in operating and financial performance through the year saw EBITDA¹ margins increase to 32% in 1H FY24 compared to 5% in 1H FY23.

Net profit for the half-year period was \$4.4M, up \$17.9M on 1H FY23.

The Net Cash Flow² generated of \$12.5M for 1H FY24 was a \$40.8M improvement compared to 1H FY23. Net Cash² at 31 December 2023 was \$45.8M, up 16% compared to \$39.5M at 31 December 2022.

1 Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

2 Net Cash Flow is defined as the movement in Net Cash, which is cash at bank less debt including the vendor financing liability, and excludes proceeds from capital raisings & expenditure on acquisitions. Net Cash as at 31 Dec 23 comprises cash at bank of \$62.5M less amounts owing under the vendor financing facility of \$16.7M.

3 Annual Recurring Revenue (ARR) is the recurring revenue expected over a 12 month period, calculated as Monthly Recurring Revenue for the last month of the period x 12, and excludes any non-recurring or one-off revenue.

4 Gross Profit is revenue less direct network costs (comprising data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance), and partner commissions which are directly related to generating revenue.

Key Performance Metrics

While continuing to grow the Company's global footprint and position as the world's leading global Network as a Service provider, Megaport's metrics increased across all regions in 1H FY24.

Key metrics⁵:

	December 2023	June 2023	Change
ARR ³ (A\$M)	191.7	178.6	7%
Total Services ⁶	28,495	26,960	6%
Customer Logos ⁷	2,615	2,545	3%
Ports	8,602	8,294	4%
MCR ⁸	865	792	9%
MVE	170	117	45%

Conclusions and Outlook

1H FY24 saw Megaport achieve four consecutive quarters of positive net operating cash flows, culminating in the Company being released by ASX from its quarterly activity and cash flow reporting obligations. The Company's first half showcases the tremendous turnaround in financial performance, resulting from robust organic revenue growth, a substantial cost-out program, and improved operational efficiencies. This achievement demonstrates Megaport's commitment to delivering profitable, efficient growth.

Michael Reid, Megaport CEO, said, "Megaport delivered an incredible \$30.1M of EBITDA¹ for the half, up 785% on the prior half, an amazing result and indicative of the outstanding financial turnaround.

"\$12.5M in Net Cash Flow² represents a massive \$40.8M improvement from the \$28.3M net cash outflow we reported for the half year at this time last year. A phenomenal result that has enabled us to make investments in the go-to-market engine while maintaining our robust financial position.

⁵ As at 31 December 2023. A spreadsheet with historical KPIs and metrics can be found on our website at <https://www.megaport.com/investor/business-overview/#kpis>.

⁶ Services comprise Revenue-generating Ports, Virtual Cross Connections (VXCs), Internet Exchange (IX), Megaport Cloud Router (MCR), and Megaport Virtual Edge (MVE).

⁷ Customer Logos reflect a consolidation of revenue-generating customer accounts, where those accounts are owned by the same company.

⁸ MCR has been restated from what was previously reported to exclude 21 MCRs which were used for ongoing customer training purposes from Q2 FY22.

“With our finances in great shape and a go-to-market engine poised to fire, we’re happy to report that FY24 revenue and EBITDA guidance is being restated at \$190-\$195M and \$51-\$57M, respectively. And our net cash flow remains strong after already lowering our capex guidance to \$20-\$22M in January 2024.

“I am extremely proud of how dramatically the Company has turned around its financial position, and want to thank the team for all of their hard work during the first half. A strong financial foundation has been laid, and I look forward to doubling down on our efforts in the second half as we continue to deliver profitable, efficient growth.”

More information can be found in the 1H FY24 Half Year Results Investor Presentation and Appendix 4D lodged with ASX on 20 February 2024.

Authorised by the Board of Megaport Limited.

Supporting Resources

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- Learn more about [MCR](#) and [MVE](#)
- For definitions, refer to the [Glossary for Investors](#) in our [Business Overview](#)

About Megaport

Megaport is a leading provider of Network as a Service (NaaS) solutions. The company’s global Software Defined Network (SDN) helps businesses rapidly connect their network to services via an easy-to-use portal or our open API. Megaport offers agile networking capabilities that reduce operating costs and increase speed to market compared to traditional networking solutions. Megaport partners with the world’s top cloud service providers, including AWS, Microsoft Azure, and Google Cloud, as well as the largest data centre operators, systems integrators, and managed service providers in the world. Megaport is an ISO/IEC 27001-certified company.

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