Megaport

# Investor Presentation

NOVEMBER 2020

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**Megaport Limited ACN 607 301 959**

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All references to “$” are to Australian currency (AUD) unless otherwise noted.

For definitions refer to the Glossary for Investors on the Megaport website at https://www.megaport.com/investor/business-overview/.

A summary of Megaport's 5 year Historical KPIs and metrics to Jun-20 can be found on our website at https://www.megaport.com/investor/business-overview/.

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INVESTOR PRESENTATION

# About Megaport

# 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 |

# Growing Global Ecosystem

## North America


| Countries | Cities | Installed | Enabled |
|---|---|---|---|
| 2 | 84 | 184 | 380 |

## EMEA


| Countries | Cities | Installed | Enabled |
|---|---|---|---|
| 17 | 32 | 106 | 202 |

## Asia Pacific


| Countries | Cities | Installed | Enabled |
|---|---|---|---|
| 5 | 16 | 95 | 120 |

Megaport Enabled and In-Build Data Centres

X Two or more Megaport Enabled and In-Build Data Centres

# Connecting the Ecosystem

## 1,980 Customers

Canon
BHP
The Washington Post
accenture
suez
AutoNation

## 100 Unique Data Centre Operators

Pulsant Business Unlimited
NEC
tierpoint
SUNGARD AVAILABILITY SERVICES
RagingWire DATA CENTERS An NTT Communications Company
DIGITAL REALTY

## Megaport's Unique Value Proposition

Scalable and on demand
Multicloud connectivity
Private and Secure
Flexible Terms

## 360+ Service Providers

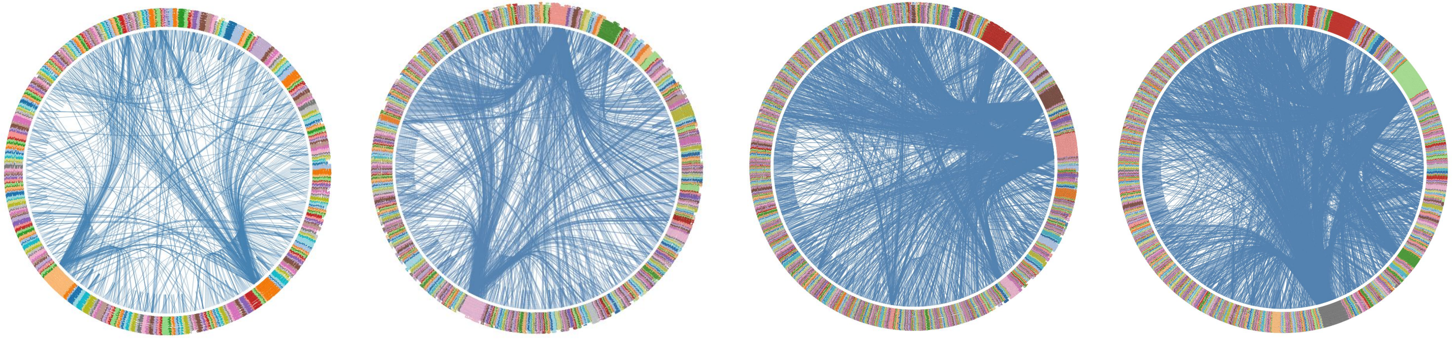
aws
Microsoft Azure
Google Cloud
ORACLE Cloud
SAP
NUTANIX
IBM Cloud
salesforce
Alibaba Cloud
rackspace technology
CLOUDFLARE
OVHcloud

# The Network Effect

**Megaport Service Connections**

Ports

Services



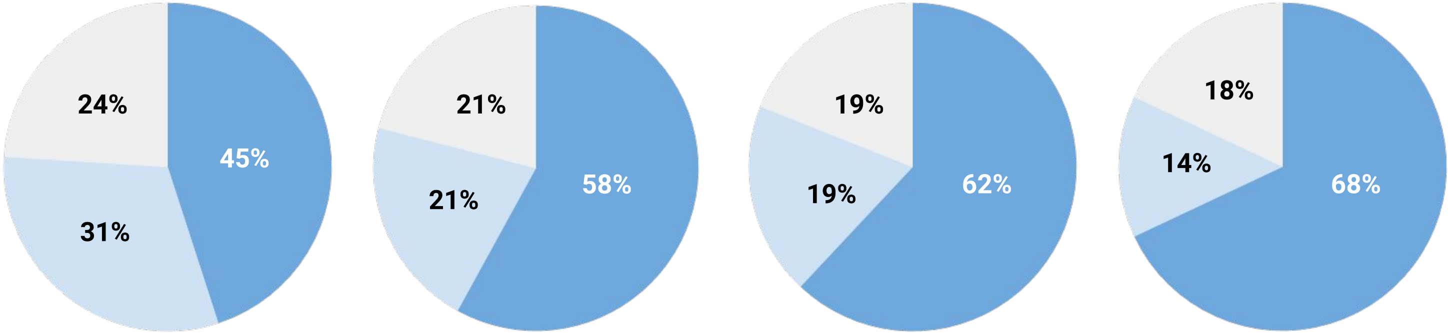
30 June 2017 | 30 June 2018 | 30 June 2019 | 30 June 2020

