

NBN CO HY26 FINANCIAL RESULTS

12 February 2026



**ELLIE
SWEENEY**
Chief Executive Officer

NBN CO IS ON TRACK TO MEET FULL YEAR GUIDANCE

\$2.94bn

Revenue
HY25: \$2.87bn

\$766m

Operating Expenditure
HY25: \$821m

\$2.23bn

EBITDA
HY25: \$2.12bn

\$1.49bn

Capital Expenditure
HY25: \$1.90bn

EBITDA includes Earnings Before Interest, Tax, Other non-operating income, Depreciation and Amortisation and Gains/(Losses) on derivatives measured at fair value through profit/(loss).

ACCELERATE GREAT

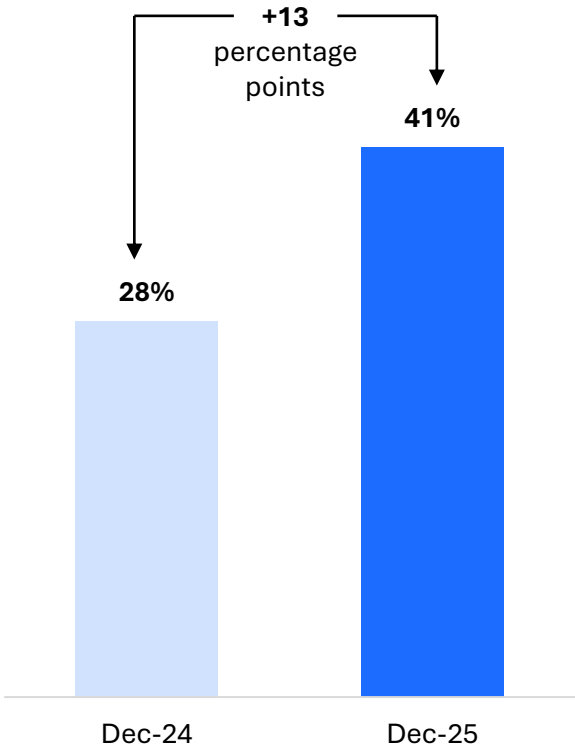
An unprecedented, multi-generational
wholesale speed upgrade launched in
September 2025.



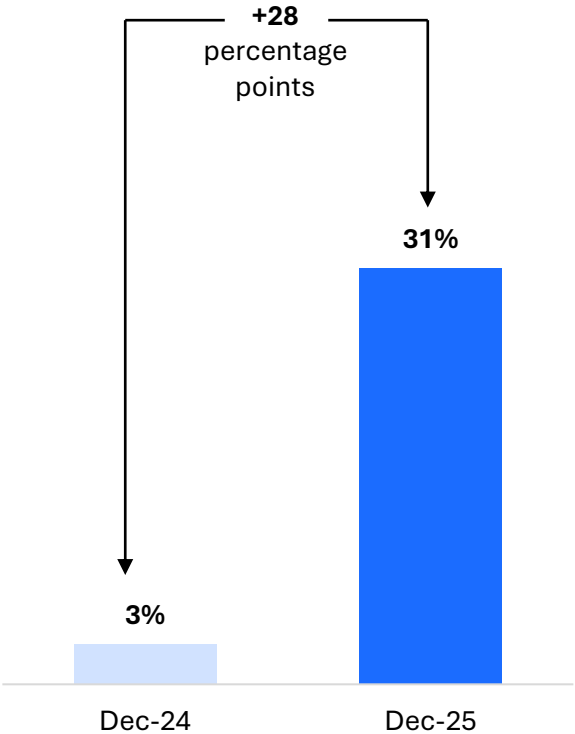
CUSTOMER DEMAND FOR DATA AND HIGH-SPEED SERVICES



