

# nbn 2018-2021 Corporate Plan

31 August 2017



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# Agenda



Company purpose and highlights



Market overview



Plan adjustments and FY21 view



Questions?

# nbn purpose



Connect Australia



Bridge the digital divide



# 2020 business goals



Build completed within \$49 billion peak funding (range reduced to \$47-51bn)



8 million premises connected



\$4.9 billion revenue



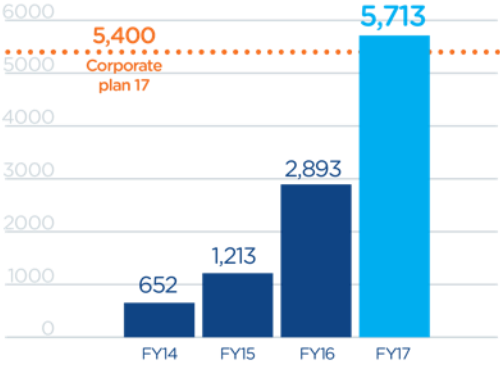
Positive customer experience



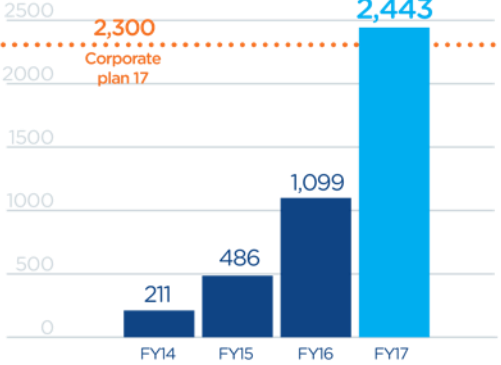
Best Employer Indices: top quartile ANZ companies

# Incredible scale achieved to reach halfway built

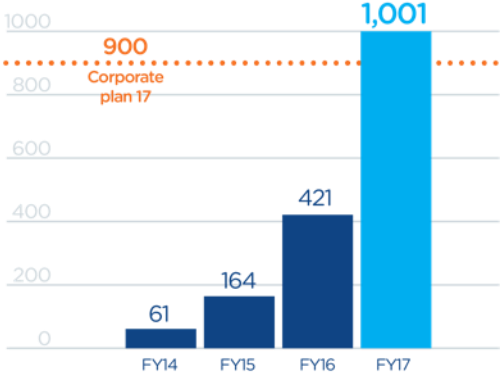
Cumulative premises ready for service ('000)



Cumulative premises activated ('000)



Total revenue (\$m)



