



NBN Co

2020 Full Year Results

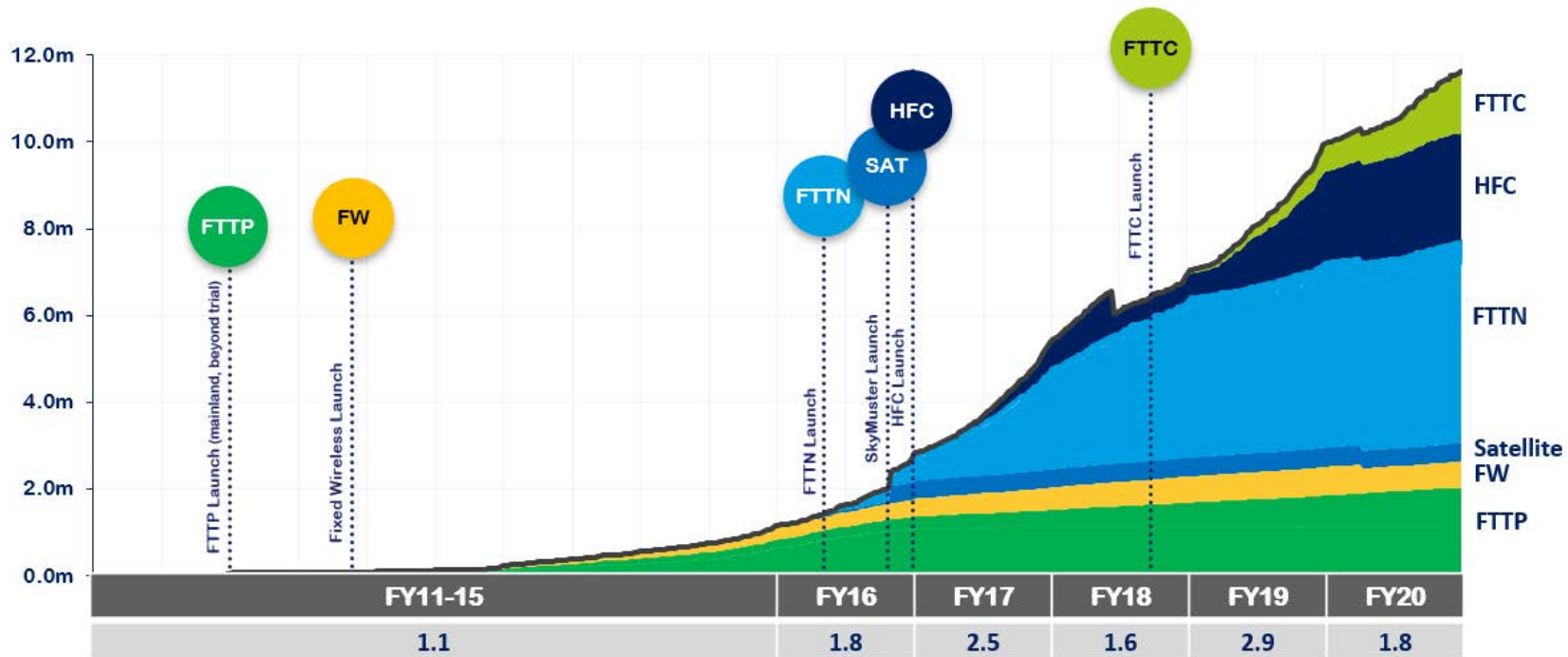
11 August 2020



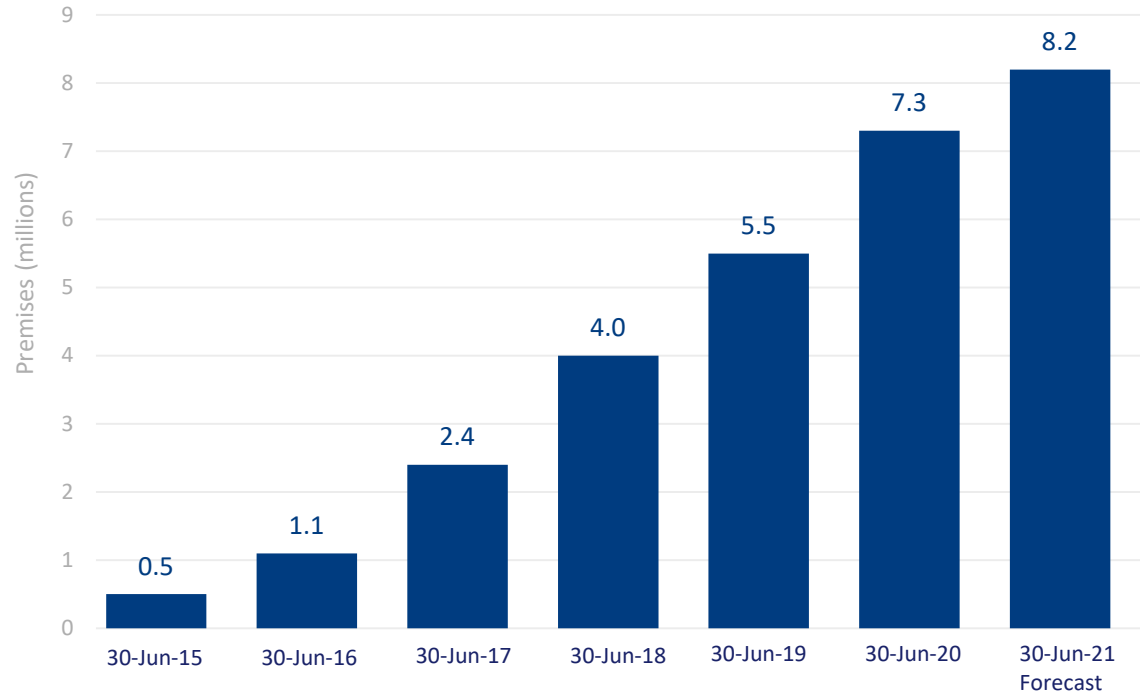
Stephen Rue

