



NBN Co

Third Quarter Results FY2020

14 May 2020

Headline results Q3 FY20

Active premises

6.9m

Q3 Mar 2019 : 5.1m

↑ 36%

Residential ARPU

\$45

Q3 Mar 2019 : \$44

↑ \$1

Total revenue

\$2.8bn

Q3 Mar 2019 : \$2.0bn

↑ 38%

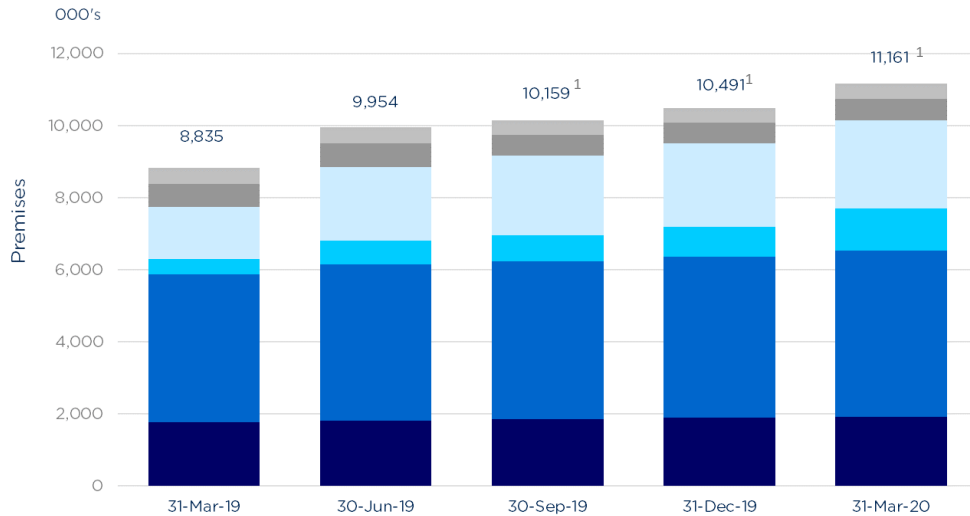
Premises ready to connect

11.2m

Q3 Mar 2019 : 8.8m

↑ 26%

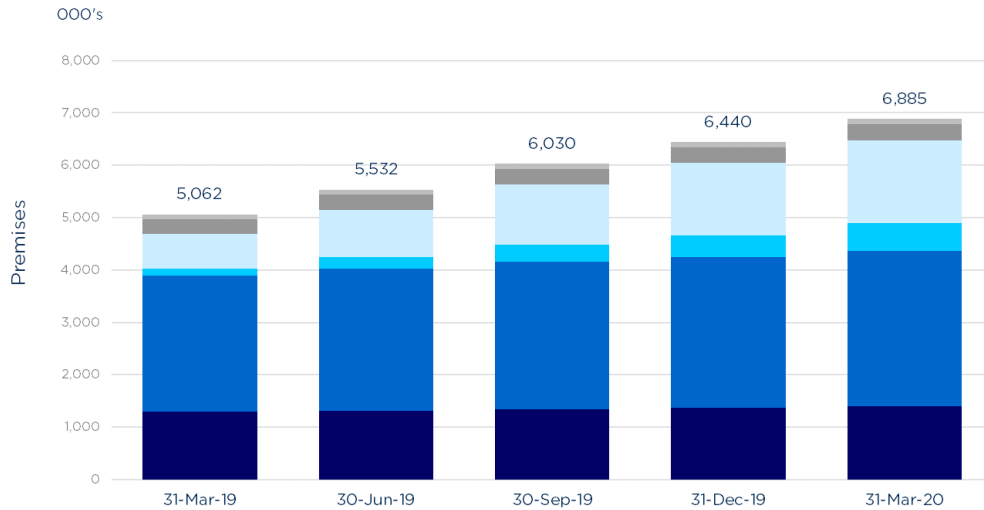
Premises ready to connect



Cumulative premises	31 Mar 19	30 Jun 19	31 Mar 20
Satellite	440,257	443,154	411,137 ¹
Fixed Wireless	643,574	659,300	589,429 ¹
HFC	1,444,826	2,033,497	2,457,827
FTTC	426,212	662,191	1,168,395
FTTN	4,105,175	4,340,799	4,603,369
FTTP	1,774,605	1,815,324	1,930,619
Total	8,834,649	9,954,265	11,160,776¹

