



Investor Presentation

Operational Update

3Q FY24 Highlights



Revenue

\$49.5M
up 30% YoY

↑ \$11.4M
YoY



EBITDA¹

\$14.0M
up 92% YoY

↑ \$6.7M
YoY



Net Cash Flow²

\$13.4M
n.m. YoY

↑ \$21.9M
YoY



Cash at Bank

\$73.1M
up 50% YoY

↑ \$24.5M
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. Net Cash Flow represents the movement in Net Cash, which is cash at bank less debt including the vendor financing liability. 3Q FY24 Net Cash Flow of \$13.4M includes a one-off net receipt of \$5.5m relating to prior quarters, and follows a review of revenue share arrangements with a partner. Excluding the one-off receipt of \$5.5M, Net Cash Flow for 3Q FY24 was \$7.9M. YoY movement in Net Cash Flow is the difference between a net cash outflow of \$8.5M in 3QFY23 and a net cash inflow of \$13.4M in 3QFY24.
3. n.m. = not meaningful
4. YoY = quarter of prior corresponding quarter in the previous year.

Continued Strong Cash Flow

NET CASH FLOW^{1,2}

Net Cash Flow^{1,2}

+\$13.4M up \$21.9M YoY

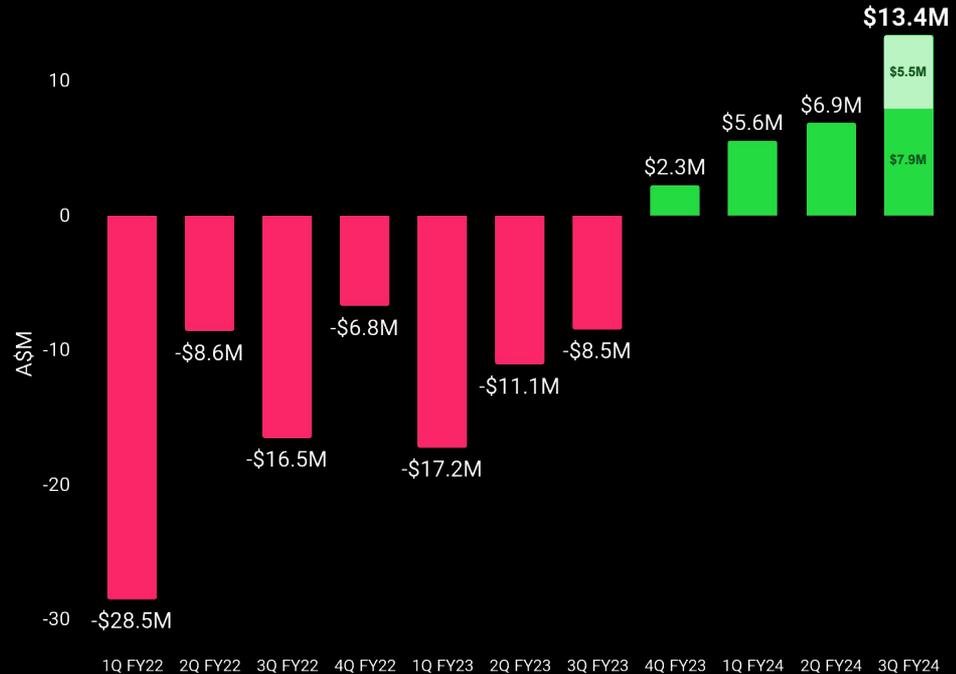
Incl. one-off net receipt of **\$5.5M** rev-share. Excluding = **\$7.9M**