Chief Executive Officer

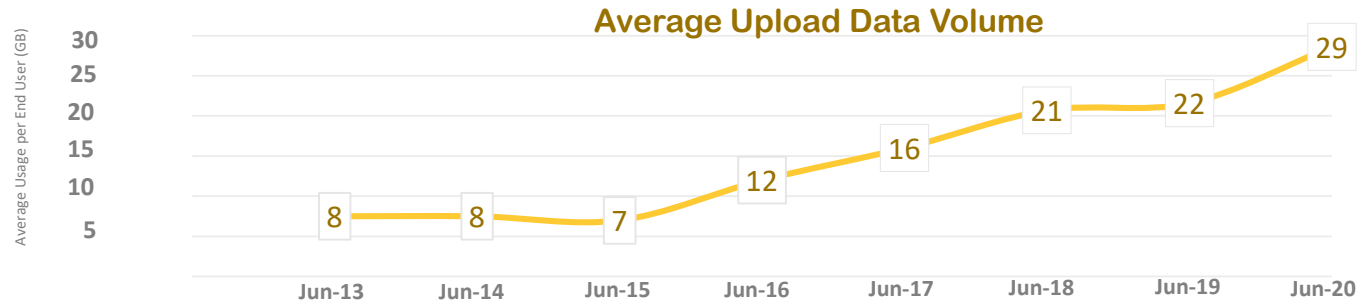
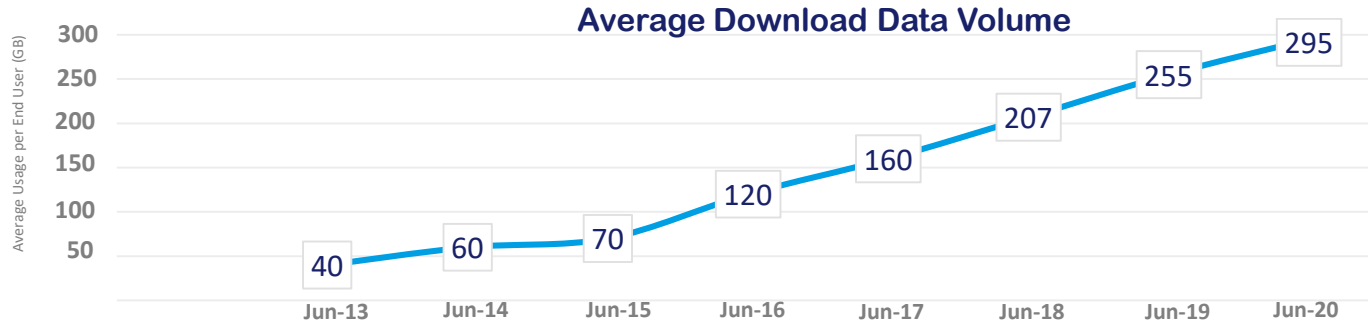
Delivering the initial network build



