



Investor Presentation.

Quarterly Update – 2Q FY24

2Q FY24 Highlights



Revenue

\$48.6M
up 31% YoY

↑ \$11.6M
YoY



EBITDA¹

\$15.1M
up 529% YoY

↑ \$12.7M
YoY



Total Cash Flow²

\$7.3M
n.m. YoY

↑ \$19.2M
YoY



NAM Direct Sales Roles

18 Roles
3.6x up

↑ 13
YoY

1. 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 1Q FY24, EBITDA was normalised (adjusted or reduced) for certain one-off accruals and reversals.

2. Total Cash Flow is the movement in cash at bank over the period. YoY movement in Total Cash Flow is the difference between a cash outflow of \$11.9M in 2QFY23 and a cash inflow of \$7.3M in 2QFY24.

3. n.m. = not meaningful

4. YoY = quarter of prior corresponding quarter in the previous year.

Continued Strong Cash Flow Turnaround

Net Cash Flow¹:

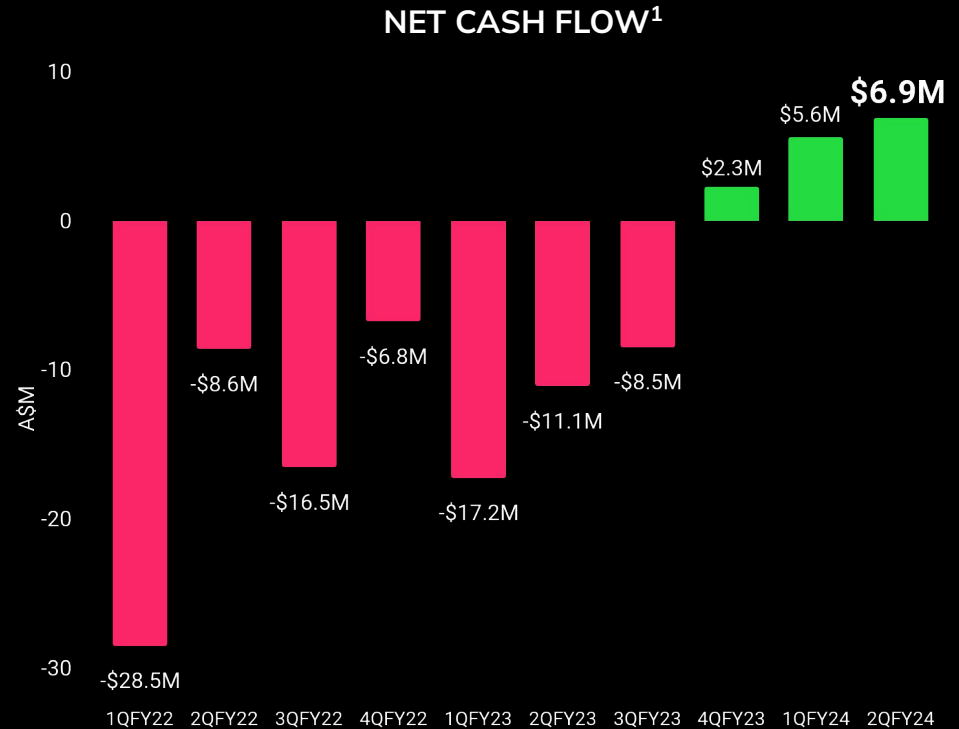
+\$6.9M up \$18M YoY

Operating Cash Flow:

