

NBN Co
Corporate Plan
2020-2023



Agenda

Overview

Economic and social benefits

Customer experience initiatives

Progress and performance

Deployment and activation forecasts

Questions

This presentation must be read in conjunction with the full Corporate Plan 2020-2023 document.

Overview

NBN Co's purpose

- To lift the digital capability of Australia

What are NBN Co's goals?

- Complete the build by 30 June 2020*
- Enhance the network capability over time to meet the growing and diverse needs of Australian homes and businesses

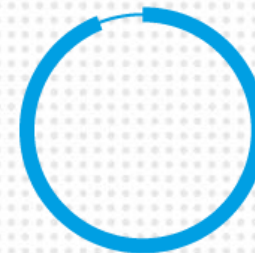
*NBN Co's build completion commitment is that all standard installation premises in Australia are able to connect to the nbn™ access network as at the build completion date. This excludes premises in future new developments which will be an ongoing activity for the Company beyond the build completion date. It also excludes a small proportion of premises defined as 'complex connections' – which includes properties that are difficult to access, culturally significant areas and heritage sites – where connection depends on factors outside of NBN Co's control such as permission from traditional owners, and where network construction to allow such premises to connect will be an ongoing activity of NBN Co beyond the build completion date.



NBN Co has a commitment to deliver at least

25Mbps

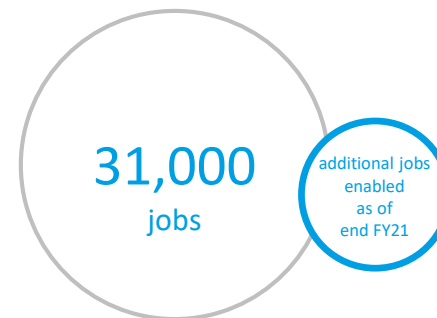
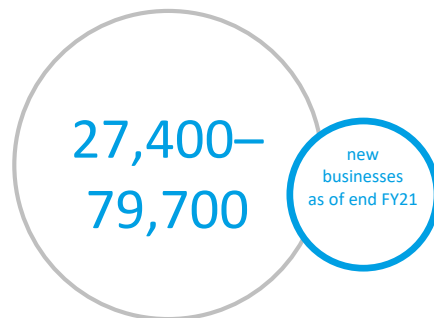
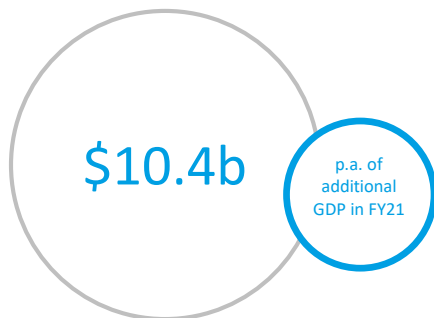
Peak wholesale download data rates to all premises



50Mbps

Peak wholesale download data rates to 90 per cent of the fixed-line network

Forecast economic and social benefits



20x

The number of self-employed women in nbn™ access network-connected regions growing on average 2.3 per cent a year, more than 20 times the pace of growth in the number of self-employed women in areas not yet connected to the nbn™ access network.

Please see the Connecting Australia blog on nbn™ website for further details on how research was calculated.

The Connecting Australia Report was commissioned by NBN Co.

2x

Self-employed women working from home grew on average at twice the pace in nbn™-connected regions, compared to all other self-employed women in non-nbn™ network regions.

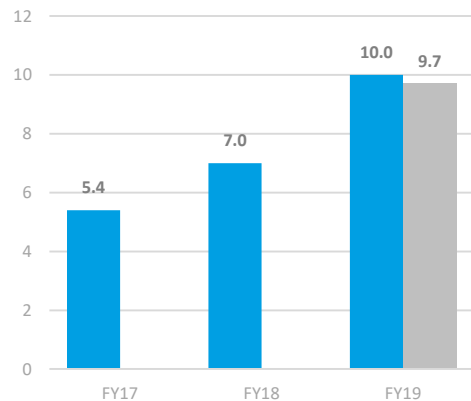
5x

Self-employed women working part-time grew on average five times the pace in regions connected to the nbn™ access network compared to non-nbn™ regions.