# Industry and market dynamics in play



**20-30% CAGR**  
consumer data usage:  
300GB p/m expected 2020



Influx of **video applications**



**46 RSPs and 100+**  
retailers in a rapid  
inventory release market



Consumer  
experience  
**confusion**



Industry process and  
systems  
**integration**

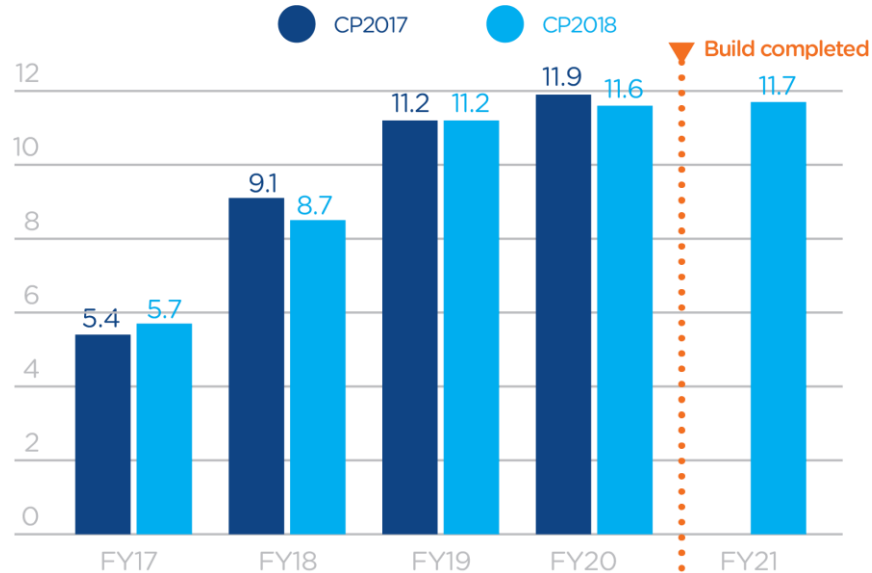


Heavily heated retail  
market evoking a  
**price war**

# We will complete the build by 2020

## Cumulative ready for service plan

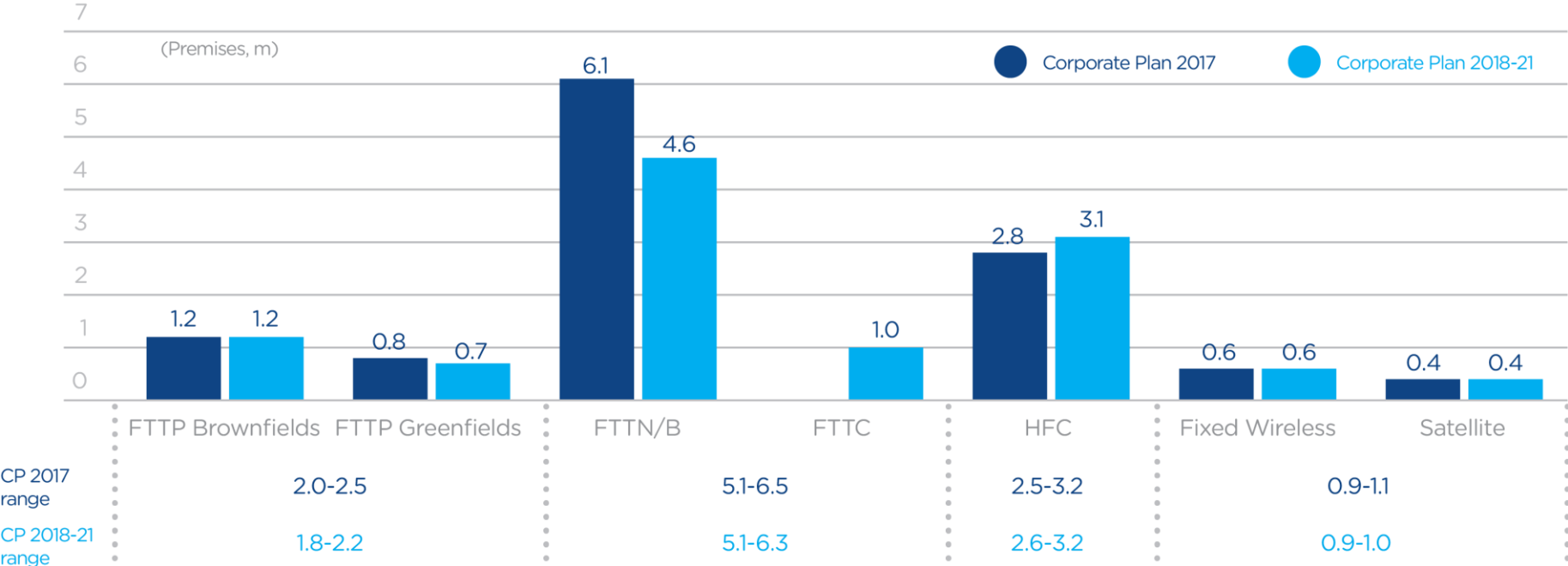
Number of premises made ready for service (millions)



- Rollout finished by 2020.
- FY21 footprint reflects new builds.
- 200,000 premises removed from FY18 target footprint due to fewer premises in existence; 100,000 premises removed over FY19/FY20.
- 200,000 premises adjusted FY18 to FY19 for the introduction of FTTC.
- 200,000 premises brought forward from FY20 into FY19.

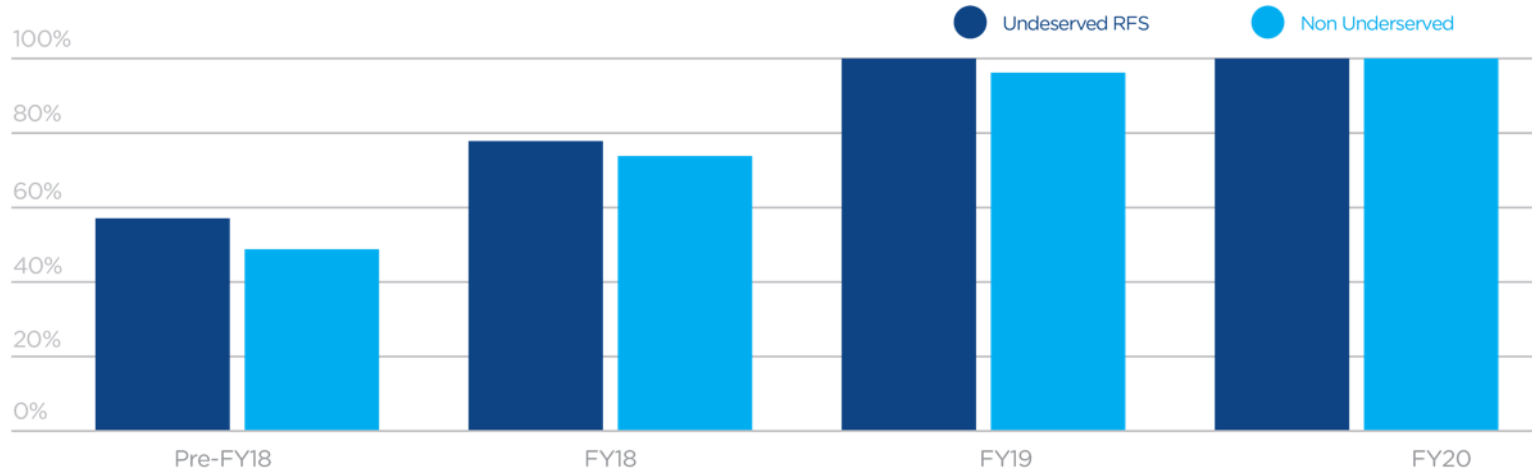
# Continue to leverage MTM for positive outcomes

