Investor Presentation

Global Update

FY23 Full Year Results

Megaport

In 2023 we delivered transformational improvements in EBITDA, Costs, and Net Cash Flow as well as record Annual Recurring Revenue.

COMPANY HIGHLIGHTS

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FY23 HIGHLIGHTS

REVENUE	GROSS PROFIT[1]	NORMALISED EBITDA[2]	NET CASH FLOW[3]
$153.1M	**$103.9M**	**$20.2M**	**($34.5M)**
↑ $43.4M +40%	↑ $35.6M +52%	↑ $30.4M	↑ $15.4M +31%

1. 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.
2. Normalised Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) represents Reported EBITDA adjusted (reduced) for certain one-off accrual reversals. Reported 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 including the costs of one-time redundancy charges of approximately $4.9M for FY23.
3. 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 the $10.4M (US$7.5M) cash purchase price for InnovoEdge in FY22.

FY23 REVENUE PERFORMANCE

NORTH AMERICA

$85.4M

56% of global revenue

$27.6M | **48%**

FY22: $57.8M

ASIA PACIFIC

$43.4M

28% of global revenue

$9.9M | **30%**

FY22: $33.5M

EMEA

$24.3M

16% of global revenue

$5.9M | **32%**

FY22: $18.4M

GLOBAL

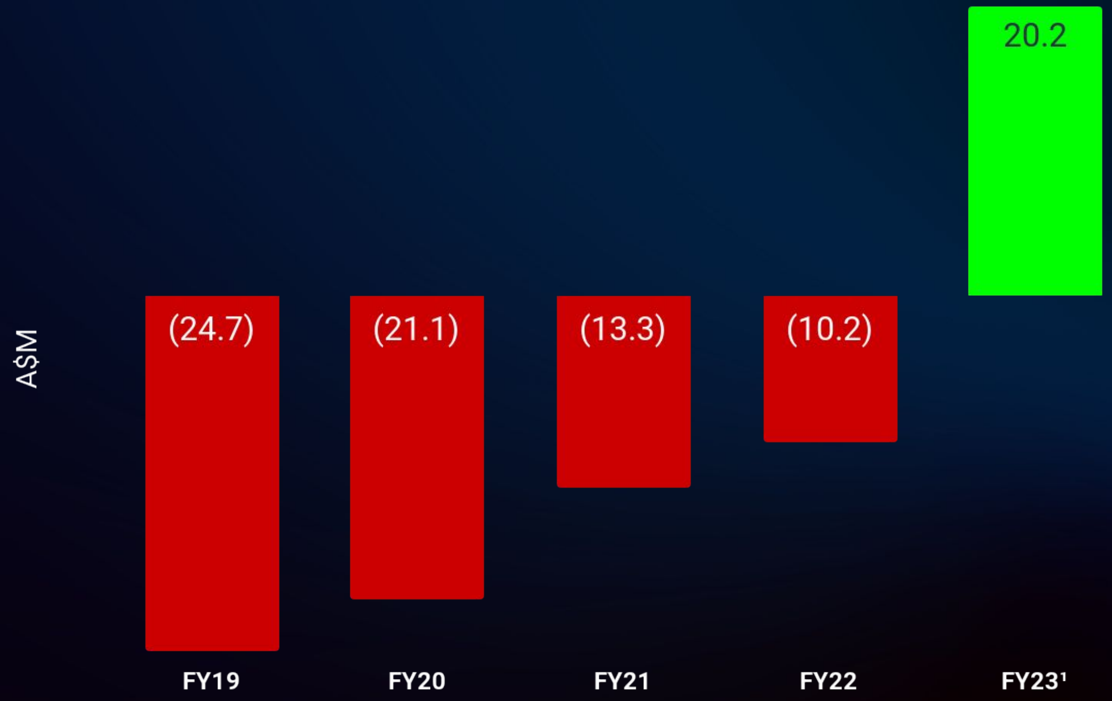
$153.1M

$43.4M | **40%**

FY22: $109.7M

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

NORMALISED EBITDA: HIGHEST ON RECORD



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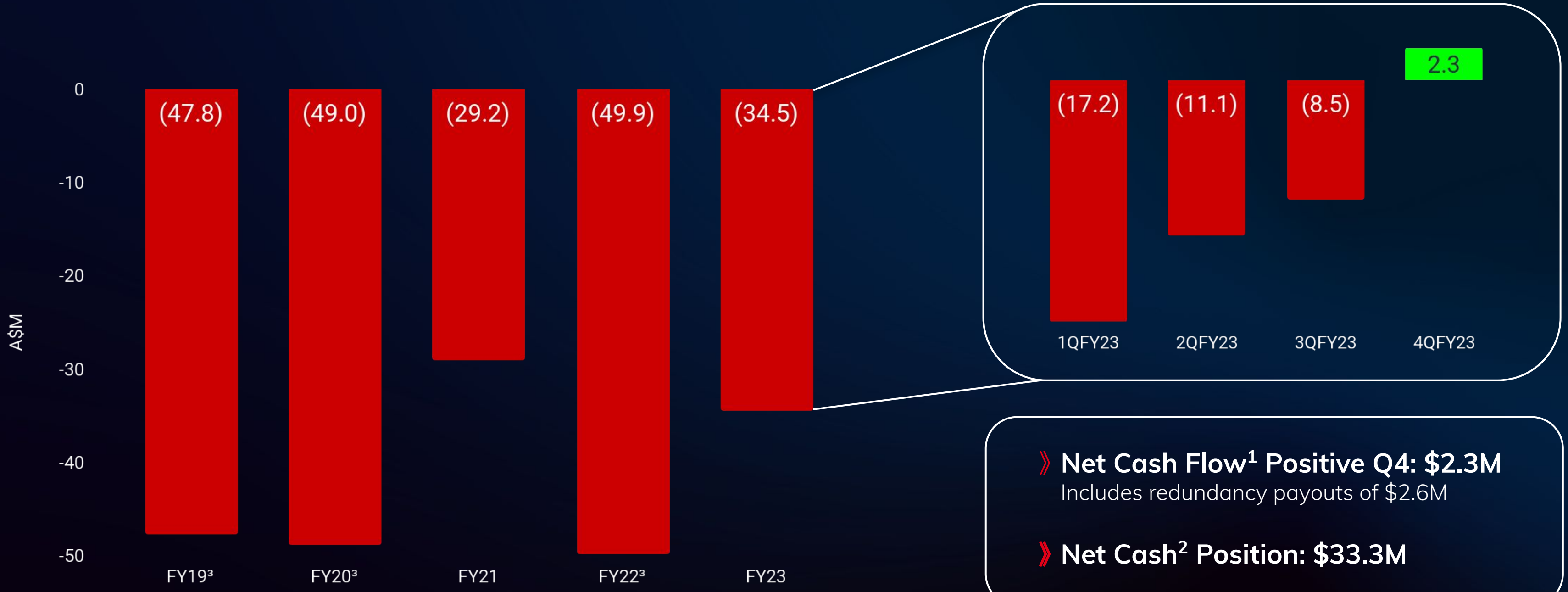
2. Excludes any adjustments relating to IFRIC agenda decisions of March 2019 and April 2021 - Change in accounting policy in accounting for Software-as-a-Service arrangements.

NET CASH FLOW



- **Net Cash Flow[1] Positive Q4: $2.3M**
  Includes redundancy payouts of $2.6M
- **Net Cash[2] Position: $33.3M**

1. 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.
2. Net Cash as at 30 Jun 23 comprises cash at bank of $48.5M less amounts owing under the vendor financing facility of $15.2M.
3. Net Cash Flow excludes proceeds from capital raisings of $64.1M in FY19 and $134.3M in FY20, and $10.4M (US$7.5M) cash purchase price for InnovoEdge in FY22.

The financial results demonstrate Megaport's pivot during the year towards sustainable, profitable growth and cash generation.

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FINANCIAL RESULTS

Consolidated Profit & Loss (A$ million)	FY23 $'M	FY22 $'M	Change $'M	Change %
Revenue	**153.1**	**109.7**	**43.4**	**40%**
Direct network costs	(31.5)	(29.7)	(1.8)	(6%)
Partner commissions	(17.7)	(11.7)	(6.0)	(51%)
Gross profit	**103.9**	**68.3**	**35.6**	**52%**
Gross profit margin	***68%***	***62%***	***n.m***	***+6pp***
Operating Expenses (Opex)	**(78.7)**	**(80.6)**	**1.9**	**2%**
Reported EBITDA[1]	**25.2**	**(12.3)**	**37.5**	**n.m**
Reported EBITDA margin	*16%*	*(11%)*	*n.m*	*+27pp*
Depreciation, amortisation, other non-operating expenses & taxes	(35.0)	(36.2)	1.2	3%
Net loss for the period	(9.8)	(48.5)	38.7	80%

Revenue up 40% YoY, driven largely by organic growth and the Cloud VXC price increase.

Direct network costs were up 6% YoY, a drop to 21% of revenue vs 27% in FY22. This reflects the impact of both top line revenue growth and cost control measures implemented during the year.

Partner commissions were 12% of revenue, up 1% YoY. We continue to see new partners and managed service providers bring opportunities.

Opex of $78.7M is down 2% YoY reflecting the results of the operational review, the impact of the cost out program, and the decision to pay $2.3M in staff bonuses in stock rather than cash in FY23.

The overall Reported EBITDA[1] of $25.2M, 16% of revenue, is the first full financial year of positive EBITDA.

1. Reported Earnings Before Interest Tax Depreciation and Amortisation (Reported 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 including the costs of one-time redundancy charges of approximately $4.9M for FY23.
n.m = not meaningful. pp = percentage point

OPERATING COSTS

(A$ Million)	FY23 $'M	FY22 $'M	Change $'M	Change %
Employee costs[1]	56.7	58.8	(2.1)	(4%)
Professional fees	6.4	6.8	(0.4)	(6%)
Marketing costs	4.4	2.5	1.9	76%
Travel costs	2.2	2.4	(0.2)	(8%)
IT costs	3.5	3.4	0.1	3%
Other operating expenses	5.5	6.7	(1.2)	(18%)
Total Opex	**78.7**	**80.6**	**(1.9)**	**(2%)**

Employee costs[1] decreased by $2.1M YoY with the reduction in force taking place in 4Q and the decision to pay $2.3M in FY23 performance based incentives with stock. Employee costs as a percentage of revenue was 37%, down from 54% YoY.