+\$15.2M up \$15M YoY

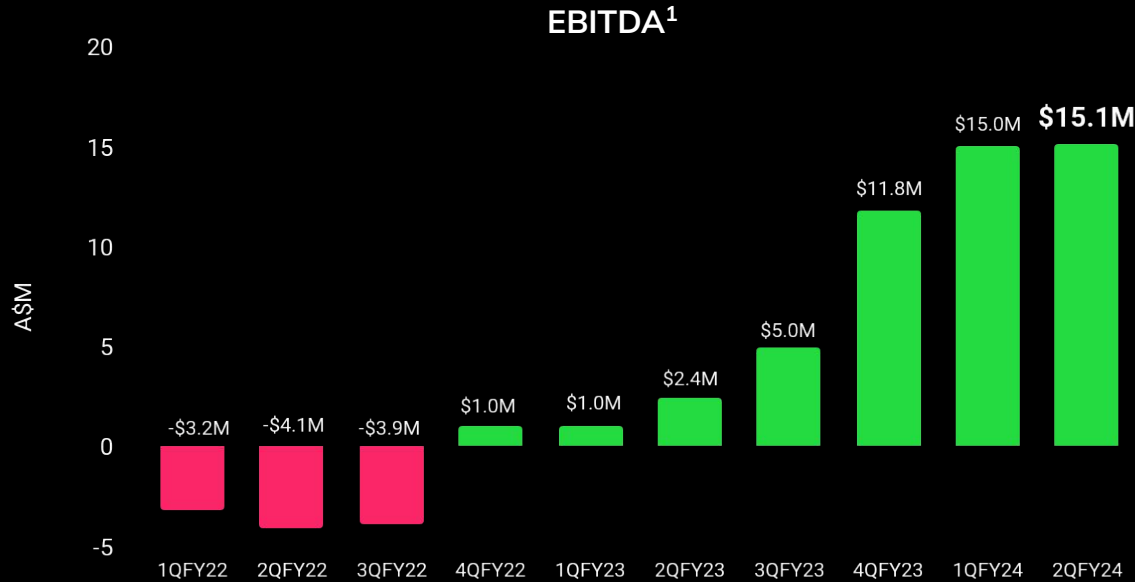
Cash at Bank:

\$62.5M up \$7.3M QoQ



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 1Q FY22 does not include the \$10.4M cash purchase price paid for InnovoEdge. 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.