Planned footprint by technology at FY20 (Base Case)



# With a priority to complete underserved areas

Progression of the rollout of underserved vs. non-underserved areas

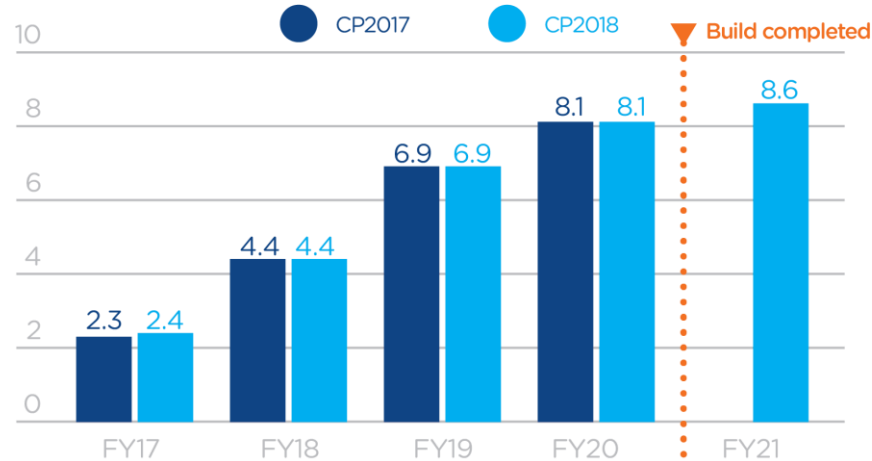




# We will have 8 million premises activated by 2020

## Cumulative activations plan

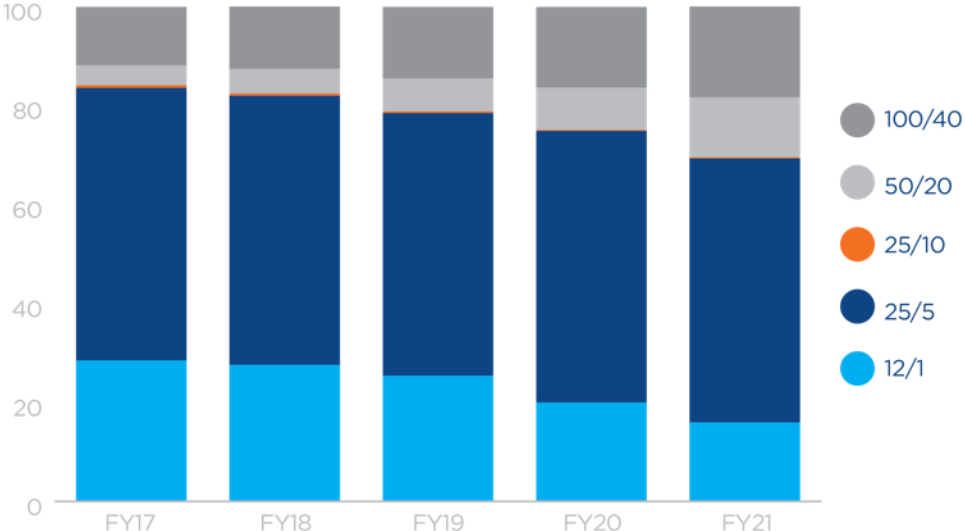
Number of premises activated (millions)



- On track for 8.1 million premises connected by 2020.
- Regardless of fewer premises being made ready for service, activations targets remain unchanged.
- Continued activations post build in FY21 to 8.6 million premises connected.

