



# NBN Co First Quarter Results FY2019

19 November 2018

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# Headline results – Q1 FY2019

Total revenue

**\$620m**

Q1 Sept 2017 : \$405m

 53%

Active premises

**4,374,689**

Q1 Sept 2017 : 2,963,552

 48%

ARPU

**\$44**

Q1 Sept 2017 : \$43

 1%

Premises ready for  
service

**8,647,430**

Q1 Sept 2017 : 6,421,828

 35%

Premises ready  
to connect

**7,346,909**

Q1 Sept 2017 : 6,098,242

 20%

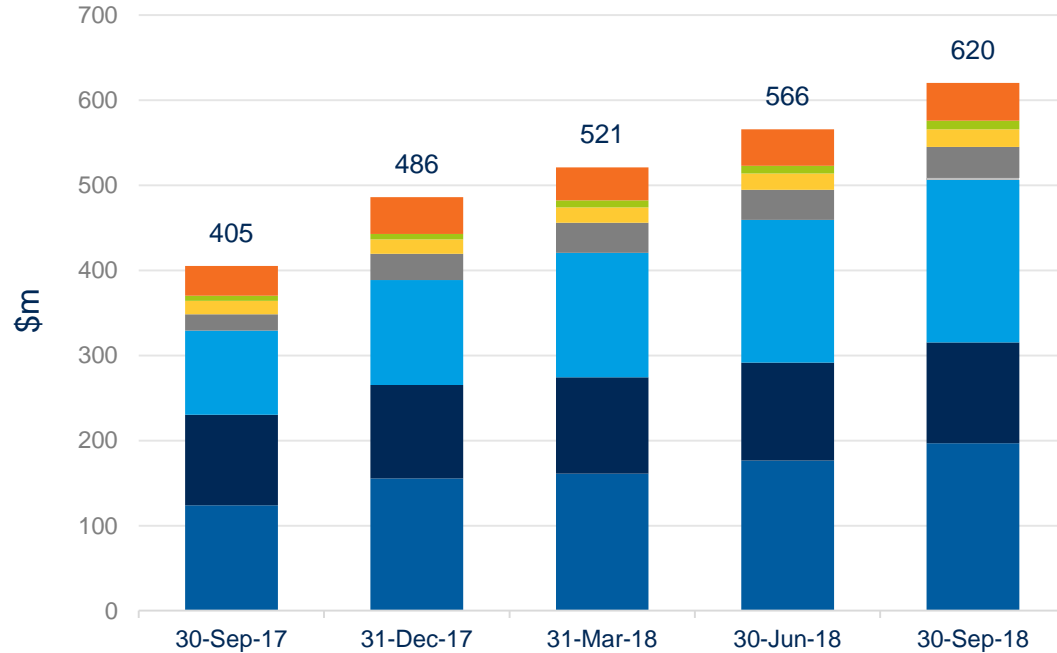
Cash funding

**\$36.8bn**

Q1 Sept 2017 : \$29.5bn

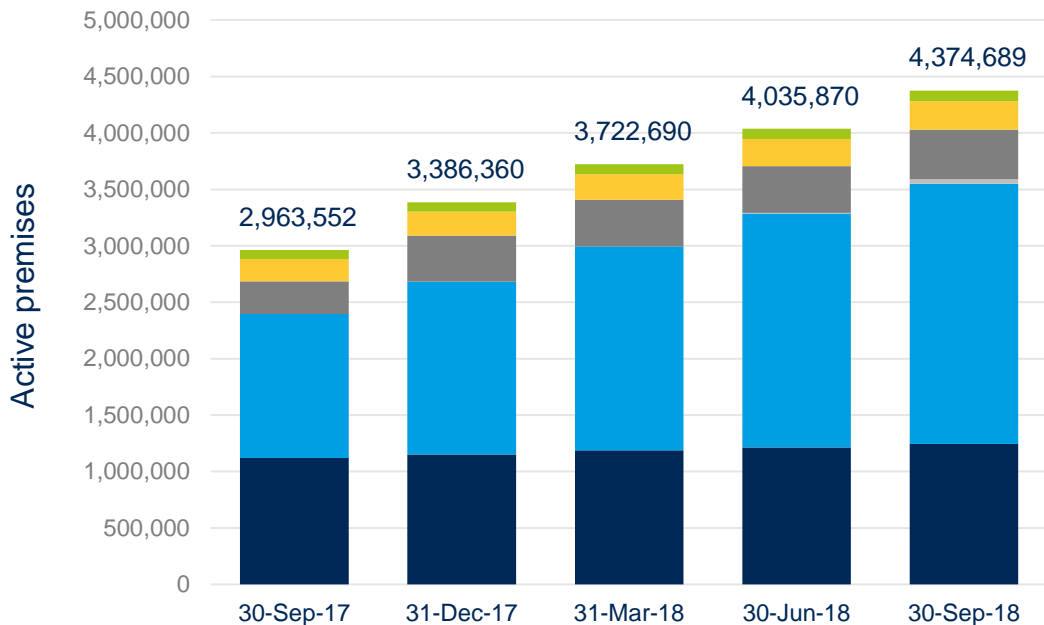
 25%

# Total revenue



\$m	3 months to	