Increase in marketing costs was largely driven by third party consultants and a return to conference activities, which were wound back as part of the cost out program, to focus on investment with a clear ROI.

The reduction in professional fees, travel costs, and other operating expenses was driven by the focus on cost reductions.

1. Excludes equity-settled employee costs and restructuring costs.

CASH FLOW

(A$ Million)	FY23 $'M	FY22 $'M	Change $'M	Change %
Cash flow from/(used in) Operating Activities	10.2	(8.0)	18.2	n.m
Cash flow used in Investing Activities	(32.7)	(50.2)	17.5	35%
Cash flow (used in)/from Financing Activities	(12.4)	4.0	(16.4)	n.m
Effect of FX movements	0.9	0.4	0.5	125%
Total Cash Flow	(34.0)	(53.8)	19.8	37%
Opening Cash Balance	82.5	136.3	n.m	n.m
Closing Cash Balance	48.5	82.5	(34.0)	(41%)
Opening Vendor Financing Balance	(14.7)	(8.1)	n.m	n.m
Closing Vendor Financing Balance	(15.2)	(14.7)	(0.5)	(3%)
Net Cash Flow[1]	(34.5)	(60.4)	25.9	43%
Closing Net Cash[2]	33.3	67.8	(34.5)	(51%)

Operating cash flow was an inflow of $10.2M for FY23, as a result of both the strong revenue growth and lower operating costs from the cost out program.

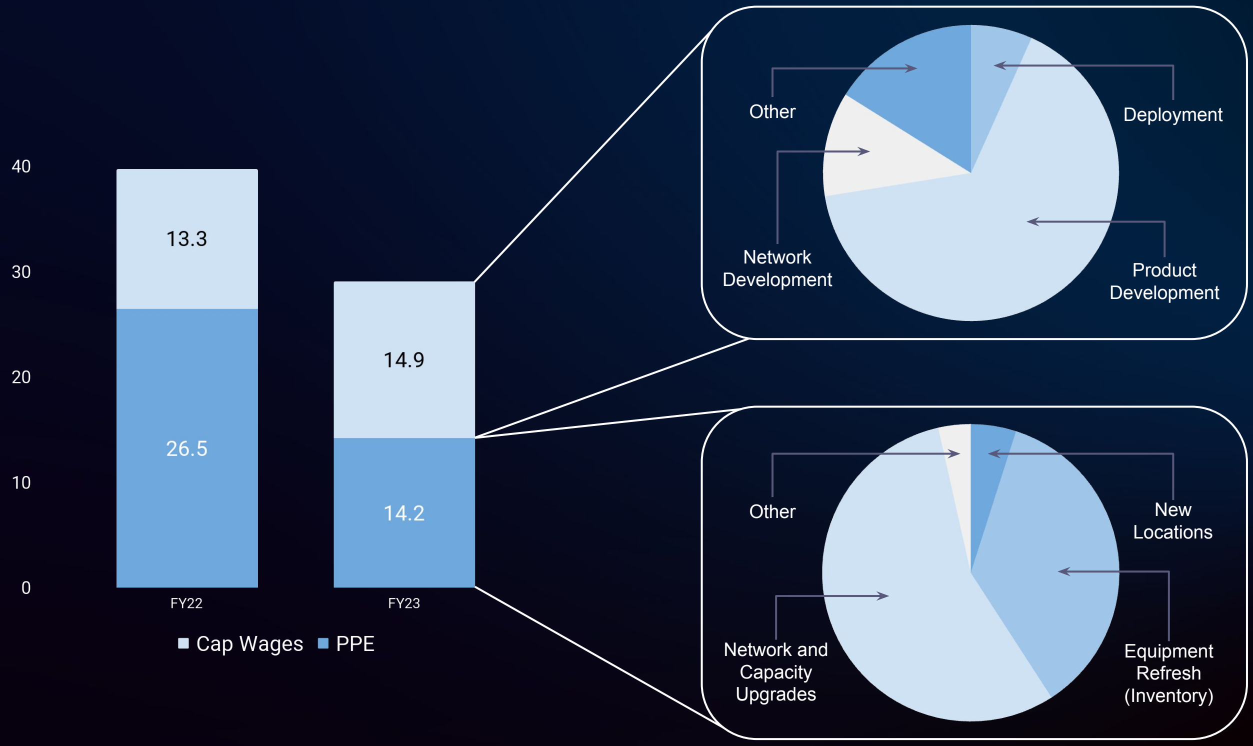
Cash flow used in Investing Activities improved to $32.7M in FY23, an improvement of $7.1M vs FY22 (after adjusting for the $10.4M acquisition of InnovoEdge). This reflected lower expenditure on equipment purchases and utilisation of existing inventory stock.

Financing activities outflows reflected increased net repayments under the vendor financing facility, as well as reduced proceeds from the exercise of employee share options compared with FY22.

1. Net Cash Flow is defined as the movement in Net Cash.
2. Net Cash = cash at bank less debt (including vendor finance facility).

n.m. = not meaningful

CAPITAL EXPENDITURE



Megaport continues to invest in its network and software platforms, with capital expenditure including both internal staff costs and external costs such as property, plant, and equipment.

Capitalised labour includes development and engineering efforts on existing software, new product development (eg. MCR, MVE, Megaport Reach), and deployment to new sites.

Payments for equipment were elevated in FY22 due to COVID-related supply chain delays for orders placed in 2020 and 2021. The majority of this additional inventory was utilised in FY22 & FY23 as part of new locations, replacement of equipment in existing locations, and network and capacity upgrades, with the balance to be used in FY24.

FINANCIAL POSITION

(A$ Million)	30 June 2023 $'M	30 June 2022 $'M
Cash	48.5	82.5
Other current assets	30.0	20.4
Non-current assets	123.8	117.5
Total assets	202.3	220.4
Current liabilities	51.5	53.1
Non-current liabilities	22.8	25.0
Total liabilities	74.3	78.1
Equity	128.0	142.3

Cash at bank at the end of FY23 was $48.5M, reflecting a strong close to the financial year.

The amount owing under the vendor financing was $15.2M (up from $14.7M in FY22).

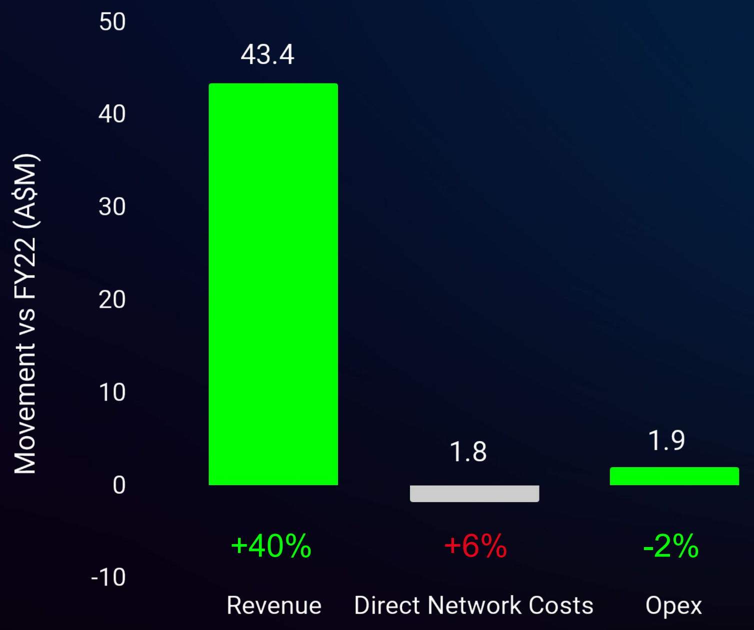
Megaport's current ratio[1] of 1.5 (FY22: 1.9) is largely driven by cash expenditure, in the first half of the year.

NET CASH AT 30 JUNE 2023

$33.3M[2]

1. Current ratio calculated as current assets divided by current liabilities.
2. Net Cash comprises cash at bank of $48.5M less amounts owing under the vendor financing facility of $15.2M.

REVENUE GROWTH VS COST TO RUN THE PLATFORM



Revenue

FY23: $153.1M ↑ $43.4M
FY22: $109.7M 40%

Direct Network Cost + Opex

FY23: $110.2M ↓ -$0.1M
FY22: $110.3M -0.1%

Gross Profit

FY23: $103.9M ↑ $35.6M
FY22: $68.3M 52%

› Revenue is up strongly while Direct Network Costs and Opex have been flat YoY

OPERATING LEVERAGE JUNE MONTH

Group Margins for the month	Gross Margin[1]	Normalised EBITDA[2] Margin
Jun-23	69%	31%
Jun-22	65%	5%
Jun-21	60%	1%
Jun-20	55%	(29%)
Jun-19	41%	(49%)

》 Operating leverage is evident as revenue growth has outstripped cost growth

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

Underlying metrics have continued to grow, notwithstanding the issues in our Go-to-Market engine during 2023