**Service Connection Types**

Direct Public Cloud

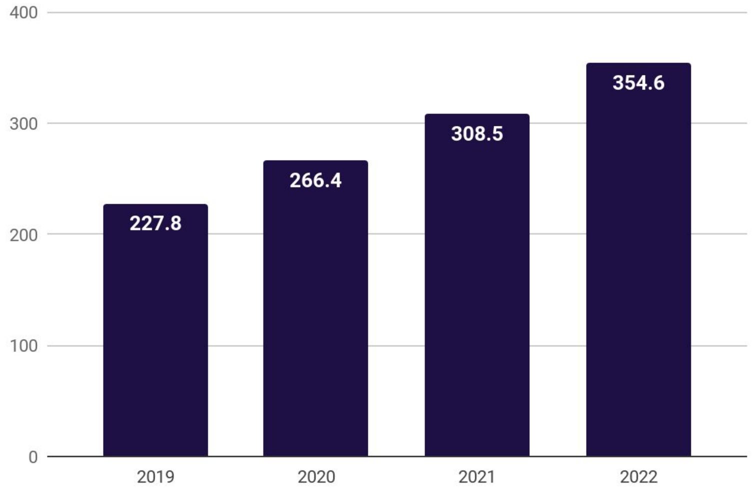
Internet Exchange

Private Connection



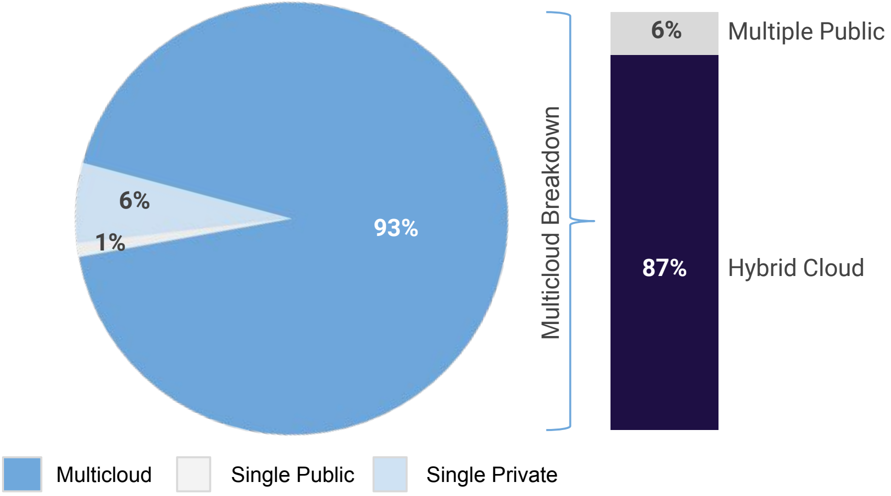
# Industry Growth Trends

### Enterprise Cloud Service Spend (US$B)




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

### Enterprise Cloud Strategy
1000+ Employees




Source: Flexera 2020 State of the Cloud Report

**125%: 3 year CAGR of Megaport customers connecting to multiple clouds**

# Selection of Major Customers

vodafone, Major League Baseball, amazon, Moody's, News Corp Australia, Mizuho, accenture, NSW Government Transport for NSW, ESPN, engie, ING BANK, Brambles, BlackRock

NTT Communications Go the Distance., Kmart, Australian Red Cross, gettyimages, salesforce, DBS, SAP, lululemon athletica, Australia Pacific Airports, Schlumberger, catholic education, Bureau Veritas 1828, Boeing

facebook, New York Public Library, AON, Capital Group, Zuellig Pharma making healthcare more accessible, Halliburton, BHP, NEC, Uber, Singtel, Bupa, T-Systems, HGC Global Communications

voxbone, technicolor, Framestore, catholic healthcare, Apple World Link your destination., 中国电信 China Telecom, FedEx, Queensland Treasury Corporation, NXP, Air Liquide, CHEP A Brambles Company, snowyhydro

REA Group, General Dynamics, sara, SunPower, 中国投资有限责任公司 China Investment Corporation, Circle K, 香港國際機場 Hong Kong International Airport, Karma, Disney, Deutsche Telekom, suez, Brisbane City

JCDecaux, mastercard, lendlease, Rabobank, Brookfield, indeed one search. all jobs., Tesla, BART, Hydro Québec, ebay, American Airlines, Telstra, SJW San Jose Water, CBS Corporation

seek, Columbia University in the City of New York, Flight Centre, Ramsay Health Care, Toyota, AXA, Fugro, Fujitsu, Microsoft, EDF renewables, Universität Stuttgart, Monster, Chevron, The Global Good Fund