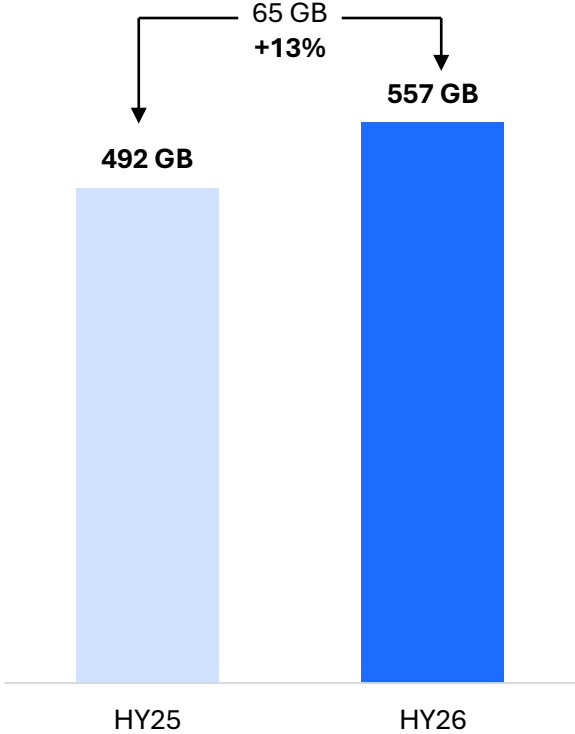
Percentage of Services on 100 Mbps+



Percentage of Services on 500 Mbps+



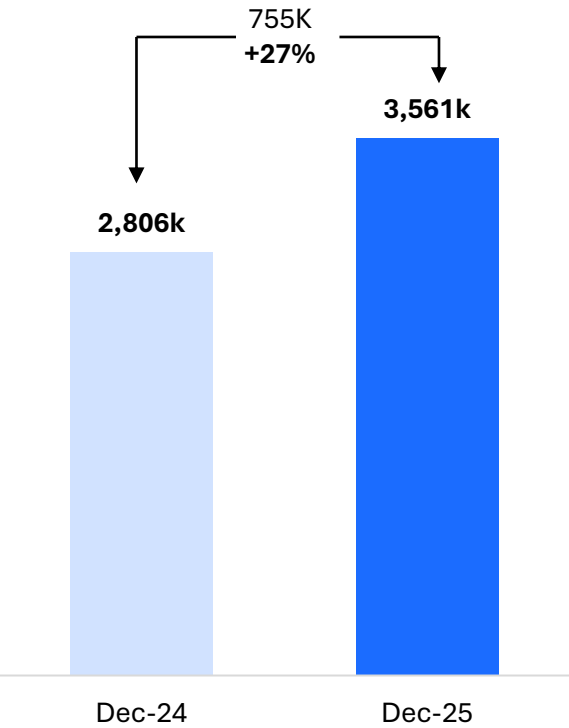
Average Monthly Data Download per Customer



