

Full year results 2017

15 August 2017

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Agenda



Company highlights



Financial results



nbn's operational progress



Questions?



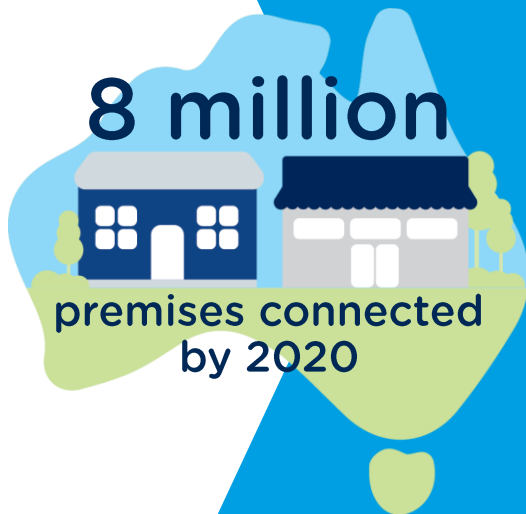
nbn purpose



Connect Australia



Bridge the digital divide



2020 business goals



Build completed



8 million premises connected



\$5 billion revenue



Positive customer experience



Best Employer Indices: top quartile ANZ companies

nbn FY2017 highlights

Half the nation now ready for service



Almost doubled the number of premises ready for service - 5.7m

More than doubled activations - 2.4m

More than doubled revenue - \$1 billion

Launched Sky Muster™ II; announced FTTC footprint to 1m; Dynamic address checker

Continued focus on industry, RSP, end-user relationships

Employee engagement +2 points; and Best Employer Indices: top quartile ANZ

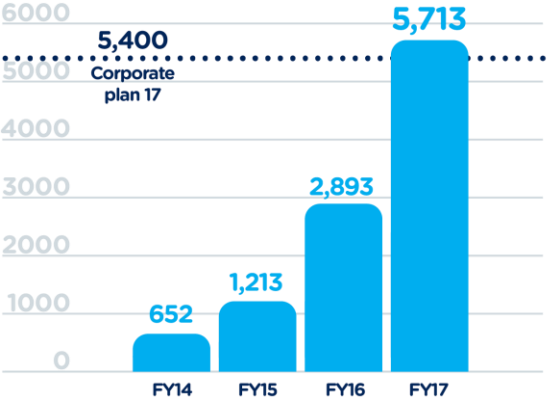
Stephen Rue

Chief Financial Officer

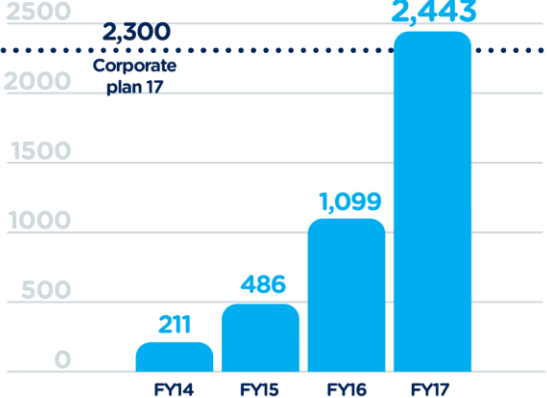


FY2017 momentum

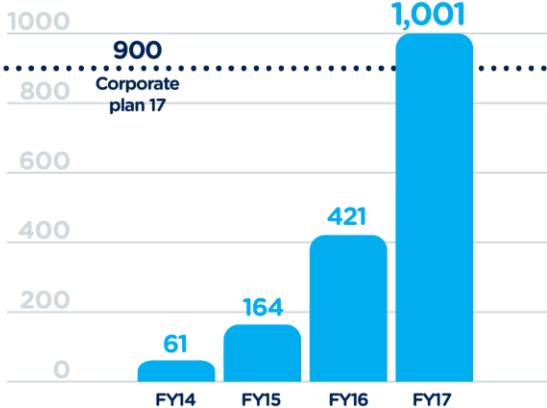
Cumulative premises ready for service ('000)