Maintaining progress and performance

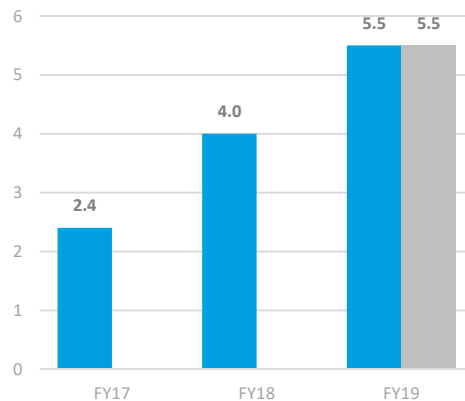
Ready to Connect

Cumulative
RTC Premises
(million)



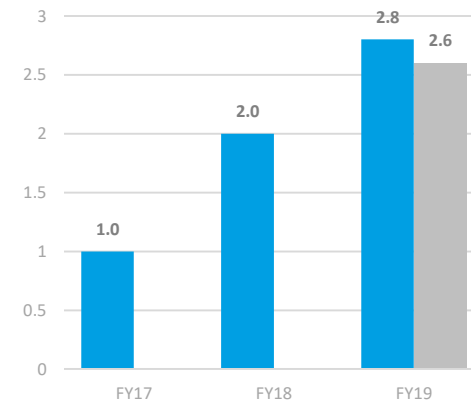
Activations

Cumulative
Activations
Premises (million)



Revenue

Annual Revenue
(\$ billion)



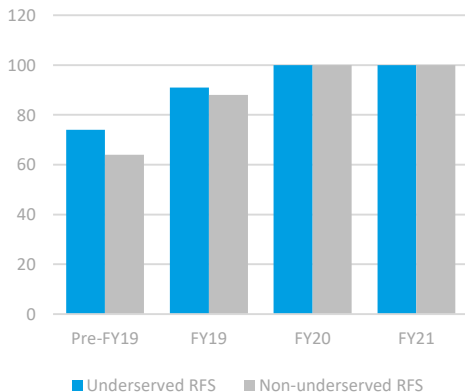
■ FY19 (actual) ■ Corporate Plan 2019-22

Progress on regional and remote areas

1.5 million premises

previously identified as underserved, now have access to broadband

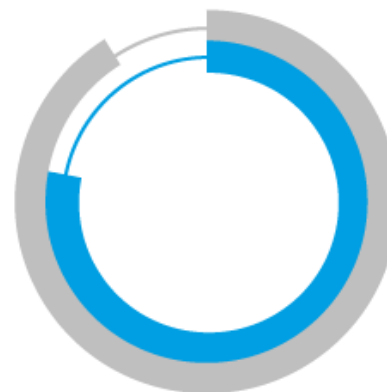
The graph shows that NBN Co is rolling out its network faster in underserved areas relative to the rest of the market



Progression of the rollout in underserved vs. non-underserved areas (per cent)

91 per cent

of premises in non-metropolitan areas¹, or 4.9 million premises, have access to the nbn™ access network. Of these premises, 78 per cent are covered by fixed-line technologies



- 91% of premises in non-metropolitan areas with access to the nbn™ access network
- 78% of premises in non-metropolitan areas with access to the fixed-line nbn™ access network

¹ Defined by ABS Urban Centre Locality (UCL) Capital Cities of Australia.

A customer-led service organisation



Ensure all Australians have access to high-speed, resilient and secure broadband



Deliver a customer experience that drives satisfaction, use and network preference



Develop a product and pricing portfolio that addresses our customers' diverse needs



Keep nbn a great place to work, underpinned by a customer-led culture



Strengthen relationships with government, industry and community to optimise customer benefit



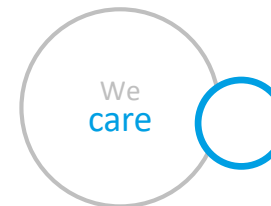
Build capabilities for the future and grow profitability to enable re-investment to benefit our customers