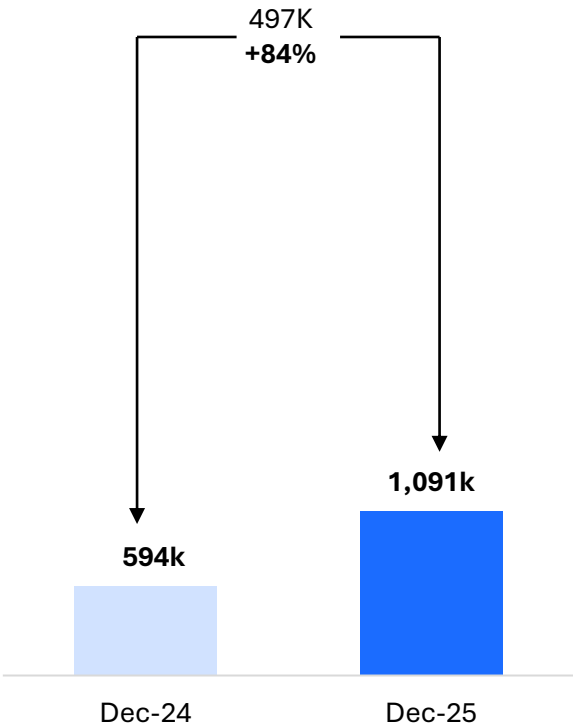
GROWING MOMENTUM IN FIBRE UPGRADES



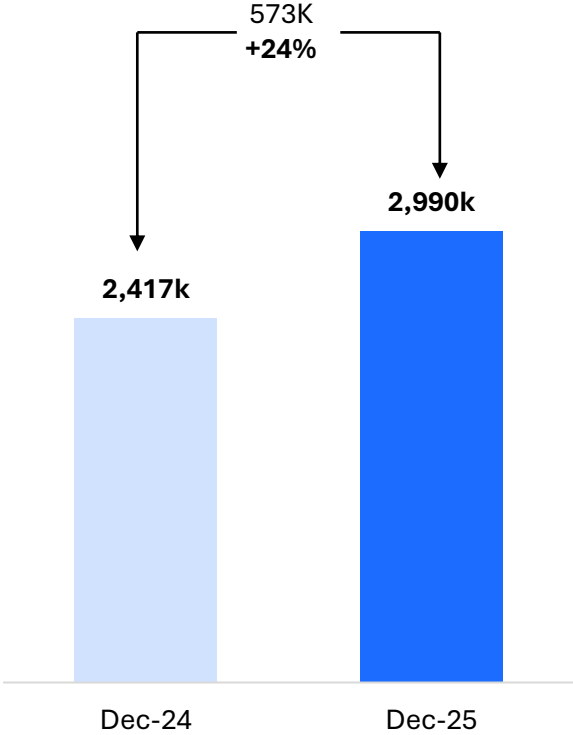
FTTN Premises Available to Upgrade



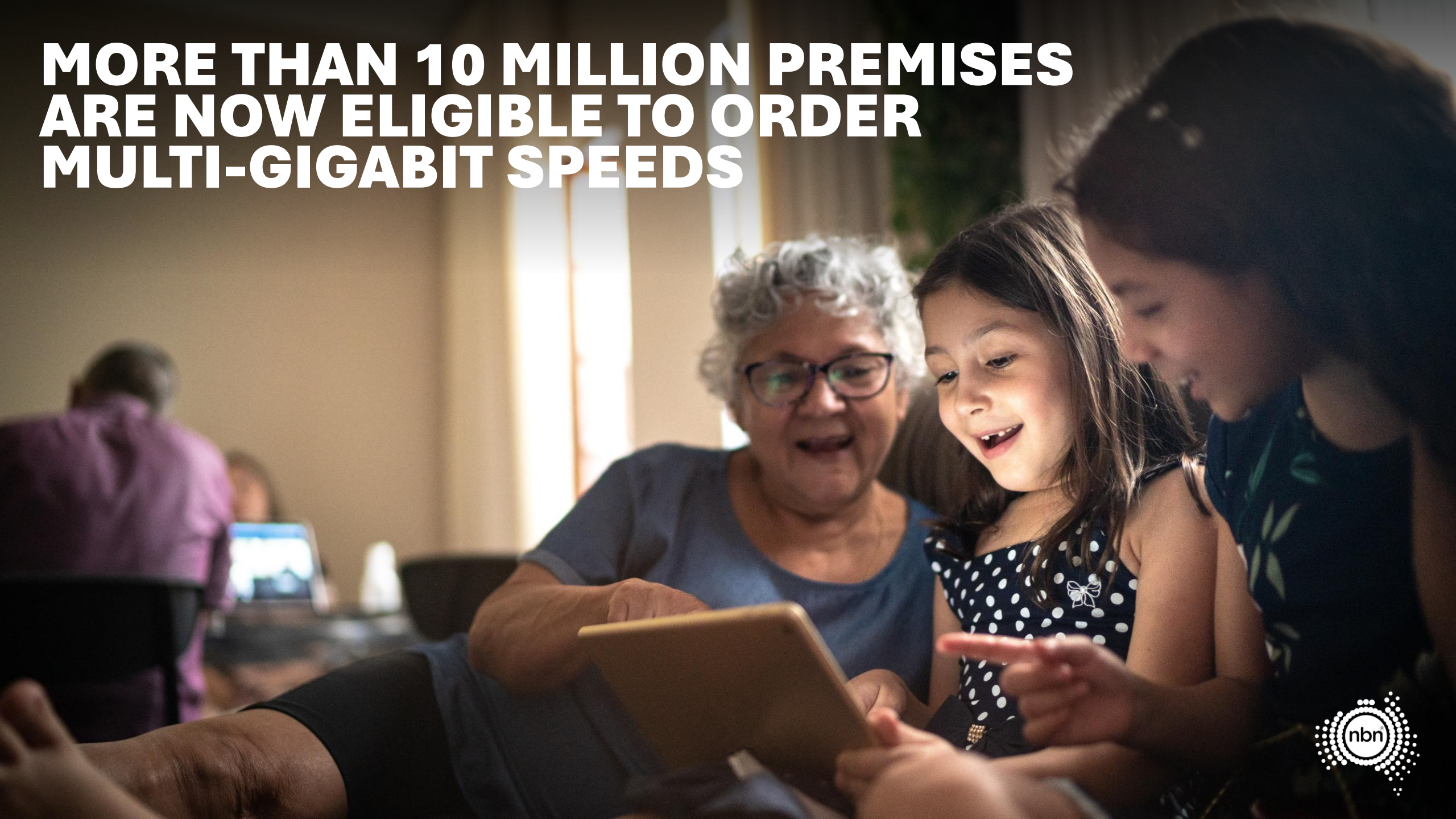
Fibre Upgrades Delivered



Total Premises on FTTP



**MORE THAN 10 MILLION PREMISES
ARE NOW ELIGIBLE TO ORDER
MULTI-GIGABIT SPEEDS**



The background of the slide is an aerial photograph of a suburban street. The street is paved with dark asphalt and has a red brick path running alongside it. Several cars are parked along the street, and there are green trees and bushes. On the left side of the street, there are houses with blue roofs and white walls. On the right side, there are houses with white roofs and walls. The overall scene is a typical suburban neighborhood.