COMPANY HIGHLIGHTS

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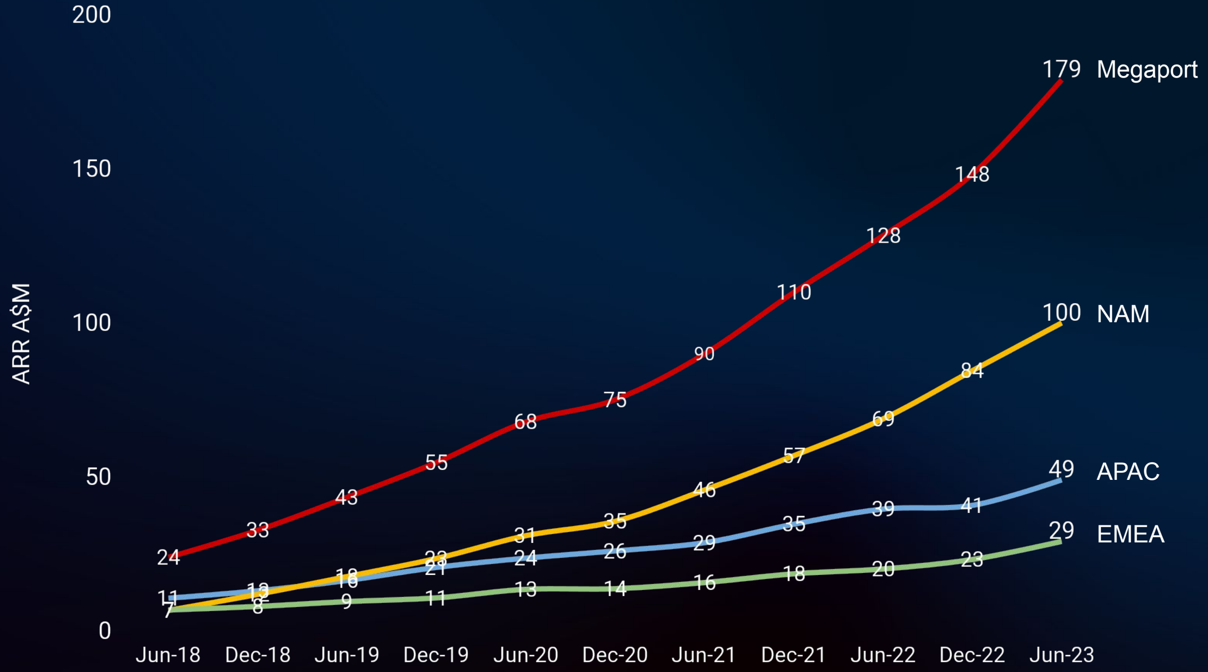
ANNUAL RECURRING REVENUE (ARR)[1]

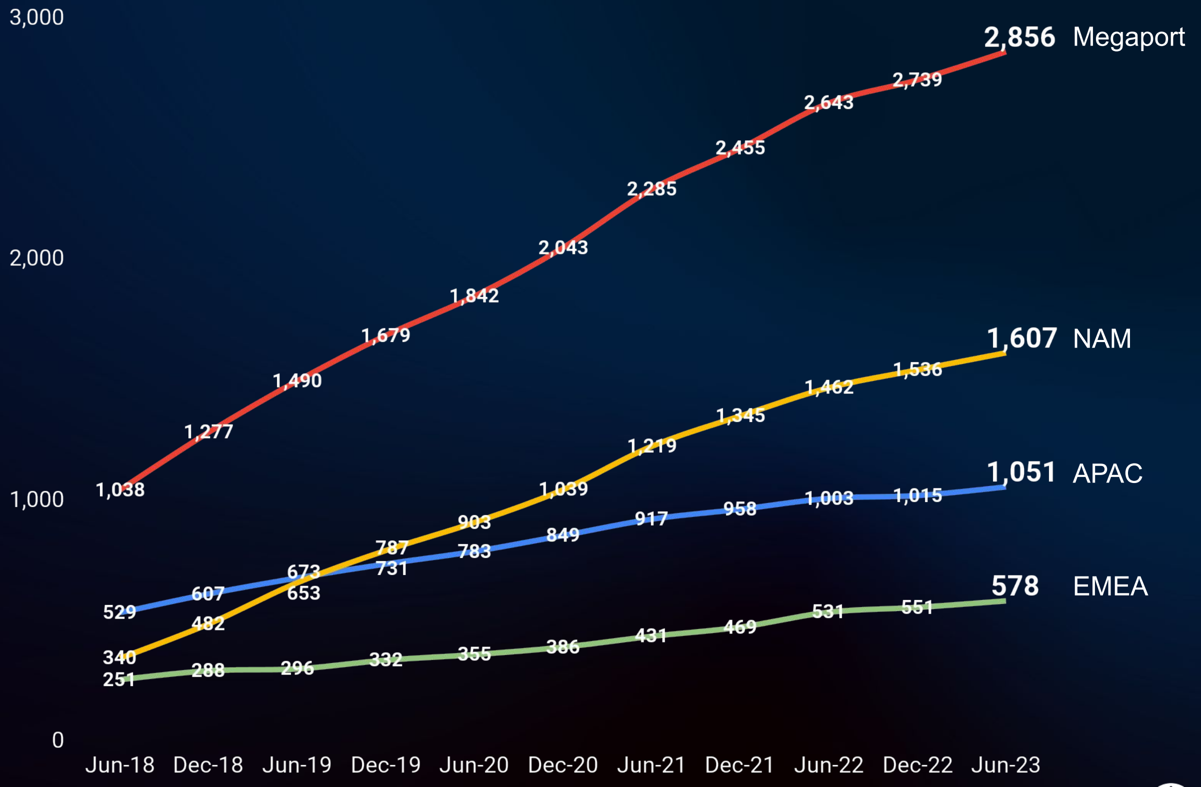
REVENUE GROWTH

YoY ARR[1] growth	Jun 23
Group	39%
NAM	45%
APAC	25%
EMEA	46%

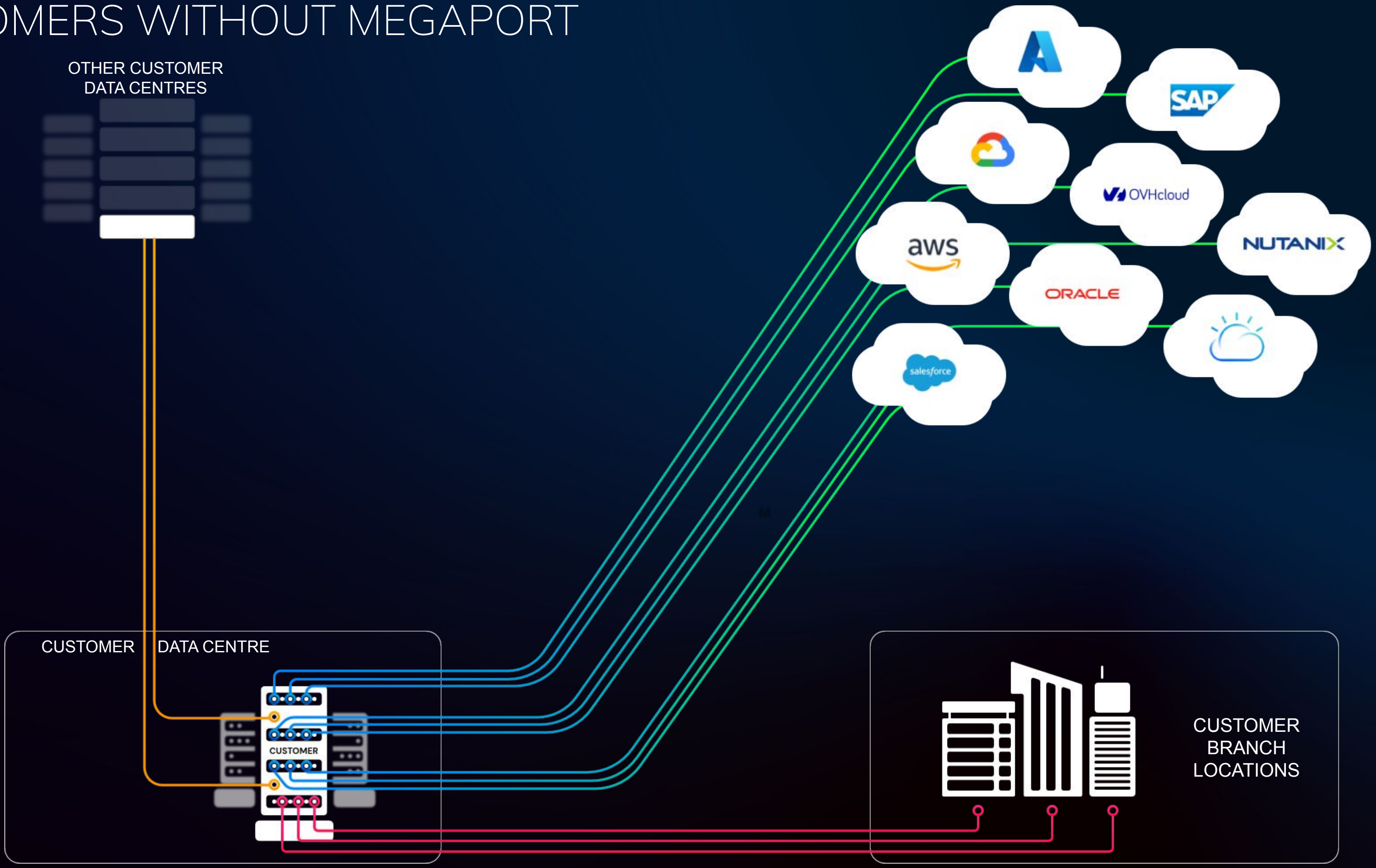


1. Annual Recurring Revenue (ARR) in A$ is the recurring revenue expected over a 12 month period, calculated as revenue (excluding one-off and non-recurring revenue) for the last month of the period multiplied by 12.

