



Investor Presentation.

Quarterly Update – 1QFY24



1QFY24 Highlights

ARR¹**\$189.8M**

up \$11.2M QoQ

↑ 6%EBITDA²**\$15.0M**

up \$3.2M QoQ

↑ 27%Positive Net Cash Flow³**\$5.6M**

up \$3.3M QoQ

↑ 143%

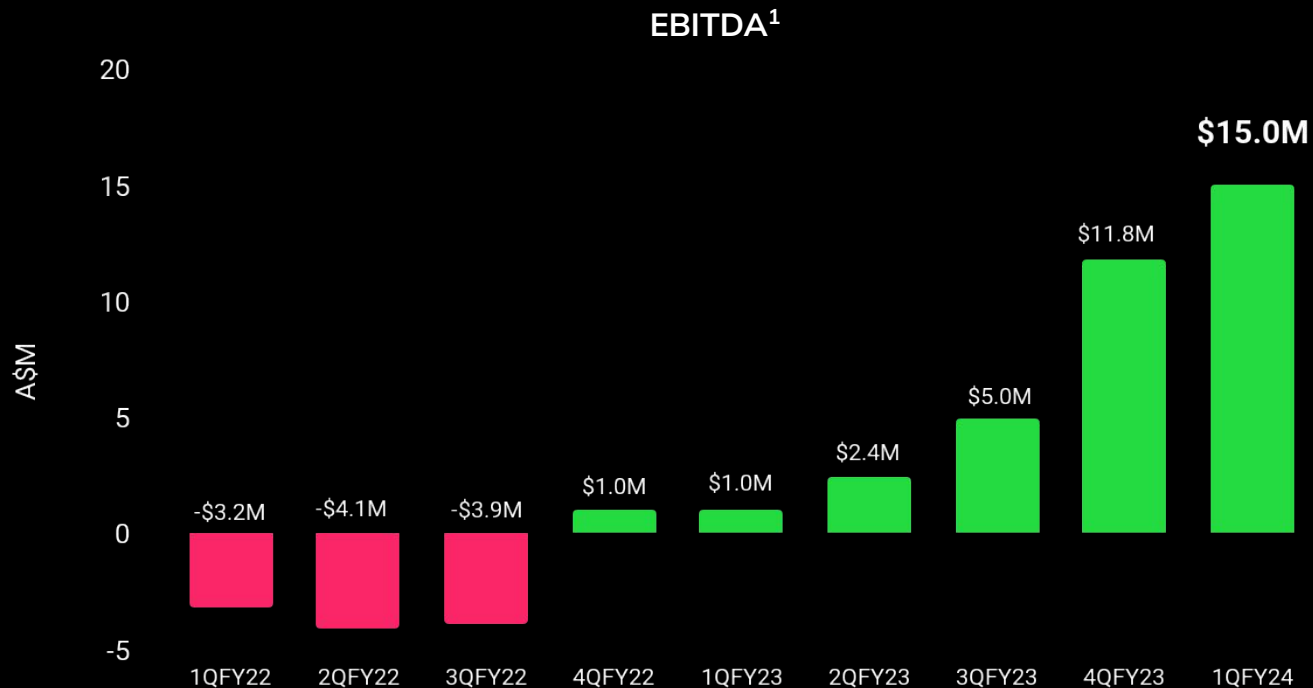
- » Investment in go-to-market engine progressing well
- » Launched Megaport Reach
- » Public availability of Megaport ONE Beta

1. Annual Recurring Revenue 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. Excluding the impact of foreign exchange tailwinds from a weakening Australian dollar, underlying ARR grew \$5.2M of 3% in 1QFY24.

2. Earnings Before Interest Tax Depreciation and Amortisation 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. Prior to 1QFY24, EBITDA was normalised (adjusted or reduced) for certain one-off accruals and reversals.

3. Net Cash Flow represents movement in Net Cash, which is cash at bank less debt including the vendor financing liability.