# 100 Unique Data Centre Operator Partners

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# Business Update

# Revenue Performance FY20

Asia Pacific

FY20

**$20.6M**

$7.3M | 54%

FY19: $13.3M

North America

FY20

**$26.3M**

$12.7M | 94%

FY19: $13.6M

Europe

FY20

**$11.1M**

$2.9M | 36%

FY19: $8.2M

Global

FY20

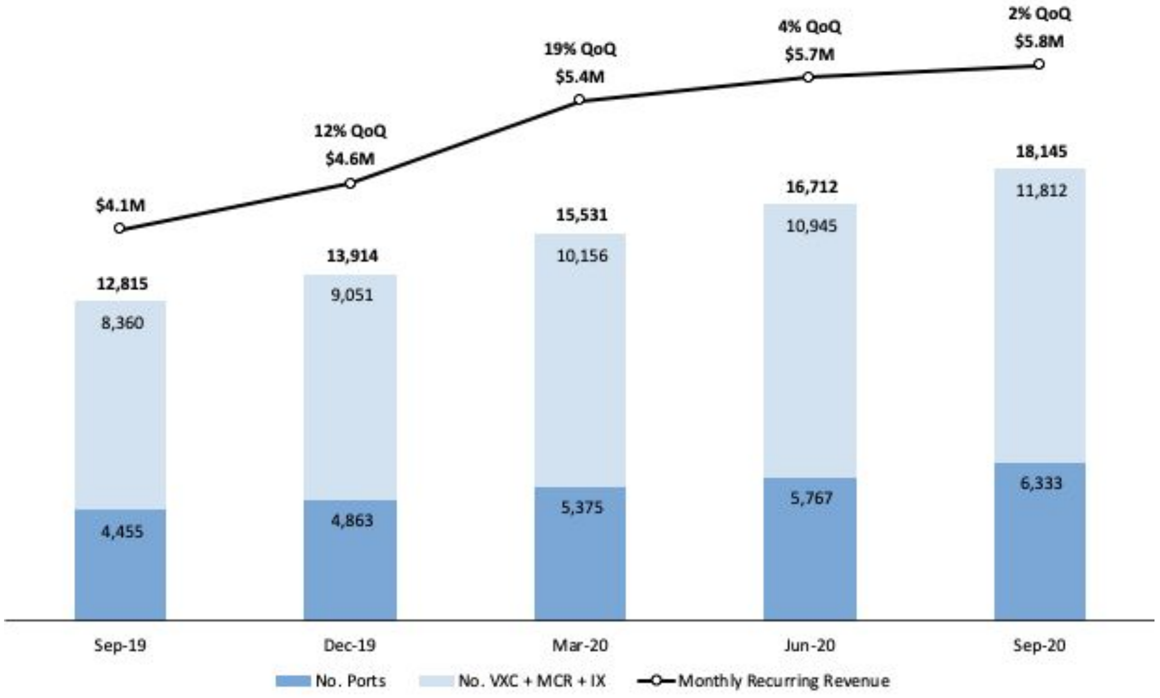
**$58.0M**

$22.9M | 66%

FY19: $35.1M

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

# 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[1] growth and increased Revenue per Port

**MRR[1] has grown to $5.8M, up 42% from September 2019**

| Monthly Recurring Revenue[1] | |
|---|---|
| **$4.1M** SEP 2019 | **$5.8M** SEP 2020 |

1. MRR is monthly recurring revenue (excluding one-off and non-recurring revenue) for the last month of the relevant quarter.

# Company Highlights Q1 FY21

### Total Installed Data Centres[2]
+5%

| 30 JUN 2020 | 30 SEP 2020 |
|---|---|
| 366 | 385 |

### Cloud Onramps
+9%

| 30 JUN 2020 | 30 SEP 2020 |
|---|---|
| 197 | 215 |

### Normalised Monthly Recurring Revenue[3]
+5%

| 30 JUN 2020 | 30 SEP 2020 |
|---|---|
| $5.7M | $5.9M |

### Total Number of Customers
+7%

| 30 JUN 2020 | 30 SEP 2020 |
|---|---|
| 1,842 | 1,980 |

### Total Number of Ports
+10%

| 30 JUN 2020 | 30 SEP 2020 |
|---|---|
| 5,767 | 6,333 |

### Total Number of Services[4]
+9%

| 30 JUN 2020 | 30 SEP 2020 |
|---|---|
| 16,712 | 18,145 |

1. Percentage growth rates refer to increase in Sep-20 compared to Jun-20
2. Installed Data Centres are Data centres in which Megaport has a Point of Presence with physical networking hardware.
3. Monthly Recurring Revenue (MRR) is revenue (excluding one-off and non-recurring revenue) for the last month of the quarter. Normalised MRR was calculated using Jun-20 FX rates. Reported MRR was $5.8M, which was 2% higher than Jun-20 MRR of $5.7M.
4. Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

# Company Highlights Q1 FY21

## Leading Cloud Partners

| NEW Q1 FY21 | ADDED OCT-20 |
|---|---|
| CLOUDFLARE | OVHcloud |

aws
Microsoft Azure
Google Cloud
IBM Cloud
salesforce
SAP
ORACLE Cloud
Alibaba Cloud
rackspace technology
NUTANIX

