



Media release

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NBN Co delivers solid half year results, on track to achieve full year guidance

Performance summary for the six months to 31 December 2021:

- Key performance metrics on track to meet FY22 Corporate Plan guidance
- Total revenue of \$2.5 billion for the six months to 31 December 2021, up 12 per cent on H1 FY21
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), including subscriber costs, of \$1.5 billion
- Subscriber costs in H1 FY22 were \$126 million, down 84 per cent from \$809 million in H1 FY21
- Residential Average Revenue Per User (ARPU) of \$46 per month, up from \$45 in H1 FY21
- Raised a further \$5.6 billion in bank and capital markets debt during H1 FY22. Repaid a further \$5.8 billion of the Commonwealth loan, lowering interest payments and reducing the outstanding balance to \$7.4 billion (original Commonwealth loan was \$19.5 billion)
- \$4.5 billion network investment plan on track to offer **nbn**[™] Home Ultrafast services with wholesale download speeds of close to 1 Gbps³ to up to 75 per cent of the fixed line network, or 8 million premises, by the end of 2023
- 8.4 million premises now connected to the network, up from 8.2 million connected premises at 30 June 2021.

NBN Co today reported total revenue of \$2.5 billion for the six months to 31 December 2021, a 12 per cent increase on H1 FY21. The strong result was underpinned by the acquisition of new customers and strong demand for higher speed broadband plans.

NBN Co connected approximately 190,000 additional premises in the six months to 31 December 2021 to close the half-year with 8.4 million premises connected to the network.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), including subscriber costs, was \$1.5 billion in the first half, reflecting a \$1.1 billion improvement on the corresponding period last year as a result of revenue growth and declining operating expenditure and subscriber-related payments to Telstra and Optus.

In the first half of FY22, NBN Co recognised \$126 million in subscriber costs to Telstra and Optus, compared to \$809 million in the first half of FY21. As previously stated, these subscriber costs will continue to decrease throughout the fiscal year and are forecast to cease during FY23.

Residential Average Revenue Per User (ARPU) increased to \$46 in the six months to 31 December 2021, up from \$45 in FY21. The uplift in Residential ARPU was driven by customer demand with more customers selecting or upgrading to higher speed tier plans.

Revenue from Business customers increased to \$493 million in the first half of FY22, up 24 per cent from \$397 million in the first half of FY21.

At 31 December 2021, 76 per cent of residential and business customers were connected to plans based on **nbn** wholesale speed tiers with peak download speeds of 50 Mbps and above[#] up from 70 per cent twelve months prior.

Capital expenditure in the first half was \$1.16 billion, with network upgrades, connection costs and investments in new developments and business products making up the lion's share.

NBN Co remains focused on raising \$27.5 billion in bank and capital markets debt by June 2024. The company's private borrowings totalled \$19.8 billion at 31 December 2021, which includes new bank and capital markets debt raisings of \$8 billion in FY21 and \$5.6 billion in the first half of FY22.

As at 31 December 2021, the company had repaid \$12.1 billion of the \$19.5 billion Commonwealth loan and remains on track to repay the outstanding \$7.4 billion balance of the Commonwealth loan by June 2024. The company's weighted average cost of drawn debt continues to decline and was 2.29 per cent at 31 December 2021.

NBN Co Chief Executive Officer, Stephen Rue, said:

"NBN Co is meeting its promise to customers and delivering on the company's purpose to lift the digital capability of Australia.

"We have built a strong, resilient, secure and stable network that has proven its worth, particularly over the last two years, as customers in metropolitan, regional and remote areas of Australia have relied on the network to work and study from home, gain access to vital services such as telehealth appointments, shop, connect with friends and family, and be entertained.

"Not only have we built a strong network, we have built a financially sound and sustainable company in every sense. We released our second Sustainability Report in December 2021, which laid out our 'Towards-Zero Carbon Ambition' and commitment to source 100 per cent renewable electricity for the network and our operations from December 2025.