THE NEXT CHAPTER: UPGRADING REMAINING FTTN PREMISES

Full fibre provides lower fault rates, faster speeds and a **better overall experience** than copper connections.

Full fibre has maintained **above 99.97 per cent availability** in the past year¹.

Full fibre offers **reliability, climate resilience, and service quality** when it counts.

1. This does not include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond nbn's control.

CONNECTING REGIONAL AUSTRALIA



KEEPING COMMUNITIES CONNECTED BEFORE, DURING, AND AFTER EMERGENCIES



INVESTING IN AI FOR NETWORK AND OPERATIONAL EFFICIENCY



CREATING A MORE SUSTAINABLE AND RESILIENT NETWORK





nbn®

FUNDING THE COMPANY'S FUTURE

MAINTAINING STRONG MOMENTUM

- Expanding and upgrading the network, delivering full fibre access to bring **world-class connectivity** to even more Australians
- Investing in the latest technologies to create a more **resilient, reliable and faster** network at a time when connectivity is more important than ever
- Making essential investments to connect people and power progress in response to **increasing capacity demands** of customers, now and into the future



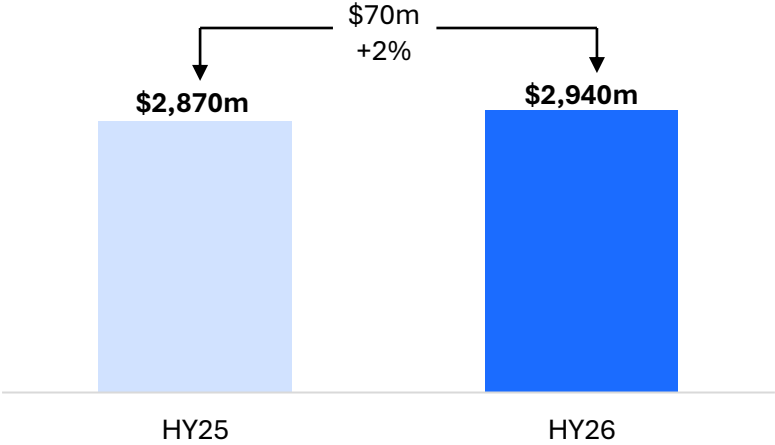


SIMON ATKINSON

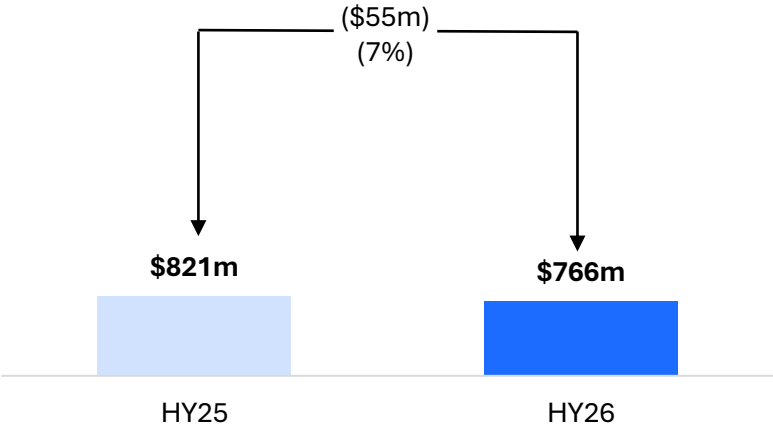
Chief Financial Officer

HY26 HEADLINE RESULTS

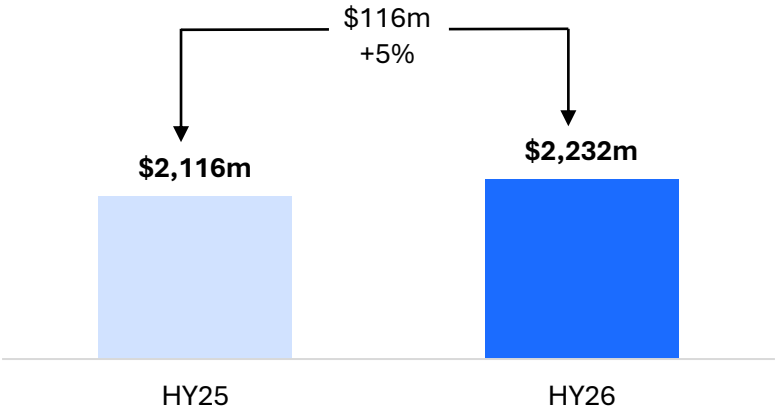
Total Revenue



Operating Expenditure

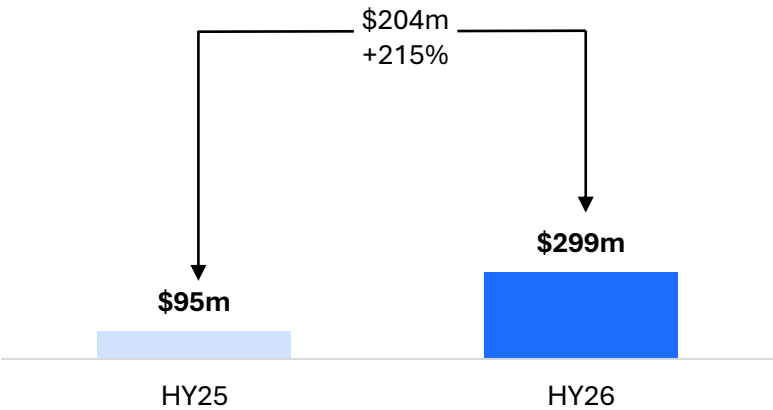


EBITDA¹



1. EBITDA is defined as earnings before interest, tax, other non-operating income, depreciation, amortisation and losses on derivatives measured at fair value

Free Cash Flow Before Financing Activities



Increased uptake of high-speed tiers supports HY26 revenue growth

| | For the 6 months ended | | |
|-------------------------------------|------------------------|--------------|-----------------------|
| | 31 Dec 2025 | 31 Dec 2024 | Variance |
| Telecommunications revenue (\$m) | 2,857 | 2,759 | 4% |
| Other revenue (\$m) | 83 | 111 | (25%) |
| Total (\$m) | 2,940 | 2,870 | 2% |
| Active premises (# '000 premises) | 8,647 | 8,619 | 0.3% |
| Percentage of services on 100 Mbps+ | 41% | 28% | +13 percentage points |
| Percentage of services on 500 Mbps+ | 31% | 3% | +28 percentage points |
| Residential ARPU | \$52 | \$49 | 6% |

