



Media release

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NBN Co's first quarter shows strong momentum on network build, revenue growth, activations

10.2 million premises ready to connect, delivers high-speed broadband to 6 million premises

Performance summary for the first quarter of FY2020 ended 30 September 2019:

- Performance metrics in line with Corporate Plan 2020-23
- Total revenue of \$876 million, up 41 per cent on Q1 FY2019
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$356 million, after excluding subscriber payments, compared to \$74 million in Q1 FY2019
- Residential Average Revenue Per User (ARPU) of \$45, up from \$43 in Q1 FY2019
- Business revenue of \$149 million, up from \$102 million in Q1 FY2019¹
- 10.2 million premises Ready to Connect², up 38 per cent since the end of Q1 FY2019
- 6.0 million connected premises, up 38 per cent since the end of Q1 FY2019

NBN Co, the company building and operating Australia's broadband access network, has earned \$876 million in total revenue for the first quarter of fiscal year 2020, up 41 per cent on the corresponding period in FY2019.

The Company continued its strong momentum on the national broadband network rollout, declaring 335,000 additional premises ready to connect in the first quarter of FY2020. This progress has resulted in a total of 10.2 million premises ready to connect to the **nbn**[™] access network at the end of the quarter².

NBN Co has maintained an average connection rate of around 40,000 new residential and business premises per week, activating an additional 500,000 premises in the three months to 30 September 2019. It closed the quarter with 6.03 million premises connected to the **nbn**[™] access network.

Residential Average Revenue Per User (ARPU) was \$45, up from \$43 in Q1 FY2019, driven by the majority of new and existing customers either choosing or upgrading to wholesale speed tiers of 50 Mbps and above. At 30 September 2019, 66 per cent of residential and business customers were using retail broadband plans based on wholesale speed tiers of 50 Mbps³ and above.

The Company has also continued to build strong momentum in the business market, generating revenue of \$149 million in the first quarter of FY2020, up from \$102 million in the first quarter of FY2019.

Commentary of Company performance:

NBN Co CEO Stephen Rue said: “We remain on track to complete the volume rollout of the network by 30 June 2020⁴. When we reach this important milestone next year, ubiquitous, high-speed broadband will be available across this vast nation.

“During this quarter, around 40,000 Australian homes and businesses started experiencing the benefits of high-speed, secure and resilient **nbn** services every single week, and while we know we have much more to do in collaboration with the industry to improve customer experience, it’s pleasing to see that our overall customer satisfaction scores are improving.

“We’ll continue in our steadfast commitment to make high-speed broadband accessible to all Australians. As a result of the considerable investment we’re making in the network and the significant wholesale discounts and additional data inclusions we plan to introduce in the coming months, in conjunction with our retail partners, we will continue to enhance our high-speed broadband offering to customers.

“Working closely with our retail and delivery partners we will help to offer the best possible experience to our valued customers, lift the digital capability of Australia, and deliver enhanced social and economic outcomes for Australians.”

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Notes to editor:

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.

² During the three months ended 30 September 2019, NBN Co declared 335,000 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.

³ In this metric, '50Mbps (download) wholesale speed plan' includes wholesale plans available to phone and internet providers with download speeds of 50Mbps and 25-50Mbps. The **nbn**[™] wholesale speed tiers available to your phone and internet provider vary depending on the **nbn**[™] access network technology in your area. Your experience, including the speeds actually achieved over the **nbn**[™] network, depends on the **nbn**[™] access network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by network congestion on **nbn**'s Fixed Wireless network, including during busy periods. Satellite users may experience latency.

⁴ 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 NBN Co 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.