



NBN Co

First Quarter Results FY2020

12 November 2019

Headline results Q1 FY20

Active premises

6.030m

Q1 Sept 2018 : 4.375m

↑ 38%

Residential ARPU

\$45

Q1 Sept 2018 : \$43

↑ \$2

Total revenue

\$876m

Q1 Sept 2018 : \$620m

↑ 41%

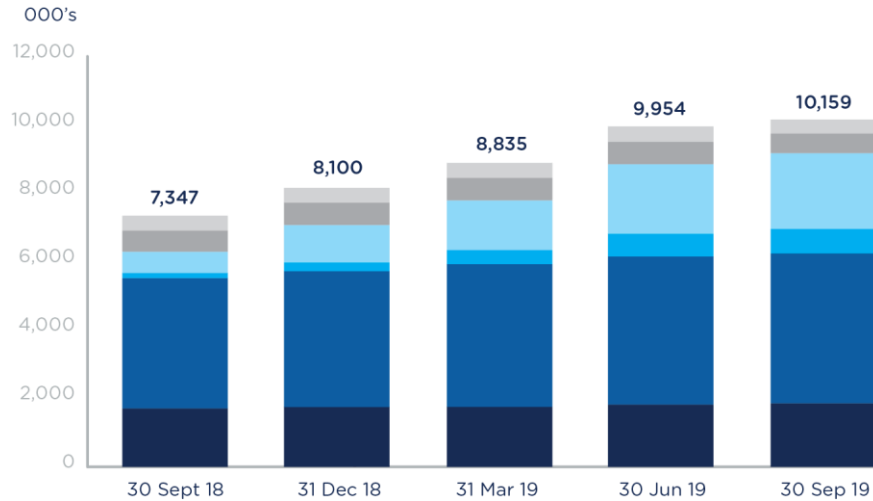
Premises ready to connect

10.159m

Q1 Sept 2018 : 7.347m

↑ 38%

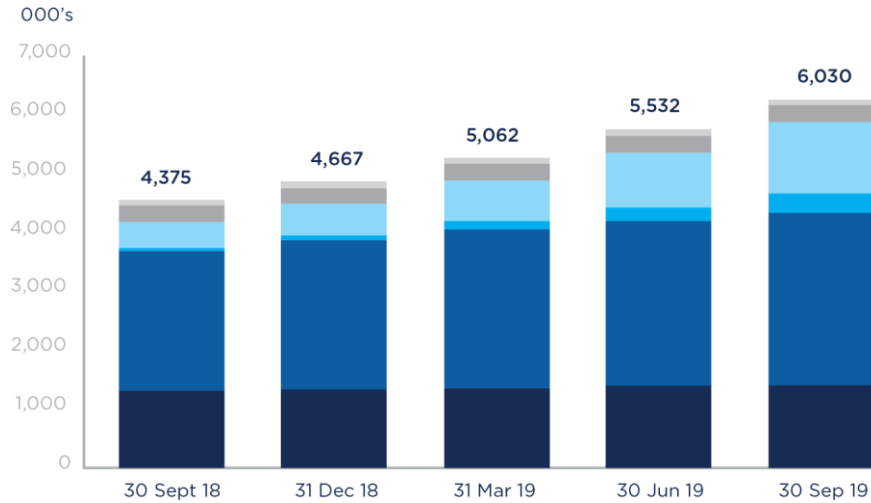
Premises ready to connect



	Cumulative premises	30 Sep 18	30 Jun 19	30 Sep 19
Satellite		433,917	443,154	406,855 ¹
Fixed Wireless		618,253	659,300	575,460 ¹
HFC		621,268	2,033,497	2,215,996
FTTC		148,822	662,191	716,298
FTTN		3,820,887	4,340,799	4,390,757
FTTP		1,703,762	1,815,324	1,853,368
Total		7,346,909	9,954,265	10,158,734¹

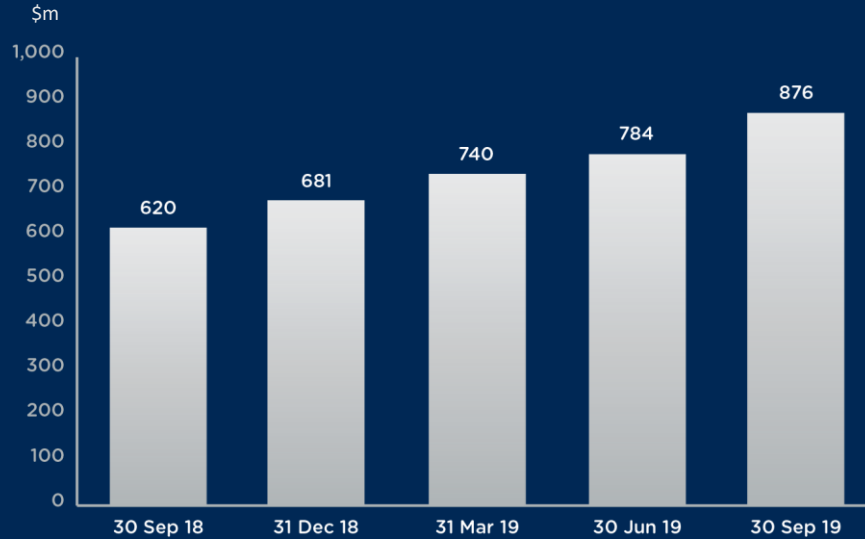
¹ During the three months ended 30 September 2019, NBN Co declared 335,000 new premises ready to connect. However, following the completion of a full analysis of available premises data for Satellite and Fixed Wireless areas, the number of premises within these areas has been reduced by approximately 130,000. This reduction has been applied to the reported premises ready to connect figure as at 30 September 2019.