... Customer experience

... Homes and businesses connected

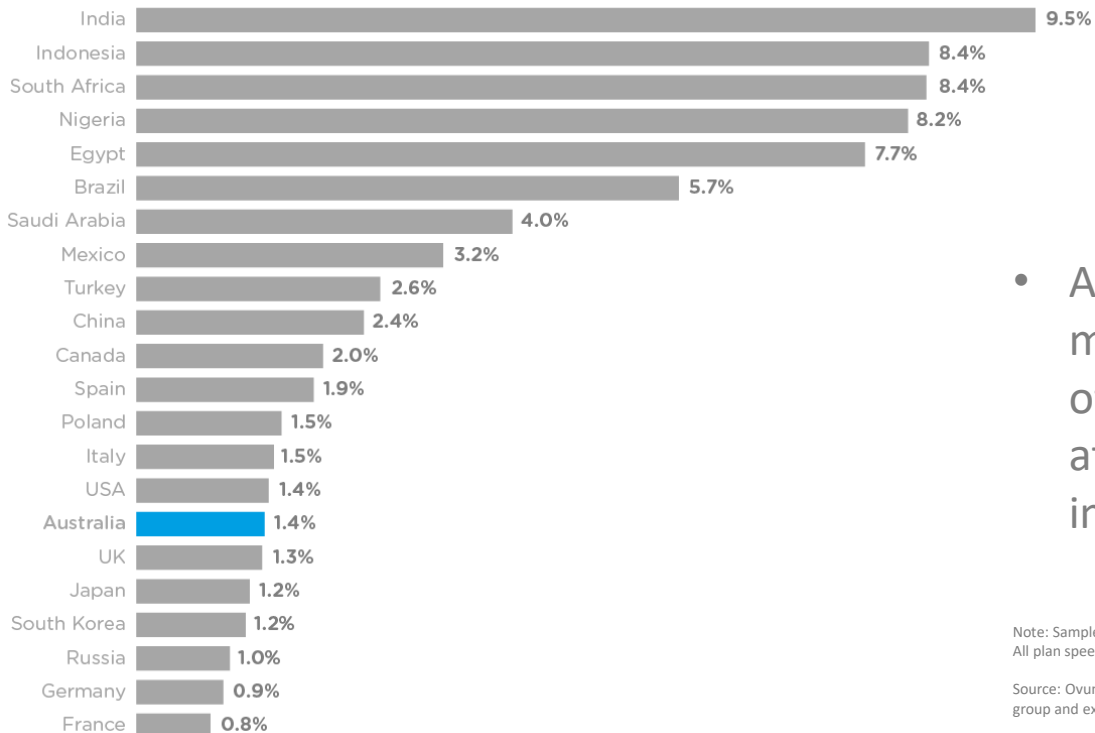
... Employee engagement

... Profitability



Broadband affordability across countries

Median adjusted broadband plan as a % of income per capita



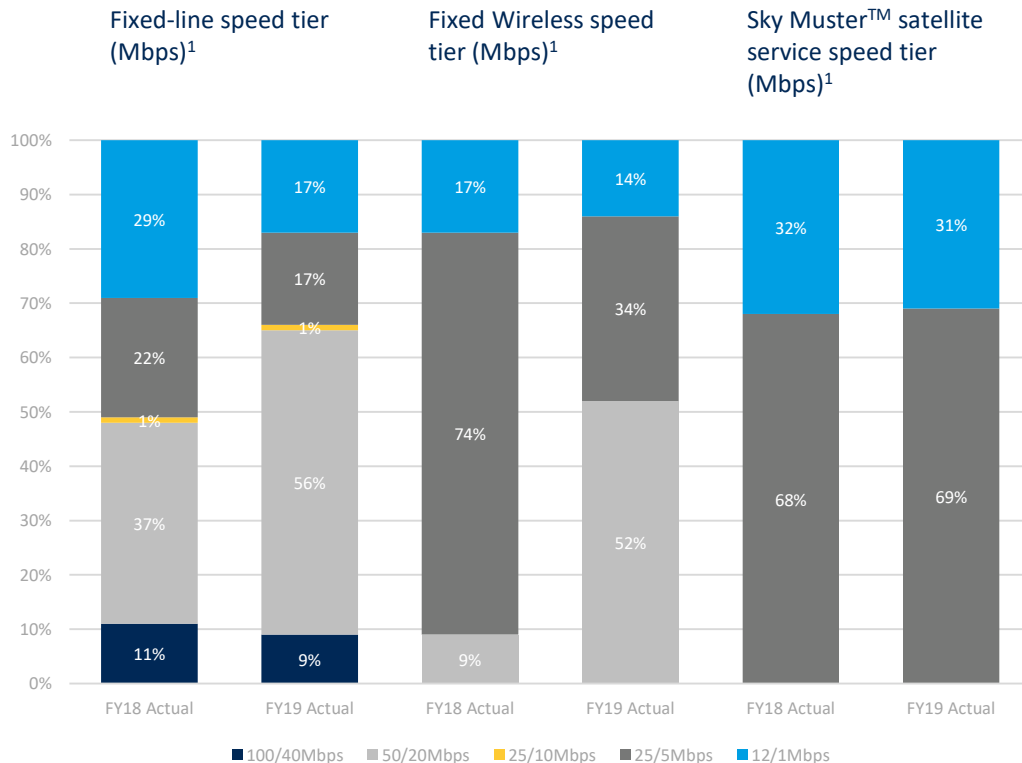
- Australia has the 7th most affordable broadband, out of the 22 countries considered, at just 1.4% of per capita income

Note: Sample of 3,853 broadband plans. Each plan is adjusted to remove the value of additional features. All plan speeds and types included.