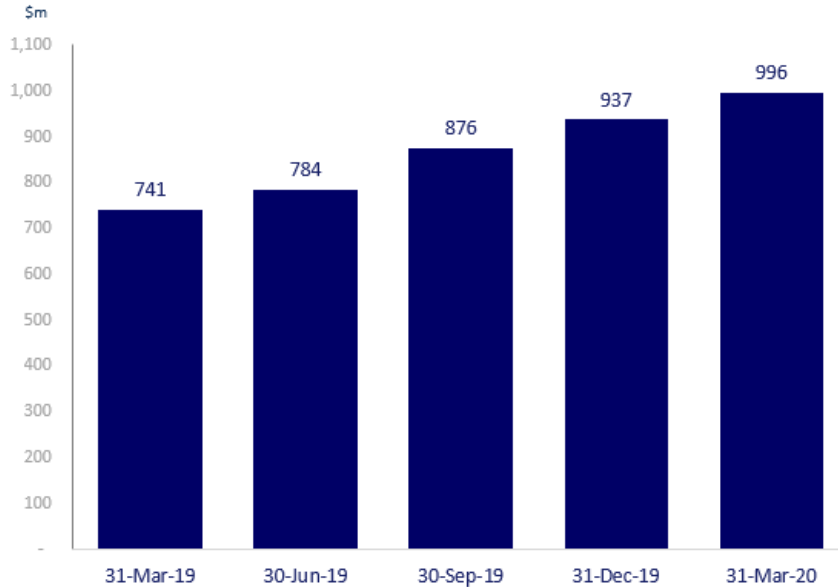
¹ During the nine months ended 31 March 2020, NBN Co declared 1,337,000 new premises ready to connect. However, following the completion of a full analysis of available premises data for Satellite and Fixed Wireless areas, the number of premises within these areas has been reduced by approximately 130,000. This reduction has been applied to the reported premises ready to connect figure as at 30 September 2019, 31 December 2019 and 31 March 2020.

Active premises



Cumulative premises	31 Mar 19	30 Jun 19	31 Mar 20
Satellite	94,911	95,480	97,499
Fixed Wireless	276,068	284,683	306,963
HFC	666,521	899,127	1,583,664
FTTC	138,384	227,419	532,129
FTTN	2,591,468	2,711,041	2,969,805
FTTP	1,294,708	1,314,338	1,395,074
Total	5,062,060	5,532,088	6,885,134

Total revenue



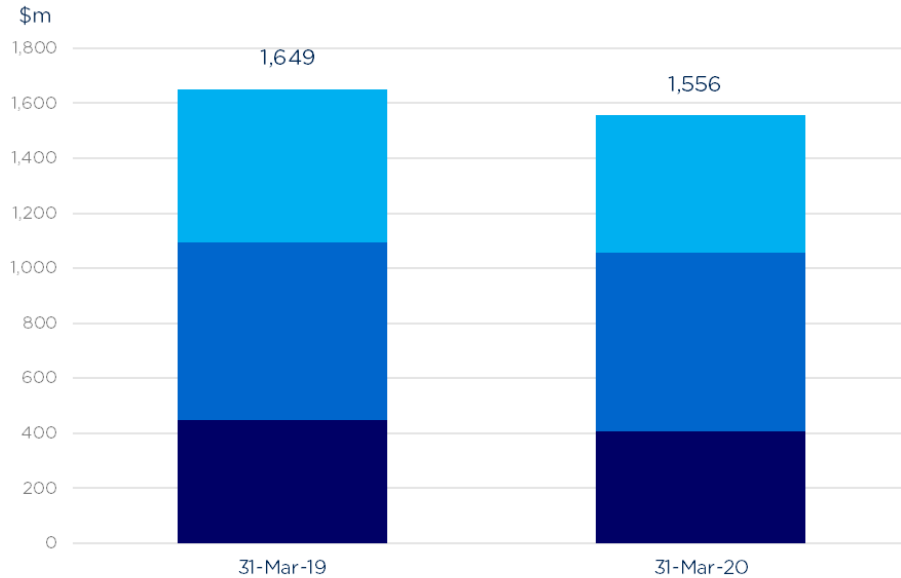
\$m	9 months to	
	31 Mar 19	31 Mar 20
Telecommunications – Residential	1,560 ¹	2,172 ¹
Telecommunications - Business	341 ¹	496 ¹
Other	140	141
Total	2,041	2,809
Residential ARPU	\$44	\$45

Total nbn™ network speed tiers (Mbps)

As at	31 Mar 19	30 Jun 19	31 Mar 20
Below 50/20	42%	36%	32%
50/20 or above	58%	64%	68%
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..