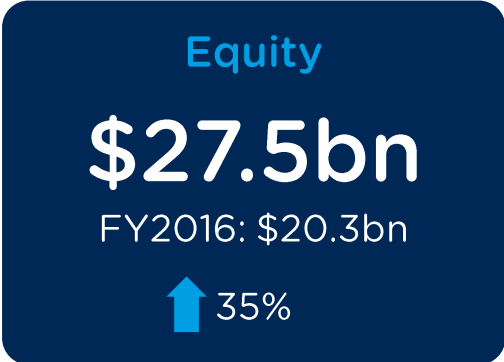
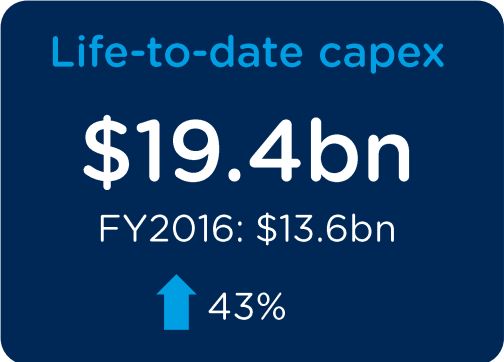
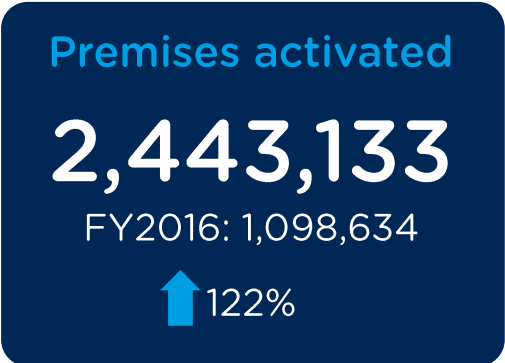
Cumulative premises activated ('000)



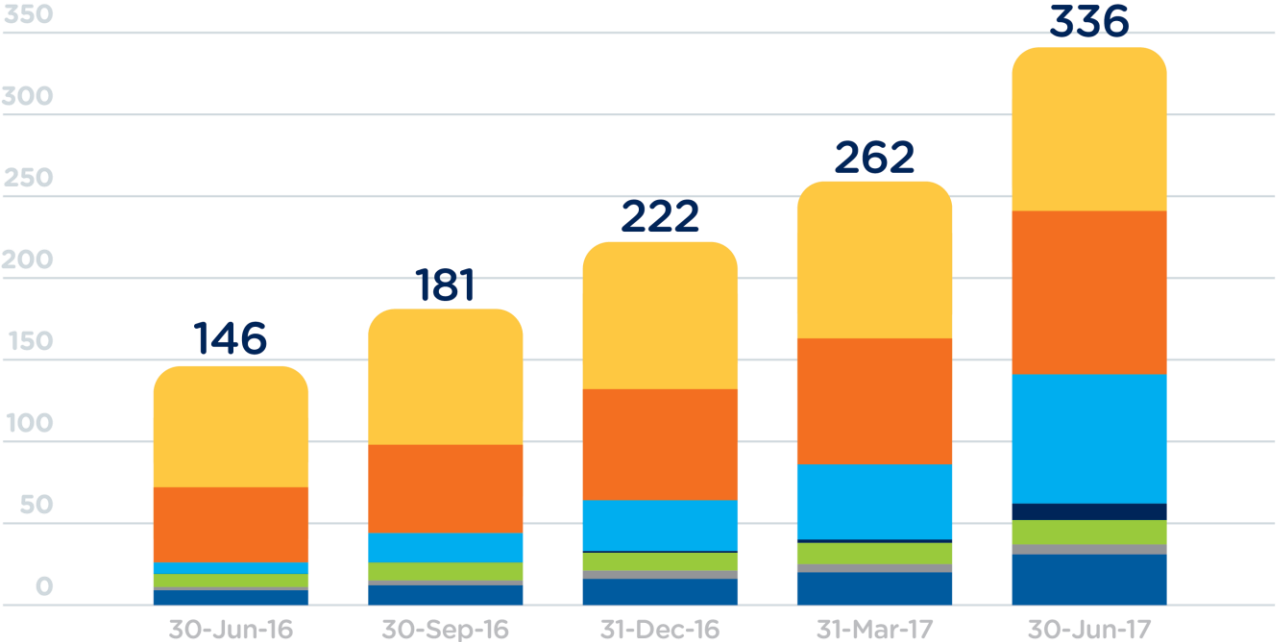
Total revenue (\$m)