Source: Ovum, World Bank ABS 6401.0, Consumer Price Index – September 2018, Table 7 (Group, Sub-group and expenditure class weighted average of eight capital cities), AlpaBeta.

Alpha Beta research was commissioned by NBN Co

Speed tier mix

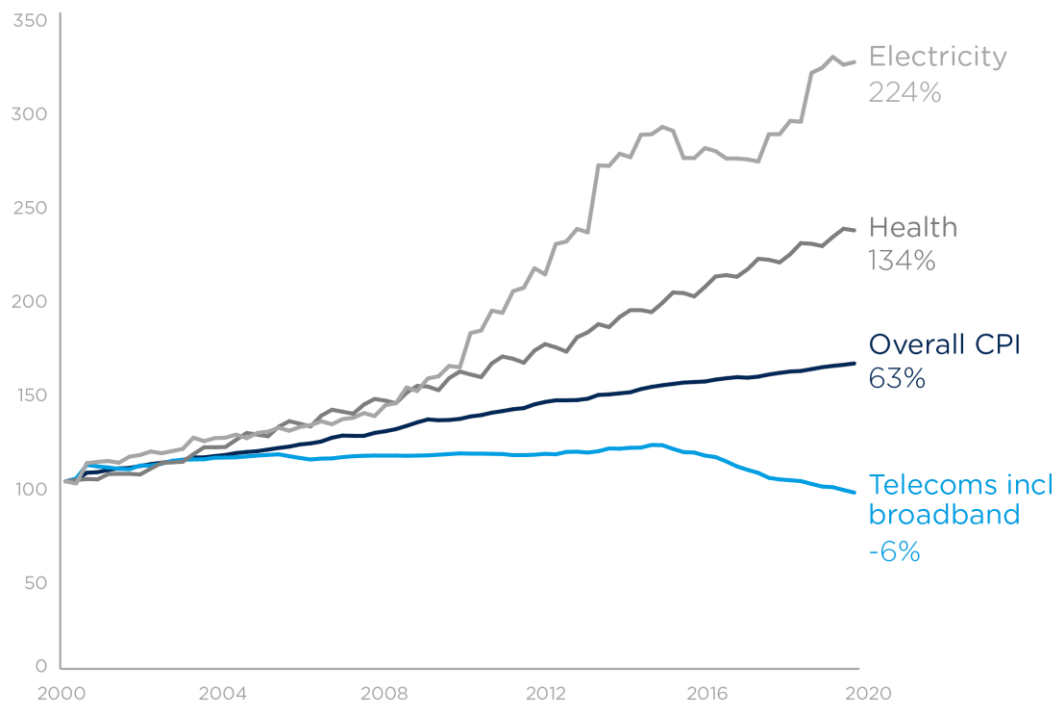


- Customers on 50Mbps or faster peak wholesale download speed tiers now at 65 per cent of all services

¹ This includes wholesale plans available to RSPs, with download speeds of 50Mbps and 25-50Mbps. See page 28 of the Corporate Plan 2020-2023 for more important information.