## Cloud Onramps

| 18 | 215 |
|---|---|
| NEW | TOTAL |

## Cloud Regions

| 8 | 117 |
|---|---|
| NEW | TOTAL |

## Total Enabled Data Centres[1]

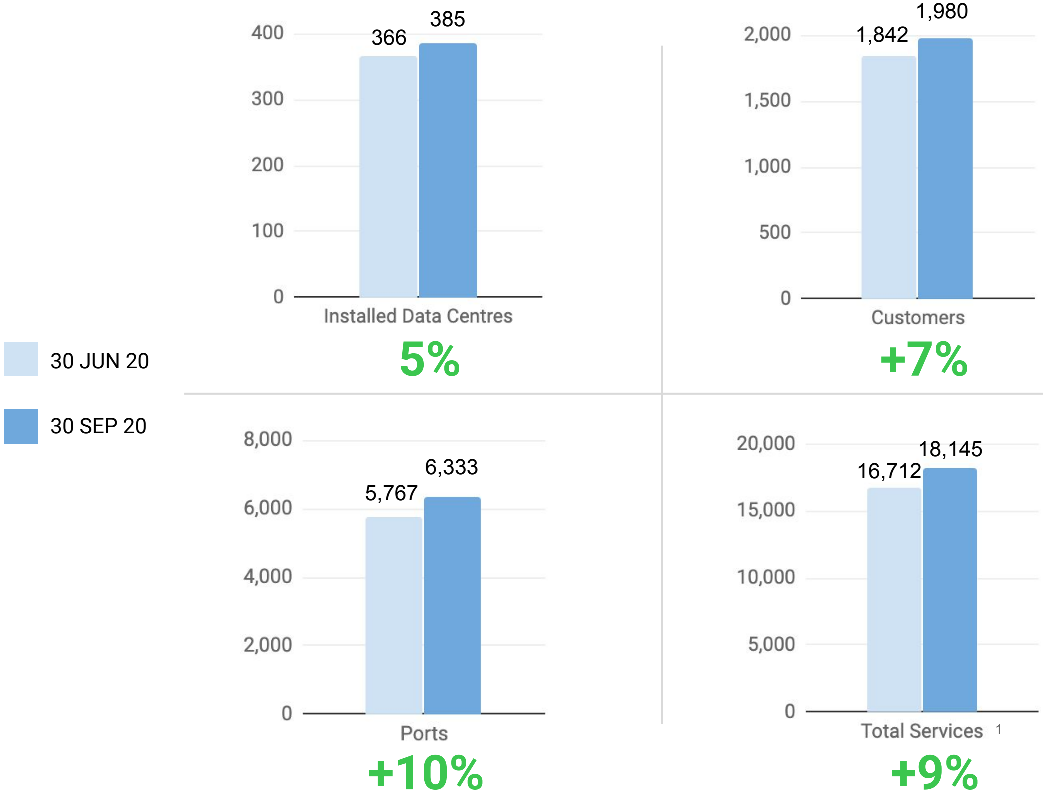
| 33 | 702 |
|---|---|
| NEW | TOTAL |

## Megaport Marketplace

360+

1. 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 offered directly by the data centre campus / facility operator of an Installed Data Centre.

# Growth Q1 FY20




## Revenue Growth

Growth in Ports and Services per data centre directly increases Annualised Revenue

Annualised Revenue[2]

| $67.8M | $69.4M |
|---|---|
| JUN 2020 | SEP 2020 |

**$1.6M / 2%**

Ports per Installed DC

| 15.8 | 16.4 |
|---|---|
| JUN 2020 | SEP 2020 |

**0.7[3] / 4%**

1. Total Services comprises Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)
2. Annualised Revenue is MRR for the last month of the relevant period multiplied by 12.
3. Figures do not add due to rounding

# Megaport Cloud Enablement

## 215 Total Onramps

1Q FY21 Increase: 18 +9%

| | Total Onramps |
|---|---|
| Microsoft Azure | 48 |
| Amazon Web Services | 46 |
| Google Cloud | 32 |
| Oracle Cloud | 20 |
| IBM Cloud | 16 |
| Cloudflare | 14 |
| Rackspace | 11 |
| Salesforce | 9 |
| Alibaba Cloud | 8 |
| Nutanix | 6 |
| SAP | 5 |

## 117 Total Cloud Regions

1Q FY21 Increase: 8 +7%

## Available Cloud Regions

**aws**

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

**Microsoft Azure**

- Australia East
- Australia South East
- East Asia
- Southeast Asia
- Japan East
- Japan West
- UK South
- France South
- Germany North
- Germany Central
- West Europe (Amsterdam)
- North Europe (Ireland)
- Switzerland North
- Switzerland West
- Norway East
- Norway West
- UAE North
- US Gov Arizona
- US Gov Virginia
- US Gov San Antonio
- US DoD East (Virginia)
- US DoD Central (Chicago)
- North Central US
- South Central US
- West Central US
- East US
- East US2
- West US
- West US2
- Canada East
- Canada Central

**Google Cloud**

- Asia Northeast1 (Japan)
- Asia Northeast2 (Osaka)
- Asia Southeast1 (Singapore)
- Australia South East1 (Sydney)
- Asia East1 (Taiwan)
- Europe West1 (Belgium)
- Europe West2 (UK)
- Europe West3 (Germany)
- Europe West4 (Netherlands)
- Europe West6 (Zurich)
- North America-Northeast1 (Montréal)
- US Central1 (Iowa)
- US East1 (South Carolina)
- US East4 (Virginia)
- US West1 (Oregon)
- US West2 (Los Angeles)

**ORACLE Cloud**

- APAC Sydney
- APAC Melbourne
- Japan East (Tokyo)
- Japan West (Osaka)
- EMEA Frankfurt
- UK South (Slough)
- UK Gov (London)
- Switzerland North (Zurich)
- US Ashburn
- US Chicago
- US West Phoenix
- US West San Jose
- US Gov DC
- US Gov PHX
- Canada (Toronto)
- Canada (Montreal)

