



NBN Co

Half-Year Results FY2020

11 February 2020

Headline half-year results

Active premises

6.4m

HY Dec 2018 : 4.7m

↑ 38%

Residential ARPU

\$45

HY Dec 2018 : \$43

↑ \$2

Total revenue

\$1.8bn

HY Dec 2018 : \$1.3bn

↑ 39%

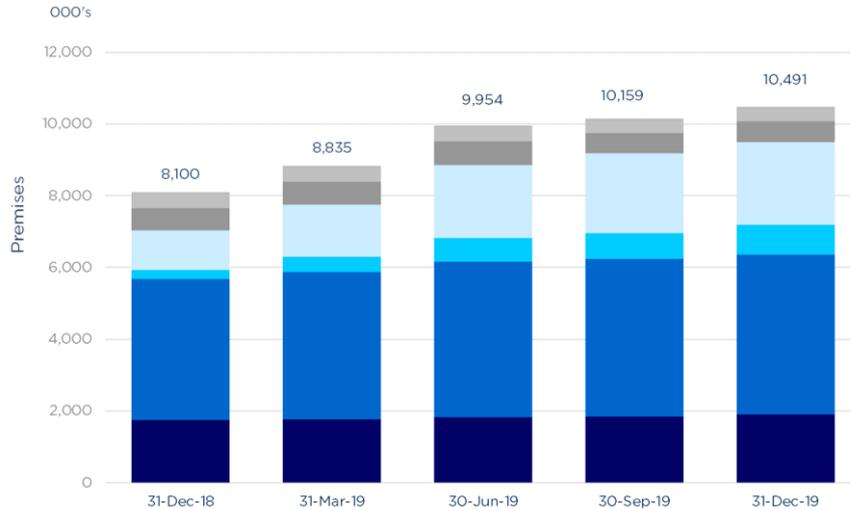
Premises ready to connect

10.5m

HY Dec 2018 : 8.1m

↑ 30%

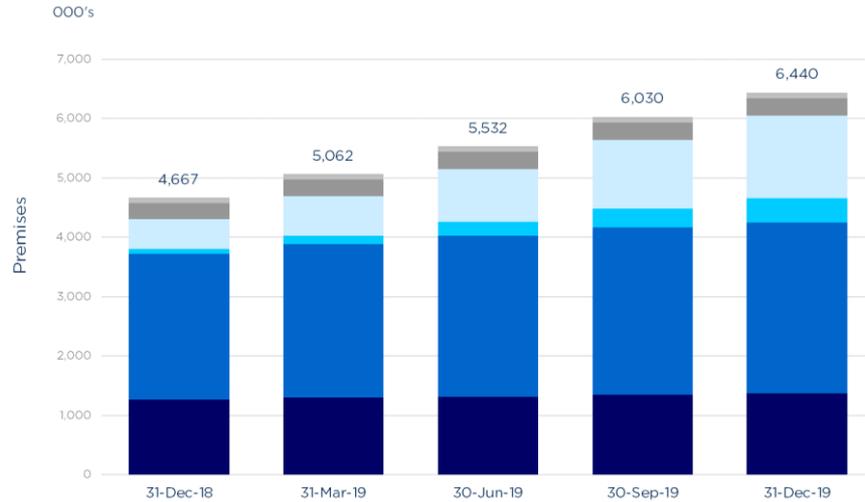
Premises ready to connect



Cumulative premises	31 Dec 18	30 Jun 19	31 Dec 19
Satellite	436,580	443,154	408,954 ¹
Fixed Wireless	632,733	659,300	579,210 ¹
HFC	1,095,351	2,033,497	2,303,792
FTTC	260,189	662,191	841,757
FTTN	3,935,096	4,340,799	4,459,595
FFTP	1,739,916	1,815,324	1,897,327
Total	8,099,865	9,954,265	10,490,635¹