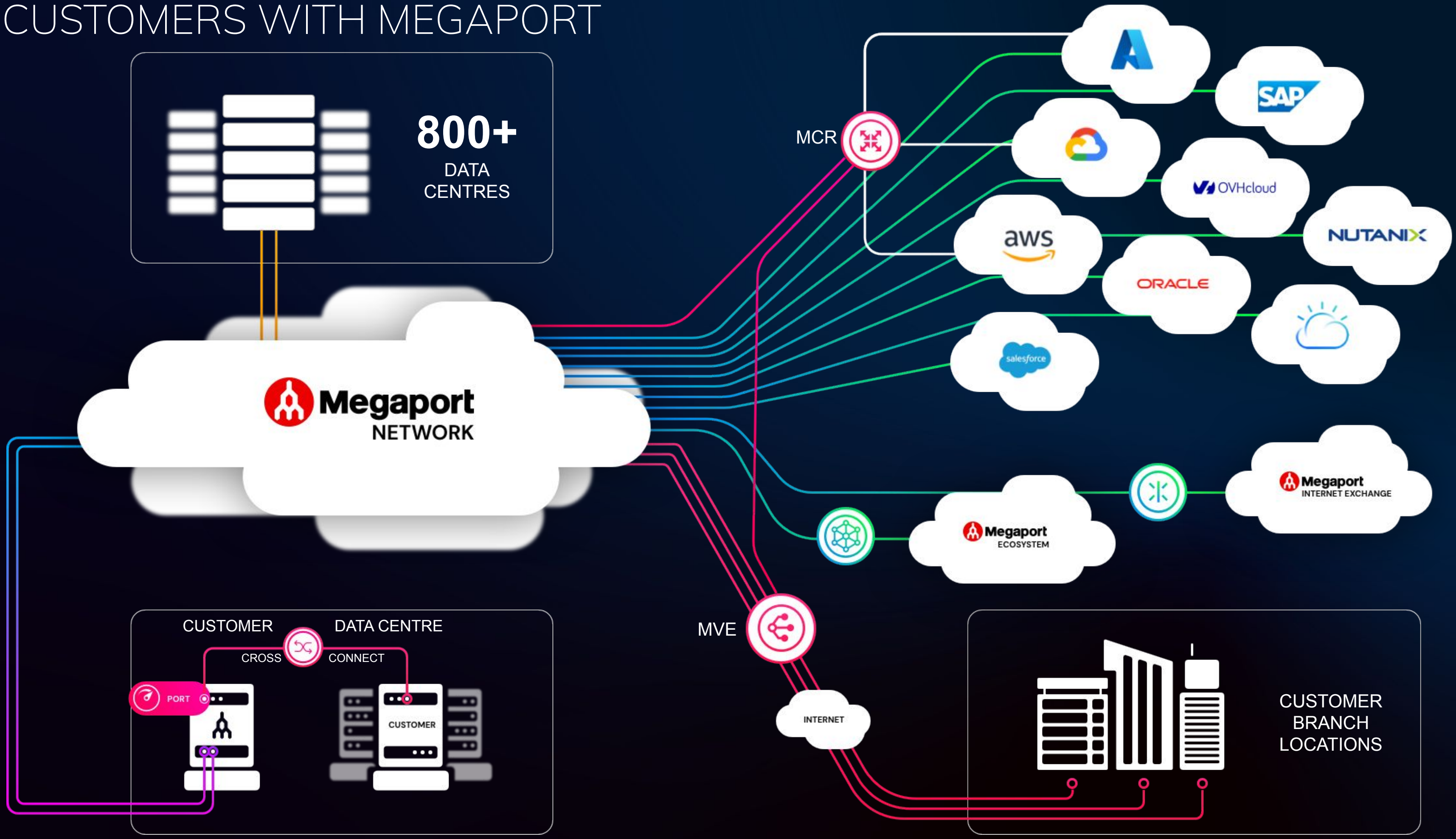
MEGAPORT CUSTOMERS



CUSTOMERS WITHOUT MEGAPORT



CUSTOMERS WITH MEGAPORT



Megaport Demo

Global Update

Megaport

CUSTOMER SURVEY - ONE WORD TO DESCRIBE MEGAPORT

CLOUD SERVICE PROVIDER 100G PORT EXPANSION - 10G CONSOLIDATION

PHASE 1

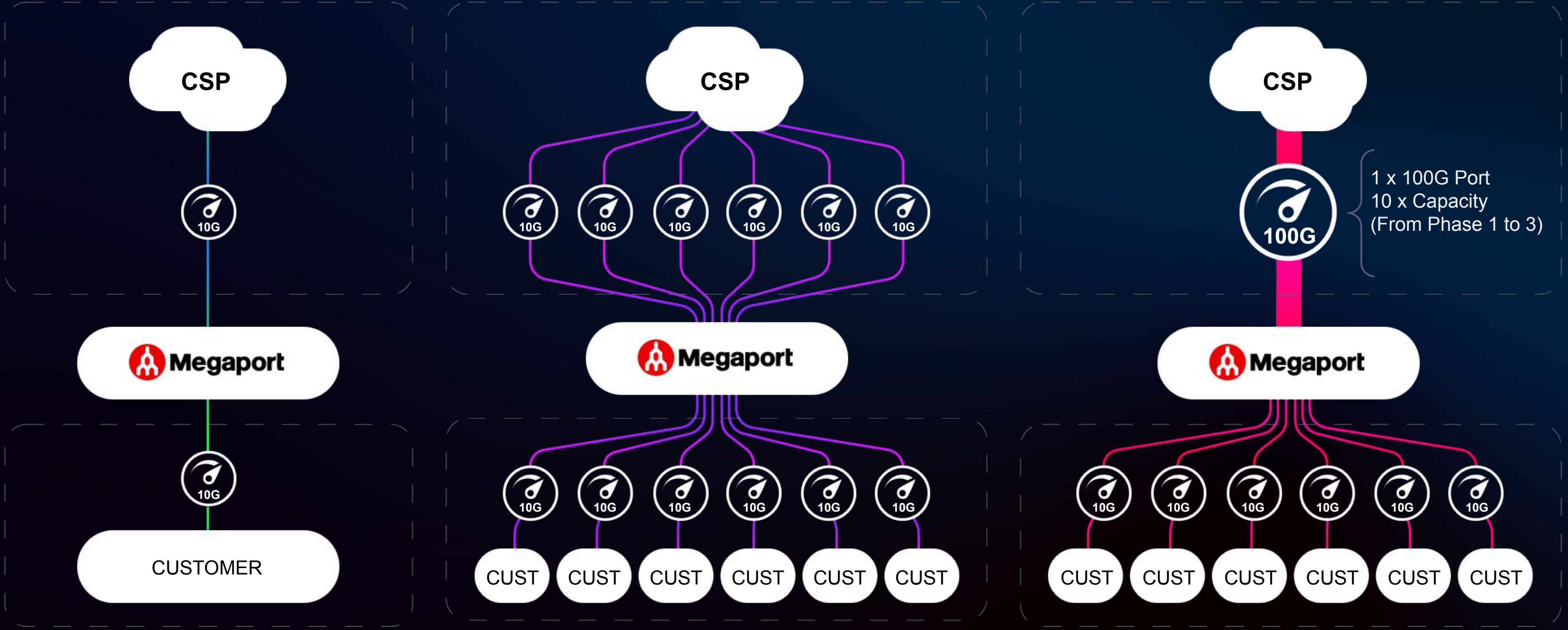
New Enabled Location
- ↑ Revenue
- ↑ Ports
- ↑ Capacity
- ↑ Costs

PHASE 2

Customer Growth
- ↑ Revenue
- ↑ Ports
- ↑ Capacity
- ↑ Costs

PHASE 3

CSP Port Consolidation
- ↑ Revenue
- ↓ Ports
- ↑ Capacity
- ↓ Costs



Refer to Appendix for Port Consolidation FAQ.

GROWTH IN CUSTOMER PORTS[1]

Total Customer Ports[1]

9,172

8% YoY

Total CSP Ports[2]

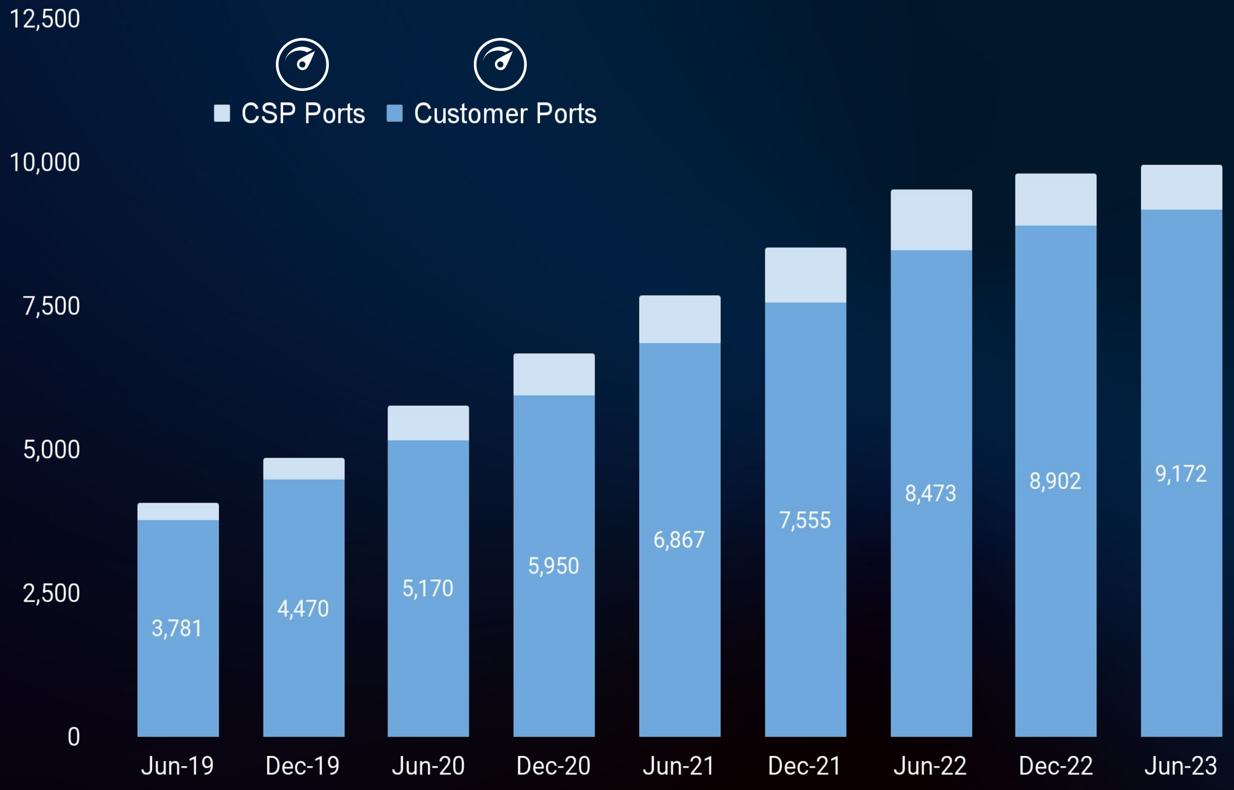
791

-26% YoY

Aggregate CSP Port Capacity

27 Tbps

32% YoY



1. Customer ports are total ports less cloud service provider (CSP) ports.
2. Cloud ports or CSP ports are network interface points or physical connections between Megaport and a CSP on-ramp located inside a data centre.