**NUTANIX**

- San Francisco
- Santa Clara
- Ashburn

**Alibaba Cloud**

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

**IBM Cloud**

- APAC South (Sydney)
- APAC North (Tokyo)
- EU (London)
- EU (Germany)
- US East (DC)
- US South (Dallas)

**salesforce**

- US East
- US West
- EU Central
- London UK
- Tokyo

**SAP**

- Australia (Sydney)
- Europe (Frankfurt)
- US East (Ashburn)
- US East (Sterling)
- US West (Chandler)

**rackspace technology**

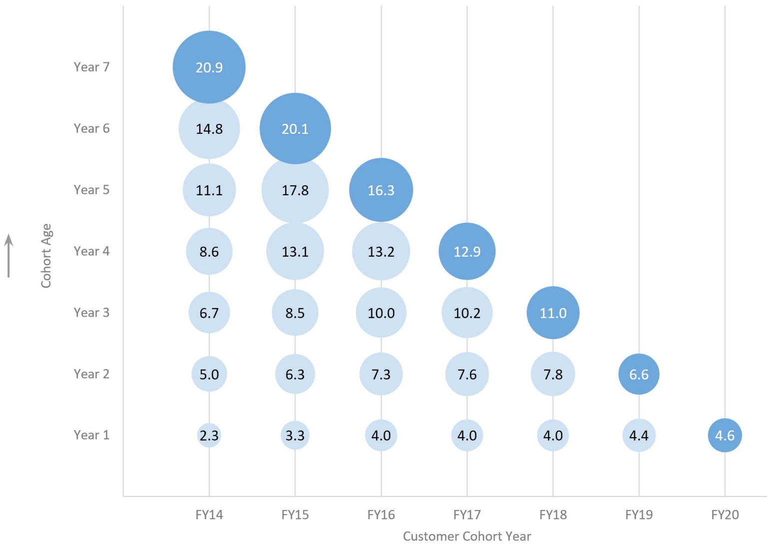
- Washington DC
- Dallas
- Chicago
- Hong Kong
- London
- Frankfurt
- Sydney

**CLOUDFLARE**

- Washington DC
- Dallas
- Chicago
- Hong Kong
- London
- Frankfurt
- Sydney

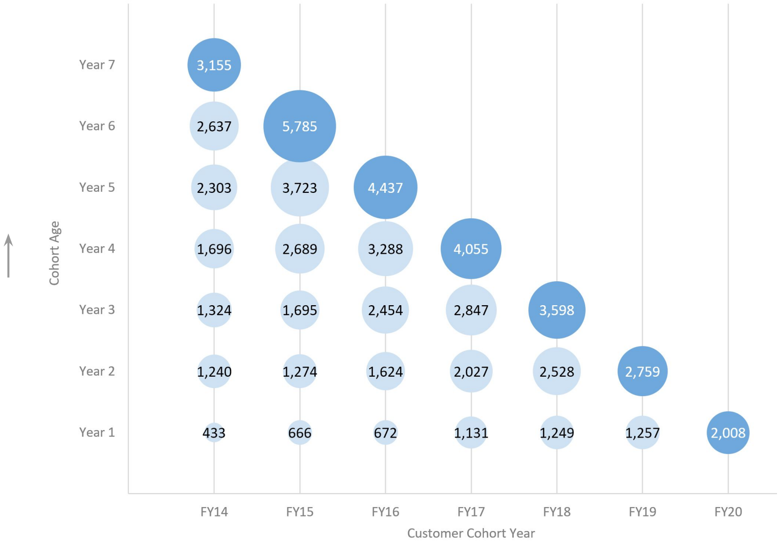
# Customer Cohort Trends

## Average Services per Customer




| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 |
|---|---|---|---|---|---|---|
| CAGR[1] | 44% | 43% | 42% | 48% | 66% | 50% |

## Average Monthly Revenue per Customer ($)




| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 |
|---|---|---|---|---|---|---|
| CAGR[1] | 39% | 54% | 60% | 53% | 70% | 119% |

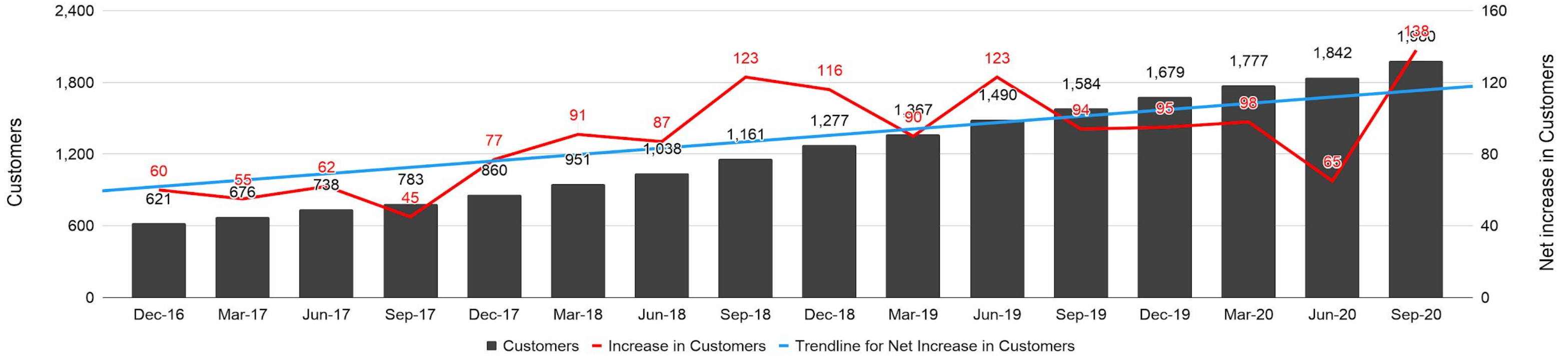
| Average Services per Customer[2] | |
|---|---|
| 9.1 | +17% |