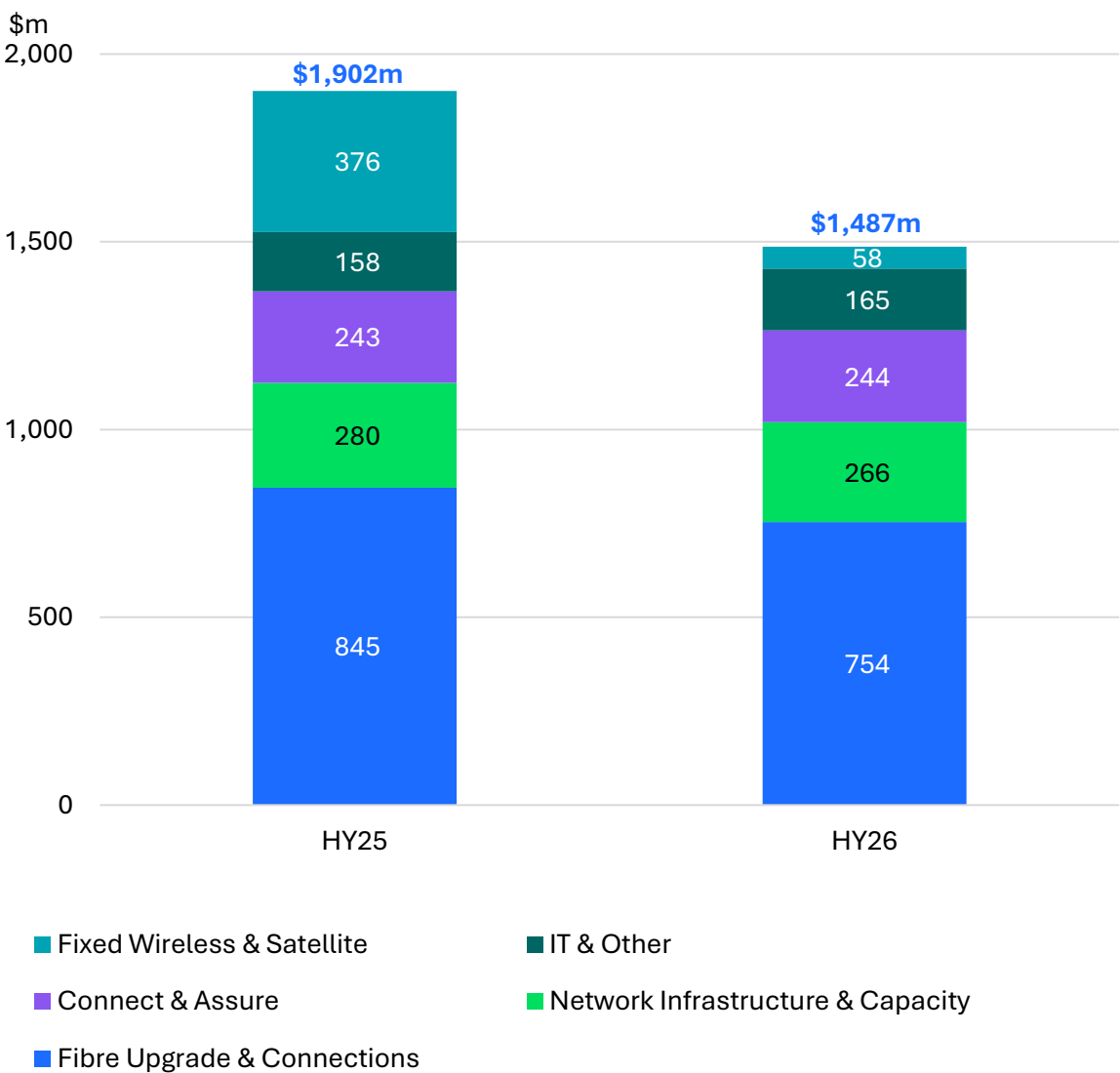
- Telecommunications revenue has increased by 4% due to a \$3 growth in Residential ARPU. This is driven by greater customer take up of higher speed tier plans (100 Mbps and above) which reached 41% as at 31 December 2025 and the application of CPI-linked wholesale price changes in line with the SAU Variation which governs the wholesale prices charged by NBN Co
- Active premises remain stable with approximately 28,000 incremental premises connected to the nbn[®] network compared to 31 December 2024
- The greater uptake of higher speed tiers is supported by the increased customer demand for fibre connection upgrades, with approximately 287,000 upgrades occurring during HY26
- The Accelerate Great initiative has driven a substantial uplift in the number of customers on speed tier plans of 500 Mbps and above, rising to 31% as at 31 December 2025, compared to 3% a year earlier

Lower operating expenditure linked to cost optimisation and improved network reliability

| \$m | For the 6 months ended | | |
|---------------------------------|------------------------|-------------|---------------------------|
| | 31 Dec 2025 | 31 Dec 2024 | % Increase/ (Decrease) |
| Direct network costs | 251 | 297 | (15%) |
| Employee benefits expenses | 282 | 294 | (4%) |
| Other operating expenses | 233 | 230 | 1% |
| Total operating expenses | 766 | 821 | (7%) |

- Direct network costs decreased by 15%, as a result of the Company’s continued focus on cost optimisation, process simplification and improved network performance and reliability supported by the increasing number of premises connected via fibre
- Employee benefits expenses decreased by 4%, reflecting ongoing changes in the mix of NBN Co’s FTE and extended workforce, partially offset by annual remuneration adjustments in line with market conditions
- Other operating expenses increased marginally by 1%. Inflationary cost increases have been largely mitigated by cost control measures and lower discretionary spending

Ongoing investment to upgrade the nbn[®] network and connect and assure premises



NBN Co is committed to investing and upgrading the nbn[®] network to meet the evolving needs of customers and support growing data demand. Capital expenditure fluctuates dependent upon investment timing and is 22% lower than in the comparative period.

In HY26, capital expenditure of \$1,487 million was invested in the following areas:

- 1 \$754 million of expenditure as the Company continues to deliver its fibre network modernisation programs, including upgrading local fibre infrastructure to enable access to fibre and providing new fibre connections into premises
- 2 Network infrastructure and capacity investment of \$266 million to extend fibre network access to new developments and enterprise customers and deliver network capacity upgrades to support increased customer data traffic requirements
- 3 Capital allocated to connect and assure activities (excluding fibre upgrades) totalled \$244 million, supporting first-time connections, reconnections, and ongoing network assurance efforts
- 4 IT and Other strategic investments of \$165 million, targeted at software and systems development, network security and resilience, and facility costs
- 5 Fixed Wireless and Satellite investment of \$58 million, a reduction of \$318 million following the completion of the Fixed Wireless and Satellite Upgrade Program in December 2024