Headline results

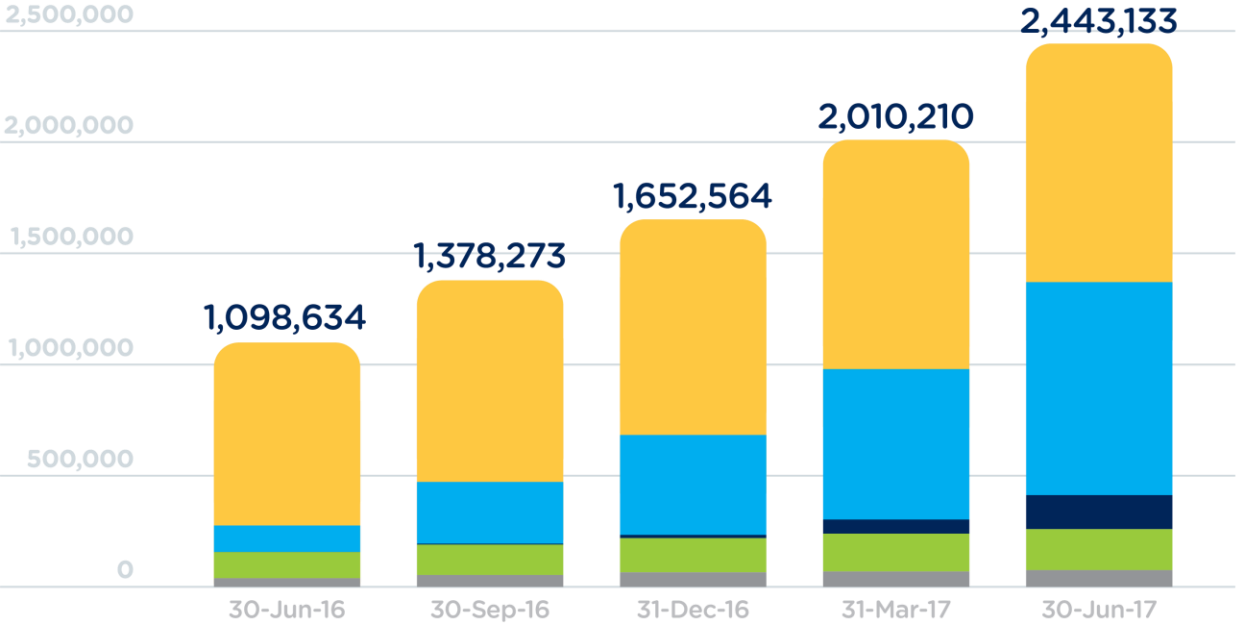


Total revenue by quarter



\$m	30-Jun-16	30-Jun-17
FTTP	225	369
CVC/NNI	131	299
FTTN	10	172
HFC	-	13
Fixed Wireless	27	50
Satellite	10	19
Other	18	79
Total	421	1,001