CLOUD CONNECTIVITY

CLOUD ONRAMPS	10G CSP PORTS[1]	100G CSP PORTS[1]	AGGREGATE CSP PORT CAPACITY
FY22 278	FY22 960	FY22 111	FY22 21 Tbps
FY23 284	FY23 577	FY23 215	FY23 27 Tbps
+6 (+2%)	-383 (-40%)	+104 (+92%)	+6 Tbps (+32%)

1. Cloud ports or CSP ports are network interface points or physical connections between Megaport and a CSP on-ramp located inside a data centre.

GROWTH IN TOTAL SERVICES

Total Services

30,516

Jun 22: 27,383
+11% YoY

Services Per Customer

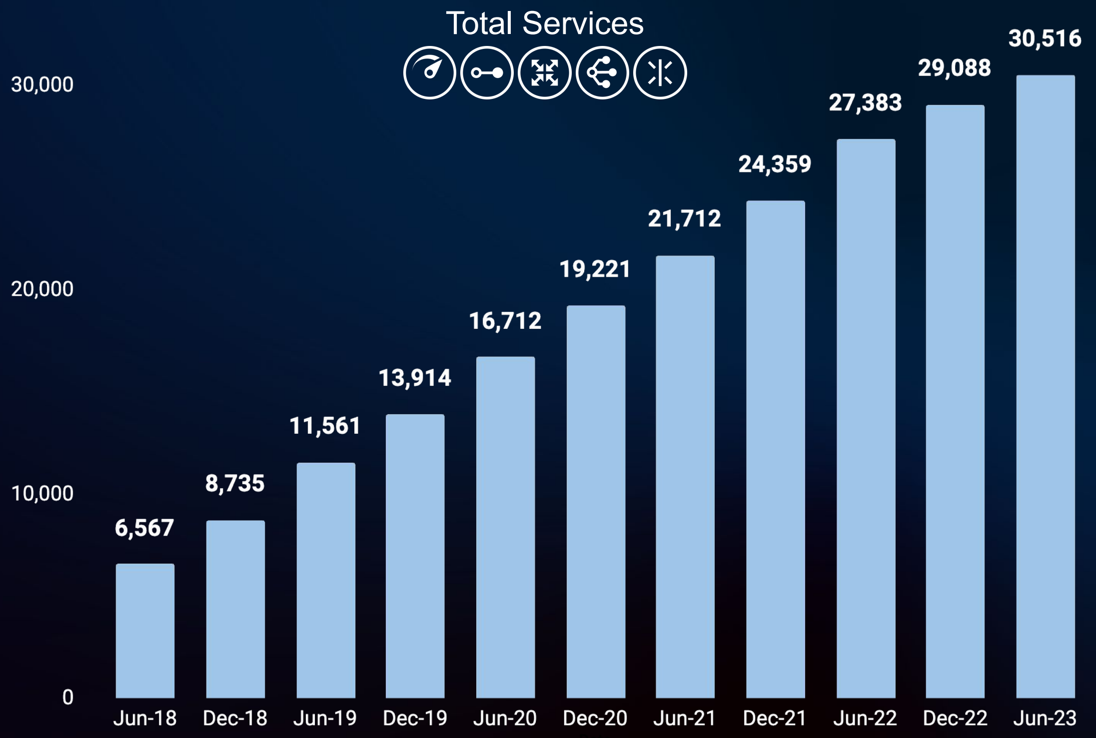
10.7

Jun 22: 10.4
+3% YoY

ARR Per Service

$5,853

Jun 22: $4,687
+25% YoY



1. Total Services comprises of Ports, Virtual Cross Connects (VXCs), Megaport Cloud Router (MCR), Megaport Virtual Edge (MVE), and Internet Exchange (IX) at period end.

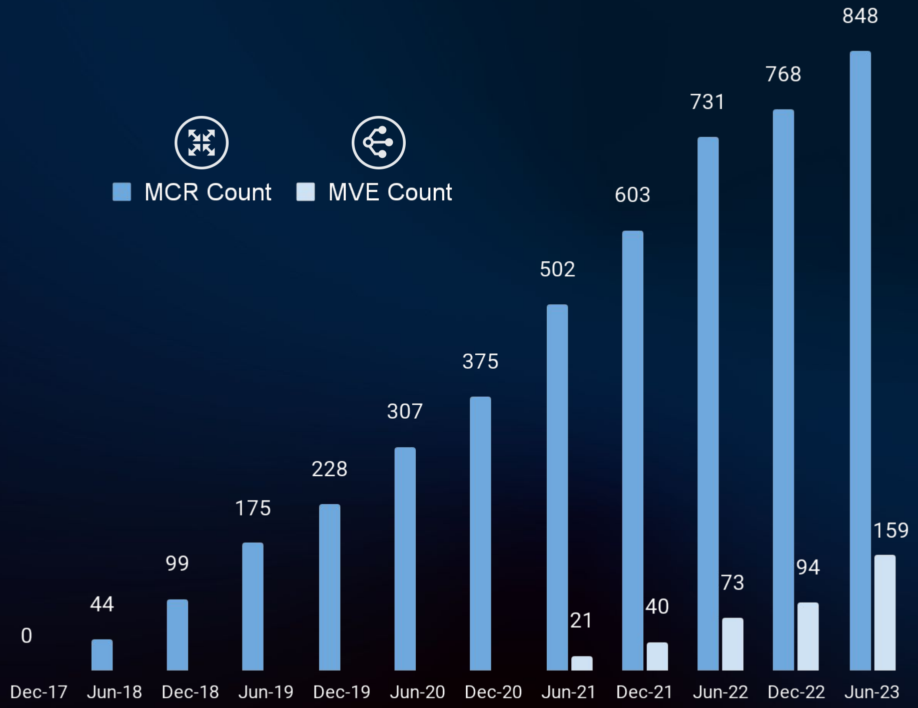
MEGAPORT CLOUD ROUTER + MEGAPORT VIRTUAL EDGE

Jun-23 Average Services per Customer[1]

Port only Customer	MCR Customer	MVE Customer
9.6	15.1	20.5
Jun-22: 9.5	Jun-22: 14.9	Jun-22: 17.9
+1% YoY	+1% YoY	+15% YoY

Jun-23 Average ARR per Customer[1,2]

Port only Customer	MCR Customer	MVE Customer
$54K	$96K	$172K
Jun-22: $43K	Jun-22: $77K	Jun-22: $144K
+28% YoY	+25% YoY	+19% YoY



1. All metrics measured at period end.
2. Represents June 2023 ARR divided by relevant customer count at 30 June 2023.

KEY METRICS

Average Customer Lifetime[1]

9 years

FY22: 10 years

Customer Lifetime Value[2]

$384K

FY22: $319K

LTV / CAC ratio[3]

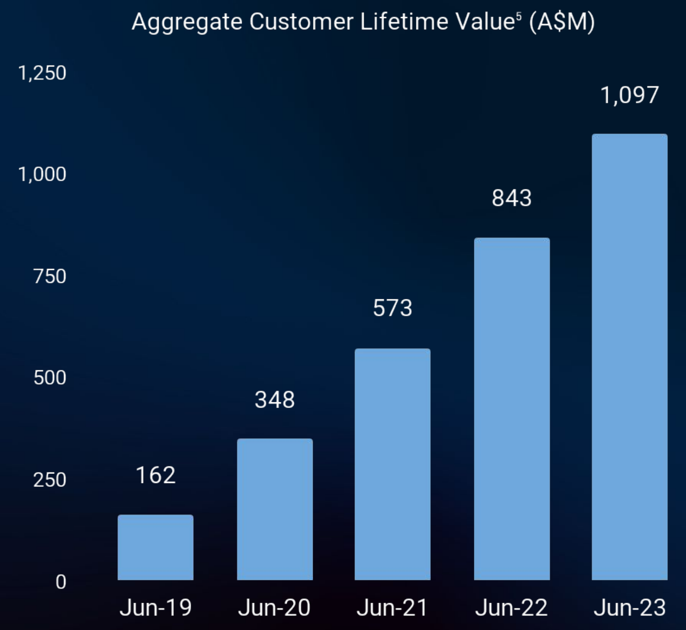
5.5

FY22: 5.6

Rule of 40[4]