# Speed tier and data usage growth remains positive

Wholesale speed tier mix



Average monthly data usage forecast growth

**20-30% CAGR**  
to 2025

# Pricing: as usage climbs, cost per unit declines

**CVC model is working as intended to promote a great network experience**

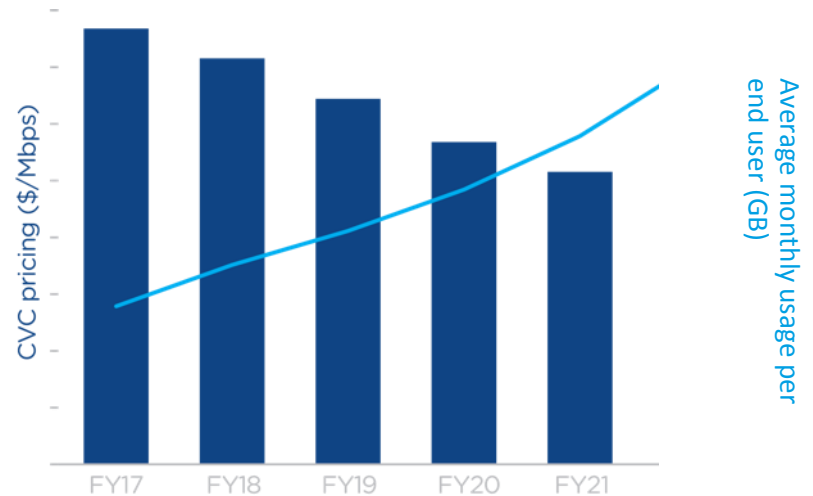
**DBD changed to retailer-based average 1 June 2017: lower price per unit for retailers.**

**Most retailers now purchasing more CVC at a lower cost.**

**Continue to monitor and consult on pricing model.**

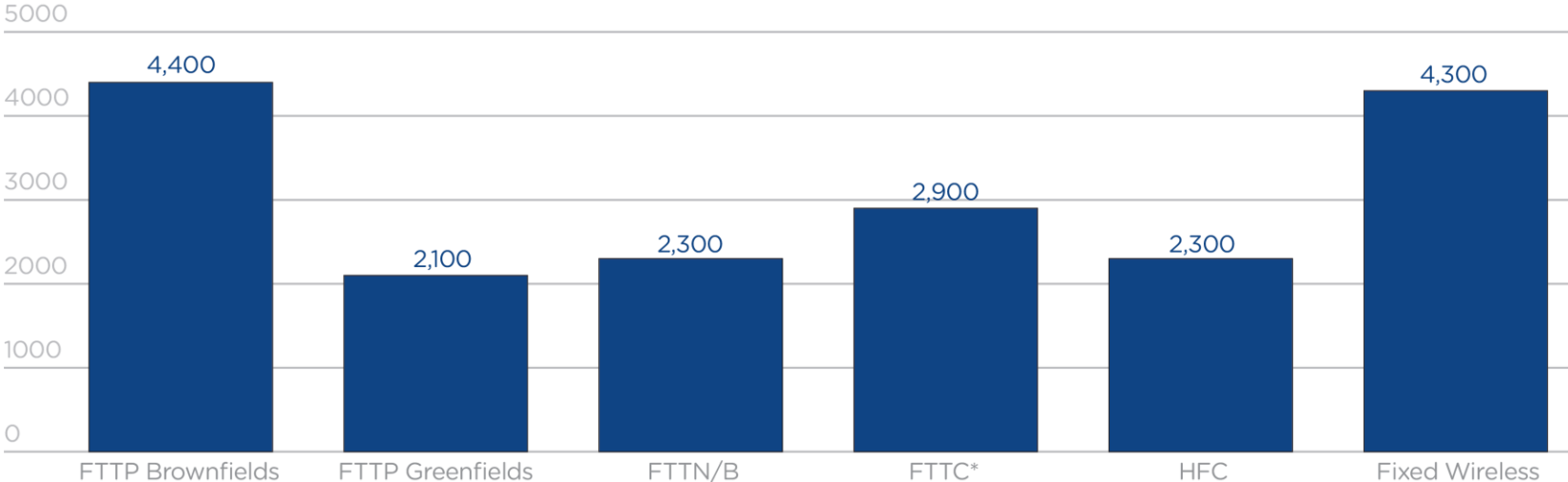
**Price per unit of CVC has come down 30 per cent in 2.5 years.**

**Forecast CVC pricing/usage**



# Cost per Premises now includes FTTC

Weighted average CPP by technology when the initial build is complete  
(rounded to the nearest \$100)



\* Estimate

# nbn 2021 forecast view



Total revenue  
**\$5.4bn**



Premises activated  
**8.6m**



ARPU  
**\$52**



Premises ready  
for service  
**11.7m**



Cash flow  
**\$0.1 bn**



Peak debt  
**\$19.5 bn**

# Questions?



This presentation contains some information extracted from the audited Consolidated Financial Report of nbn co limited (nbn) for the year ended 30 June 2017. The audited Consolidated Financial Report is expected to be made available in August 2017. The Consolidated Financial Report consists of the Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and the Notes to the financial statements for the nbn Consolidated Group, comprising nbn co limited, nbn tasmania ltd and nbn co spectrum Pty Ltd. While every effort is made to provide accurate and complete information in this presentation, no representation or warranty is made as to the accuracy or completeness or reliability of that information.

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