"Our strong capabilities and predictable cashflows have earned the trust of the national and international investment community and as a result we have successfully raised \$19.8 billion in private debt and borrowings to date at very competitive interest rates. The strength of our business model has enabled us to bring forward \$4.5 billion of investment in the network to help meet customers' future needs and accelerate our repayment of the Commonwealth loan.

"We are pleased to confirm that we are on track to deliver financial results for the full year in line with guidance provided in the FY22 Corporate Plan."

Network investment update

NBN Co is making good progress on its \$4.5 billion Network Investment Plan, which aims to make the **nbn**[™] Home Ultrafast wholesale speed tier, capable of achieving peak wholesale download speeds of 500 Mbps to close to 1 Gbps, accessible to up to 75 per cent of premises on the fixed line network, or approximately 8 million premises, by the end of 2023.

NBN Co has continued to extend fibre deeper into communities in selected metropolitan and regional areas throughout Australia. To date, the company has announced the suburbs and towns where 1.6 million premises currently served by Fibre to the Node (FTTN) technology will be offered upgrades to Fibre to the Premises (FTTP), on demand, when the customer orders a retail plan from their service provider based on the **nbn**[™] Home Fast, capable of achieving peak wholesale download speeds of up to 100 Mbps, **nbn**[™] Home Superfast, capable of achieving peak wholesale download speeds of up to 250 Mbps, or **nbn**[™] Home Ultrafast wholesale speed tier, capable of achieving peak wholesale download speeds of 500 Mbps to close to 1 Gbps^{1,2}.

The company is on schedule for the commercial launch of the FTTN to FTTP upgrade program, which will enable the first premises to place their orders for **nbn**[™] Home Fast, **nbn**[™] Home Superfast and **nbn**[™] Home Ultrafast services from late March 2022.^{1,2,3,4} Customers are invited to [register for updates on the nbn website](#).

The company will continue to select, design and construct new local fibre network extensions and is aiming to pass around 2 million current FTTN premises by the end of 2023.^{1,2}

The Hybrid Fibre Coaxial (HFC) network investment program is also progressing well. As at 10 February 2022, 100 per cent of the 2.5 million premises in the HFC footprint can access the **nbn**[™] Home Superfast wholesale speed tier and 95 per cent of premises in the HFC footprint are able to access the **nbn**[™] Home Ultrafast wholesale speed tier.^{1,2,3,4}

ENDS

Notes to editors

The 50Mbps (download) wholesale speed plan includes wholesale plans available to phone and internet providers with download speeds of 50Mbps and 25-50Mbps. The **nbn**[™] wholesale speed tiers available to your phone and internet provider vary depending on the **nbn**[™] access network technology in your area. Your experience, including the speeds actually achieved over the **nbn**[™] network, depends on the **nbn**[™] access network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by network congestion on **nbn**'s Fixed Wireless network, including during busy periods. Satellite users may experience latency.

1 NBN Co reserves the right to amend the list of targeted suburbs and towns for the local fibre network build at its discretion.

2 Conditions, eligibility criteria and costs will apply. Eligibility criteria is expected to include, among other things, being designated by **nbn** as a simple premises (e.g. standalone premises or Single Dwelling Unit (SDU)) and once the program is available for an eligible premises, placing an order for an **nbn**[™] powered plan based on an eligible wholesale speed tier. Additional costs may apply to providers, who may choose to pass this charge onto their customers.

3 Regardless of the retail service you purchase, the actual wholesale speeds delivered by **nbn**'s highest wholesale speed tiers of 500 to close to 1000 Mbps will be less than 1Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750Mbps. Reference to speeds are not end user speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. An end customer's experience, including the speeds actually achieved over the **nbn** network, depends on some factors outside our control (like equipment quality, software, and how your retail service provider designs its network) and the **nbn** technology used for your connection.

4 An end customer's experience, including the speeds actually achieved over the **nbn**[™] broadband access network, depends on the **nbn**[™] access network technology and configuration over which services are delivered to their premises, whether they are using the internet during the busy

period, and some factors outside of NBN Co's control (like their equipment quality, software, chosen broadband plan, signal reception, or how their provider designs its network).

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