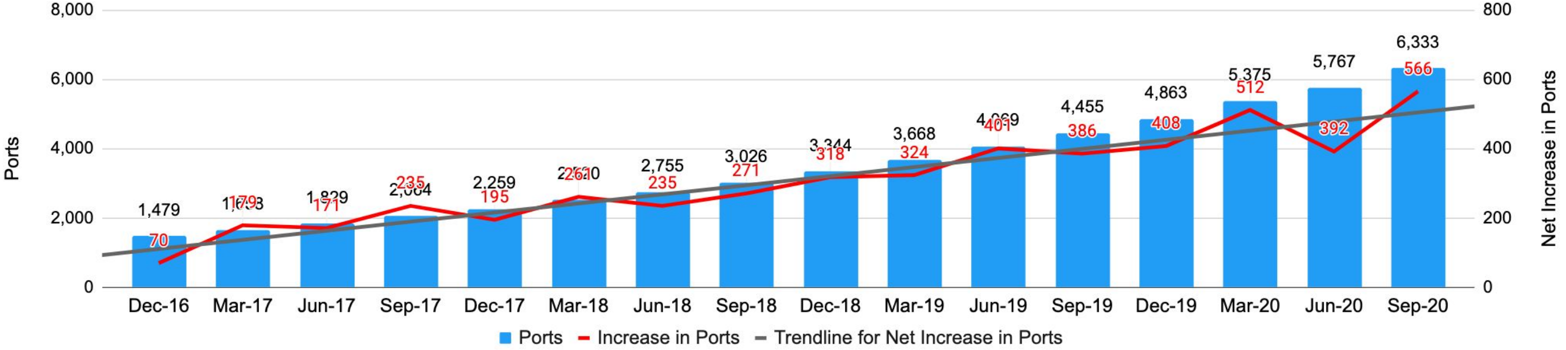
Customer spend increases over time as a result of service uptake and adoption

| Average Revenue per Customer[3] | |
|---|---|
| $3,068 | +27% |

Note: Yearly cohorts are customers acquired in a given reporting year
1. Compound average growth rate for each customer cohort is calculated for the period from end of Year 1 to 30 June 2020.
2. At 30 June 2020; percentage represents growth compared to 12 months earlier
3. Represents June 2020 MRR divided by total customers at 30 June 2020; percentage represents movement compared to 12 months earlier

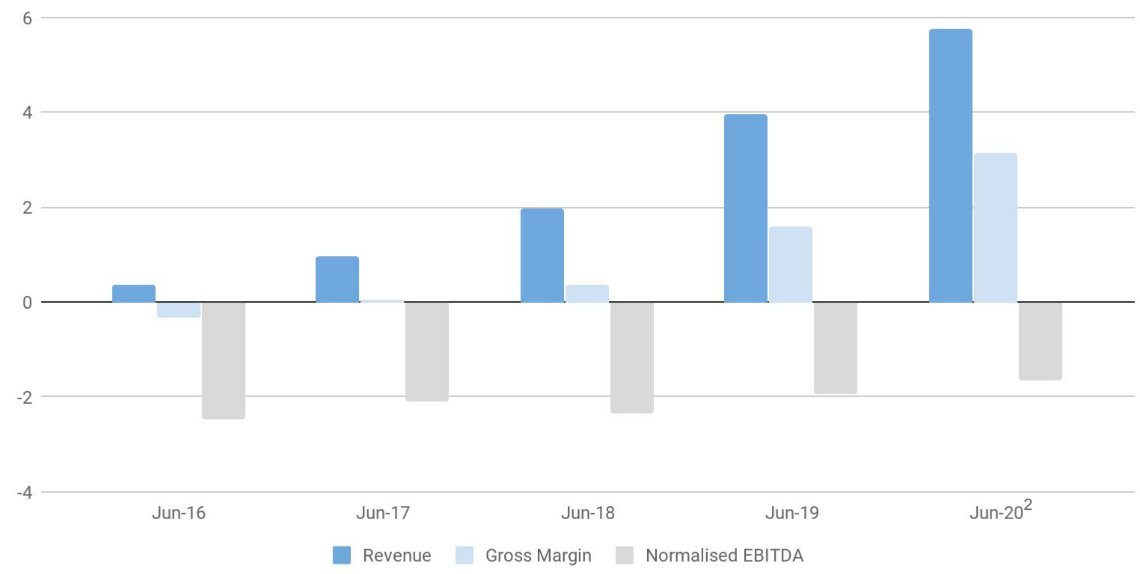
# Growth in Customers and Ports




1. Total Services comprises of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX) at period end.
2. Monthly Recurring Revenue (MRR) is revenue (excluding one-off and non-recurring revenue) for the last month of the period.