	30-Sep-17	30-Sep-18
Other	35	44
Satellite	6	10
Fixed Wireless	16	21
HFC	19	36
FTTC	-	2
FTTN	99	191
FTTP	106	119
CVC/NNI	124	197
<b>Total</b>	<b>405</b>	<b>620</b>

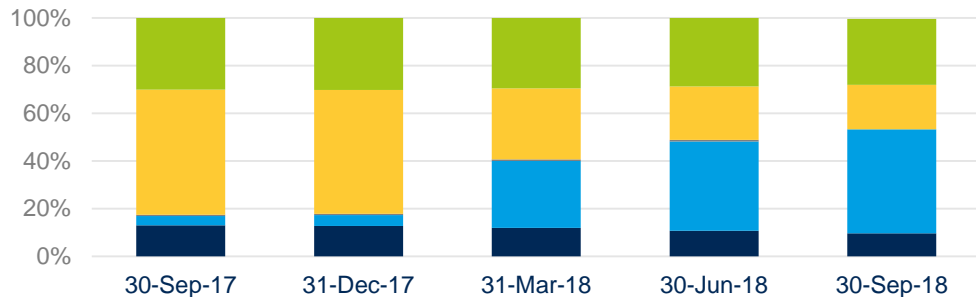
# Active premises



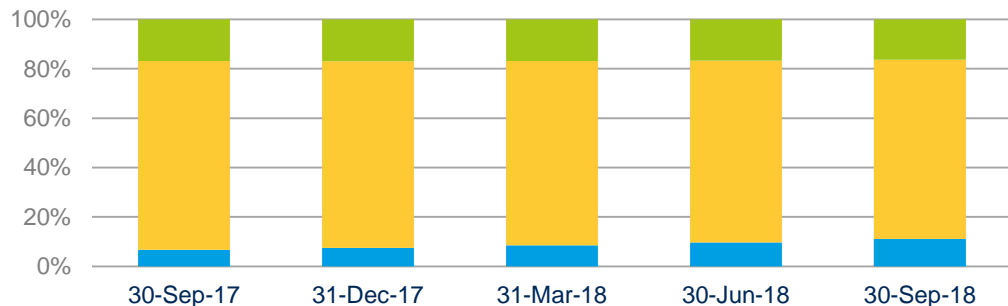
Cumulative active premises	As at		
	30-Sep-17	30-Jun-18	30-Sep-18
Satellite	79,412	90,327	92,595
Fixed Wireless	200,008	240,084	254,400
HFC	288,846	414,703	438,334
FTTC	-	3,977	39,146
FTTN	1,274,996	2,072,451	2,305,479
FTTP	1,120,290	1,214,328	1,244,735
<b>Total</b>	<b>2,963,552</b>	<b>4,035,870</b>	<b>4,374,689</b>
<b>ARPU</b>	<b>\$43</b>	<b>\$44</b>	<b>\$44</b>