Strong Turnaround in Profitability While Investing in Growth

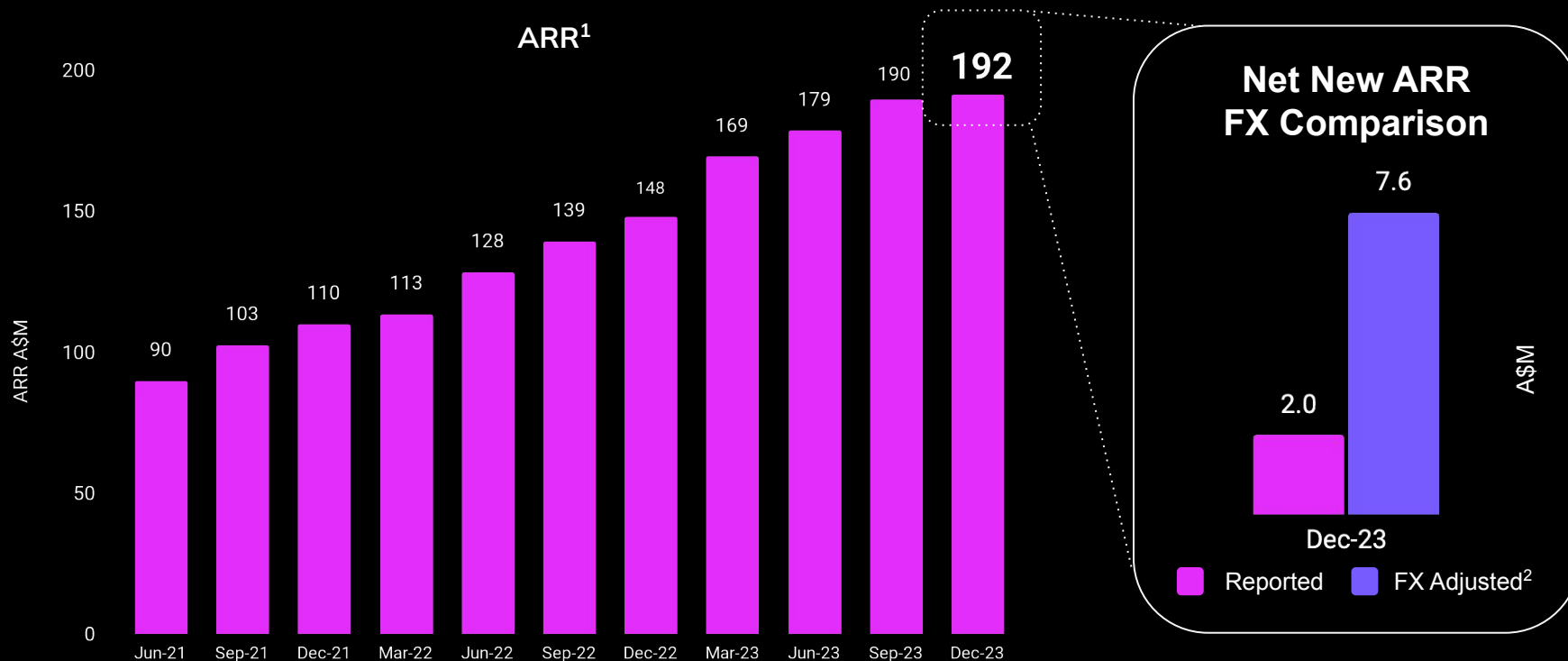


EBITDA in line QoQ

- » QoQ EBITDA reflects the increase in expenditure to reignite the go-to-market engine, offset by growth in revenue

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Annual Recurring Revenue (ARR)¹



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.

2. FX Adjusted shows net increase in ARR based on prior quarter's exchange rate. Excluding the impact of foreign exchange headwinds from a strengthening Australian dollar, underlying ARR grew 4% in 2Q FY24.

Move to Revenue-Generating KPIs^{1,2}

Challenges with Historically Reported KPIs

- » Trials/Proof of Concepts (PoC)
- » Test accounts
- » Cloud Ports (impacted by port consolidation)
- » Promotions
- » Demo services
- » DC partner port inconsistencies

Move to Revenue-Generating Metrics¹

- » Provide a more accurate QoQ signal to how the business is performing
- » Consistent, simple and a recognisable point at which services are counted (i.e. when they are billed to the customer)
- » For transparency we have provided 3 years of revenue-generating KPI history in the KPI spreadsheet available on our website²

1. Revenue-generating metrics are those with billed revenue in the quarter.

2. Megaport's Revenue-generating Key Performance Indicators (KPIs) can be found on our website at <https://www.megaport.com/investor/business-overview/#kpis>.

2Q FY24 Revenue-Generating KPIs^{1,2}

KPIs & Metrics ^{1,2}	Dec-23	Sep-23	Net QoQ Growth	QoQ % Growth	Dec-22	Net YoY Growth	YoY % Growth
Total Services ³	28,516	27,768	748	3%	25,381	3,135	12%
Customers	2,816	2,777	39	1%	2,637	179	7%
Ports	8,602	8,447	155	2%	7,975	627	8%
VXC and IX	18,858	18,336	522	3%	16,599	2,259	14%
MCR	886	847	39	5%	733	153	21%
MVE	170	138	32	23%	74	96	130%

1. Revenue-generating key performance metrics are those with billed revenue in the quarter.

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

Unaudited Financial Results

Unaudited Summary Financial Performance

	2Q FY24 \$'M AUD	1Q FY24 \$'M AUD	QoQ %	2Q FY23 \$'M AUD	YoY %
Revenue	48.6	46.5	5%	37.0	31%
Gross margin	34.2	32.4	6%	24.8	38%
Gross margin %	70%	70%	+0pp	67%	+3pp
EBITDA ¹	15.1	15.0	1%	2.4	n.m.
EBITDA margin %	31%	32%	-1pp	6%	+25pp
Net Cash Flow ²	6.9	5.6	23%	(11.1)	n.m.
Closing Net Cash ²	45.8	38.9	18%	39.5	16%

Unaudited Financial Results Quarter Ended 31 December 2023 Key Highlights

2Q FY24 **Revenue** grew 5% QoQ driven by organic growth in recurring revenue.

