



ASX RELEASE

20 February 2025

H1 FY25 Half-Year Results Announcement

Megaport delivered a record performance in the half-year ended 31 December 2024. Highlighted by Annual Recurring Revenue¹ up 18% over 12 months to \$226.6M, Revenue increased 12% to \$106.8M on H1 FY24, and Net Cash Flow² of \$15.7M is up \$3.2M on H1 FY24. Product innovation and growth in the Company's global network presence continued at an unprecedented pace, including new launches, markets, expansions, and investments for future growth.

Brisbane, AUSTRALIA, 20 February 2025 Megaport Limited (ASX:MP1) ('Megaport' or 'the Company') today reports its half-year financial results to 31 December 2024, delivering continued improvements in Annual Recurring Revenue¹ ('ARR'), Gross Profit³, and Net Cash Flow² during the half-year. Net Revenue Retention ('NRR')⁴ increased 1 percentage point from June 2024, suggesting early signs of stabilisation.

ARR¹ grew to \$226.6M in December 2024, up \$34.9M or 18% compared to December 2023. ARR¹ growth on a constant currency⁵ basis was up \$27.4M or 14%. The ARR¹ growth was driven by NRR⁴ of 107% coupled with strong net new logo additions.

Total revenue for H1 FY25 was \$106.8M, up \$11.7M or 12% compared to H1 FY24. Gross Profit³ for H1 FY25 was \$74.7M, up \$8.1M or 12% compared to H1 FY24. The gross margin remained stable at 70%, reflecting continued strong operating efficiency and profitability.

Megaport CEO Michael Reid said, "During H1 FY25 we achieved top-line revenue growth across all regions while making ongoing investments to drive sustainable, long-term growth. We made these investments in future growth while generating net cash flow of \$15.7M, up \$3.2M compared to H1 FY24."

¹ Annual Recurring Revenue ('ARR') 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 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 raising and expenditure on acquisitions. Net Cash at 31 December 2024 comprises cash at bank of \$89.8M less amounts owing under the vendor financing facility of \$12.9M.

³ 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.

⁴ Net Revenue Retention is the percentage of revenue retained from existing customers after accounting for expansion and churn. Calculation is FX adjusted and compared to the prior comparative period.

⁵ Constant Currency shows ARR based on the FX rates for Dec-24.

MegaPort delivered EBITDA⁶ of \$27.6M in the half. The underlying EBITDA margin for H1 FY25 of 27% is consistent with the June 2024 exit margin, reflecting the planned investments to transform the organisation over the past 12 months, particularly in go-to-market (GTM), product, and innovation.

The improved growth in core metrics and ARR⁷ during the half year, particularly in The Americas, saw MegaPort accelerate its investment in key go-to-market roles across Sales Executives, Channel Managers, and Customer Success teams. H1 FY25 EBITDA⁶ includes an additional \$1.5M opportunistic investment in key GTM roles. Excluding that investment would have resulted in an adjusted EBITDA⁶ of \$29.1M.

Cash at Bank as at 31 December 2024 increased 24% to \$89.8M compared to 30 June 2024, and Net Cash⁸ as at 31 December 2024 was \$76.9M, up 26% compared to 30 June 2024.

MegaPort continues to execute at pace on the Company's strategy for long term growth, and is laying the foundations for future success. H1 FY25 saw the deployment of the 400G backbone to enable 100G VXC's from 597 data centres, making MegaPort the largest 100G NaaS connectivity platform globally. The team deployed 82 additional data centres, four new IX locations, 25 new cloud on-ramps, and added two new countries, Brazil and Italy.

MegaPort's product and engineering team launched its new compute platform. The impact this platform will have on future innovation cannot be overstated. It has already successfully enabled the product launch of 100G MCRs and high-speed NAT Gateway, with more innovations to come. MegaPort added border gateway protocol (BGP) to its internet offering, which has expanded the total addressable market and is already seeing an accelerating uptake of the service.

Managed Cross Connects have been enabled in the portal, and whilst a simple product, it solves customer friction and presents a new revenue source. MVE continues to deliver very strong growth, up 90% over 12 months, and the Company continued to add new vendors including Palo Alto Prisma, Aviatrix, and 6WIND this half-year.

The Ecosystem continues to expand with the launch of AI Exchange (Alx) with 30+ providers already available. Financial Services Exchange (FSx) provides access to 600+ financial services customers and growing. Partner portal co-branding was launched and AI-enhanced customer support continues to add value for MegaPort's customers.

⁶ Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses).

⁷ Annual Recurring Revenue ('ARR') 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.

⁸ 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 raising and expenditure on acquisitions. Net Cash at 31 December 2024 comprises cash at bank of \$89.8M less amounts owing under the vendor financing facility of \$12.9M.

Revenue Generating Key Performance Indicators

Megaport increased all metrics across all regions in H1 FY25.