# Historical Financial Performance




| Normalised Group Margins[1] | Jun-16 | Jun-17 | Jun-18 | Jun-19 | Jun-20[2] |
|---|---|---|---|---|---|
| Normalised profit after direct network cost margin | (93%) | 5% | 19% | 41% | 55%[2] |
| Normalised EBITDA margin | n.m. | (215%) | (120%) | (49%) | (29%)[2] |

## Margin Trends[1]

Normalised Group profit after direct network cost[23] margin has continued to expand as Revenue growth has outstripped growth in direct network costs

Normalised Group EBITDA[2] margin has significantly improved following a strong contribution by APAC, EMEA turning regional EBITDA positive in Q4 FY20, and a reduction in regional EBITDA losses in NAM

1. All figures are for the month of June
2. Figures for Jun-20 are normalised for reclassification of hosting charges and backdated cross connection charges. Excluding the impact of AASB16, Normalised profit after direct network cost margin for the month of Jun-20 would be 46% and Normalised EBITDA margin would be (39%).
3. 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.

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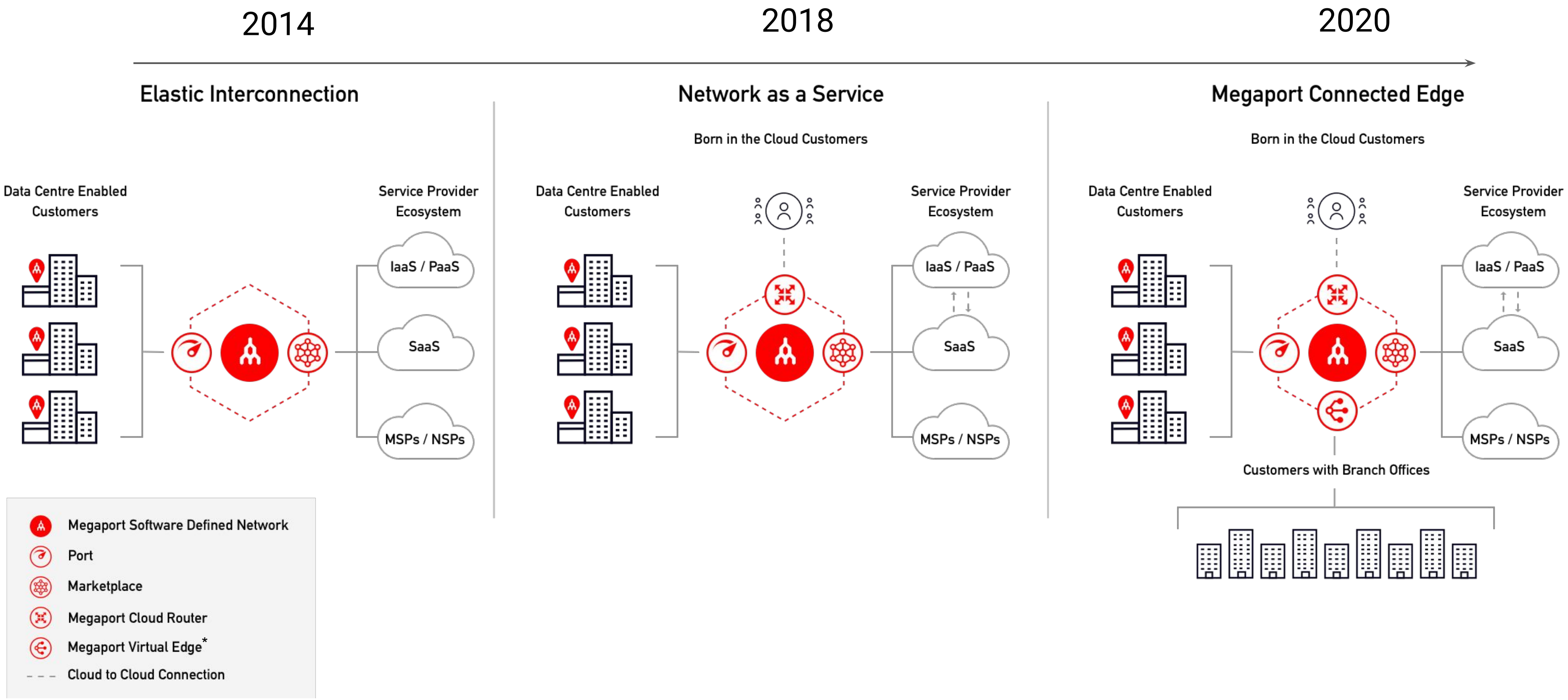
# Innovation

