



Media release

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NBN Co delivers solid HY24 financial and operational results in line with guidance

Performance summary for the six months to 31 December 2023:

- NBN Co's key performance metrics are on track to meet FY24 guidance, as outlined in the Corporate Plan 2024, to generate revenue in the range of \$5.3 billion to \$5.5 billion and Earnings Before Interest, Tax, Depreciation and Amortisation¹ (EBITDA) of between \$3.7 billion and \$3.9 billion.
- Total revenue of \$2.75 billion for the six months to 31 December 2023, up 5 per cent on H1 FY23.
- EBITDA of \$1.99 billion, up 10 per cent on H1 FY23.
- Residential Average Revenue Per User (ARPU) remained steady at \$47 per month, consistent with H1 FY23.
- Business revenue was \$570 million, a 4 per cent increase compared to H1 FY23.
- Achieved ACCC acceptance of the Special Access Undertaking (SAU) Variation, which delivers a new approach to wholesale pricing and provides the industry with long-term regulatory predictability.
- Net activations on the **nbn**[®] network increased by approximately 24,000 premises in H1 FY24 (up almost 50,000 compared with H1 FY23), which takes the total number of residential and business premises connected to the **nbn**[®] network to approximately 8.58 million.
- NBN Co continues to invest in the **nbn**[®] network on behalf of customers by pushing fibre deeper into communities and extending fixed wireless and satellite coverage and capabilities. The company has now provided the ability to access the **nbn**[®] Home Ultrafast speed tier to 75 per cent of premises served by the fixed line network.
- As at 31 December 2023, almost 200,000 premises had upgraded to a full fibre service. Currently around 7,000 customers per week, on average, are placing fibre upgrade orders.

NBN Co today reported total revenue of \$2.75 billion for the six months to 31 December 2023, a 5 per cent increase on H1 FY23. Earnings Before Interest, Tax, Depreciation and Amortisation¹ (EBITDA) was \$1.99 billion, reflecting a \$178 million improvement due to the combined effects of steady telecommunications revenue growth and lower business operating costs. Both revenue and EBITDA are on track to achieve FY24 guidance, as stated in the Corporate Plan 2024.

Residential Average Revenue Per User (ARPU) for H1 FY24 remained steady at \$47 and, as a result of the overall net neutral revenue guidelines for Fiscal 2024 agreed with the ACCC as part of its acceptance of the SAU Variation, the company expects to maintain that level for the duration of the financial year. Business revenue was \$570 million, up 4 per cent compared to H1 FY23.

NBN Co closed the half-year with approximately 8.58 million premises connected to the network. The company's network investment strategy includes rolling out new fibre deeper into communities and providing availability to increased speeds while replacing and ultimately retiring copper infrastructure.

Capital expenditure was \$1.87 billion, up 32 per cent compared to H1 FY23 due to continued investments to upgrade the **nbn**[®] network, mainly due to the company's continued scale delivery of fibre upgrade programs. The company received more than \$546 million during the half-year as an equity injection from the Commonwealth Government as part of its commitment to provide additional funding of up to \$2.4 billion towards these fibre upgrades.

During H1 FY24, NBN Co raised a further \$3.4 billion in bank and capital markets debt. This included raising \$850 million from its Australian Medium Term Note (AMTN) Green Bond issuance and \$2.0 billion (USD1.25 billion) issuance in the US144A bond market. The company is on track to repay the outstanding balance of \$5.5 billion of the total \$19.5 billion Commonwealth Government loan by 30 June 2024.

NBN Co's capital strategy remains focused on refinancing the remaining \$5.5 billion Commonwealth loan by June 2024, funding network investments and maintaining a strong liquidity position.

The company also continues to support the Australian Government's School Student Broadband Initiative (SSBI), which has now surpassed 6,000 connections. In October 2023, the SSBI National Referral Centre was launched by Communications Minister Michelle Rowland allowing eligible families with school aged students who are not connected to services over the **nbn**[®] network to self-nominate for the offer, rather than relying exclusively on referrals by a participating organisation.

nbn[®] network update

NBN Co's network upgrade program continues to unlock social and economic benefits for the nation.

The company is on target with its commitment to enable over 10 million premises, or up to 90 per cent of the **nbn**[®] fixed line network, to access the **nbn**[®] Home Ultrafast wholesale speed tier^{2,3} by the end of 2025.

During H1 FY24, the company made it possible for 75 per cent of the total **nbn**[®] fixed line network to access the **nbn**[®] Home Ultrafast wholesale speed tier. To date, more than 50,000 kilometres of new fibre has been rolled out, which will ultimately extend full fibre access to 3.5 million premises served by Fibre to the Node (FTTN) and 1.5 million premises originally served by Fibre to the Curb (FTTC) technology.

