



## Media release

17 May 2023

# NBN Co on track to deliver FY23 financial and operating targets

### Performance summary for the nine months to 31 March 2023:

- Key performance metrics on track to meet Corporate Plan 2023 guidance
- Total revenue of \$3.95 billion for the 9 months to 31 March 2023, up 4 per cent on the prior corresponding period due to a combination of improved Residential Average Revenue Per User (ARPU) and an increase in total activations
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)<sup>1</sup> was \$2.7 billion, a 20 per cent increase on the prior corresponding nine-month period
- NBN Co continues its significant investment in the **nbn**<sup>®</sup> network to improve access to faster speeds for eligible homes and businesses
- More than 8.5 million homes and businesses are now connected to the **nbn**<sup>®</sup> network, with 76 per cent of customers on speed tiers offering wholesale download speeds of 50 Mbps<sup>7,8</sup> and above and 21 per cent of customers on plans based on speed tiers offering wholesale download speeds of 100 Mbps<sup>8,9</sup> and above.

NBN Co today announced that its financial and operational performance in the nine months to 31 March 2023 is on track to achieve its full year guidance as outlined in the Corporate Plan 2023.

The company set guidance for FY23 to generate revenue in the range of \$5.2 billion to \$5.4 billion and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)<sup>1</sup> of between \$3.4 billion and \$3.6 billion.

In addition, NBN Co continues to make strong progress on its network upgrade commitments<sup>2</sup>. The company is on track to enable around 10 million premises or 90 per cent of homes and businesses on its fixed line network to access **nbn** Home Ultrafast, offering wholesale download speeds from 500 Mbps to close to 1 Gbps by the end of 2025.<sup>3,4,5</sup>

It is also on track to deliver upgrades to the **nbn** Fixed Wireless network which aims to enable eligible homes and businesses in the expanded footprint to access wholesale download peak information rate of 100-130 Mbps<sup>6</sup>. It is the company's further intention that up to 85 per cent of the expanded Fixed Wireless footprint will be able to order services with wholesale download peak information rate of 200-325 Mbps<sup>6</sup>.

NBN Co's total revenue was \$3.95 billion and EBITDA<sup>1</sup> was \$2.7 billion for the nine months to 31 March 2023. The 20 per cent improvement in EBITDA<sup>1</sup> was driven by a growth in revenue, a continuous drive for efficiencies and simplification leading to reduced operating costs; and lower subscriber payments.

Residential Average Revenue Per User (ARPU) for the period was \$47, with the gradual increase due to greater uptake of higher speed tier services. Revenue from business customers increased to \$827 million, up approximately 10 per cent on the prior corresponding nine-month period.

NBN Co raised a further \$5.2 billion in bank and capital markets debt in the nine months to 31 March 2023. This debt raising included being the first Australian Government Business Enterprise to issue Green Bonds in Europe, raising EUR 1.35 billion (A\$2.1 billion) from its inaugural European Green Bonds issuance in debt capital markets.

The company remains focused on refinancing the Commonwealth loan by June 2024 and maintaining a strong liquidity position.

**ENDS**

#### **Note to Editors:**

1 EBITDA includes Earnings Before Interest, Tax, Other non-operating income, Depreciation and Amortisation

2 NBN Co reserves the right to amend the list of targeted suburbs and towns for the local fibre network build at its discretion.

3 Conditions, eligibility criteria and costs will apply. Eligibility criteria is expected to include, among other things, being designated by nbn as a simple premises (e.g. standalone premises or Single Dwelling Unit (SDU)) and once the program is available for an eligible premises, placing an order for an nbn<sup>®</sup> powered plan based on an eligible wholesale speed tier. Additional costs may apply to providers, who may choose to pass this charge onto their customers.

4 Regardless of the retail service you purchase, the actual wholesale maximum wholesale speeds delivered to RSPs will be less than 1 Gbps due to nbn<sup>®</sup> equipment limitations. In addition, HFC Home Ultrafast speeds will fall anywhere in the range of 500 Mbps to close to 1 Gbps and operate with a maximum sustained information rate of 750Mbps.

5 An end customer's experience, including the speeds actually achieved over the nbn<sup>®</sup> network, depends on the nbn<sup>®</sup> network technology and configuration over which services are delivered to their premises, whether they are using the internet during the busy period, and some factors outside of NBN Co's control (like their equipment quality, software, chosen broadband plan, signal reception, or how their provider designs its network).

6 NBN Co is a wholesaler and end customers should contact their preferred RSP to ask about availability. The planned wholesale download speeds for Fixed Wireless **nbn**<sup>®</sup> Home Fast and Fixed Wireless **nbn**<sup>®</sup> Superfast are Peak Information Rates with peak wholesale download speeds of 100-130 Mbps for Fixed Wireless **nbn**<sup>®</sup> Home Fast and 200-325 Mbps for Fixed Wireless **nbn**<sup>®</sup> Superfast.

7 The 50 Mbps (download) wholesale speed plan includes wholesale plans available to phone and internet providers with download speeds of 50 Mbps and 25-50 Mbps. The **nbn** wholesale speed tiers available to your phone and internet provider vary depending on the **nbn**<sup>®</sup> network technology in your area

8 See footnote 5. Speeds may be impacted by network congestion on the **nbn**<sup>®</sup> Fixed Wireless network, including during busy periods. Satellite users may experience latency.

9 NBN Co provides wholesale services to phone and internet providers. **nbn**<sup>®</sup> wholesale speed tiers available to providers vary depending on the access technology in an end users' area.

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