EBITDA¹ was in line QoQ reflecting the increase in expenditure to reignite the go-to-market engine including additional costs for sales, marketing & customer success staff, marketing and travel, offset by the growth in revenue.

The **Net Cash Flow²** improved for the quarter, continuing the positive momentum from 1Q FY24, driven by ongoing cost control and revenue growth.

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 2. Net Cash Flow is the change in Net Cash over the period. Net cash is cash at bank less debt (including vendor finance facility). As at 31 December 2023 Net Cash comprised cash at bank of \$62.5M less the amount outstanding under vendor finance facility of \$16.7M.
- 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	2Q FY24 \$'M AUD	1Q FY24 \$'M AUD	QoQ %	2Q FY23 \$'M AUD	YoY %
Revenue	48.6	46.5	5%	37.0	31%
Direct network costs	(9.1)	(9.1)	0%	(8.0)	(14%)
Partner commissions	(5.3)	(5.0)	(6%)	(4.2)	(26%)
Gross margin	34.2	32.4	6%	24.8	38%
Gross margin %	70%	70%	+0pp	67%	+3pp
Employee expenses	(14.1)	(13.4)	(5%)	(15.6)	10%
Professional fees	(1.1)	(1.0)	(10%)	(2.2)	50%
Marketing expenses	(0.7)	(0.4)	(75%)	(1.5)	53%
Travel expenses	(0.9)	(0.3)	n.m.	(0.9)	0%
IT costs	(0.8)	(0.6)	(33%)	(0.9)	11%
Other operating expenses	(1.5)	(1.7)	12%	(1.3)	(15%)
EBITDA ¹	15.1	15.0	1%	2.4	n.m.

Unaudited Financial Results Quarter Ended 31 December 2023 EBITDA¹ Highlights

Gross margin % remained consistent with 1Q FY24, driven by revenue growth and associated costs.

Employee expenses in 2Q FY24 included additional headcount in our sales, marketing, and customer success teams to build out our go-to-market capability. Noting that most hiring occurred in the latter part of the quarter, and full costs are expected in 3Q FY24.

Marketing and travel expenses increased from unusually low levels in 1Q FY24 reflecting an increase in go-to-market activity QoQ and events and will continue increasing into the latter half of FY24.

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Unaudited Financial Results

Consolidated Cash Flow	2Q FY24 \$'M AUD	1Q FY24 \$'M AUD	QoQ %	2Q FY23 \$'M AUD	YoY %
EBITDA ¹	15.1	15.0	1%	2.4	n.m.
Working Capital	0.1	(4.3)	n.m.	(2.2)	n.m.
Cash flow - Operating Activities	15.2	10.7	42%	0.2	n.m.
Cash flow - Investing Activities	(5.7)	(5.9)	3%	(4.6)	(24%)
Cash flow - Financing Activities	(0.7)	1.2	n.m.	(9.0)	92%
Effect of FX movements	(1.5)	0.7	n.m.	1.5	n.m.
Total Cash Flow	+7.3	+6.7	9%	(11.9)	n.m.
Opening Cash Balance	55.2	48.5	14%	69.4	(20%)
Closing Cash Balance	62.5	55.2	13%	57.5	9%
Opening Vendor Financing Balance	(16.3)	(15.2)	(7%)	(18.8)	13%
Closing Vendor Financing Balance	(16.7)	(16.3)	(2%)	(18.0)	7%
Net Cash Flow²	+6.9	+5.6	23%	(11.1)	n.m.
Closing Net Cash ²	45.8	38.9	18%	39.5	16%

Unaudited Financial Results Quarter Ended 31 December 2023 Net Cash Flow

Cash flow from Operating Activities an inflow of \$15.2M, up \$4.5M or 42% from 1Q FY24, largely due to higher billing for recurring revenue for the quarter.