Active premises



Cumulative premises	30 Sep 18	30 Jun 19	30 Sep 19
Satellite	92,595	95,480	96,232
Fixed Wireless	254,400	284,683	293,136
HFC	438,334	899,127	1,156,712
FTTC	39,146	227,419	323,452
FTTN	2,305,479	2,711,041	2,819,809
FTTP	1,244,735	1,314,338	1,340,545
Total	4,374,689	5,532,088	6,029,886

Total revenue

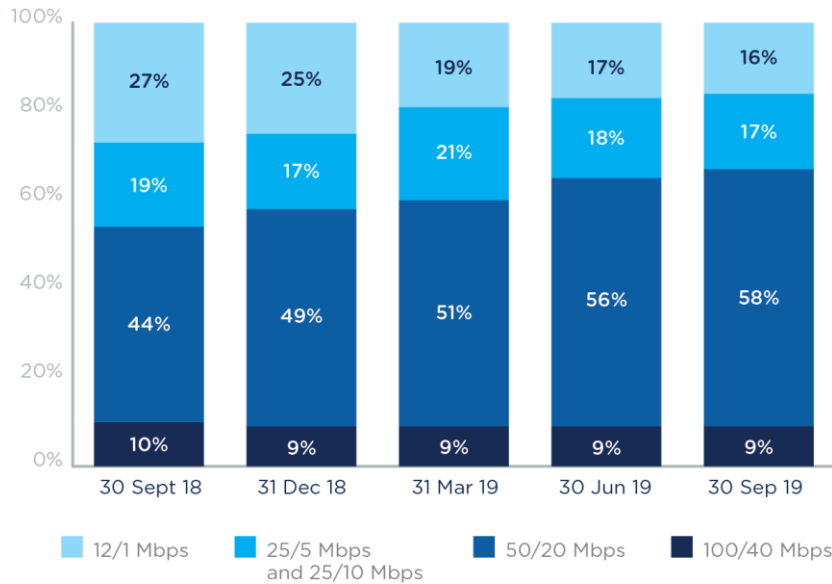


\$m	3 months to	
	30 Sep 18	30 Sep 19
Telecommunications - Residential	474 ¹	678 ¹
Telecommunications - Business	102 ¹	149 ¹
Other	44	49
Total	620	876
Residential ARPU	\$43	\$45

¹ NBN Co has revised the data parameters used to identify Business and Residential customers. This has resulted in an increased number of locations being identified as businesses and a correlated growth in business segment revenue. NBN Co has restated prior period revenue for comparative purposes.

Wholesale speed tiers

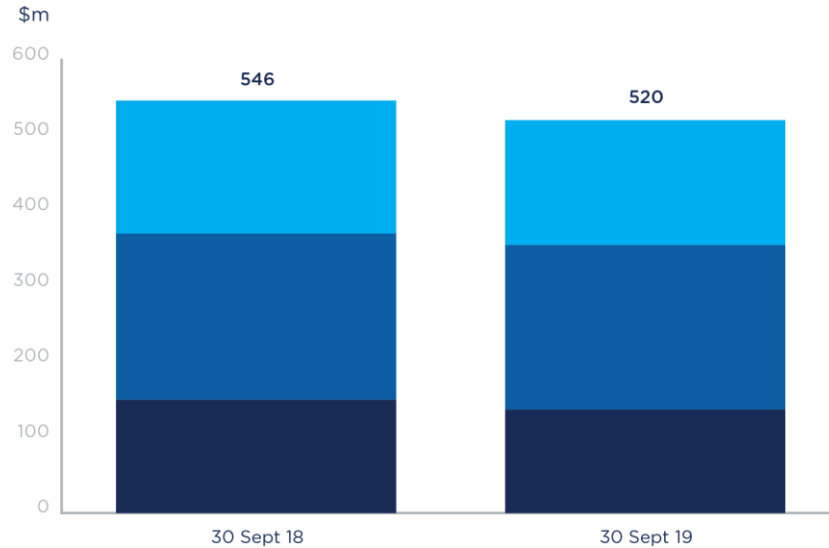
Fixed-line wholesale speed tiers



Total nbn™ network speed tiers (Mbps)

As at	30 Sep 18	30 Jun 19	30 Sep 19
Below 50/20	50%	36%	34%
50/20 or above	50%	64%	66%
Total	100%	100%	100%