CASH FLOW SUMMARY

Improved free cash flow driven by operating growth and timing of network investments

| \$m | For the 6 months ended | | |
|---|------------------------|----------------|---------------------------|
| | 31 Dec 2025 | 31 Dec 2024 | % Increase/ (Decrease) |
| EBITDA | 2,232 | 2,116 | 5% |
| Interest received | 15 | 6 | 150% |
| Net movement in working capital | (197) | (117) | 68% |
| Net cash provided by operating activities | 2,050 | 2,005 | 2% |
| Capital expenditure payments | (1,751) | (1,910) | (8%) |
| Free cash flow before financing activities | 299 | 95 | 215% |
| Lease payments | (632) | (610) | 4% |
| Financing costs | (521) | (520) | 0% |
| Free cash flow | (854) | (1,035) | (17%) |
| Funded by | | | |
| Equity funding from the Commonwealth | 445 | 528 | (16%) |
| Movement in net debt ¹ | 409 | 507 | (19%) |
| Total | 854 | 1,035 | (17%) |

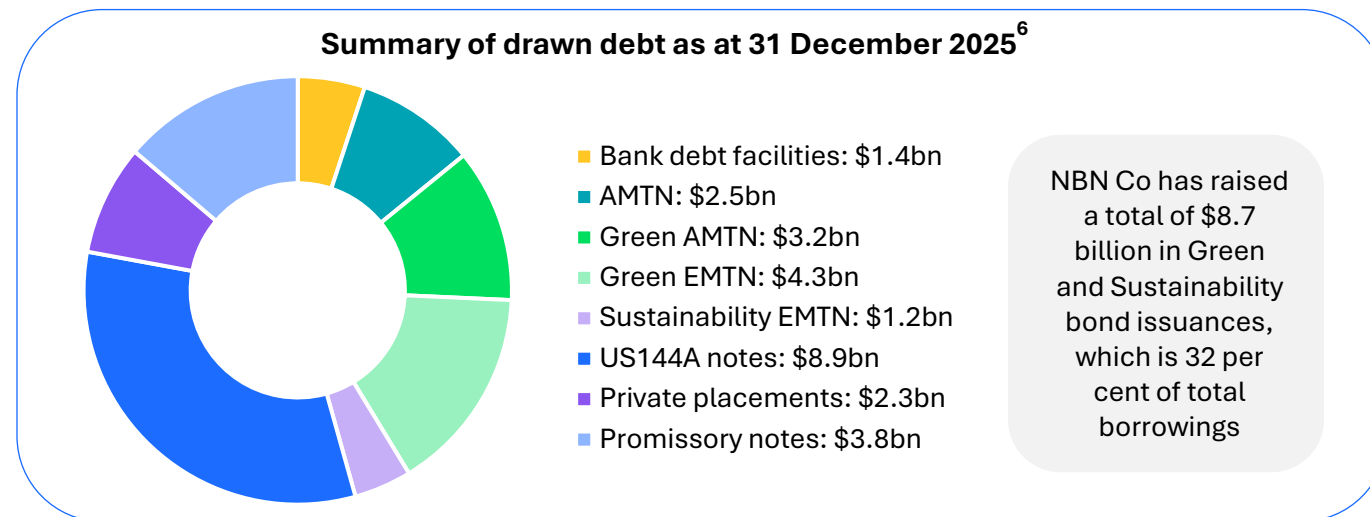
- Increase in operating cash flows driven by the Company's improving EBITDA result, partially offset by the timing of working capital payments
- Capital investment cashflows reduced by 8% compared to HY25 due to the timing of capital expenditure and the completion of the Fixed Wireless and Satellite Upgrade Program in December 2024
- Free cash flow before financing activities increased to \$299 million up from \$95 million in HY25
- Lease payments increased, driven by CPI-linked variable lease payment terms
- Financing costs remained stable with the impacts of higher average borrowings and higher weighted average cost of debt offset by the early settlement of derivatives during HY26
- Free cash flow remained negative due to continuing capital investment, but improved by 17% due to operating cash flow growth and reduced capital expenditure
- Negative free cash flow was funded by equity injections from the Commonwealth of Australia as part of their commitment to provide NBN Co equity funding in support of fibre upgrades and an increase in net debt of \$409 million