In November 2023, NBN Co announced a proposal to increase the potential maximum information rate for the existing **nbn**[®] Fixed Wireless Plus wholesale plan from up to 75/10 Mbps to up to 100/20 Mbps^{4,5}. This change is planned for implementation in mid-2024 and would apply to all Fixed Wireless Plus services across the **nbn**[®] Fixed Wireless network footprint.

The company is proposing to launch two additional fixed wireless wholesale high-speed tiers. Fixed Wireless Home Fast is planned to increase from a potential peak speed of 130/20Mbps to 250/20Mbps^{4,5} and it is estimated that this product will be available to around 90 per cent of the **nbn**[®] fixed wireless network coverage area.

Fixed Wireless Superfast would increase from a potential peak speed of 325/20Mbps to 400/40Mbps^{4,5} and it is estimated that this product will be available to around 80 per cent of the **nbn**[®] fixed wireless coverage area. Subject to industry consultation, the company plans to start making these two enhanced speed tiers available from mid-2024.

In December 2023, the company also provided customers in regional and remote Australia access to uncapped internet data use⁶ with the launch of new **nbn**[®] Sky Muster[®] Plus Premium satellite plans.⁷

NBN Co Chief Executive Officer, Stephen Rue, said:

“We are pleased to announce that our key financial and operational performance metrics during the first half of FY24 are on track to meet full year guidance.

“The biggest milestone for the half-year was gaining ACCC acceptance for our Special Access Undertaking (SAU) Variation. This landmark outcome follows two years of detailed consultation, which delivers a new approach to wholesale pricing, supports faster internet speeds, greater data demand and improved cost certainty for retailers and customers. Importantly, the SAU provides long-term regulatory predictability.

“The new Wholesale Broadband Agreement (WBA5) came into effect on 1 December 2023, with significant reductions in the wholesale prices of entry level and higher speed tiers. We are pleased to see Retail Service Providers already promoting the benefits that customers can derive from **nbn**’s new wholesale plans.

“We continue to deliver our network upgrade programs on time, on budget and for the community’s benefit.

“We closed the half-year with more than 8.4 million premises, or 75 per cent of the fixed line network, eligible to access the **nbn**® Home Ultrafast speed tier, a remarkable outcome which means these customers can now gain access to peak wholesale download speeds of 500 Mbps to close to 1 Gbps.^{2,3}

“Almost 200,000 Australian premises have chosen to upgrade to a **nbn** full fibre service, which has been made possible by our network investment strategy. This demonstrates customers’ strong appetite for high-speed internet amid the consumption of increasing volumes of data, and the **nbn**® network remains best placed to deliver such speed and capacity at scale.”

ENDS

Notes to editors

1. EBITDA includes Earnings Before Interest, Tax, Other non-operating income, Depreciation, Amortisation and Gains/Losses on derivatives measured at fair value.
2. An end customer’s experience, including the speeds actually achieved over the **nbn** network, depends on the **nbn** 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 NBN Co’s control (like their equipment quality, software, chosen broadband plans, signal reception or how their provider designs its network).
3. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered by **nbn**® highest wholesale speed tiers of 500 to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750 Mbps. References to speeds are not end customer speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. NBN Co provides wholesale services to phone and internet providers. **nbn**® wholesale speed tiers available to providers vary depending on the access technology in an end users’ area.
4. Proposed speed tiers are subject to industry consultation. These are **nbn**® wholesale speed tiers, which **nbn** provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require **nbn** to complete upgrades to the equipment at the premises.
5. See footnote 2; and speeds may be impacted by the number of concurrent users on **nbn**® Fixed Wireless network, including during busy periods.
6. Fair Use Policy and shaping apply. To proactively protect and ensure the fair access to the **nbn**® network for all users, **nbn** may from time to time, at its discretion, shape the following activities to maximum wholesale upload and download speeds of 256kbps: uploads and downloads via peer to peer; uploads and downloads to cloud storage platforms; PC and smartphone operating system updates; software/application updates; gaming software updates; any other traffic related to applications which **nbn** cannot identify. Other activity that **nbn** considers may cause adverse network impacts may also be added to the above list to be shaped, including streaming video and VPN.
7. See footnote 2; and Satellite users may experience latency.

Media enquiries

Greg Spears

Email: gregspears@nbnco.com.au

Mobile: 0406 315 014

Martin Wallace

Email: martinwallace@nbnco.com.au

Mobile: 0447 128 013



For further information, visit www.nbnco.com.au