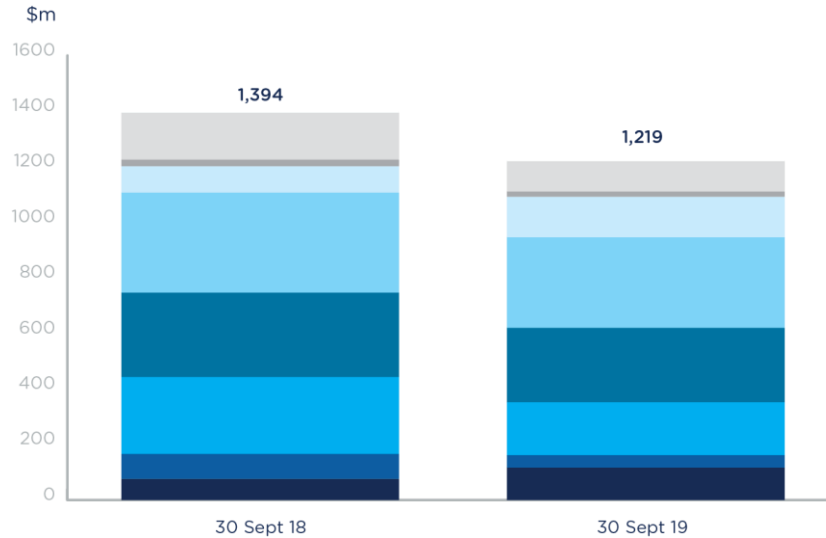
Operating expenses



\$m	3 months to	
	30 Sep 18	30 Sep 19
Direct network costs	176	165
Employee benefits expenses	220	218
Other expenses	150	137
Operating expenses	546	520¹
Subscriber costs	344	791
Total	890	1,311

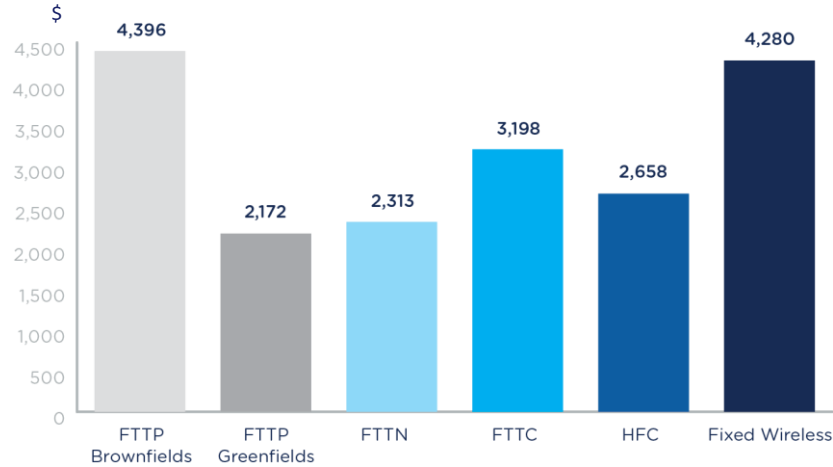
¹ Following the adoption of AASB 16 *Leases* from 1 July 2019, certain operating lease and right-of-use arrangements are no longer accounted for as operating expenses but instead are recognised on the balance sheet as a right-of-use asset and lease liability with associated depreciation and interest expenses recorded in the income statement. The impact of these accounting requirements has resulted in lower operating expenses of approximately \$40 million in comparison to the corresponding prior period. This reduction in operating expenses is offset by increased depreciation and amortisation and interest expense in the period.

Capital expenditure



\$m	3 months to	
	30 Sep 18	30 Sep 19
Common Capex	168	108
Satellite	24	19
Fixed Wireless	95	146
HFC	360	326
FTTC	304	268
FTTN	277	190
Transit	90	45
FTTP	76	117
Total	1,394	1,219

Cost per Premises



	\$	30 Sep 18	30 Jun 19	30 Sep 19
FTTP Brownfields		4,403	4,398	4,396
FTTP Greenfields		2,228	2,178	2,172
FTTN		2,246	2,268	2,313
FTTC		n/r	3,129	3,198
HFC		2,433	2,590	2,658
Fixed Wireless		3,784	3,838	4,280 ¹

¹ Fixed Wireless CPP includes the impact of a reduction of approximately 90,000 premises in the estimated number of premises within areas serviced by Fixed Wireless. This premises dilution has been applied following a full analysis of available premises data for these areas.

Financial summary

\$m	For the 3 months ended		
	30 Sep 18	30 Sep 19	Movement (%)
Total revenue	620	876	41%
Operating expenses	(546)	(520)	(5%)
EBITDA before subscriber costs	74	356	380%
Subscriber costs	(344)	(791)	130%
EBITDA	(270)	(435)	(61%)
Depreciation and amortisation expense	(610)	(758)	24%
Other income	5	6	18%
EBIT	(875)	(1,187)	(36%)

Questions

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