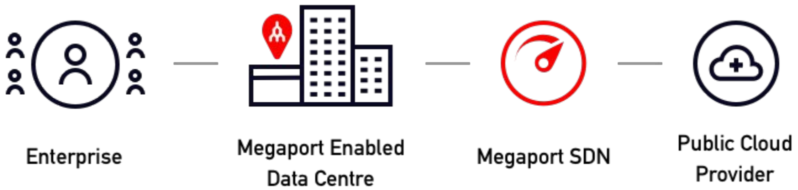
# Platform Evolution



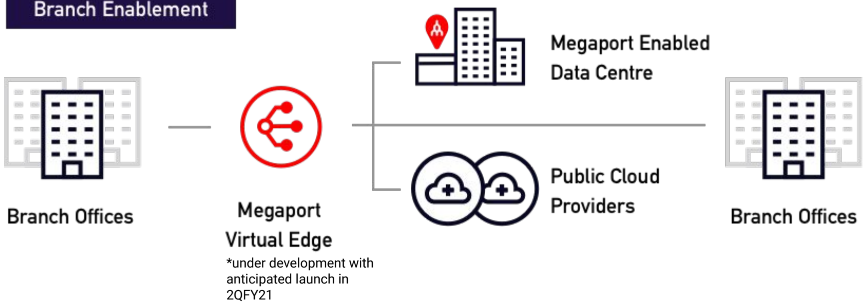

IaaS = Infrastructure as a Service, PaaS = Platform as a Service, SaaS = Software as a Service, MSP = Managed Service Provider, NSP = Network Service Provider
*MVE is under development with anticipated launch in 2QFY21

# Megaport Connected Edge Model

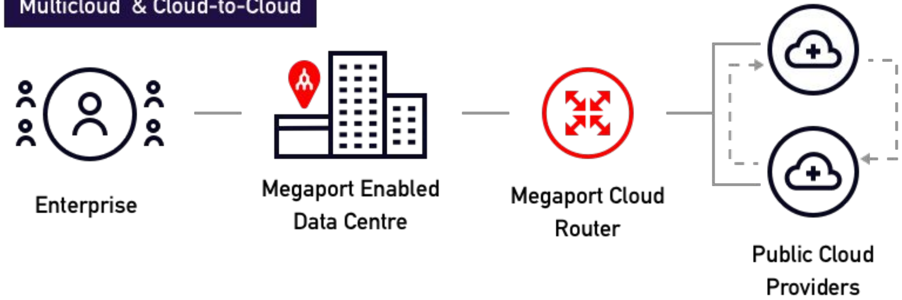
## Cloud Connect




## Branch Enablement




## Multicloud & Cloud-to-Cloud

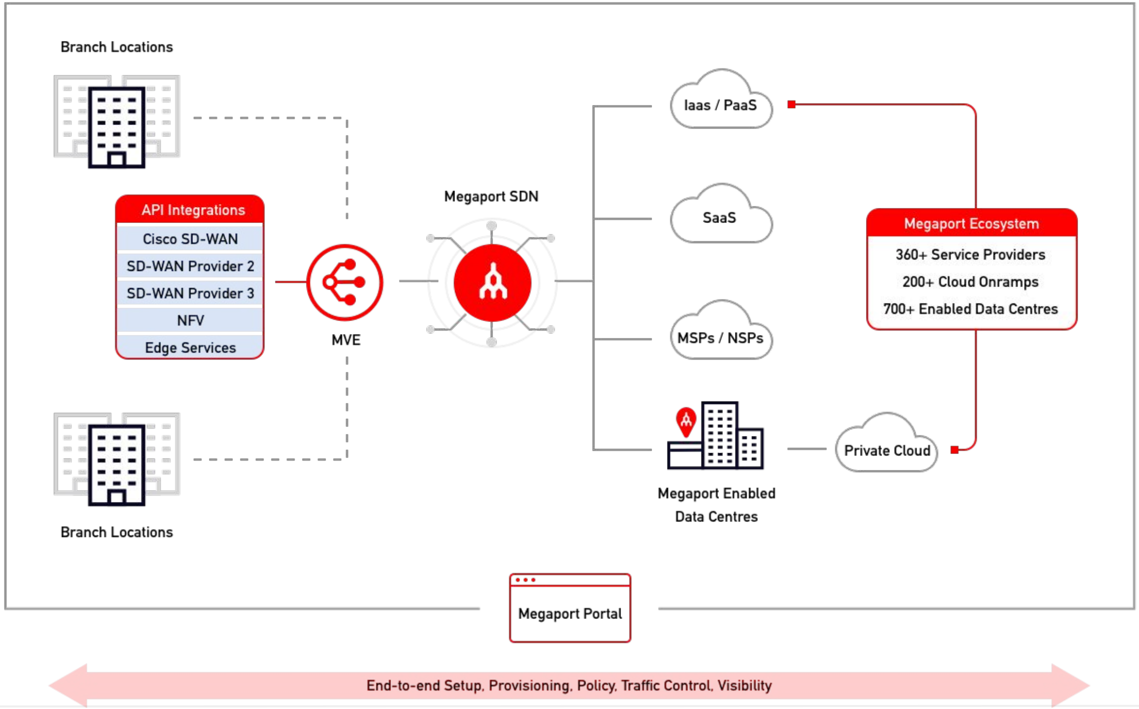



## Data Centre to Data Centre


Agile networking methodology enabling end-to-end, on-demand connectivity

# Megaport Virtual Edge Overview

MVE* will integrate Megaport's platform with various networking technologies including SD-WAN




- Extends reach of Megaport platform
- Cisco SD-WAN first MVE use case
- Enables branch office connections
- API for future technology support
- Extends enterprise network edge
- Activate on demand network devices
- End-to-end provisioning

*MVE is under development with anticipated launch in 2QFY21

# Thank you

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