



Media release

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NBN Co records strong growth in activations, on track to achieve FY21 financial forecast

Performance summary for Q3 FY21 in the nine months to 31 March 2021:

- 11.9 million premises are Ready to Connect¹ to the **nbn**TM network
- 8.1 million residential homes and businesses connected to the network, with an accelerated activations profile resulting in 835,000 new customers connecting to the **nbn**TM network since 30 June 2020
- Key performance metrics on track to meet FY21 Corporate Plan forecasts
- Total revenue of \$3.5 billion, up 23 per cent on Q3 FY20, primarily due to strong growth in activations. On track to achieve FY21 total revenue forecast of \$4.5 billion
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), including subscriber costs of \$0.9 billion, reflecting a \$1.6 billion improvement on the corresponding nine-month period in FY20
- In April executed successful, inaugural US\$2 billion (~\$2.6 billion) bond issue in US capital markets. Including this new issuance, since March 2020, NBN Co has raised more than \$12 billion in new debt, including \$8.5 billion in private bank debt and \$1.6 billion through five and ten-year domestic bonds. As outlined in its Corporate Plan 2021, NBN Co intends to refinance the remainder of its \$16.5 billion debt facility from the Australian Government with private debt by 30 June 2024.

More than 11.9 million premises are Ready to Connect¹ to the **nbn**TM network and, in the nine months to 31 March 2021, more than 835,000 additional premises connected to the **nbn**TM network, taking total connections to more than 8.1 million premises. NBN Co is on track to achieve its FY21 forecast of 8.2 million active premises by 30 June 2021.

NBN Co has generated total revenue of \$3.5 billion, reflecting a 23 per cent year on year increase in the nine months to 31 March 2021 as more Australian homes and businesses connect to the **nbn**TM network and take up higher speed services.

Revenue from Business customers increased to \$0.6 billion in the nine months to 31 March 2021, up 24 per cent from \$0.5 billion in the prior corresponding period. Despite NBN Co's ongoing financial support for the industry and end user customers throughout the COVID period, Residential Average Revenue Per User (ARPU) remained steady at \$45.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) including subscriber costs, continued to improve, increasing to \$895 million, which is a \$1.6 billion improvement on the corresponding nine-month period in FY20. In the nine months to 31 March 2021, NBN Co recognised \$1.054 billion in subscriber costs to Telstra and Optus, which is a 47 per cent reduction on the payments of approximately \$1.985 billion in the prior corresponding period.

Capital expenditure in the nine months to 31 March 2021 was \$2.0 billion, down from \$3.7 billion in the prior corresponding period due to the completion of the initial network build.

NBN Co Chief Executive Officer, Stephen Rue, said:

“We are pleased with the solid progress we have achieved and recorded across all of our key financial and operating metrics in the third quarter. Revenue was particularly strong, largely due to new customer activations on the network and upgrades to higher speed services. We are well placed to achieve our FY21 total revenue target of \$4.5 billion, as outlined in the Corporate Plan.

“Our EBITDA performance showed a significant improvement over the previous corresponding period as a result of high revenue growth, which will support our long-term reinvestment in the network, and a 28 per cent decrease in total operating expenses, including subscriber costs. We expect to achieve our FY21 EBITDA target of \$1.3 billion.

“We have continued to invest in supporting the industry and end user customers through initiatives such as the COVID-19 CVC Credit Offer, which came to an end after almost a year on 31 January 2021.

“Our Focus on Fast initiative, which commenced on 1 February 2021 and offers rebates to retailers to incentivise sales of higher speed tiers, has helped to lift more customers to higher speed tiers with approximately 10 per cent of customers now on plans based on wholesale speed tiers of 100 Mbps^{2,3} and an additional 7 per cent of customers on plans offering download speeds of 250 Mbps³ and close to 1 Gbps³.

“We are making excellent progress on our \$4.5 billion network investment program, having identified and announced the suburbs and towns that will comprise the first 1.1 million of 2 million premises that will benefit from our extension of fibre deeper into communities with greater access to higher speed services, on demand.

“To date, around 3.5 million premises can access our Home Ultrafast plans offering download speeds of close to 1 Gbps³ and by June 2023, we’re forecasting that 75 per cent of premises on our fixed line network – or around 8 million premises – will be able to access our highest speed Home Ultrafast services³.”

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Notes to editor:

1 'Ready to Connect' includes premises which are temporarily categorised as HFC supply constrained, where our work on the network is complete but in the short term an order cannot be placed due to the global supply shortage impacting **nbn**[™] HFC connections. For more information, please refer to: [The global supply shortage impacting nbn HFC connections | nbn \(nbnc0.com.au\)](#)

2 **nbn** wholesale download speed tiers of 100Mbps include wholesale plans available to phone and internet providers with download speeds of 100Mbps, 25-100Mbps and 50-100Mbps. The **nbn**[™] wholesale speed tiers available to your phone and internet provider vary depending on the **nbn**[™] access network technology in your area.

3 Your experience, including the speeds actually achieved over the **nbn**[™] network, depends on the **nbn**[™] 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.