Prices for selected Australian services

Consumer Price Index 2000-2018



- Telecommunications prices are growing much slower than other prices

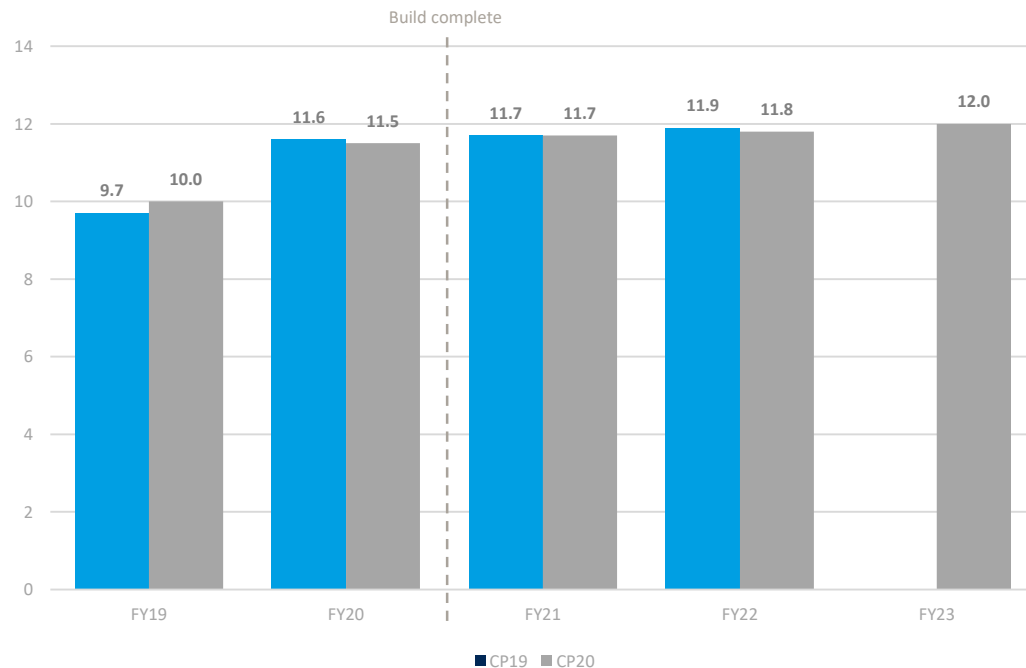
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Ready to Connect forecasts

Corporate Plan 2019 vs 2020

Cumulative RTC Premises (million)



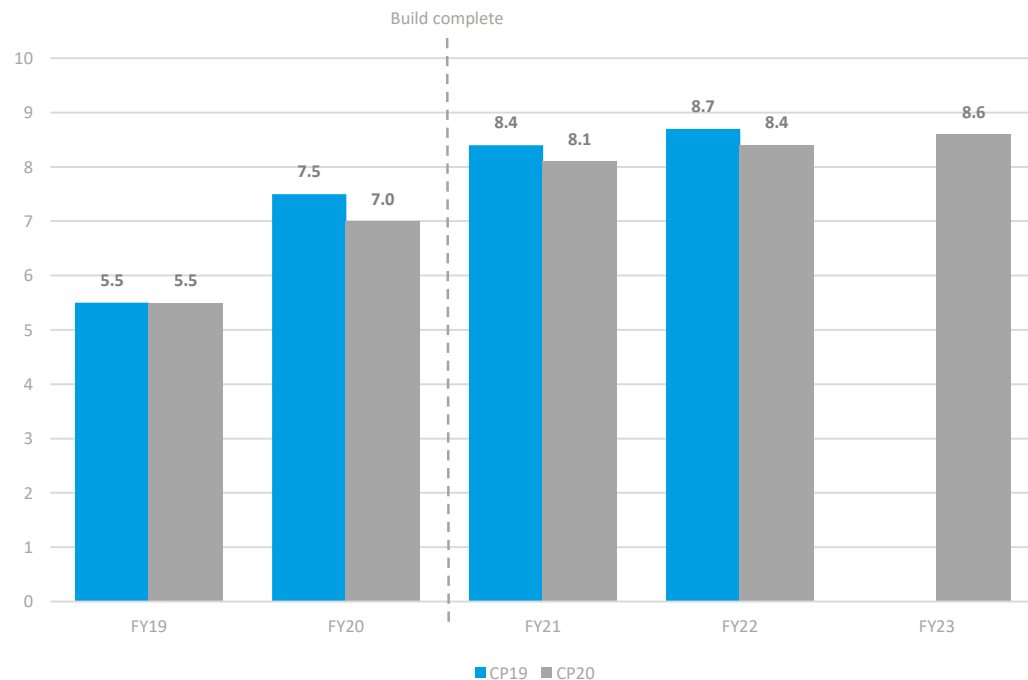
- Goal: Build complete by end of June 2020*
- 1.5 million premises to be made Ready to Connect in FY20
- More than 85 per cent of Australian premises can now order a service over the nbn™ access network

* See page 4 of the Corporate Plan 2020-2023 for important information

Activation forecasts

Corporate Plan 2019 vs 2020

Activations (million)