Cash used in Financing Activities includes additional borrowings under the vendor financing facility. No employee share options were exercised during the quarter (\$1.3M in 1Q FY24).

Total Cash Flow at 31 December 2023 was up \$7.3M from 1Q FY24 to a closing cash balance of \$62.5M, showcasing the ongoing cost control and revenue growth, offset by hiring efforts and a return to events, marketing and travel.

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FY24 Progress

Q1

Develop Strategy

- » People
- » Product
- » Profitability

Q2

Execute Strategy

- » Rebuild GTM Machine
- » 3x quota-bearing Sales leaders in NAM
- » Build Digital Marketing
- » Product Innovation
- » Strengthen Balance Sheet

Q3

Build GTM Momentum

- » Restart Marketing Machine
- » Fuel the new Sales business
- » Expand existing Sales team
- » Geographic expansion
- » Product Innovation

Q4

Recovery in KPIs Evident

- » Double-down on proven successes in Sales and Marketing
- » Continued market expansion
- » Refine and optimise
- » Product Innovation

Strategy Execution To Date

- 》 Hiring 20+ GTM roles ✓
 - 》 Implemented nextgen sales tools/platform for training and execution ✓
 - 》 Re-launched MegaIX in North America ✓
 - 》 Launched Global WAN ✓
 - 》 Launched Megaport Internet ✓
 - 》 Launched up to 100G VXC's ✓
 - 》 Launched contracted VXC's ✓
 - 》 Launched Megaport Reach Program ✓
 - 》 100G port availability across NAM (Project Centurion) - **80% Deployed**
 - 》 US 400G backbone upgrade underway - **Q3 Completion**
-

Michael Reid · 1st
CEO at Megaport ASX:MP1
1mo · 🌐

Excited to welcome
Lauren joins our Northwest
With a strong background in
face to m

Thanks for
Misha, M

It's f
return

With his
fantastic
look forw

Welcome
Rachael

With his expertise in SaaS GTM, strategic fores
posed to enrich our leadership and fuel our co

Please join me in congratulating Adam on his n

Adam Mitchell
Chief Strategy Officer

JOIN THE NETWORK

Michael Reid · 1st
CEO at Megaport ASX:MP1
1mo · 🌐

Excited to
He joins us
Northwest a

David's exte
value to our
success in h

We're stoked
Misha, Tim,

Based in Sing
complex cha
our customer

Serena is wel
productive o
industry mak

We're thrilled
Welcome ab

Jason, Rach

JOIN THE NETWORK

JOIN THE NETWORK

Michael Reid · 1st
CEO at Megaport ASX:MP1
1mo · 🌐

Welcome Serena Toh to the **Megaport Team!**

Based in Sing
complex cha
our customer

Serena is wel
productive o
industry mak

We're thrilled
Welcome ab

Jason, Rach

JOIN THE NETWORK

JOIN THE NETWORK

Michael Reid · 1st
CEO at Megaport ASX:MP1
1mo · 🌐

Exciting
Based in Sing
partners

Adam and I have collaboratively navigated 6 ac
journey. Most notably, he spearheaded the stra
GTM expansion from 150 to nearly 400 employ
growing SaaS entity.

Adam is truly exceptional. His background in bu
combined with hands-on strategy development
willing to delve into the details, Adam conside

With his expertise in SaaS GTM, strategic fores
posed to enrich our leadership and fuel our co

Please join me in congratulating Adam on his n

Adam Mitchell
Chief Strategy Officer

JOIN THE NETWORK

Michael Reid
CEO at Megaport ASX:MP1
3mo

We're delighted to introduce **Rob Pa**
North America.