Activation of premises



Average monthly data use per customer





Philip Knox

Chief Financial Officer

Headline Results FY20

Active premises

7.3m

30 June 2019 : 5.5m

↑ 31%

Residential ARPU

\$45

FY19 : \$44

↑ \$1

Total revenue

\$3.8bn

FY19 : \$2.8bn

↑ 36%

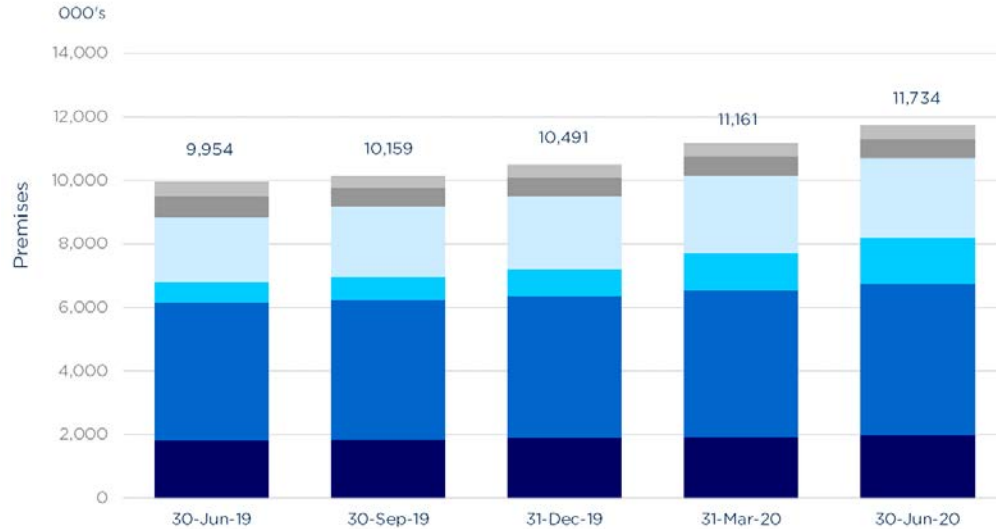
Premises ready to connect

11.7m

30 June 2019 : 10.0m

↑ 18%

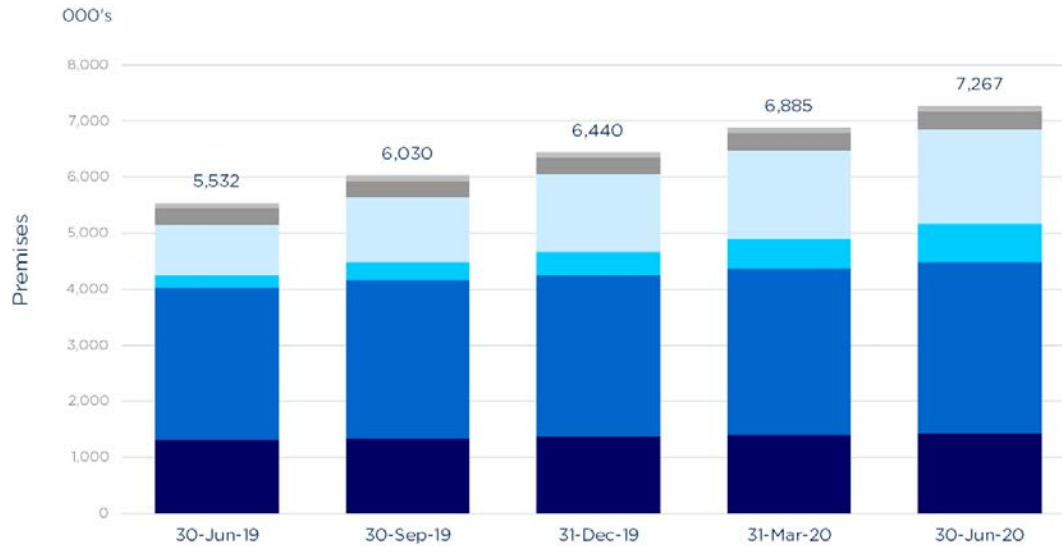
Premises ready to connect



Cumulative premises	30 Jun 19	30 Jun 20
Satellite	443,154	431,680 ¹
Fixed Wireless	659,300	610,415 ¹
HFC	2,033,497	2,500,281
FTTC	662,191	1,462,451
FTTN	4,340,799	4,758,706
FTTP	1,815,324	1,970,043
Total	9,954,265	11,733,576¹

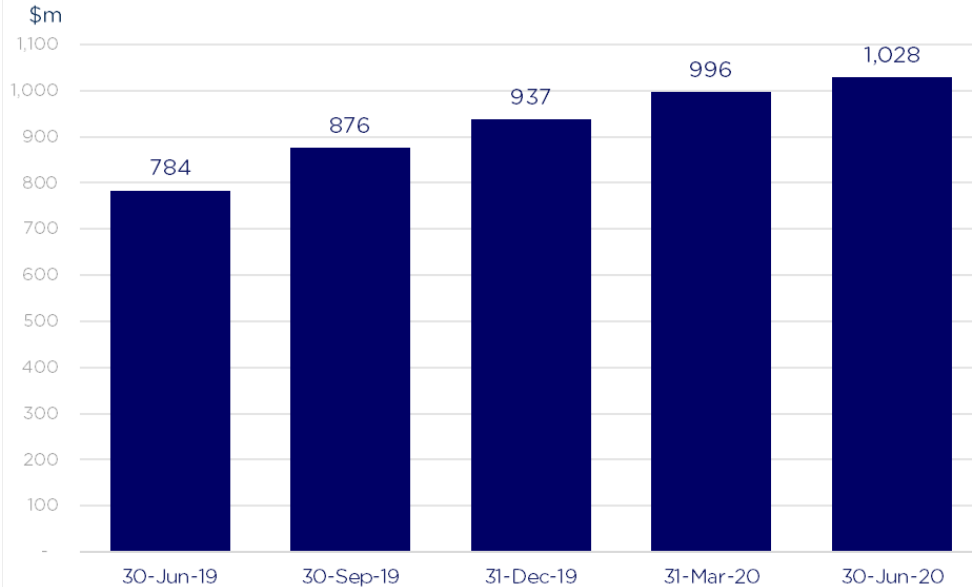
¹ During the twelve months ended 30 June 2020, NBN Co declared 1,910,000 new premises ready to connect. However, following the completion of a full analysis of available premises data for Satellite and Fixed Wireless areas, the number of premises within these areas has been reduced by approximately 130,000. This reduction has been applied to the reported premises ready to connect figure as at 30 September 2019, 31 December 2019, 31 March 2020 and 30 June 2020.

Active premises



Cumulative premises	30 Jun 19	30 Jun 20
Satellite	95,480	101,258
Fixed Wireless	284,683	319,105
HFC	899,127	1,687,486
FTTC	227,419	674,781
FTTN	2,711,041	3,054,831
FTTP	1,314,338	1,429,933
Total	5,532,088	7,267,394