# Wholesale speed tiers

## Fixed Line wholesale speed tiers

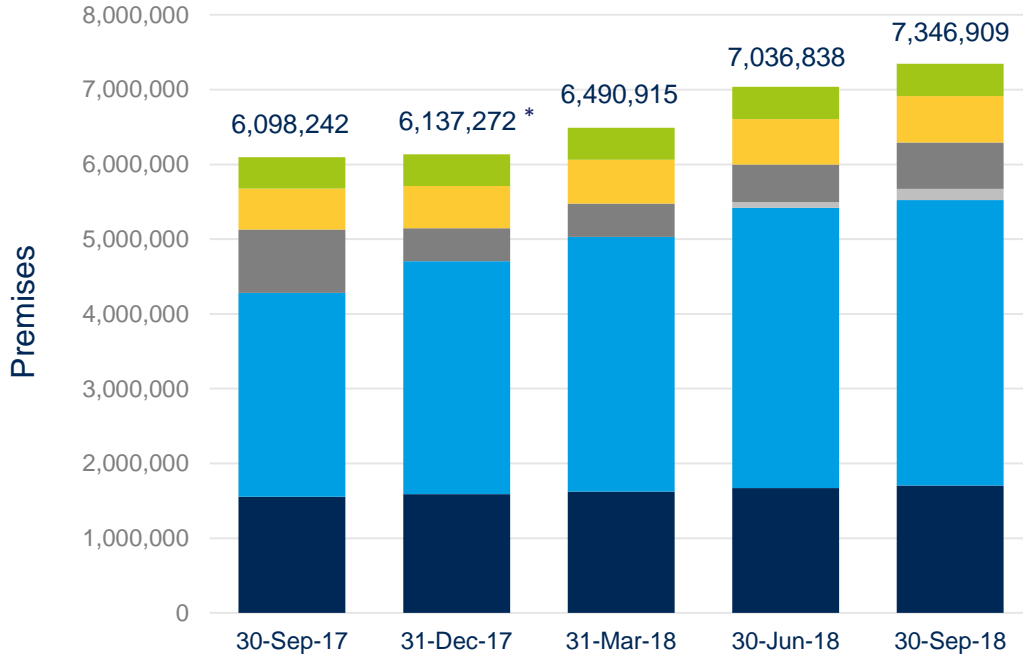


## Fixed Wireless wholesale speed tiers



	As at	30-Sep-17	30-Jun-18	30-Sep-18
<b>Fixed Line speed tiers (Mbps)</b>				
12/1		30%	29%	27%
25/5		52%	22%	19%
25/10		1%	1%	0%
50/20		4%	37%	44%
100/40		13%	11%	10%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Fixed Wireless speed tiers (Mbps)</b>				
12/1		17%	17%	16%
25/5		76%	74%	73%
50/20		7%	9%	11%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Sky Muster™ Satellite Service speed tiers (Mbps)</b>				
12/1		34%	32%	32%
25/5		66%	68%	68%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total nbn™ network speed tiers (Mbps)</b>				
Below 50/20		84%	55%	50%
50/20 or above		16%	45%	50%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>