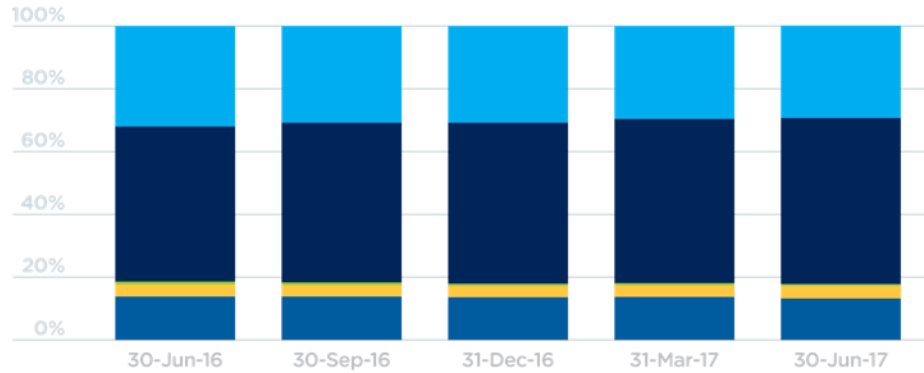
Cumulative active end users by quarter



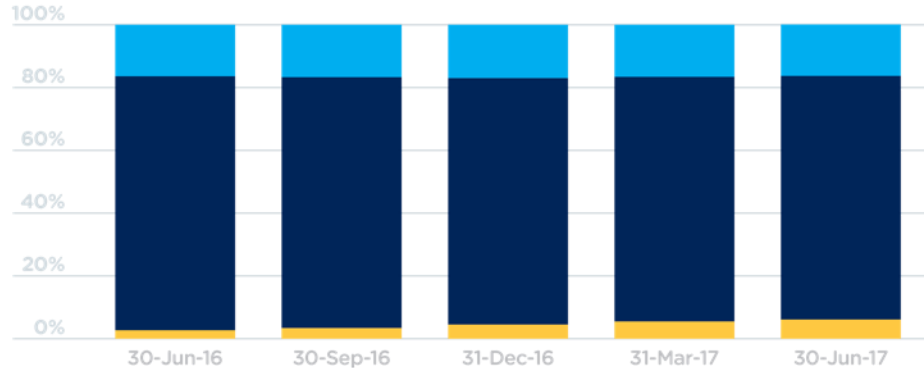
Cumulative active end users	30-Jun-16	30-Jun-17
FTTP	822,652	1,072,819
FTTN	119,694	957,919
HFC	10	152,786
Fixed Wireless	117,514	184,678
Satellite	38,764	74,931
Total	1,098,634	2,443,133
ARPU	\$43	\$43

Wholesale speed tier mix

Fixed Line speed tier mix



Fixed Wireless speed tier mix



Fixed Line speed tier mix (Mbps)

	30-Jun-16	30-Jun-17
12/1	32%	29%
25/5	49%	53%
25/10	1%	1%
50/20	4%	4%
100/40	14%	13%
Total	100%	100%

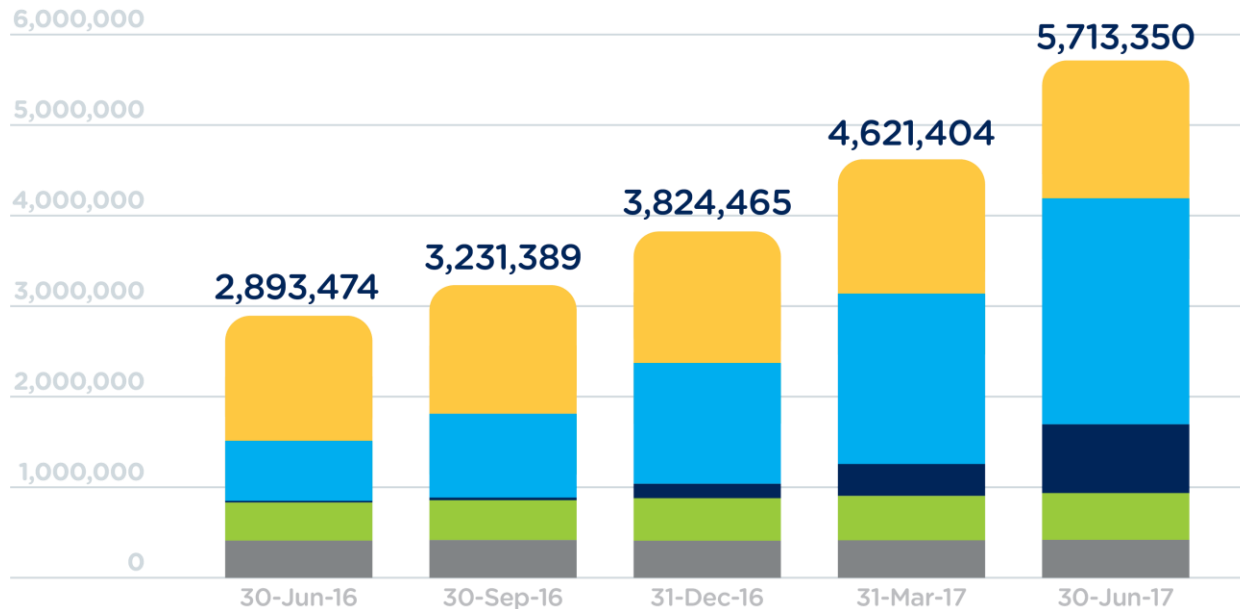
Fixed Wireless speed tier mix (Mbps)