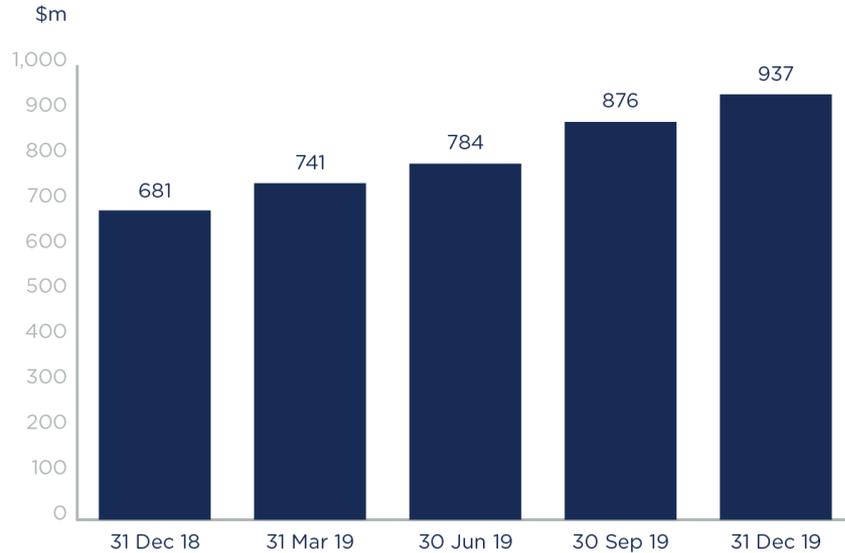
¹ During the six months ended 31 December 2019, NBN Co declared 667,000 new premises ready to connect. However, following the completion of a full analysis of available premises data for Satellite and Fixed Wireless areas, the number of premises within these areas has been reduced by approximately 130,000. This reduction has been applied to the reported premises ready to connect figure as at 30 September 2019 and 31 December 2019.

Active premises



Cumulative premises	31 Dec 18	30 Jun 19	31 Dec 19
Satellite	94,014	95,480	96,518
Fixed Wireless	264,530	284,683	299,318
HFC	511,832	899,127	1,387,637
FTTC	76,149	227,419	405,459
FTTN	2,451,706	2,711,041	2,887,141
FTTP	1,268,734	1,314,338	1,363,560
Total	4,666,965	5,532,088	6,439,633

Total revenue



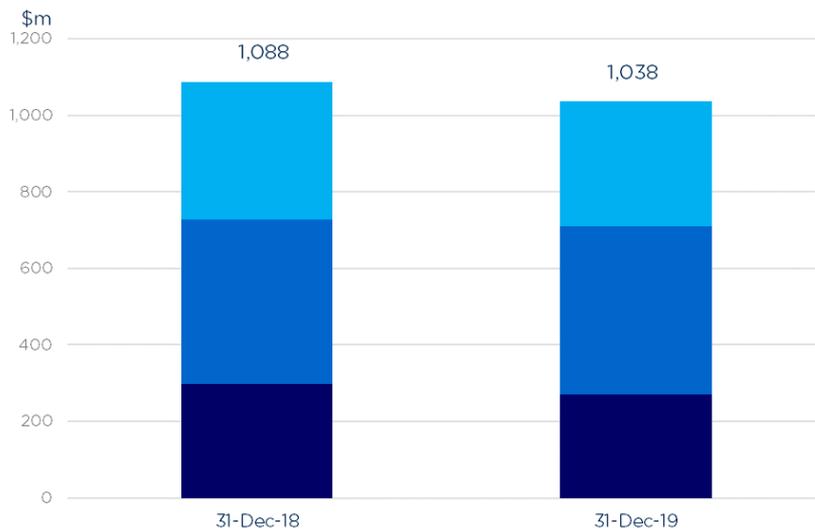
\$m vvv	6 months to	
	31 Dec 18	31 Dec 19
Telecommunications – Residential	994 ¹	1,399 ¹
Telecommunications - Business	214 ¹	319 ¹
Other	93	95
Total	1,301	1,813
Residential ARPU	\$43	\$45

Total nbn™ network speed tiers (Mbps)

As at	31 Dec 18	30 Jun 19	31 Dec 19
Below 50/20	44%	36%	33%
50/20 or above	56%	64%	67%
Total	100%	100%	100%

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.