Total revenue



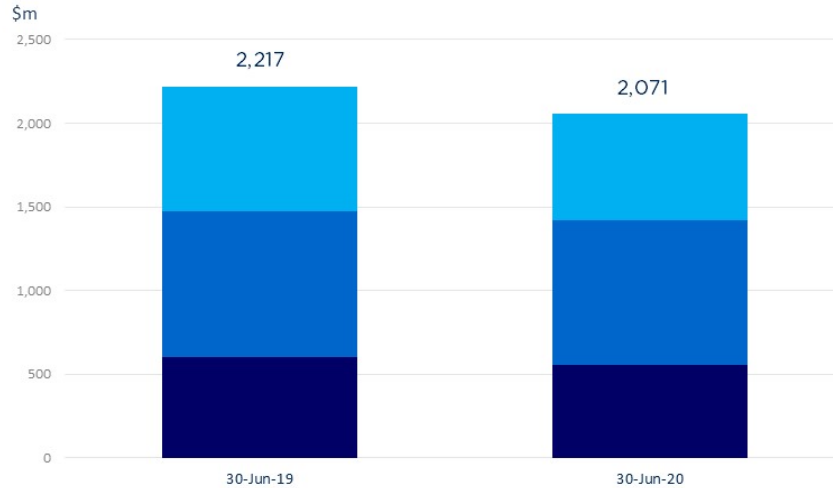
\$m	12 months to	
	30 Jun 19	30 Jun 20
Telecommunications – Residential	2,168 ¹	2,979 ¹
Telecommunications - Business	475 ¹	666 ¹
Other	182	192
Total	2,825	3,837
Residential ARPU	\$44	\$45

Total nbn™ network speed tiers (Mbps)

As at	30 Jun 19	30 Jun 20
Below 50/20	36%	31%
50/20 or above	64%	69%
Total	100%	100%

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.

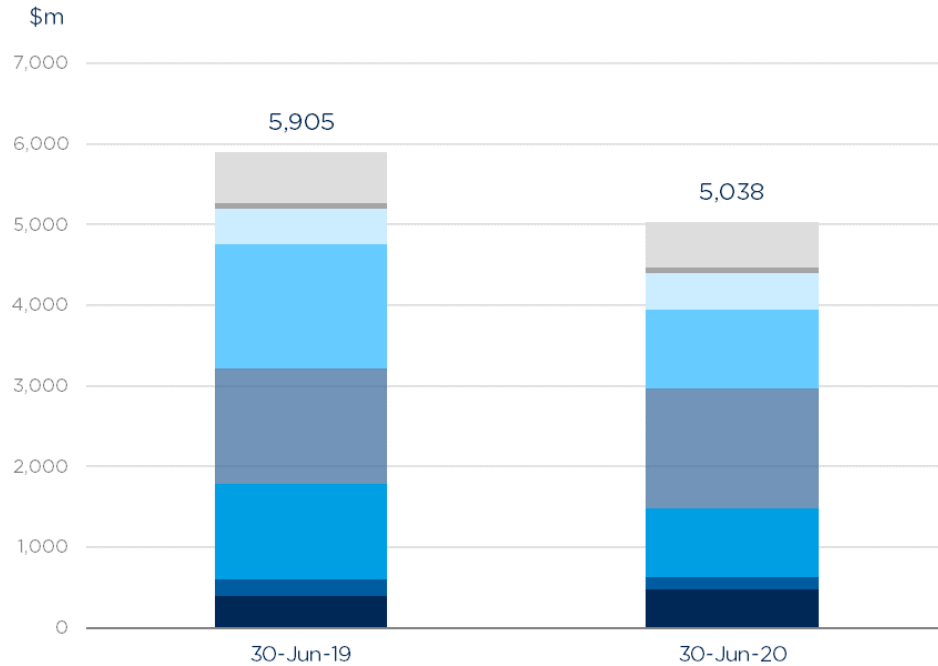
Operating expenses



Sm	12 months to	
	30 Jun 19	30 Jun 20
Direct network costs	746	641
Employee benefits expenses	867	877
Other expenses	604	553
Operating expenses	2,217	2,071¹
Subscriber costs	1,903	2,414
Total	4,120	4,485