	30-Jun-16	30-Jun-17
12/1	16%	16%
25/5	81%	78%
50/20	3%	6%
Total	100%	100%

Sky Muster™ Satellite Service speed tier mix (Mbps)

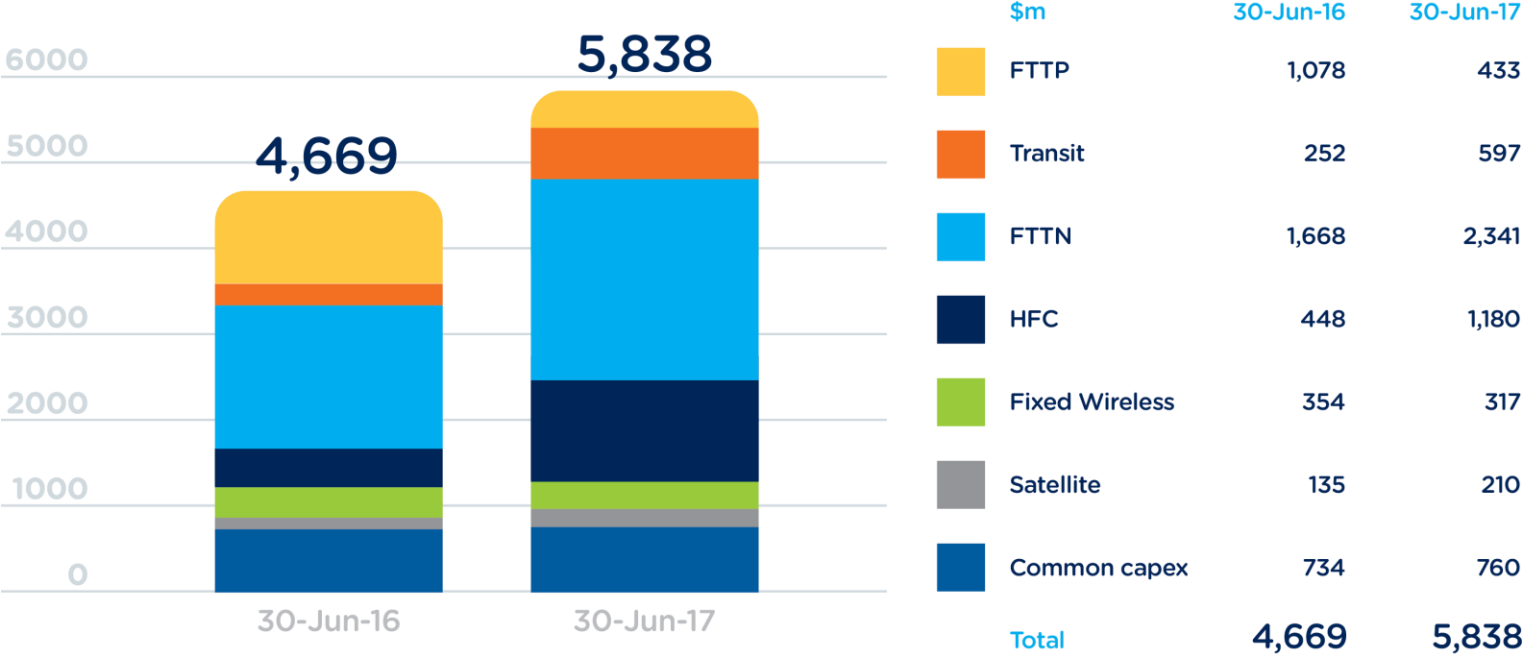
	30-Jun-16	30-Jun-17
12/1	26%	34%
25/5	74%	66%
Total	100%	100%