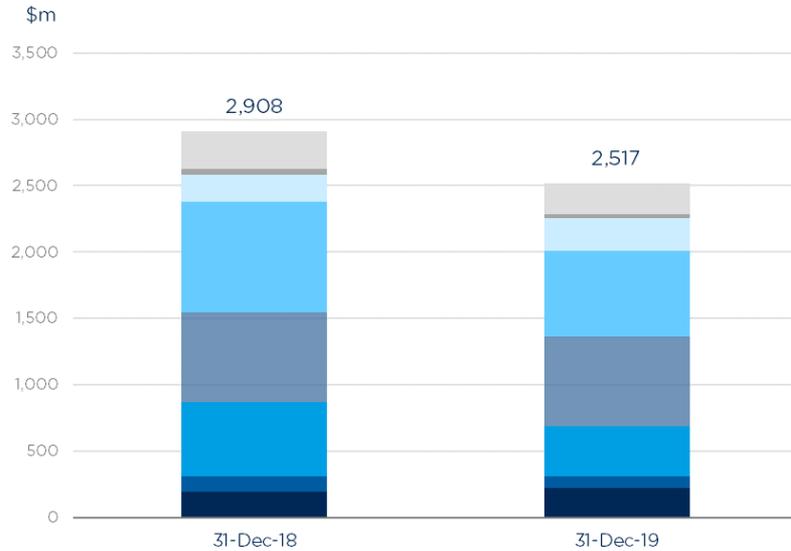
Operating expenses



\$m	6 months to	
	31 Dec 18	31 Dec 19
Direct network costs	359	327
Employee benefits expenses	430	439
Other expenses	299	272
Operating expenses	1,088	1,038¹
Subscriber costs	690	1,438
Total	1,778	2,476

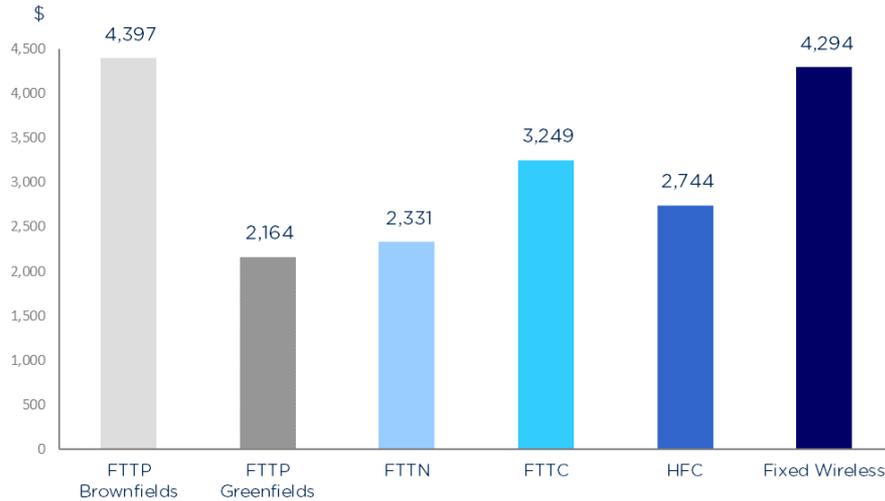
¹ Following the adoption of AASB 16 Leases from 1 July 2019, certain operating lease and right-of-use arrangements are no longer accounted for as operating expenses but instead are recognised on the balance sheet as a right-of-use asset and lease liability with associated depreciation and interest expenses recorded in the income statement. The impact of these accounting requirements has resulted in lower operating expenses of approximately \$90 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	6 months to	
	31 Dec 18	31 Dec 19
Common Capex	279	229
Satellite	43	34
Fixed Wireless	204	245
HFC	836	635
FTTC	674	669
FTTN	564	379
Transit	115	88
FTTP	193	238
Total	2,908	2,517

Cost per Premises



	\$	31 Dec 18	30 Jun 19	31 Dec 19
FTTP Brownfields		4,403	4,398	4,397
FTTP Greenfields		2,209	2,178	2,164
FTTN		2,259	2,268	2,331
FTTC		3,058	3,129	3,249
HFC		2,466	2,590	2,744
Fixed Wireless		3,800	3,838	4,294 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 6 months ended		
	31 Dec 18	31 Dec 19	Movement (%)
Total revenue	1,301	1,813	39%
Operating expenses	(1,088)	(1,038)	(5%)
EBITDA before subscriber costs	213	775	264%
Subscriber costs	(690)	(1,438)	108%
EBITDA	(477)	(663)	(39%)
Depreciation and amortisation expense	(1,240)	(1,488)	20%
Other income	11	11	(6%)
EBIT	(1,706)	(2,140)	(25%)

Questions

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