Rob brings extensive expertise in the
at DE-CIX, a global frontrunner in IX
enriched by his time at Console Con

Located in the Bay Area, Rob is a tru
lead our IX initiatives as we scale the

Together with industry stalwarts **Gav**
Matt Simpson, our Global VP, Megap

Please join us in celebrating Rob's p

Rob Parker
NAM Internet Exchange
Director

JOIN THE NETWORK

Michael Reid · 1st
CEO at Megaport ASX:MP1
1mo · 🌐

Aaron Perry Joins the Megaport Team!

Based in New York, **Aaron** will **encompass our initiatives with Large**
Enterprise Customer

With his extensive e
addition to our team

We are thrilled to h
contributions.

Welcome, Aaron! T

Misha, Tim, Fredrik

JOIN THE NETWORK

JOIN THE NETWORK

Michael Reid
CEO at Megaport ASX:MP1
3mo · Edited

We are thrilled to **Welcome Back** one of **Megaport's** top performers as our first Sales
Executive new hire, servicing the US Mid-Atlantic. 🌐

I asked the team, who was
McCleskey was number

Shane, we're lucky to

I asked Shane why he

"Upon speaking with o
easy, a no-brainer.

"When you combine th
the leading NaAS offeri
become boundless.

*Not to mention, the p
grow, learn, and share

Tim McCarthy is still i
Managers in the US. If
won't regret it!

Game on!

Michael Reid
CEO at Megaport ASX:MP1
3mo

Introducing Megaport's New EVP GTM Transformation, Abbey Byfield! 🌐

Abbey and I have successfully navigated six acquisitions during our five-year professional
journey. One of her most remarkable achievements was building the Global Sales BDM
team and Transformation from the ground up at **ThousandEyes** (part of **Cisco**),
contributing to its growth into **Cisco's** fastest-growing SaaS entity, with employees
increasing from 150 to nearly 400. 🌐

Abbey possesses an exceptional skill set, spanning marketing, sales, and the
development of global BDR teams, alongside the integration of world-class RevOps tech
stacks. Regardless of a project's size or complexity, Abbey executes flawlessly,
consistently setting new industry best practices. 🌐

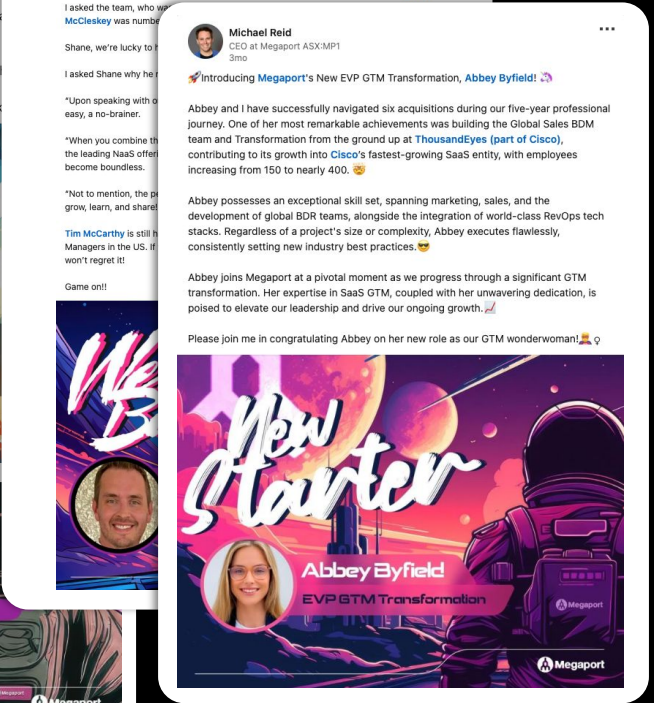
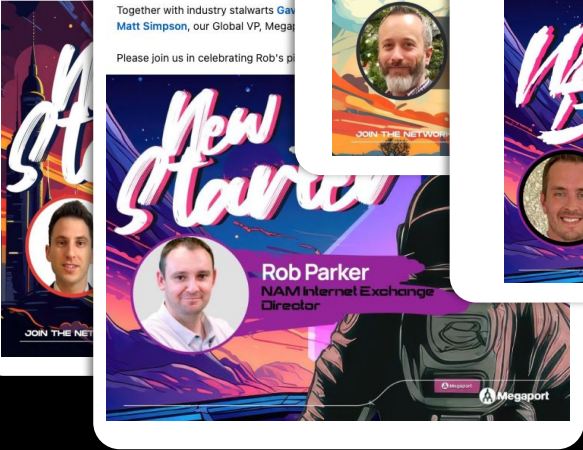
Abbey joins Megaport at a pivotal moment as we progress through a significant GTM
transformation. Her expertise in SaaS GTM, coupled with her unwavering dedication, is
poised to elevate our leadership and drive our ongoing growth. 🌐