Cumulative premises ready for service by quarter

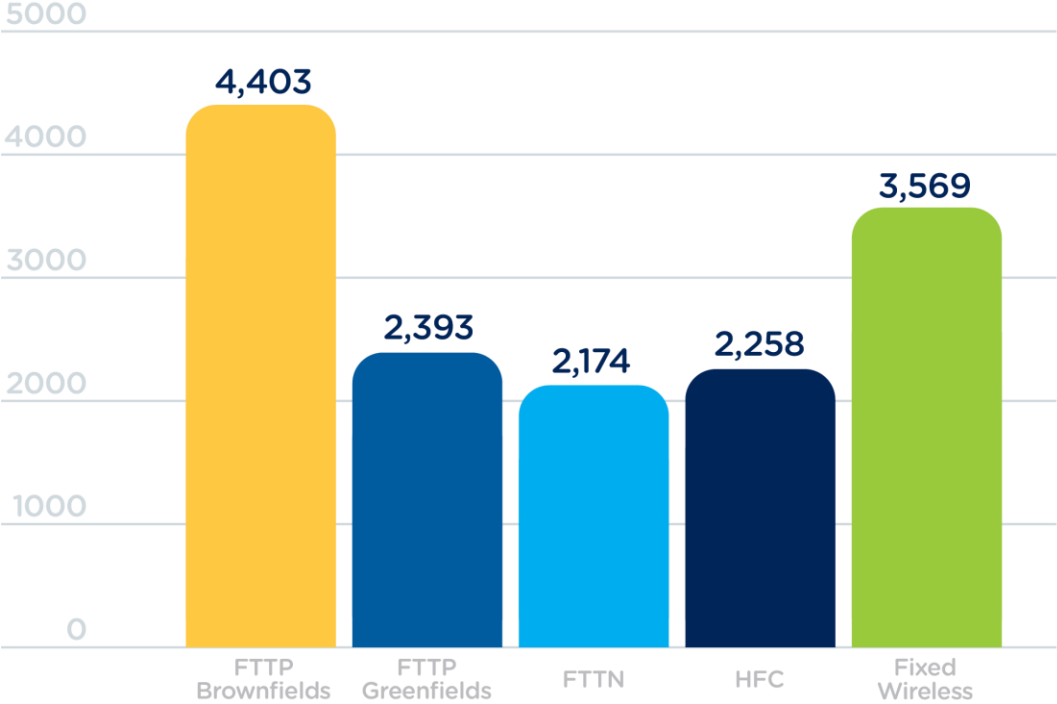







Cumulative premises ready for service	30-Jun-16	30-Jun-17
FTTP	1,381,800	1,522,876
FTTN	662,729	2,496,380
HFC	18,462	758,416
Fixed Wireless	420,524	517,543
Satellite	409,959	418,135
Total	2,893,474	5,713,350