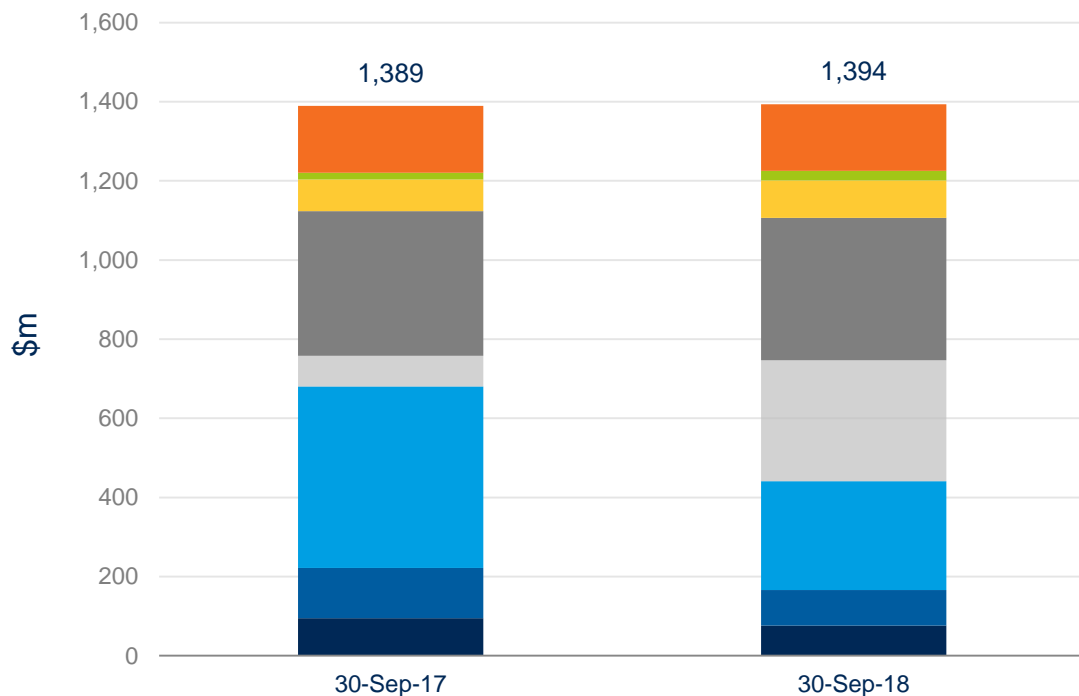
# Premises ready to connect



Cumulative premises ready to connect	As at		
	30-Sep-17	30-Jun-18	30-Sep-18
Satellite	421,028	430,449	433,917
Fixed Wireless	545,588	609,913	618,253
HFC	847,679	498,333	621,268
FTTC	-	75,387	148,822
FTTN	2,730,154	3,753,616	3,820,887
FTTP	1,553,793	1,669,140	1,703,762
<b>Total</b>	<b>6,098,242</b>	<b>7,036,838</b>	<b>7,346,909</b>

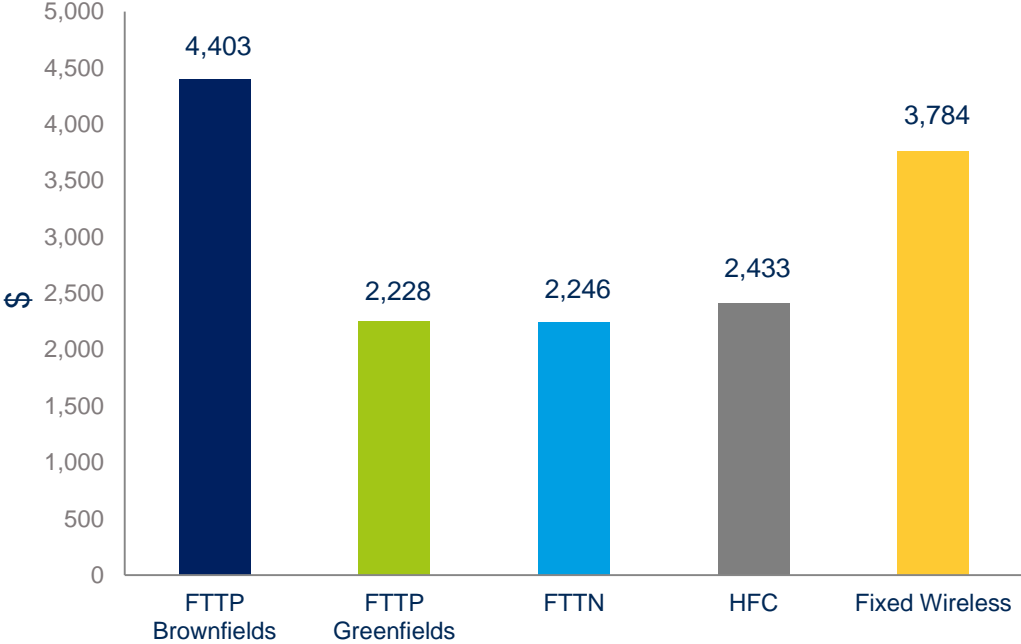
\* On 27 November 2017, NBN Co paused all activations over its HFC access network to perform advanced network testing and remediation before declaring the HFC network ready to connect. This resulted in approximately 700,000 premises being rolled back from their ready to connect status during the quarter ended 31 December 2017.