Net Cash³

\$59.2M up \$28.2M YoY

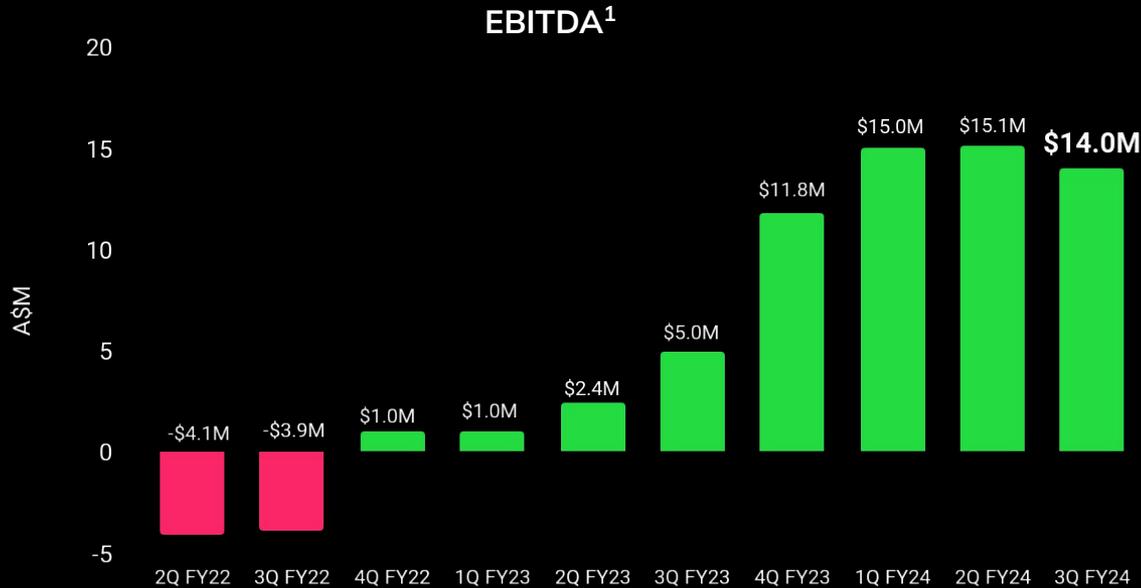
Cash at Bank

\$73.1M up \$10.6M 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.
2. 3Q FY24 Net Cash Flow of \$13.4M includes a one-off net receipt of \$5.5m relating to prior quarters, and follows a review of revenue share arrangements with a partner. Excluding the one-off receipt of \$5.5M, Net Cash Flow for 3Q FY24 was \$7.9M.
3. Net Cash as at 31-Mar-24 of \$59.2M comprises cash at bank of \$73.1M less amounts owing under the vendor financing facility of \$13.9M.

Profitable Sustainable Growth



EBITDA QoQ

QoQ EBITDA reflects the increase in expenditure to reignite the go-to-market engine and increased partner commissions, offset by growth in revenue

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Annual Recurring Revenue¹



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. 3Q FY24 ARR grew \$7.7M or 4%, and excluding the impact of foreign exchange tailwinds from a weakening Australian dollar, underlying ARR grew \$4.4M or 2%.

3Q FY24 Revenue-Generating KPIs^{1,2}

KPIs & Metrics ^{1,2}	Mar-24	Dec-23	Net QoQ Growth	QoQ % Growth	Mar-23	Net YoY Growth	YoY % Growth
Total Services	29,176	28,495	681	2%	26,008	3,168	12%
Customer Logos	2,627	2,615	12	0%	2,486	141	6%
Ports	8,673	8,602	71	1%	8,052	621	8%
VXC and IX	19,407	18,858	549	3%	17,124	2,283	13%
MCR	906	865	41	5%	742	164	22%
MVE	190	170	20	12%	90	100	111%

1. Revenue-generating key performance 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>.

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

Q1

Develop Strategy

- » People
- » Product
- » Profitability

Q2

Execute Strategy

- » Rebuild GTM machine
- » 3x quota-bearing sales execs in NAM
- » Build Digital Marketing
- » Product innovation
- » Strengthen balance sheet

Q3

Build GTM Momentum

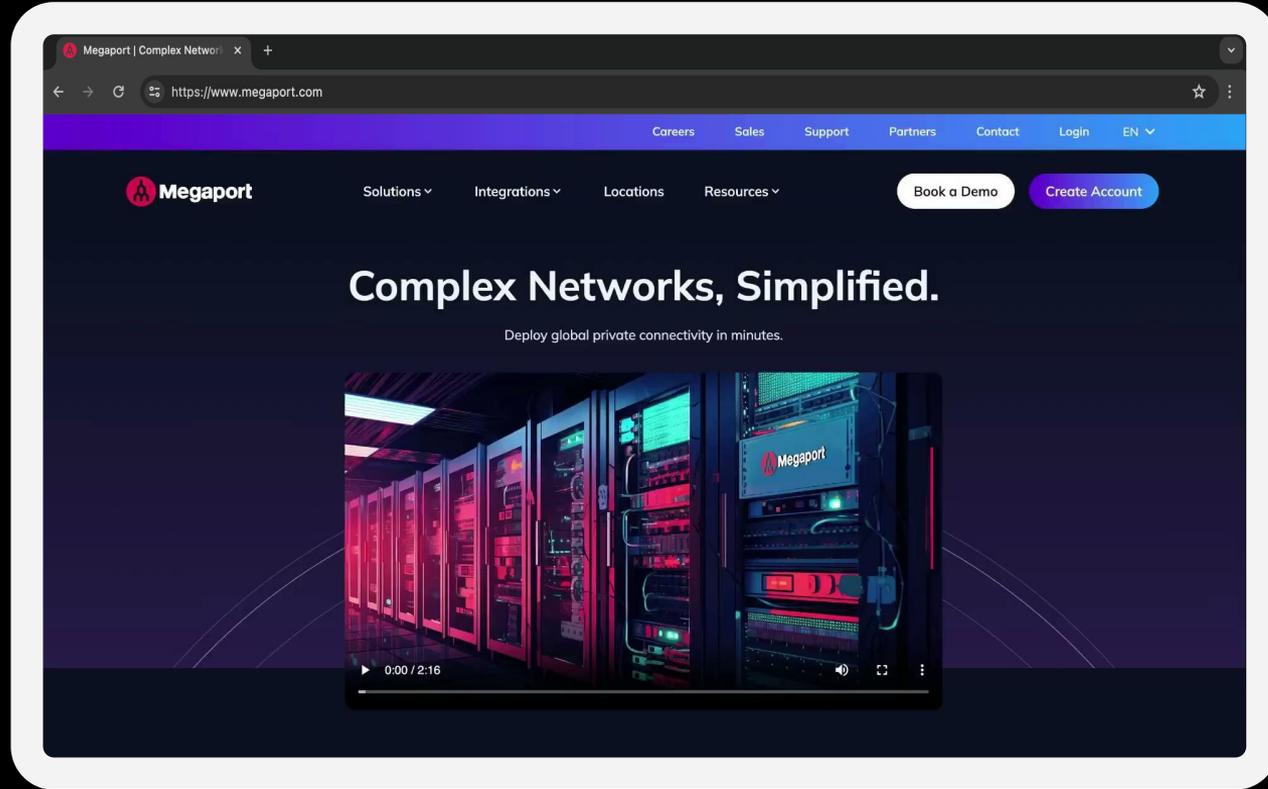
- » Restart marketing machine
- » Fuel the new sales business
- » Expand existing sales team
- » 400G backbone upgrade