Capital expenditure

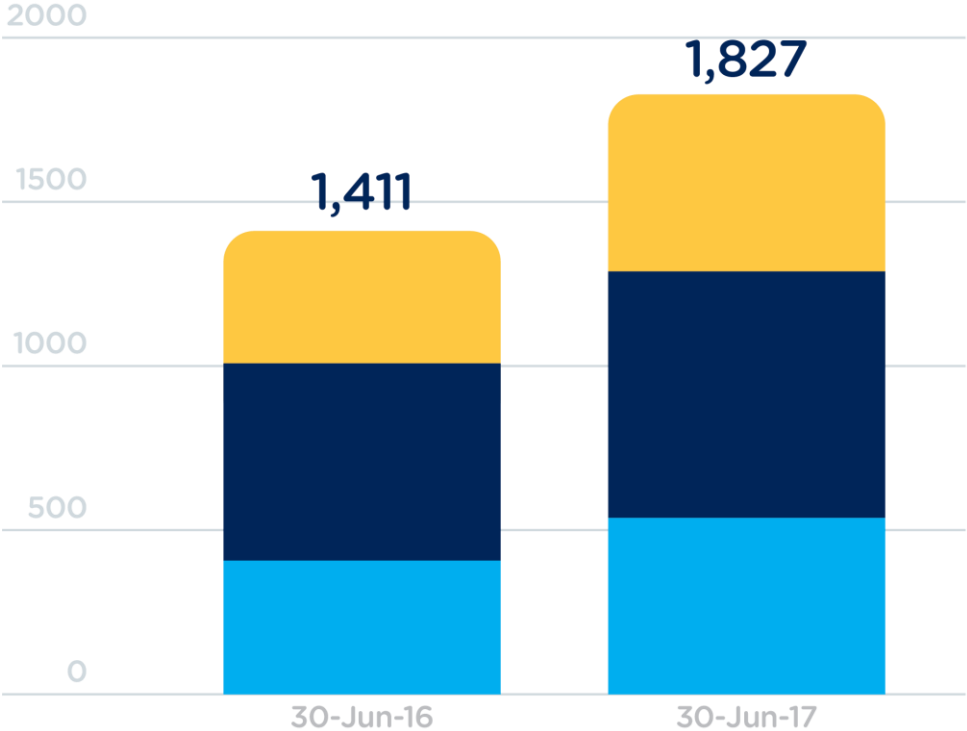


Cost per premises



	\$	30-Jun-16	30-Jun-17
 FTTP Brownfields		4,411	4,403
 FTTP Greenfields		2,608	2,393
 FTTN		2,257	2,174
 HFC		-	2,258
 Fixed Wireless		3,559	3,569

Operating expenses*



\$m	30-Jun-16	30-Jun-17
Other expenses	403	539
Employee benefits expenses	601	751
Direct network costs	407	537
Operating expenses	1,411	1,827
Subscriber costs	582	1,573
Total expenses	1,993	3,400

*Comparative figures have been adjusted to conform to the presentation of the current financial year where applicable.

Financial summary

\$m	For the 3 months ended			For the year ended		
	30-Jun-16	30-Jun-17	Change (%)	30-Jun-16	30-Jun-17	Change (%)
Total revenue	146	336	130%	421	1,001	138%
Total expenses	(647)	(1,067)	65%	(1,993)	(3,400)	71%
EBITDA	(501)	(731)	46%	(1,572)	(2,399)	53%
Less: subscriber costs	218	555	155%	582	1,573	170%
Adjusted EBITDA	(283)	(176)	(38%)	(990)	(826)	(17%)
EBIT	(758)	(1,170)	54%	(2,446)	(3,871)	58%

\$m	As at		
	30-Jun-16	30-Jun-17	Change (%)
Total assets	18,552	24,127	30%
Contributed equity	20,275	27,465	35%

Bill Morrow

Chief Executive Officer





2020: Build completed

FY17: Half way built with 5.7m premises ready for service

Construction Partner of



Network build progress during FY17



Reached peak pace of 140,000+ premises made ready for service in a single week



Reached major ready for service milestones of 3m; 4m; 5m and 'half way built'



Non-metro footprint 2/3 complete; Metro footprint 1/3 complete



Sky Muster™ II successfully launched into space and operational



Planned FTTC footprint expanded to 1 million premises



**2020: 8 million
premises connected**

FY17: More than 2.4
million premises using
the network



Migrating people over with affordable products and pricing



Today, around 2.7 million premises are connected



Activating up to 45,000 premises in a week



New Dimension-Based-Discount model for CVC delivering 25 per cent price reduction in two years