EBITDA¹: Highest on Record



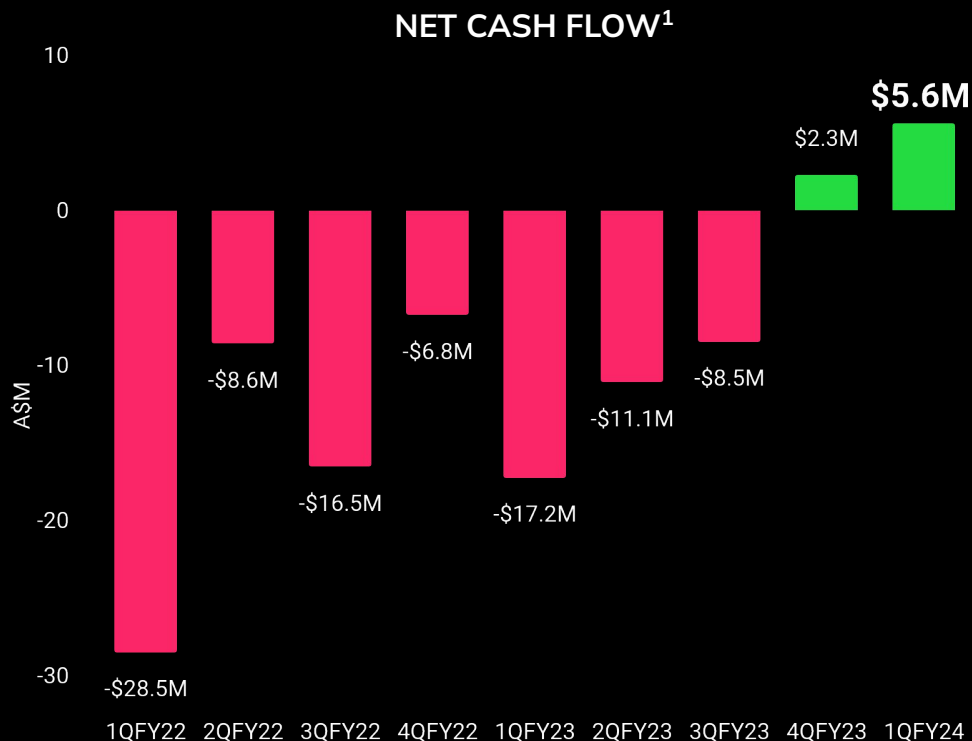
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Net Cash Flow in 1QFY24

Net Cash Flow¹ Positive Q1: \$5.6M

Net Cash² Position: \$38.9M

Cash at Bank: \$55.2M



1. Net Cash Flow represents movement in Net Cash, which is cash at bank less debt including the vendor financing liability. Net Cash Flow in 1QFY22 does not include the \$10.4M cash purchase price paid for InnovoEdge.

2. Net Cash as at 30-Sep-23 comprises cash at bank of \$55.2M less amounts owing under the vendor financing facility of \$16.3M.

Annual Recurring Revenue

REVENUE GROWTH

ARR ¹ Growth	Sep 23
QoQ	6%
YoY	36%



1. Annual Recurring Revenue (ARR) in A\$ 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. Excluding the impact of foreign exchange tailwinds from a weakening Australian dollar, underlying ARR grew \$5.2M or 3% in 1QFY24.

Key Performance Indicators

KPIs & Metrics ¹	Sep-23	Jun-23	QoQ Change	Prelim Net QoQ RevGen ⁴	QoQ % Growth	Sep-22	YoY Change	YoY % Growth
Total Services ²	31,190	30,516	674	694	2%	28,326	2,864	10%
Customers	2,863	2,856	7	31	0%	2,700	163	6%
Customer Ports ³	9,307	9,172	135	148	1%	8,573	734	9%
Total Ports	10,099	9,963	136	148	1%	9,606	493	5%
VXC and IX	20,067	19,546	521	499	3%	17,853	2,214	12%
MCR	866	848	18	39	2%	772	94	12%
MVE	158	159	-1	8	-1%	95	63	66%

1. A summary of Megaport's historical KPIs and metrics can be found on our website at <https://www.megaport.com/investor/business-overview/#kpis>.