Key metrics⁹:

	Half-Yearly Performance			Trailing 12 Month Performance		
	Jan-24 to Jun-24	Jul-24 to Dec-24	Change	Jan-23 to Dec-23	Jan-24 to Dec-24	Change
Annual Recurring Revenue ('ARR') in millions ¹⁰	\$ 203.9	\$ 226.6	11%	\$ 191.7	\$ 226.6	18%
Customer Logos ¹¹	2,637	2,720	3%	2,615	2,720	4%
Ports	8,777	9,294	6%	8,602	9,294	8%
VXCs and IX	19,874	21,099	6%	18,858	21,099	12%
MCR	914	961	5%	865	961	11%
Megaport Virtual Edge ('MVE')	251	323	29%	170	323	90%
Total Services ¹²	29,816	31,677	6%	28,495	31,677	11%

Guidance and Outlook

The Company today updates guidance¹³ for FY25 Revenue, which is expected to be in the range of \$216M to \$222M (previously \$214M to \$222M). This represents growth of 11% to 14% compared to FY24 Revenue of \$195.3M.

The tightening of the lower end of FY25 Revenue guidance¹³ reflects:

- revenue growth across all regions in H1 FY25; and
- early signs that Net Revenue Retention ('NRR')¹⁴ may be stabilising, with an improvement of 1 percentage point to 107% since June 2024.

The guidance¹³ for FY25 EBITDA¹⁵ of \$57M to \$65M, and capital expenditure¹⁶ remains unchanged. This EBITDA¹⁵ guidance¹³ now includes the full year impact of \$4M for the investment in key GTM roles made during H1 FY25¹⁷.

⁹ Revenue-generating key performance metrics are those with billed revenue in the period, and active at the end of the period. Megaport's historical Revenue-generating KPIs can be found on our website at <https://www.megaport.com/investor/business-overview/#kpis>.

¹⁰ Annual Recurring Revenue ('ARR') 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.

¹¹ Customer Logos reflect a consolidation of revenue-generating customer accounts, where those accounts are owned by the same company.

¹² Total Services comprise Revenue-generating Ports, Virtual Cross Connections (VXCs), Internet Exchange (IX), Megaport Cloud Router (MCR), and Megaport Virtual Edge (MVE).

¹³ Guidance is provided after taking into account planned investments 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. FY25 Guidance assumes a foreign exchange rate of AUD \$1.00 to USD \$0.668. Any variation to the exchange rate will impact revenue, costs and cash flow. H1 FY25 average rate was AUD \$1.00 to USD \$0.661. Capex guidance of \$27M to \$30M is unchanged.

¹⁴ Net Revenue Retention is the percentage of revenue retained from existing customers after accounting for expansion and churn. Calculation is FX adjusted and compared to the prior comparative period.

¹⁵ Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses).

¹⁶ Capital expenditure is expected to be in the range \$27M to \$30M, and is inclusive of \$6M in network licences for 3 years. This includes planned capital expenditure, assumes a foreign exchange rate of AUD \$1.00 to USD \$0.668, and excludes any future strategic initiatives the Company may decide to undertake. Any variation to the exchange rate will impact costs.

¹⁷ \$1.5M for H1 FY25.

The updated FY25 Revenue guidance range, as well as the unchanged EBITDA and capex guidance, continues to assume a foreign exchange rate of AUD \$1.00 to USD \$0.668¹⁸.

The annualised impact¹⁹ on Megaport's Revenue and EBITDA²⁰ of a \$0.01 move in the AUD:USD exchange rate is estimated as follows:²¹

Revenue	\$2.0M - \$2.2M
EBITDA	\$0.6M - \$0.8M

Megaport's CEO, Michael Reid said, "The improved growth in Annual Recurring Revenue²² during the half year, particularly in The Americas, gave us the confidence to make incremental, opportunistic investments in key go-to-market roles. And the early signs of Net Revenue Retention stabilisation is the result of one and a half years of product innovation and GTM transformation coming to fruition."

More information can be found in the H1 FY25 Half Year Results Investor Presentation and the H1 FY25 Appendix 4D and Half-Year Financial Report lodged with the ASX on 20 February 2025.

2025 Financial Calendar Key Dates

Megaport provides the following 2025 Financial Calendar Key Dates:

FY25 Full Year Results, Appendix 4E and Annual Report	Thursday, 21 August 2025
2025 Annual General Meeting	Thursday, 20 November 2025

If there are any changes to these dates, ASX will be notified accordingly.

Authorised by the Board of Megaport Limited.

Supporting Resources

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- For definitions refer to the [Glossary for Investors](#) in our [Business Overview](#)

¹⁸ Any variation to the exchange rate will impact revenue, costs and cash flow. H1 FY25 average rate was AUD \$1.00 to USD \$0.661.

¹⁹ Estimated based on Dec-24 exit results annualised.

²⁰ Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/ (losses) and non-operating income/(expenses).

²¹ Estimated based on Dec-24 exit results annualised.

²² Annual Recurring Revenue ('ARR') 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.

About Megaport

Megaport is changing how businesses connect their infrastructure, with one smart and simple platform to manage every connection. Build secure, scalable, and agile networks in just a few clicks, accessing global endpoints and creating private paths in minutes. Trusted by the world's leading companies, Megaport partners with global service providers, DC operators, systems integrators, and managed services companies, and operates in 930+ enabled locations worldwide. Megaport is ISO/IEC 27001 certified. Join the network revolution at megaport.com.

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