Please join me in congratulating Abbey on her new role as our GTM wonderwoman! 🌐


Abbey Byfield
EVP GTM Transformation

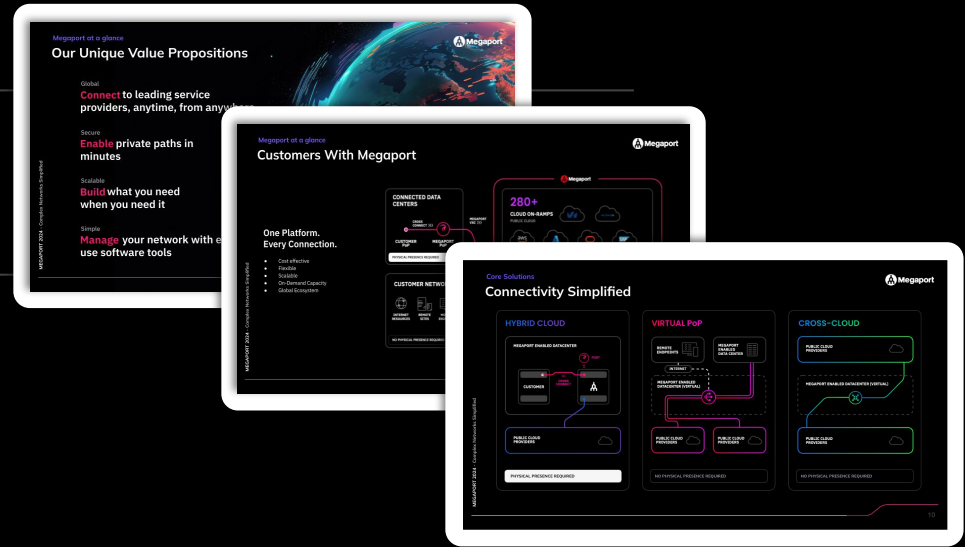
JOIN THE NETWORK

JOIN THE NETWORK



GTM Transformation - Next Phase

- » Focus now on improving effectiveness of the GTM team
 - Lead generation and nurturing pipeline
 - Updated sales messaging and solutions approach e.g. Global WAN, Hybrid Cloud, etc
 - Improved reporting and commissions structures for sales and sales leadership
- » Enhance GTM operating models and tools 
- » Partner program refresh including global partner roadshow and reinvesting into the channel
- » Chief Digital Office with a major Digital Marketing revamp underway



Global WAN Launch = Largest Deal in MP1 History

\$1.4M ARR over 3 years = Total Contract Value (TCV) of \$4.2M AUD

Client Solution

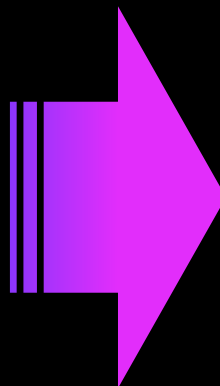
A major US healthcare provider with operations across multiple states and a presence in 8 data centres

Global WAN use case utilising 16 x 100G ports and over 50 VXC's

Delivered diversity at the port level, and failover across the VXC's

Enabled the client to overhaul their IT infrastructure and modernise their point-to-point connectivity

Ensured architecture met strict industry guidelines and IT requirements



35x the Average Deal

\$38K
ARR

Average
Deal Size

VS.