2. Total Services include Ports, VXC, IX MCR, and MVE services.

3. Customer Ports exclude consolidation of legacy strategic ports as part of our transition to 100Gb cloud on-ramp interconnections.

4. Represents Net Revenue Generating metrics as the net movement in services and customers with billed revenue.

SUMMARY FINANCIAL PERFORMANCE

Unaudited Summary Financials	1QFY24 \$'M AUD	4QFY23 \$'M AUD	QoQ %	1QFY23 \$'M AUD	YoY %
Revenue	46.5	44.3	5%	33.7	38%
Gross Margin	32.4	30.5	6%	21.7	49%
Reported EBITDA	15.0	14.5	3%	1.0	n.m
EBITDA ¹	15.0	11.8	27%	1.0	n.m
EBITDA margin %	32%	27%	+5pp	3%	+29pp
Net Cash Flow ²	5.6	2.3	n.m	(17.2)	n.m
Closing Net Cash ²	38.9	33.3	17%	50.6	(23%)

Unaudited Financial Results Quarter Ended 30 September 2023 Key Highlights

1QFY24 **Revenue** grew 5% QoQ driven by organic growth in recurring revenue and an FX tailwind from the USD:AUD.

Further improvements in Gross Margin and **EBITDA** demonstrates the impact of both top line revenue growth and the continued focus on cost control.

The **Net Cash Flow** improved for the quarter, continuing this positive momentum from 4QFY23, driven by consistent cost control measures and revenue growth.

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2. Net Cash Flow is the change in Net Cash over the period. Net cash = cash at bank less debt (including vendor finance facility). As at 30 September 2023 Net Cash comprised cash at bank of \$55.2M less the amount outstanding under vendor finance facility of \$16.3M.

n.m. = not meaningful; QoQ = quarter over sequential quarter; YoY = quarter of prior corresponding quarter in the previous year

UNAUDITED FINANCIAL RESULTS

Consolidated Profit & Loss	1QFY24 \$'M AUD	4QFY23 \$'M AUD	QoQ %	1QFY23 \$'M AUD	YoY %
Revenue	46.5	44.3	5%	33.7	38%
Direct network costs	(9.1)	(8.4)	(8%)	(8.2)	(11%)
Partner commissions	(5.0)	(5.4)	7%	(3.8)	(32%)
Gross Margin	32.4	30.5	6%	21.7	49%
Gross Margin %	70%	69%	+1pp	64%	+5pp
Employee expenses	(13.4)	(11.2)	(20%)	(14.9)	10%
Professional fees	(1.0)	(1.5)	33%	(1.6)	38%
Marketing expenses	(0.4)	(0.8)	50%	(1.2)	67%
Travel expenses	(0.3)	(0.2)	(50%)	(0.6)	50%
IT costs	(0.6)	(0.9)	33%	(0.9)	33%
Other operating expenses	(1.7)	(1.4)	(21%)	(1.5)	(13%)
Reported EBITDA ¹	15.0	14.5	3%	1.0	n.m

Unaudited Financial Results Quarter Ended 30 September 2023 EBITDA Highlights

Gross Margin % remained consistent with 4QFY23, driven by the results of network optimisation efforts begun in the prior year, and revenue growth.

Employee expenses in 4QFY23 included a year-to-date accounting reclassification of \$2.3M in share-based payments for FY23 annual staff performance-based incentives. 1QFY24 costs reflect lower headcount post-restructuring, offset by new hires.

Overall quarterly results reflect the stable growth QoQ, driven by continuous improvement of operating efficiency to support the go-to-market strategy, which is expected to yield continued and consistent operating and financial performance.