# Capital expenditure



\$m	3 months to	
	30-Sep-17	30-Sep-18
Common Capex	169	168
Satellite	17	24
Fixed Wireless	80	95
HFC	365	360
FTTC	78	304
FTTN	458	277
Transit	127	90
FTTP	95	76
<b>Total</b>	<b>1,389</b>	<b>1,394</b>

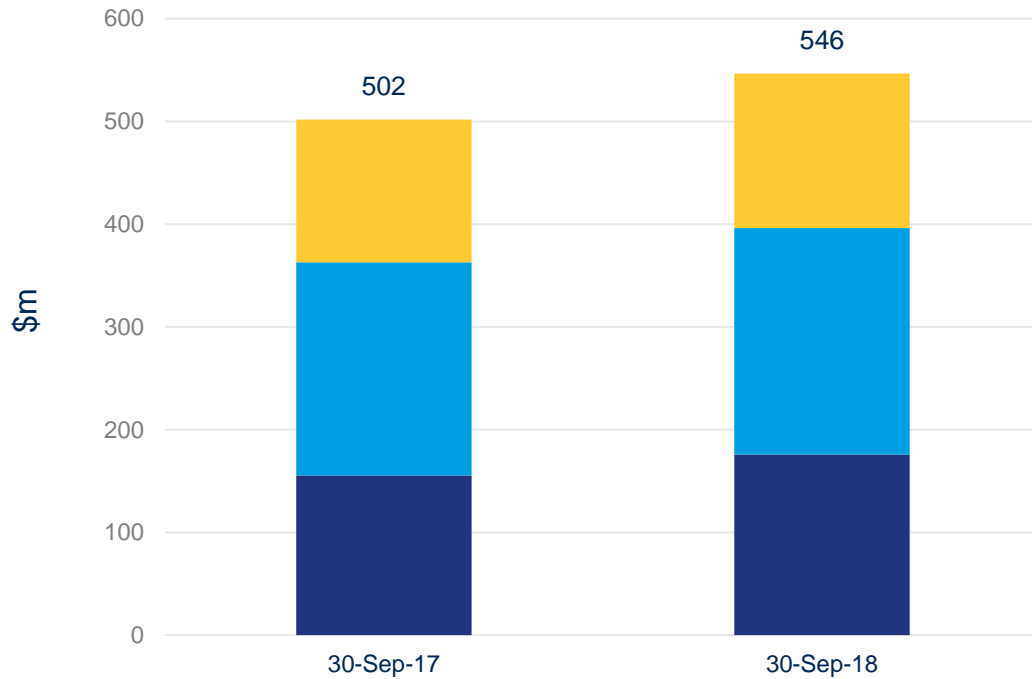
# Cost per Premises



	Life-to-date			
	\$	30-Sep-17	30-Jun-18	30-Sep-18
FTTP Brownfields		4,397	4,401	4,403
FTTP Greenfields		2,314	2,255	2,228
FTTN		2,215	2,244	2,246
HFC		2,267	2,412	2,433
Fixed Wireless		3,549	3,757	3,784



# Operating expenses



\$m	3 months to	
	30-Sep-17	30-Sep-18
Direct network costs	155	176
Employee benefits expenses	208	220
Other expenses	139	150
<b>Operating expenses</b>	<b>502</b>	<b>546</b>
Subscriber costs	681	344
<b>Total</b>	<b>1,183</b>	<b>890</b>

# Financial summary

\$m	For the 3 months ended		
	30-Sep-17	30-Sep-18	Movement (%)
Total revenue	405	620	53%
Operating expenses	(502)	(546)	9%
EBITDA before subscriber costs	(97)	74	176%
Subscriber costs	(681)	(344)	(50%)
EBITDA	(778)	(270)	65%
Depreciation and amortisation expense	(486)	(610)	25%
Other income	4	5	36%
EBIT	(1,260)	(875)	31%

\$m	As at		
	30-Jun-18	30-Sep-18	Movement (%)
Total assets	28,203	29,204	4%
Contributed equity	29,500	29,500	0%
Borrowings	5,531	7,319	32%

# Customer experience improvements

## Monthly Progress Report - October YoY

	Year on Year Performance	
	Oct 2017	Oct 2018
Ready to connect	6.4m	7.5m
Connected homes and businesses	3.1m	4.5m
Installed right the first time	85%	93%
Meeting agreed installation times	91%	97%
Average network bandwidth congestion	5 hours & 9 minutes	34 minutes
Fixed Line network congestion	0.143 %	0.008%
Uptake to higher wholesale plans	16% on 50Mbps and above	53% on 50Mbps and above
Network availability	99.9%	100.0%
Meeting agreed fault restoration times	80%	92%
Faults per 100 connected homes and businesses	1.0	0.9

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