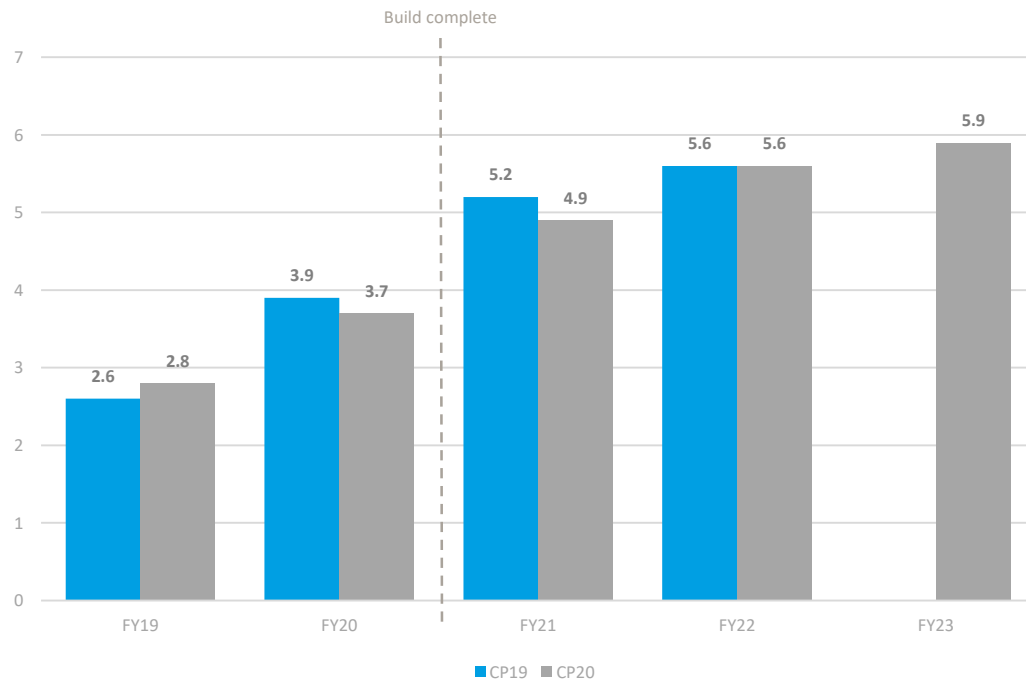


- Activation profile re-phased in line with enhanced HFC serviceability, FTTC builds and migration timings
- On track to achieve a take-up rate of between 73-75 per cent of the fixed-line footprint

Revenue forecasts

Corporate Plan 2019 vs 2020

Revenue (billions)



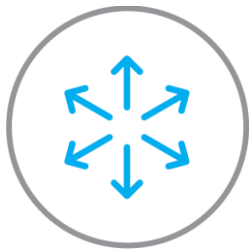
- Revenue is expected to increase from \$2.8 billion in FY19 to \$5.9 billion in FY23
- Revenue from business segment is anticipated to grow from \$388 million in FY19 to more than \$1 billion in FY22

Financial forecasts

\$ billions	FY19(A)	FY20	FY21	FY22	FY23
Revenue	2.8	3.7	4.9	5.6	5.9
Operating Expenses	(2.6)	(2.9)	(2.9)	(2.8)	(2.7)
EBITDA before Subscriber Payments	0.2	0.8	2.1	2.8	3.2
Subscriber payments	(1.9)	(2.3)	(1.3)	(0.4)	0.0
EBITDA	(1.7)	(1.4)	0.8	2.4	3.2
Capital Expenditure	(5.9)	(4.3)	(1.7)	(1.4)	(1.4)
Interest and Working Capital	0.1	(0.5)	(1.2)	(1.2)	(1.1)
Cash flow	(7.5)	(6.1)	(2.1)	(0.2)	0.7

- Peak funding remains at \$51bn

Goals by 2020



Build
complete



Customer-led
focus



Continued
revenue growth



Delivering benefits to
the nation

Questions

Legal Notice

NBN Co

NBN Co is wholly owned by the Commonwealth of Australia as a Government Business Enterprise (GBE), incorporated under the Corporations Act 2001 and operating in accordance with the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

Since establishment, the Government has presented NBN Co's mandate through a Statement of Expectations (SoE) which is supplemented from time to time by policy directives and correspondence. NBN Co's current objectives are set out in the 24 August 2016 SoE.

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Presentation

This presentation is for the Corporate Plan 2020-2023 released 31 August 2018. This presentation must be read in conjunction with the full Corporate Plan 2020-2023 document.

Any request or inquiry to so use the presentation should be addressed to:

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