\$1.4M
ARR

Global WAN
Deal Size

Product Expansion: Internet Exchange (IX) Locations

» IX locations now at 23

» Newly Launched:

- Charlotte
- New York
- Atlanta
- Miami
- Denver

» IX customers:

- Traditional CDN & Content Creators
- New Logos e.g. TikTok and Cachefly

» 100G port wins

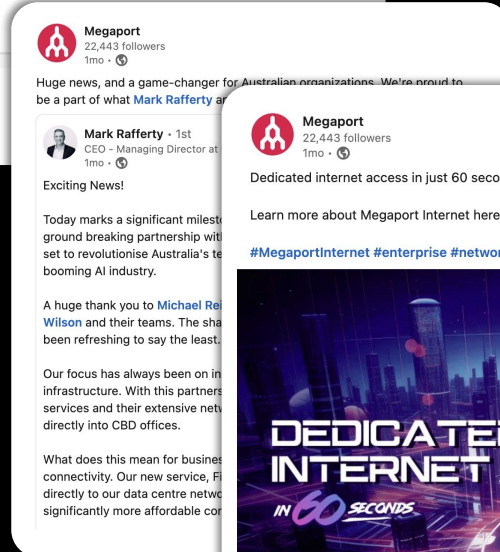
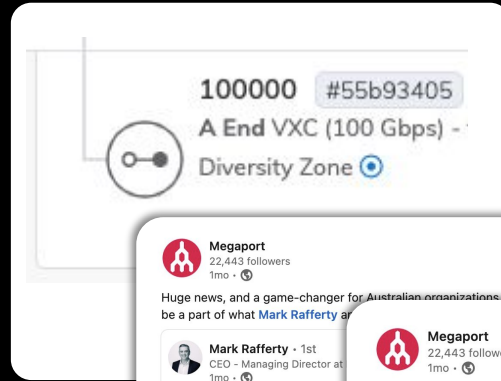


New Product Launches

» 400G US Backbone is expected to be finished in Q3 - enabling up to 100G VXC's across the US

» Moving beyond the DC - FibreConx Partnership

» Launched Megaport Internet



Megaport Internet Demo

- » FY24 Guidance¹
 - FY24 Revenue of \$190M - \$195M (unchanged)
 - FY24 EBITDA² of \$51M - \$57M (unchanged)
 - FY24 Capex expected to be \$20M - \$22M (revised from \$28M - \$30M³)

- » 2H FY24 EBITDA² and Net Cash Flow⁴ to reflect full impact of increased headcount across the group especially higher salary of front line quota bearing sales team + increased expenditure on marketing, advertising, travel, entertainment and professional fees

- » FY24 capex expected to be lower than originally communicated due to use of existing inventory, a reduction of capitalised wages and a more efficient purchasing process. This includes completion of Project Centurion and 400G backbone upgrade across North America

- » 3Q focus is to build GTM momentum with recovery in KPIs expected to be evident in 4Q FY24

1. On 22 August 2023, Megaport released [Updated Guidance for FY24 to ASX](#) advising that FY24 Revenue is expected to be in the range of \$190M to \$195M, FY24 EBITDA in the range of \$51M to \$57M, 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.

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.

3. Refer to [2QFY23 Global Update](#) released to ASX on 31 January 2023.

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Questions.

 @megaport

 @megaportnetwork

 @megaportnetworks

ASX: MP1

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Important Information

This presentation has been authorised by the Board of Megaport.

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](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>.

Subscribe for ASX announcements at <https://www.megaport.com/investor/#investor-contact>.

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