1. Net of movement in cash and cash equivalents (including restricted cash)

CAPITAL SUMMARY

Sustainable debt financing underpins ongoing network investment, complemented by NBN Co's strong liquidity position

| Debt overview | As at | |
|--|-------------|--------------|
| | 31 Dec 2025 | 30 June 2025 |
| Contributed equity (\$m) | 32,207 | 31,762 |
| Net debt (\$m) ¹ | 27,529 | 27,122 |
| Weighted average cost of drawn debt ² | 3.63% | 3.54% |
| Fixed interest ratio ³ | 83% | 87% |
| Weighted average duration of available debt (years) ⁴ | 4.0 | 4.1 |
| Committed liquidity (\$m) ⁵ | 5,386 | 6,005 |
| Net Debt/EBITDA ratio | 9.2x | 9.3x |
| Interest Cover | 2.2x | 2.1x |



- During HY26, NBN Co received approximately \$445 million in equity funding from the Commonwealth of Australia, as part of its broader commitment to provide equity funding to support FTTN upgrades, including the announcement in January 2025 to provide up to \$3 billion to enable the remaining FTTN premises to be made eligible for an upgrade by the end of 2030
- As at 31 December 2025, the Company had access to more than \$36.6 billion of funding from debt capital markets (including short-term promissory note issuances) and committed bank facilities. During HY26, NBN Co raised USD \$650 million (AUD \$988 million equivalent) from the US 144A/Reg S market under the GMTN program and repaid an AUD \$1,200 million AMTN that matured in December 2025
- The weighted average cost of drawn debt increased to 3.63%, predominantly due to the impact of favourable long-term debt and interest rate hedges that had been executed at lower market interest rates reaching maturity
- Committed liquidity decreased to \$5.4 billion, down from \$6.0 billion as at 30 June 2025, mainly driven by the additional utilisation of bank debt facilities during the period

1. Principal value of drawn debt, including overdraft facility, net of unrestricted cash but excluding hedge valuation adjustments, accrued interest and fees

2. Weighted average cost of drawn debt for the financial period, includes the interest rate impact of hedging activities and amortisation of associated fees

3. Percentage comprises fixed and floating rate debt (beyond 12 months) that has been hedged as a proportion of total debt. Excludes forward starting interest rate swaps

4. Excluding promissory note issuances and overdraft facilities

5. Excluding uncommitted debt with less than 12 months to maturity. Comprised of undrawn committed bank facilities and available cash less promissory note issuances and overdraft facility

6. The figures presented in the graph have been rounded to the nearest 1 decimal place

HY26 STATUTORY RESULTS

NBN Co is on track to deliver revenue and EBITDA targets for FY26 as specified in its Statement of Corporate Intent 2026

| \$m | For the 6 months ended | | | |
|--|------------------------|--------------|---------------------------|--|
| | 31 Dec 2025 | 31 Dec 2024 | % Increase/ (Decrease) | |
| Total revenue | 2,940 | 2,870 | 2% | <ul style="list-style-type: none"> Total revenue increased by 2%, primarily driven by a 4% increase in telecommunications revenue, reflecting ARPU growth from pricing changes and stronger customer demand for higher speed tier plans |
| Operating income | 58 | 67 | (13%) | <ul style="list-style-type: none"> Primarily consists of income recognised for Fixed Wireless upgrade grants, and the Regional Broadband Scheme (RBS) Levy which has declined following the government's decision to reduce the RBS levy effective from 1 July 2025 |
| Operating expenses | (766) | (821) | (7%) | <ul style="list-style-type: none"> Operating expenses have decreased by 7% mainly due to the delivery of ongoing cost efficiency initiatives which have exceeded inflationary cost increases |
| EBITDA | 2,232 | 2,116 | 5% | <ul style="list-style-type: none"> EBITDA increase of 5% to \$2,232 million |
| Depreciation and amortisation expense | (1,601) | (1,613) | (1%) | <ul style="list-style-type: none"> Depreciation and amortisation expenses have remained relatively stable |
| Other income | 24 | 21 | 14% | <ul style="list-style-type: none"> Non-cash income related to contributed network infrastructure from third parties |
| EBIT¹ | 655 | 524 | 25% | <ul style="list-style-type: none"> EBIT improved by 25% to \$655 million |
| Finance costs on lease arrangements | (482) | (475) | 1% | <ul style="list-style-type: none"> Higher finance costs on lease arrangements as a result of CPI-linked increases |
| Net finance costs on borrowings ² | (523) | (506) | 3% | <ul style="list-style-type: none"> Net finance costs have risen due to higher average debt borrowings and an increased weighted average cost of debt during the period |
| Statutory loss before tax | (350) | (457) | (23%) | <ul style="list-style-type: none"> 23% or \$107 million improvement in statutory loss before tax |

1. EBIT is defined as earnings before interest and tax

2. Includes loss on derivatives measured at fair value through the P&L



Questions