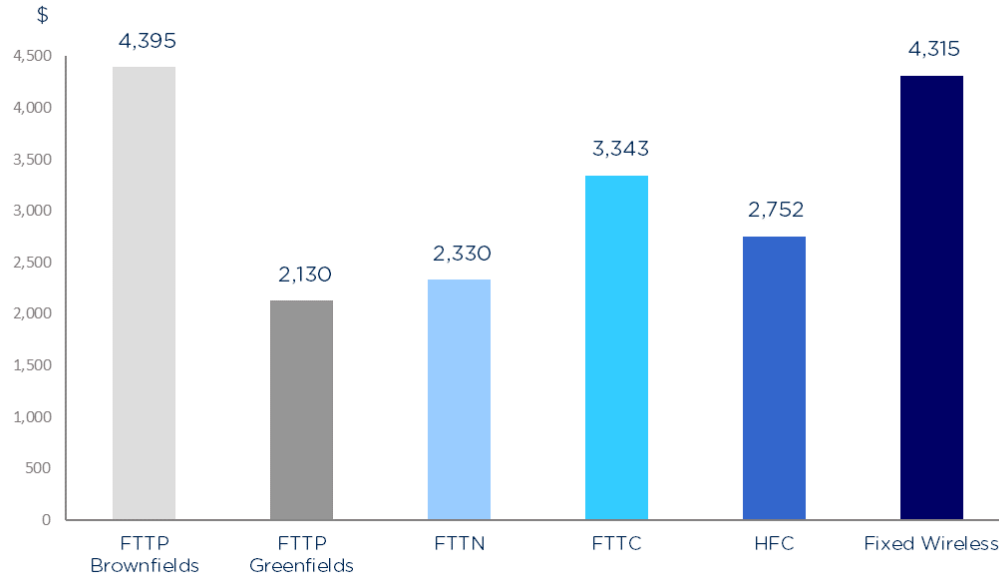
¹ Following the adoption of AASB 16 *Leases* from 1 July 2019, certain operating lease and right-of-use arrangements are no longer accounted for as operating expenses but instead are recognised on the balance sheet as a right-of-use asset and lease liability with associated depreciation and interest expenses recorded in the income statement. The impact of these accounting requirements has resulted in lower operating expenses of approximately \$190 million in comparison to the corresponding prior period. This reduction in operating expenses is offset by increased depreciation and amortisation and interest expense in the period.

Capital expenditure



\$m	12 months to	
	30 Jun 19	30 Jun 20
Common Capex	641	566
Satellite	70	69
Fixed Wireless	443	456
HFC	1,540	974
FTTC	1,428	1,491
FTTN	1,181	847
Transit	207	156
FTTP	395	479
Total	5,905	5,038

Cost per premises



	\$	30 Jun 19	30 Jun 20
FTTP Brownfields		4,398	4,395
FTTP Greenfields		2,178	2,130
FTTN		2,268	2,330
FTTC		3,129	3,343
HFC		2,590	2,752
Fixed Wireless		3,838	4,315 ¹

¹ Fixed Wireless CPP includes the impact of a reduction of approximately 90,000 premises in the estimated number of premises within areas serviced by Fixed Wireless. This premises dilution has been applied following a full analysis of available premises data for these areas.