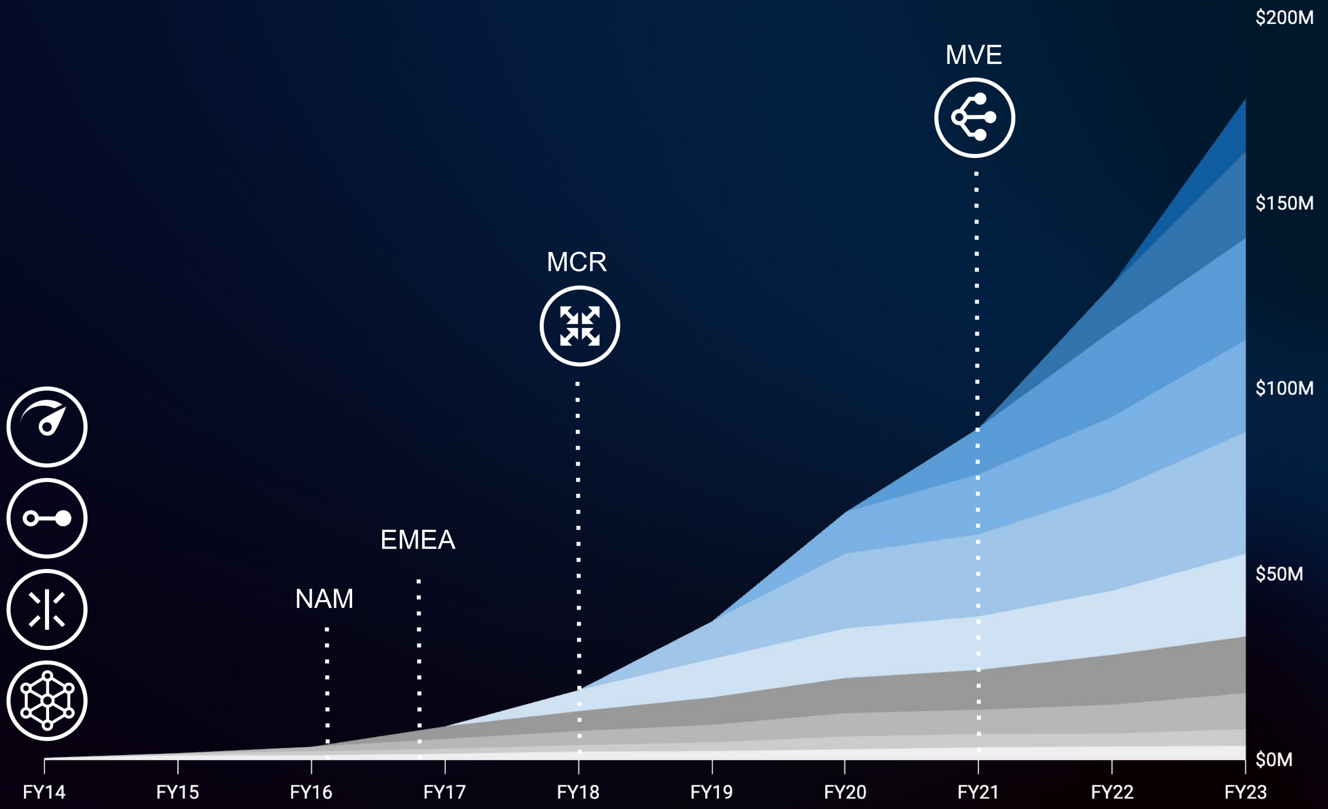
53%

FY22: 31%



1. Average Customer Lifetime calculated as 1 divided by customer churn (11% in FY23 and 10% in FY22). Customer churn is measured over a 12 month period, and calculated as the proportion of customers at the start of a period that leave during the period, expressed as a percentage.
2. Customer Lifetime Value (LTV) calculated as ARR / customer multiplied by Gross Margin % multiplied by the Average Customer Lifetime.
3. Customer Acquisition Cost (CAC) calculated as the total of Sales & Marketing costs for a period, divided by the total number of (gross) customers additions during the period. S&M costs include direct commissions, but not partner commissions.
4. Rule of 40 measured as the sum of revenue growth rate and Normalised EBITDA margin.
5. Aggregate Customer Lifetime Value is calculated as Customer Lifetime Value multiplied by the closing customer count.

ARR CONTRIBUTION BY COHORT



Each customer cohort contributes to ARR growth year after year

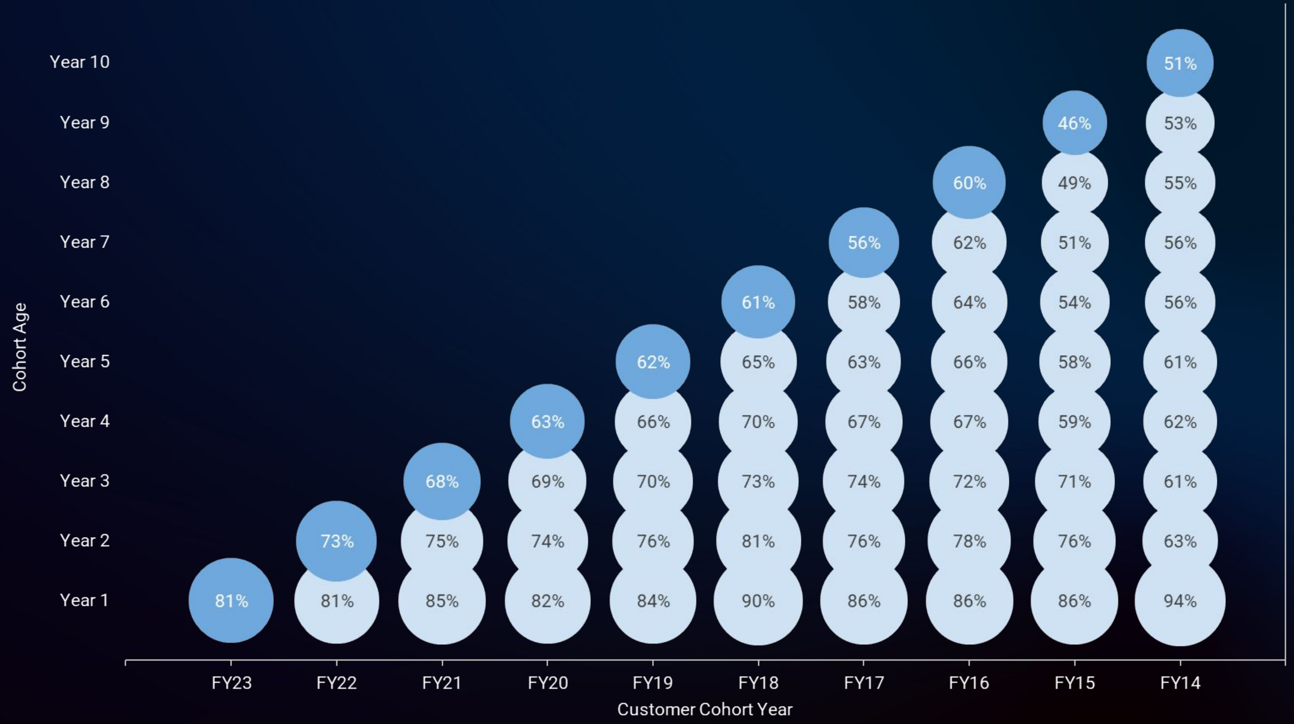
CUSTOMER COHORT TRENDS

Average Services per Customer

Average ARR per Customer ($)

》Growth in services and spend from our existing customers drives Net Revenue Retention

CUSTOMER COHORT SURVIVAL BY COHORT YEAR



》Customer survival highlights that churn typically declines over time within each customer cohort

An ongoing focus on improving operating efficiency and strong operating leverage will see continued improvement in operating and financial performance

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FOCUS – REIGNITE THE SALES MACHINE

- #1 Priority Go-to-Market overhaul
- Investment: 20+ open sales roles – 1,000+ applications, commenced interviews for 13 roles and 3 offers in market
- Customer Success: hiring underway – protect and expand beyond product led growth
- GTM breakdown – functions matrix rolled out
- Compensation plans issued to Sales team – driving the right behaviour
- Territory breakdowns complete – sustainable and scalable

FY24 GUIDANCE[1]

FY24 Revenue[1]	FY24 EBITDA[1,2]	FY24 Net Cash Flow[1,3]
$190M - $195M growth of 24% to 27%	**$51M - $57M** growth of 152% to 182%	**Positive**

- Megaport is now in a strong financial position
- Investment in go-to-market engine to drive top line revenue growth
- Returning to a culture of innovation – new product launches in FY24

1. Refer to ASX announcement dated 22 August 2023 titled "Updated Guidance for FY24". FY24 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.
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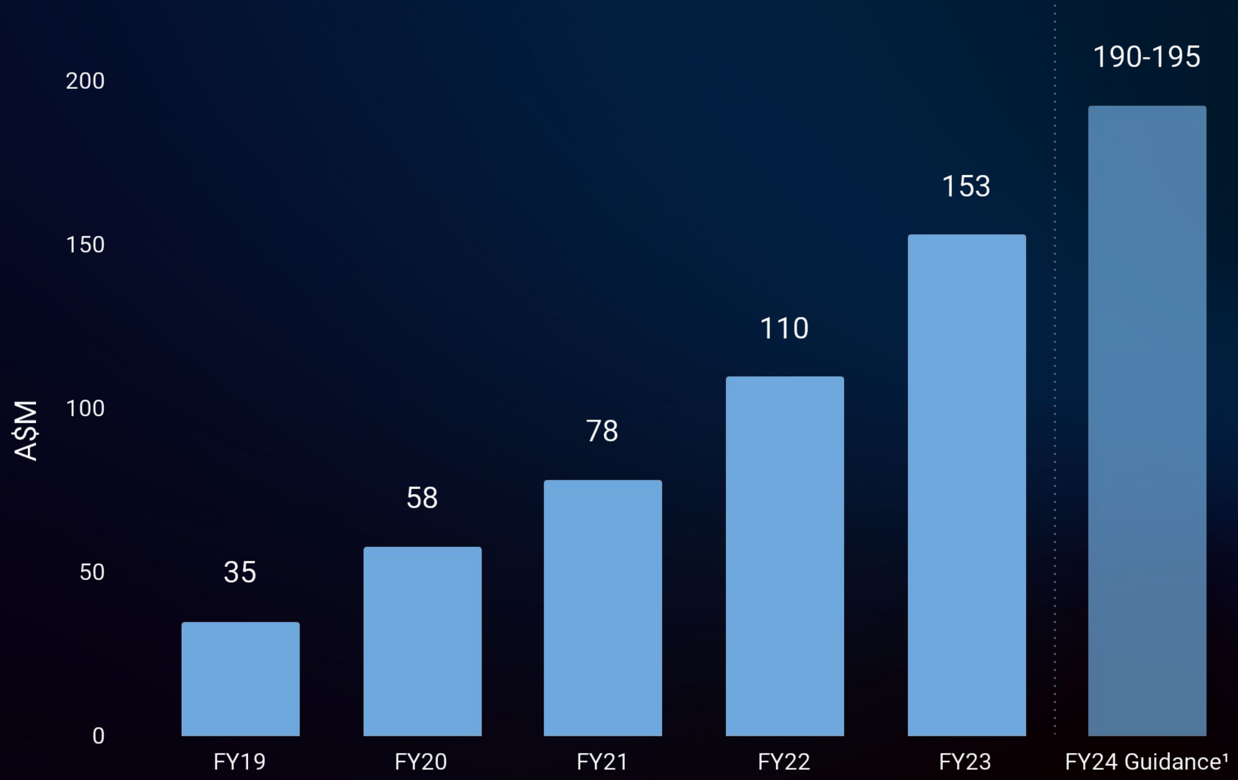
REVENUE GUIDANCE