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UNAUDITED FINANCIAL RESULTS

Consolidated Cash Flow	1QFY24 \$'M AUD	4QFY23 \$'M AUD	QoQ %	1QFY23 ³ \$'M AUD	YoY %
EBITDA ¹	15.0	14.5	3%	1.0	n.m
Working Capital	(4.3)	(8.1)	47%	0.1	n.m
Cash flow from Operating Activities	10.7	6.4	67%	1.1	n.m
Cash flow used in Investing Activities	(5.9)	(4.9)	(20%)	(14.4)	59%
Cash flow from Financing Activities	1.2	(1.7)	n.m	1.0	20%
Effect of FX movements	0.7	0.1	n.m	(0.8)	n.m
Total Cash Flow	6.7	(0.1)	n.m	(13.1)	n.m
Opening Cash Balance	48.5	48.6	0%	82.5	(41%)
Closing Cash Balance	55.2	48.5	14%	69.4	(20%)
Opening Vendor Financing Balance	(15.2)	(17.6)	14%	(14.7)	(3%)
Closing Vendor Financing Balance	(16.3)	(15.2)	(7%)	(18.8)	13%
Net Cash Flow ²	5.6	2.3	n.m	(17.2)	n.m
Closing Net Cash ²	38.9	33.3	17%	50.6	(23%)

Unaudited Financial Results Quarter Ended 30 September 2023 Net Cash Flow

Cash flow from Operating Activities was an inflow of \$10.7M, up \$4.3M from 4QFY23, largely due to higher billed revenue for the quarter.

Increase in **Cash used in Investing Activities** was due to purchase of inventory, funded via the vendor financing facility.

Cash from Financing Activities includes a slight increase in borrowings under the vendor financing facility and employee share options exercised during the quarter.

Closing Net Cash² at 30 September 2023 was up \$5.6M to \$38.9M from 30 June 2023.

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2. Net Cash Flow represents movement in Net Cash. Closing Net Cash = cash at bank less debt (including vendor finance facility).

3. 1QFY23 has been restated to reclassify interest received as cash flows from operating activities and interest paid as cash flows from financing activities.

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Megaport Portal Demo

2023 New Logos



The New York Times



First Eagle
Investments



AMC
THEATRES



Σntain



WELLINGTON
MANAGEMENT

BANCO
FIBRA



CATO
NETWORKS



IPaccess
international



V I S T A



EML.
Money in Motion



Investment in Reigniting the GTM Engine

- 》 Go-to-Market overhaul remains our #1 priority

- 》 90% of the sales roles are hired and almost all in seat

- 》 Sales Leadership: CSO, EVP GTM Transformation & NAM Sales Leader in seat

- 》 Customer Success: 3 new hires in seat, Protect and Expand beyond product led growth

- 》 Solution Architects: 3 new roles filled

- 》 Channel team: re-focused to optimise routes to market

Outlook

- » Strong financial position, delivering sustained improvements in EBITDA¹ and Net Cash Flow²

- » Launched Megaport Reach, Megaport ONE Beta, Global WAN, and Portal Dashboard

- » Imminent launch of Megaport Enterprise Internet product

- » IX roll out, Project Centurion 400G backbone and 100G port deployment, 100G+ connectivity

- » Continued data centre expansion into new countries and markets

- » FY24 Guidance³ unchanged, the rebuild and recovery of momentum expected to take time

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2. Net Cash Flow is the change in Net Cash over the period. Net cash is defined as cash at bank less debt including the vendor finance facility.

3. On 22 August 2023, Megaport released [Updated Guidance for FY24 to ASX](#) that noted FY24 EBITDA is expected to be in the range of \$51M to \$57M, FY24 Revenue is expected to be in the range of \$190M to \$195M and Megaport expects to be Net Cash Flow positive for the FY24 full year. FY24 guidance is provided after taking into account the planned incremental growth in sales headcount and planned capital expenditure, and excludes any future strategic initiatives the Company may decide to undertake. Guidance assumes a foreign exchange rate of AUD \$1.00 to USD \$0.67. Any variation to the exchange rate will impact both revenue and costs.

Questions.

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This presentation has been authorised by the Board of Megaport.

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

For definitions refer to the [Glossary for Investors](https://www.megaport.com/investor/business-overview/) on the Megaport website at <https://www.megaport.com/investor/business-overview/>.

A summary of Megaport's historical KPIs and metrics can be found on our website at <https://www.megaport.com/investor/business-overview/#kpis>.

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