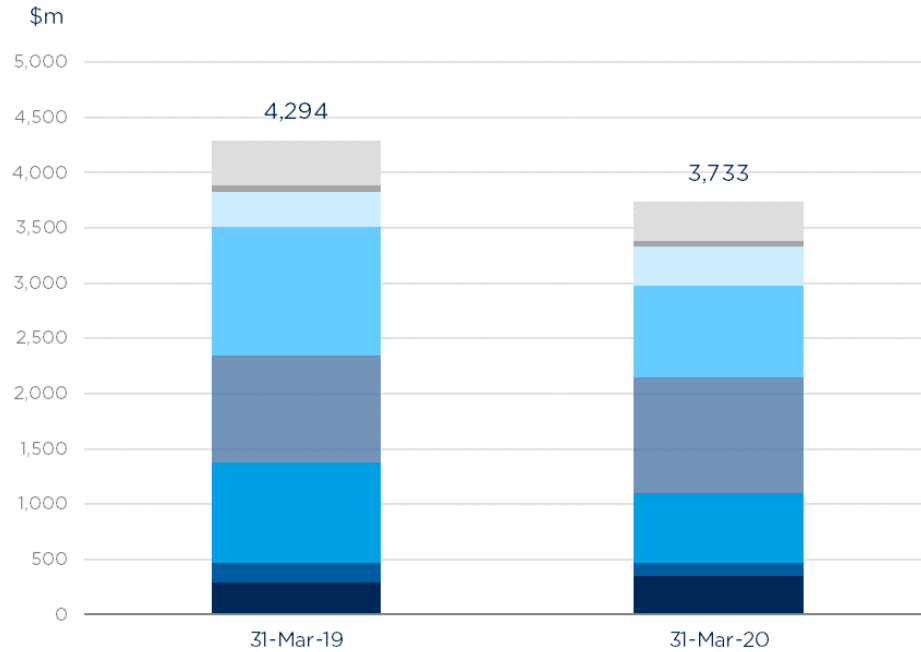
Operating expenses



Sm	9 months to	
	31 Mar 19	31 Mar 20
Direct network costs	555	501
Employee benefits expenses	646	647
Other expenses	448	408
Operating expenses	1,649	1,556¹
Subscriber costs	1,200	1,985
Total	2,849	3,541

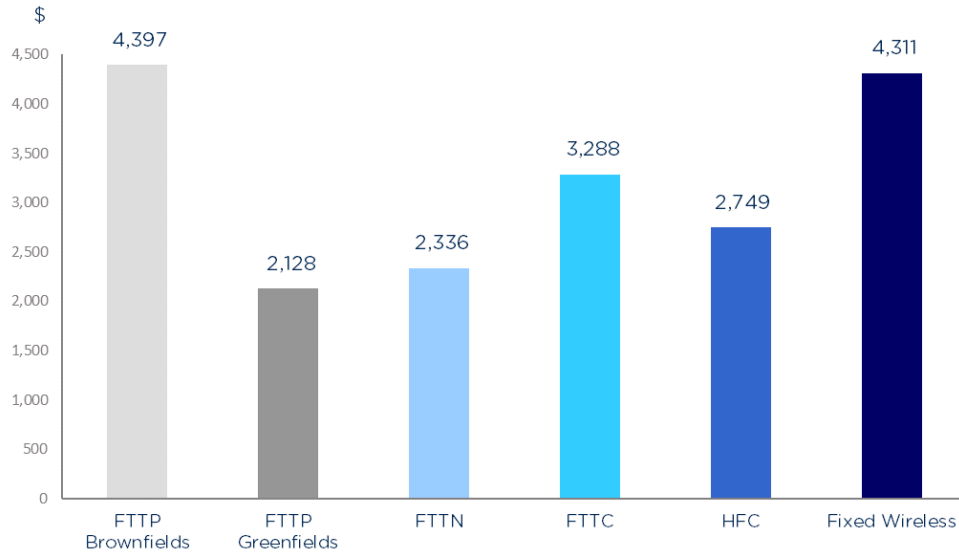
¹ Following the adoption of AASB 16 Leases from 1 July 2019, certain operating lease and right-of-use arrangements are no longer accounted for as operating expenses but instead are recognised on the balance sheet as a right-of-use asset and lease liability with associated depreciation and interest expenses recorded in the income statement. The impact of these accounting requirements has resulted in lower operating expenses of approximately \$140 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	9 months to	
	31 Mar 19	31 Mar 20
Common Capex	410	349
Satellite	56	48
Fixed Wireless	316	355
HFC	1,170	831
FTTC	964	1,053
FTTN	914	626
Transit	175	117
FTTP	289	354
Total	4,294	3,733

Cost per Premises



	\$	31 Mar 19	30 Jun 19	31 Mar 20
FTTP Brownfields		4,401	4,398	4,397
FTTP Greenfields		2,196	2,178	2,128
FTTN		2,265	2,268	2,336
FTTC		3,089	3,129	3,288
HFC		2,498	2,590	2,749
Fixed Wireless		3,811	3,838	4,311 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 9 months ended		
	31 Mar 19	31 Mar 20	Movement (%)
Total revenue	2,041	2,809	38%
Operating expenses	(1,649)	(1,556)	(6%)
EBITDA before subscriber costs	392	1,253	220%
Subscriber costs	(1,200)	(1,985)	65%
EBITDA	(808)	(732)	9%
Depreciation and amortisation expense	(1,910)	(2,298)	20%
Other income	17	17	(4%)
EBIT	(2,701)	(3,013)	(12%)

Questions

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