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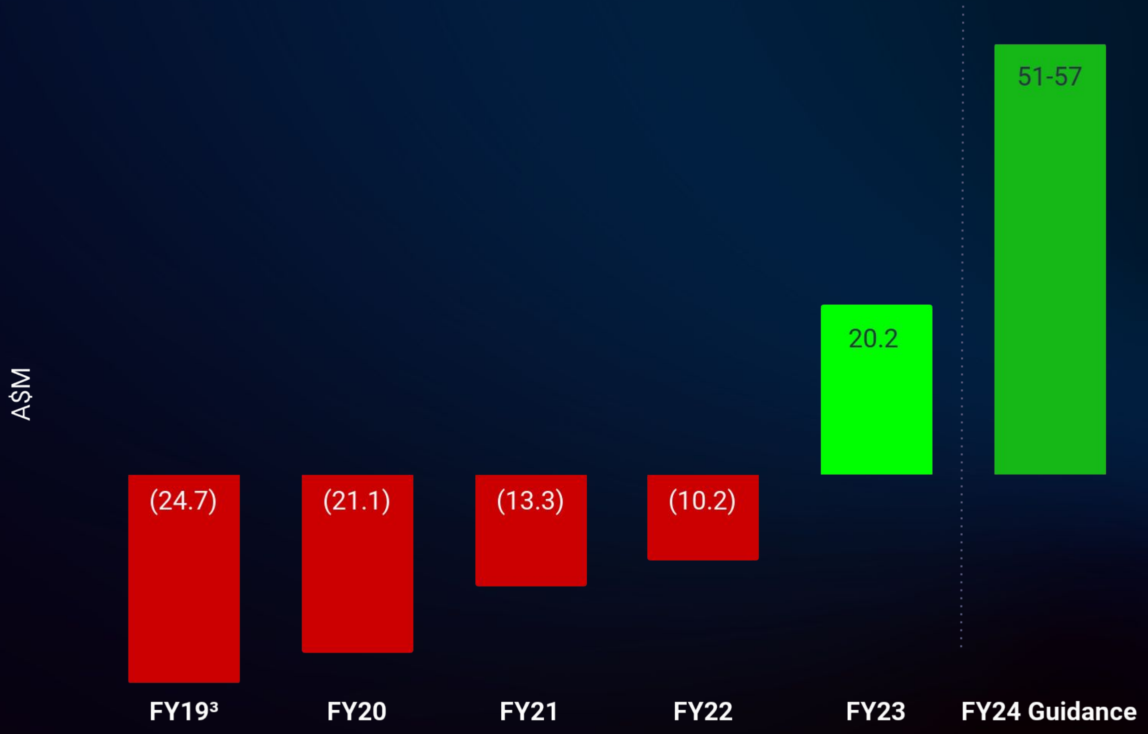
UPDATED EBITDA GUIDANCE[1,2,3]



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Questions

ASX:	MP1
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SOCIAL:	@megaport @megaportnetwork

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 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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Appendix

NORTH AMERICA METRICS

Total Installed Data Centres

30 JUNE 2022	30 JUNE 2023
210	209

Total Number of Customers

30 JUNE 2022	30 JUNE 2023
1,462	1,607

Total Number of Ports

30 JUNE 2022	30 JUNE 2023
4,647	4,961

Total Number of Services[1]

30 JUNE 2022	30 JUNE 2023
12,810	14,623

Annual Recurring Revenue[2]

JUNE 2022	JUNE 2023
$68.8M	$100.0M

Profit After Direct Network Costs Margin

30 JUNE 2022	30 JUNE 2023
54%	64%

ARR per Port[3]

$20,150 **+36%**

No. of Ports per Data Centre

23.7 **+7%**

Services per Port

2.9 **+7%**

Services per Customer

9.1 **+4%**

Port Utilisation[4]

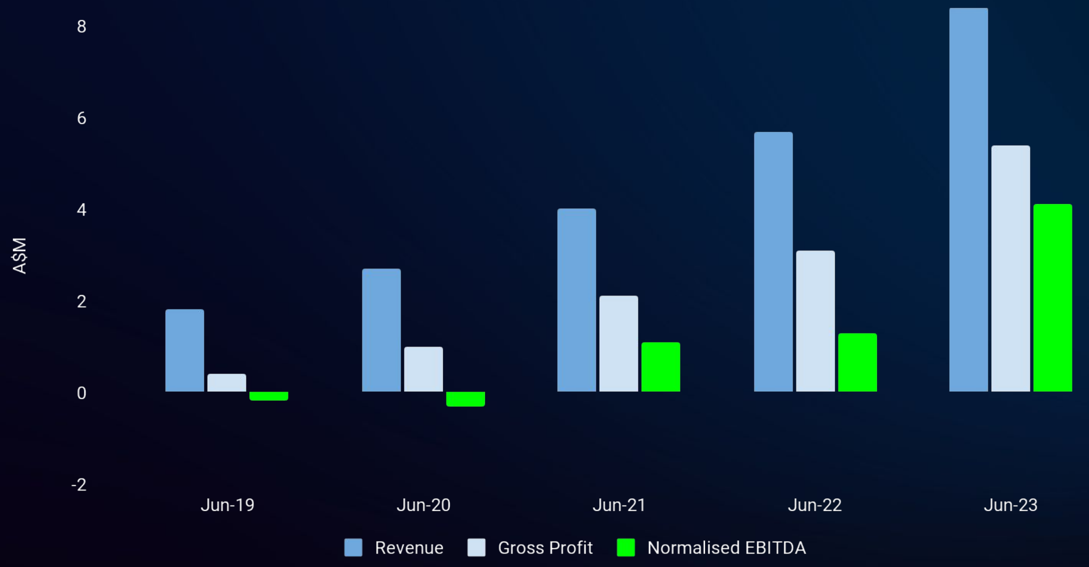
38%

Figures as at 30 JUNE 2023 (vs 30 JUNE 2022)

1. Total Services comprises of Ports, Virtual Cross Connects (VXCs), Megaport Cloud Router (MCR), Megaport Virtual Edge (MVE), and Internet Exchange (IX)
2. Annual Recurring Revenue (ARR) is revenue (excluding one-off and non-recurring revenue) for the month of June, multiplied by 12
3. ARR divided by number of Ports at reporting period end date.
4. Ports sold/used divided by total Ports available.

Note: A spreadsheet with historical KPIs and metrics can be found on our website at https://www.megaport.com/investor/business-overview/#kpis.

NORTH AMERICA FINANCIAL PERFORMANCE



NAM Margins[1]	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Normalised profit after direct network cost margin[2]	22%	38%	53%	54%	64%
Normalised EBITDA margin[3]	(9%)	(13%)	22%	23%	49%

1. All figures are for the month of June.
2. Direct network costs comprise 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 the service revenue of Megaport Group.
3. Normalised EBITDA represents operating results excluding equity-settled employee and related costs, foreign exchange gains and loss on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

Exit June result

Slower network expansion, now at scale, has allowed operating leverage to deliver strong margin growth.

The improved normalised EBITDA margin is reflective of strong revenue growth, reduced headcount in the region, and the cost out program being fully implemented by the end of the financial year.

ASIA PACIFIC METRICS

Total Installed Data Centres

108	100
30 JUNE 2022	30 JUNE 2023

Total Number of Customers

1,003	1,051
30 JUNE 2022	30 JUNE 2023

Total Number of Ports

3,484	3,537
30 JUNE 2022	30 JUNE 2023

Total Number of Services[1]

10,713	11,488
30 JUNE 2022	30 JUNE 2023

Annual Recurring Revenue[2]

$39.5M	$49.5M
JUNE 2022	JUNE 2023

Profit After Direct Network Costs Margin

79%	81%
30 JUNE 2022	30 JUNE 2023

ARR per Port[3]

$13,982 | **+23%**

No. of Ports per Data Centre

35.4 | **+10%**

Services per Port

3.2 | **+6%**

Services per Customer

10.9 | **+2%**

Port Utilisation[4]

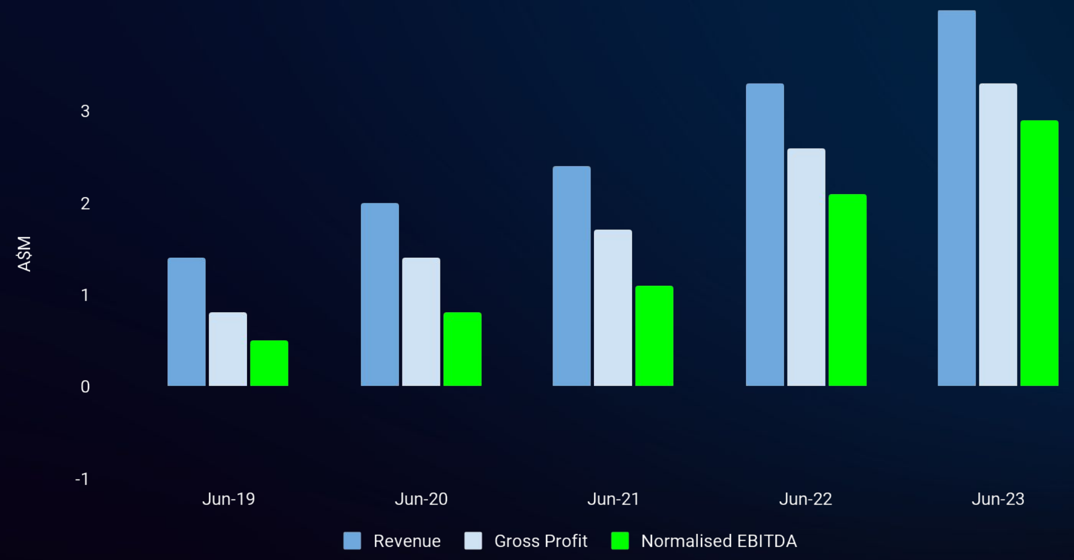
46%

Figures as at 30 JUNE 2023 (vs 30 JUNE 2022)

1. Total Services comprises of Ports, Virtual Cross Connects (VXCs), Megaport Cloud Router (MCR), Megaport Virtual Edge (MVE), and Internet Exchange (IX)
2. Annual Recurring Revenue (ARR) is revenue (excluding one-off and non-recurring revenue) for the month of June, multiplied by 12
3. ARR divided by number of Ports at reporting period end date.
4. Ports sold/used divided by total Ports available.