Financial summary

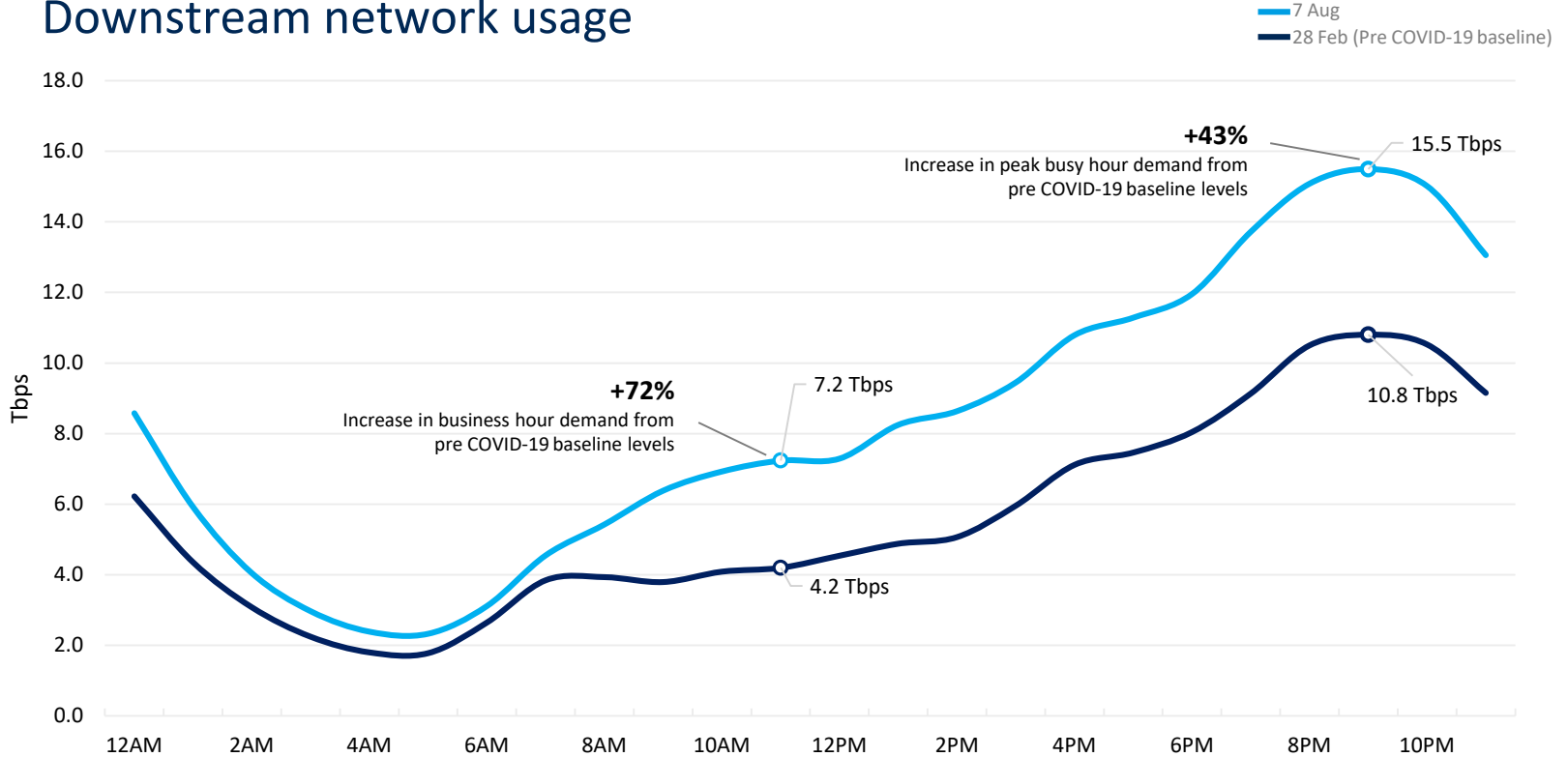
\$m	For the year ended		Movement (%)
	30 Jun 19	30 Jun 20	
Total revenue	2,825	3,837	36%
Operating expenses	(2,217)	(2,071)	(7%)
EBITDA before subscriber costs	608	1,766	190%
Subscriber costs	(1,903)	(2,414)	27%
EBITDA	(1,295)	(648)	50%
Depreciation and amortisation expense	(2,614)	(3,154)	21%
Other income	23	24	9%
EBIT	(3,886)	(3,778)	3%