Q4

Refine & Optimise

- » Double-down on proven successes in sales and marketing
- » Geographic expansion
- » Continued market expansion
- » Product innovation
- » Strategic investments for long term growth

Marketing Machine - New Megaport Website



Before



After



Note: Speed comparisons are based on local Lighthouse tests conducted at Megaport Head Office in Brisbane, Australia

GTM Progress in FY24

- » 13 new quota-bearing salespeople in seat ✓
- » Reorganised territories and introduced a new comp plan ✓
- » Transformed the way Megaport engages with customers ✓
- » Upgraded GTM operating models and tools ✓
- » Closed the largest deal ever (\$1.4m ARR / \$4.2m TCV) ✓

Green Shoots in GTM in 3Q FY24

- » Improvements in ARR growth from new access products ✓
- » Increased contribution from channel ✓
- » New hires contributing as expected ✓
- » Pivot towards solution selling showing early promise ✓
- » Compensation driving the appropriate behaviour ✓

GTM Transformation - Next Phase

- » Ongoing focus to improve effectiveness of the GTM team
 - Optimising lead generation to customer process
 - Additional refinements to sales messaging
- » Continuing to build out GTM team with new sales roles in South America, EMEA, and APAC
 - Open sales executive roles in Italy, Germany, Netherlands, Brazil, Spain, and ANZ
 - Hired a new Head of Sales Enablement
- » Re-engaged with customers and channel via “Megaport World Tour”
~40+ cities and counting
- » First AWS Direct Connect Network Service Offering on AWS Marketplace
- » Reactivated expansion of DC footprint and the broader ecosystem



Strategic Investments for Long Term Growth

Scaling the Network

- » Scale network for demands of AI
- » Roll-out 400G backbone to provide 100G access across wider network
- » Scale network procurement economics to enable faster, more disruptive services and drive bottom line growth
- » Expand product set to include low-touch, incremental, high revenue products
- » Faster cloud-to-cloud connectivity

Geographic & Ecosystem Expansion

- » Strategic data centre expansion
- » New countries to expand addressable markets
- » Expand to AI/GPUaaS on-ramps
- » More MVE partners
- » More cloud providers
- » Cloud on-ramps
- » Add IX locations and IX peering

- 》 FY24 EBITDA¹ guidance² upgraded to \$56M - \$58M (from \$51M - \$57M)

- 》 Remaining FY24 guidance confirmed²
 - Revenue guidance of \$190M - \$195M
 - Capex guidance of \$20M - \$22M

- 》 Green shoots in the GTM team are evident, albeit still early days

- 》 Strategic investment for long term growth underway

- 》 Next update at Full Year Results on 22 August 2024

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. Refer to ASX announcement dated 29 April 2024 titled "*Upgraded Guidance for FY24*". Guidance is provided after taking into account the planned investment in go-to-market capabilities, product development, marketing, advertising, travel, entertainment, professional fees and planned capital expenditure, and excludes any future strategic initiatives the Company may decide to undertake. FY24 Guidance assumes a foreign exchange rate of AUD \$1.00 to USD \$0.67. Any variation to the exchange rate will impact revenue, costs and cash flow.

Questions.

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Important Information

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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