Note: A spreadsheet with historical KPIs and metrics can be found on our website at https://www.megaport.com/investor/business-overview/#kpis.

ASIA PACIFIC FINANCIAL PERFORMANCE



APAC Margins[1]	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Normalised profit after direct network cost margin[2]	62%	72%	73%	79%	81%
Normalised EBITDA margin[3]	39%	41%	47%	64%	70%

1. All figures are for the month of June.
2. Direct network costs comprise 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 the service revenue of Megaport Group.
3. Normalised EBITDA represents operating results excluding equity-settled employee and related costs, foreign exchange gains and loss on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

Exit June result

APAC profit after direct network costs margin continued to grow with increased revenue.

EBITDA margin continued to improve in line with the cost out program being fully implemented by the end of the financial year, the change in payment of PBI from cash to stock, and reduced headcount as part of the reduction in force.

EMEA METRICS

Total Installed Data Centres

30 JUNE 2022	30 JUNE 2023
105	91

Total Number of Customers

30 JUNE 2022	30 JUNE 2023
531	578

Total Number of Ports

30 JUNE 2022	30 JUNE 2023
1,414	1,465

Total Number of Services[1]

30 JUNE 2022	30 JUNE 2023
3,860	4,405

Annual Recurring Revenue[2]

JUNE 2022	JUNE 2023
$20.0M	$29.2M

Profit After Direct Network Costs Margin

30 JUNE 2022	30 JUNE 2023
71%	75%

ARR per Port[3]

$19,927 | **+41%**

No. of Ports per Data Centre

16.1 | **+20%**

Services per Port

3.0 | **+10%**

Services per Customer

7.6 | **+5%**

Port Utilisation[4]

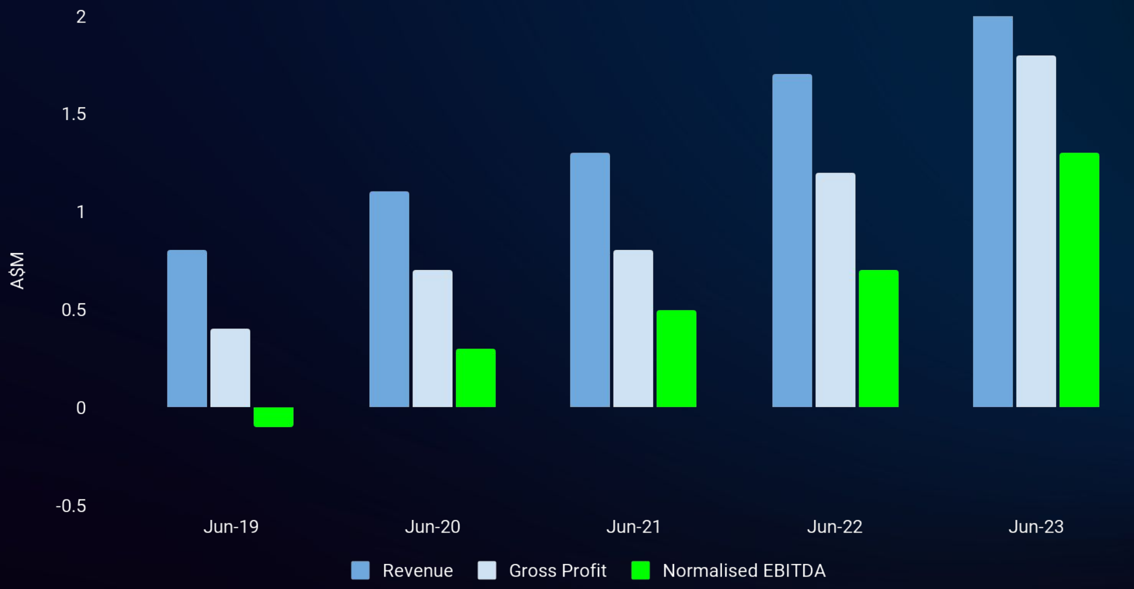
31%

Figures as at 30 JUNE 2023 (vs 30 JUNE 2022)

1. Total Services comprises of Ports, Virtual Cross Connects (VXCs), Megaport Cloud Router (MCR), Megaport Virtual Edge (MVE), and Internet Exchange (IX)
2. Annual Recurring Revenue (ARR) is revenue (excluding one-off and non-recurring revenue) for the month of June, multiplied by 12
3. ARR divided by number of Ports at reporting period end date.
4. Ports sold/used divided by total Ports available.

Note: A spreadsheet with historical KPIs and metrics can be found on our website at https://www.megaport.com/investor/business-overview/#kpis.

EMEA FINANCIAL PERFORMANCE



EMEA Margins[1]	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23
Normalised profit after direct network cost margin[2]	46%	64%	62%	71%	75%
Normalised EBITDA margin[3]	(13%)	23%	42%	45%	54%

1. All figures are for the month of June.
2. Direct network costs comprise 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 the service revenue of Megaport Group.
3. Normalised EBITDA represents operating results excluding equity-settled employee and related costs, foreign exchange gains and loss on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

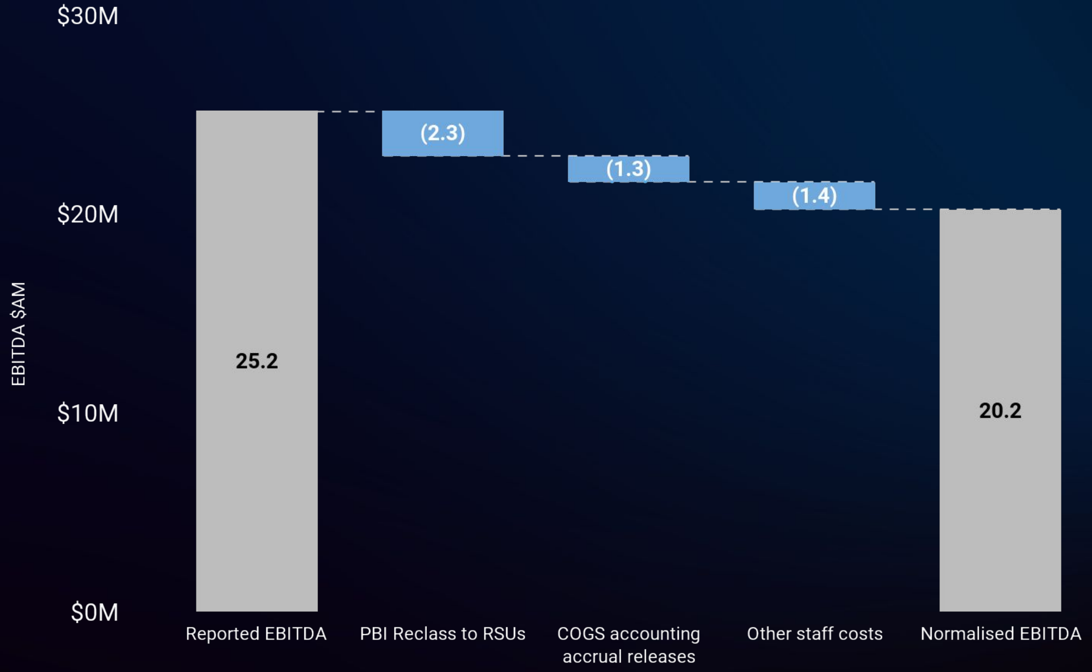
Exit June result

Revenue growth and ongoing optimisation of the network has driven profit after direct network costs margin growth in the year.

EMEA Normalised EBITDA grew 86% on prior year.

Normalised EBITDA margin continued to improve in line with the cost out program being fully implemented by the end of the financial year across all categories.

REPORTED EBITDA TO NORMALISED EBITDA WALK



Reported EBITDA of $25.2M in FY23 was favourably impacted by several one-off accounting adjustments which, when removed, give a full year Normalised EBITDA of $20.2M.

1. Reported 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 including the costs of one-time redundancy charges of approximately $4.9M for FY23.
2. Normalised EBITDA represents Reported EBITDA adjusted (reduced) for certain one-off accrual reversals.

PORT CONSOLIDATION FAQS

Q: What is a Cloud port or CSP port?

A: A Cloud port is a network interface point or physical connection between Megaport and a Cloud Service Provider (CSP) on-ramp located inside a data centre. Megaport pays for a cross connect to connect to a CSP on-ramp.

Q: How does Megaport earn revenue from Cloud ports?

A: Megaport doesn’t charge customers for Cloud ports, but instead charges for Cloud Virtual Cross Connects (Cloud VXCs). When a customer orders a Cloud VXC, it connects to a Cloud port as a B-end. By consolidating the number of Cloud ports used to provision Cloud VXCs (i.e. by using a single 100G Cloud port rather than 10 x 10G ports) Megaport reduces its cross connect costs and improves its gross margins.

Q: What is port consolidation?

A: Port consolidation involves buying a smaller number of larger capacity Cloud ports to connect to a CSP on-ramp e.g. buying 1 x 100G Cloud port instead of 10 x 10G ports.

Q: Why is Megaport consolidating Cloud ports?

A: It delivers economies of scale, including the ability to provide more port inventory for customers and a cost saving on the physical (fibre) cross connects to the CSP. As Cloud operators provide 100G infrastructure, Megaport is migrating to 100G from 10G.

Q: Why does port consolidation affect the port count?

A: Megaport includes Cloud ports in its total port count, so consolidating ports will decrease the port count, even though revenue is unchanged, and the total capacity of the ports has increased, all while reducing total costs.