Announced 100/40Mbps product on Fixed Wireless



Announced increase in data cap on Sky Muster™ satellite service



Today 75 per cent take-up after 18-month migration window



How the whole industry impacts on the lived in-home broadband experience

nbn™ broadband access network
Managed by nbn

Your phone and internet provider's network
Managed by your provider

The internet

Inside your premises
Managed by you

Your provider gives you access to this



Equipment inside your premises
This includes your Wi-Fi modem/router, supplied by you or your provider



nbn™ connection points
This includes nbn™ connection boxes and ports that deliver the network into your home



nbn™ infrastructure



nbn™ point of interconnect



Domestic network



International network





2020: Positive customer experience

FY17: Customer Experience Metric 7/10



Focus on positive customer experience



Customer Experience Metric (surveying RSPs) = 7.1



Retailer focus on improvements to drive better engagement and outcomes



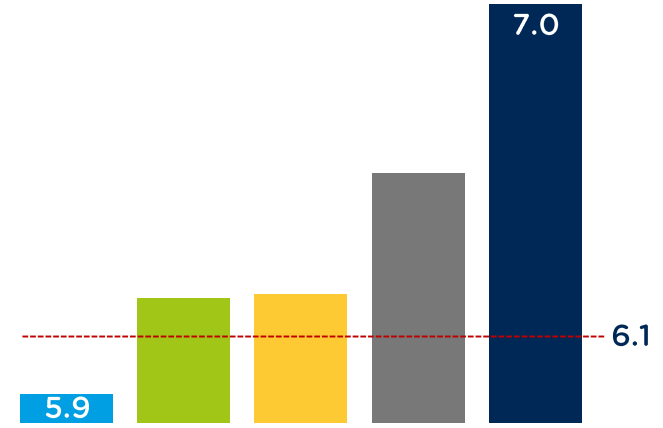
Significant improvements in **nbn** systems and processes



End-user rating of the full broadband experience



Industry enabled end-user experience



End-user satisfaction rating of the same **nbn**TM network across different retailers June 2017: multiple factors and networks contribute to overall experience



**2020: Best Employer
- top quartile ANZ**

FY17: **nbn** engagement score 70 per cent (top quartile)



30,000+ passionate contributors



6,000 direct **nbn** employees; external workforce 24,000+



Best Employer indices: top quartile ANZ



91% workforce participation in engagement survey

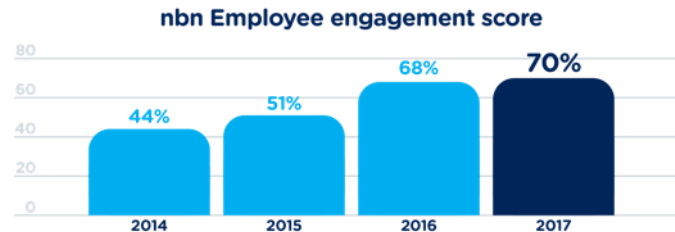


Voluntary turnover is 7.5% versus 13.1% for telco industry



Diversity focus:

- Updated parental leave policy
- Updated flexible working policy
- Equal pay guarantee



FY17 the year of scale to reach half way mark



Launched Sky Muster™ II into space



Almost doubled pace of build



Announced increased data cap on satellite



Top quartile ANZ:
Best Employer Indices



Updated CVC discount model



Doubled pace of activations and revenue



Focus on customer experience



13th straight quarter of meeting key targets

Questions?



This presentation contains some information extracted from the audited Consolidated Financial Report of nbn co limited (nbn) for the year ended 30 June 2017. The audited Consolidated Financial Report is expected to be made available in August 2017. The Consolidated Financial Report consists of the Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and the Notes to the financial statements for the **nbn** Consolidated Group, comprising nbn co limited, nbn tasmania ltd and nbn co spectrum Pty Ltd. While every effort is made to provide accurate and complete information in this presentation, no representation or warranty is made as to the accuracy or completeness or reliability of that information.

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