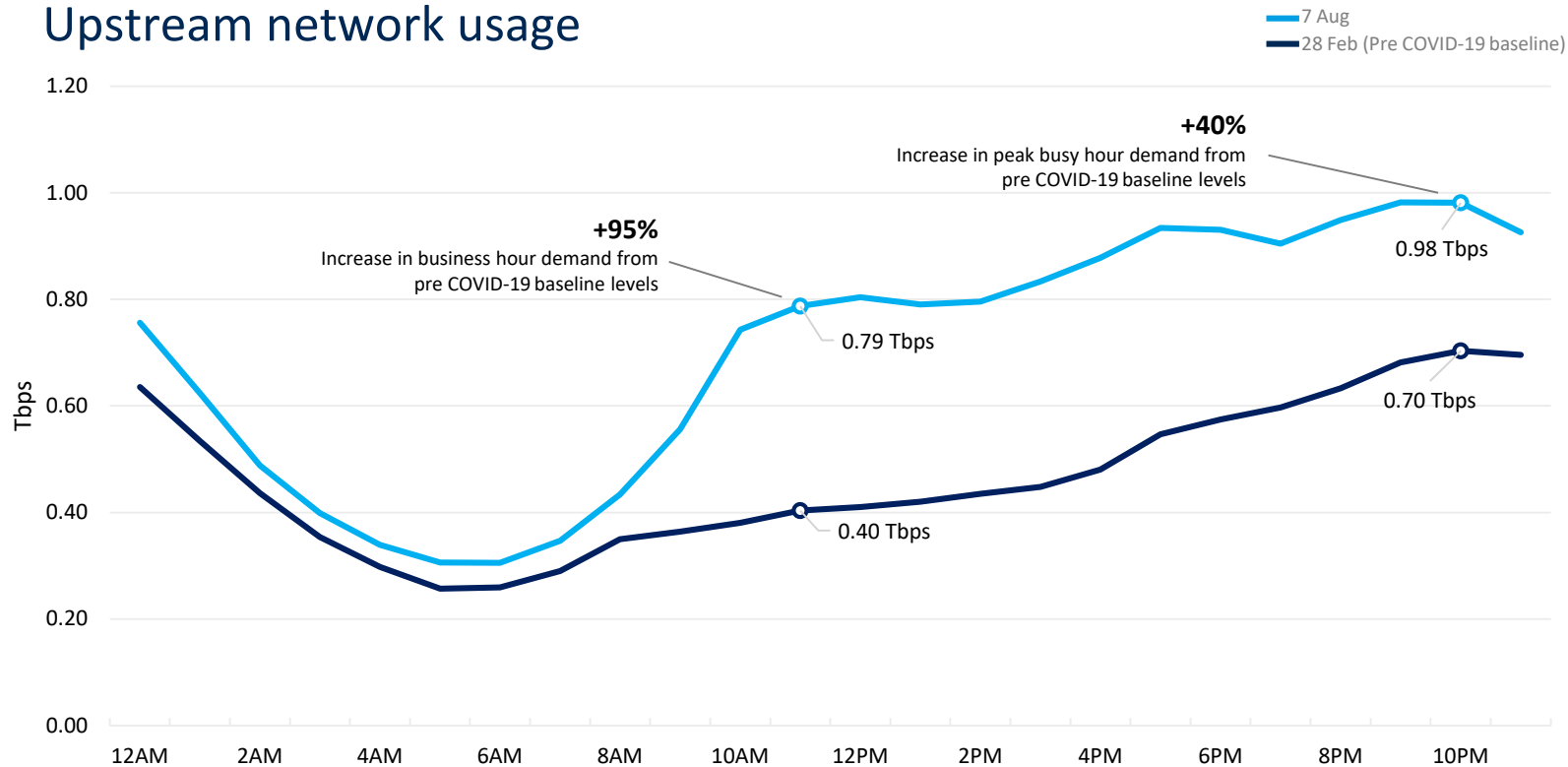
Stephen Rue

Chief Executive Officer

Downstream network usage



Upstream network usage



Supporting the nation's data needs



Additional CVC (capacity)

Up to 40%

Since March 2020: \$80m revenue forgone

→ Extended to 19 September



Additional Sky Muster satellite data

Doubled to 90GB from 45GB/mth

→ Extended to 30 September

Keeping homes,
businesses,
healthcare and
emergency service
providers connected

Financial Relief Package

Up to \$150m

Supporting those experiencing hardship,
including families with school-aged
children and small businesses

Telehealth Support

Speed upgrades

Healthcare providers upgraded from basic or
standard nbn services to higher speed tiers
at no additional charge

Supporting the Emergency Services

Enhanced Service Levels

Dedicated support package for essential and emergency services with enhanced service
levels, prioritised connections and fault resolution.

Customer experience

Focus on improved CX

COVID-19 industry leadership has led to all-time highs in customer experience scores

TIO complaints down

High network use supported

Network resilience and rapid response to national bushfire crisis

Established vital communication links to 33 evacuation centres

Helped more than 4,700 residents, business owners and volunteers stay connected

Leadership during COVID-19

Worked with the telco industry through the establishment of the COVID-19 response taskforce

Continuous product innovation

Wholesale Pricing Review with significant discounts, additional data inclusions and national CVC pooling

Overprovisioning of up to 10-15% to deliver download speed improvements where possible
Launch of Higher Speed Tiers

Enterprise Ethernet

Questions

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