

STOCK EXCHANGE ANNOUNCEMENT

10 October 2022

Q1 FY23 overview

Total fibre connections increased by 21k to 980,000 (Q4 FY22: +20k)

Fibre uptake across the completed UFB footprint grew to 71% (rounded) with deployment continuing

- 1.2% increase in the quarter while the fibre footprint passed another 6,000 customers
- mass market fibre broadband connections increased by 20k
- uptake reached 75% (+1%) in UFB1 areas and 51% (+1%) in UFB2 areas
- Auckland reached 80% (+1%) uptake, while Wellington grew to 69% (+1%)
- the fibre rollout was recently completed in Pukenui, Taipa, Tairua, Tokomaru, Martinborough and Otautau

Total broadband connections increased 1k to 1,190,000* (Q4 FY22: -1k)

- 6k connections were added in Chorus UFB areas
- 1Gbps connections were about one-third of residential fibre adds in Q1
- 1Gbps and Hyperfibre (2-8Gbps) connections now 24% of residential and business connections

Copper broadband and voice connections declined by 27k (Q4 FY22: -33k)

- voice only disconnections were -8k (Q4 FY22: -12k)
- copper withdrawal: 177 copper broadband cabinets no longer have active customers (Q4 FY22: 84 cabinets)
- total fixed line connections declined by 7k to 1,297,000* (Q4 FY22: -13k)

Average monthly data usage on fibre was 554GB in September (June: 567GB)

- daytime network traffic data indicates continued return of workers from home to the office

*totals exclude ~9,000 broadband connections Chorus is partly subsidising for student households

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Q1 FY23 Connections Update

Q1 FY23 overview

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Auckland fibre uptake reaches 80%

> Total UFB uptake of 71% (rounded) within completed footprint in Q1*

- uptake in UFB1 areas grew from 74% to **75%**
- uptake in UFB2 areas grew from 50% to **51%**
- **938,000** connections (Q4 FY22: 919,000) now within completed footprint, including business premium connections
- **1,330,000** customers able to connect (Q4 FY22: 1,324,000)
- **1,042,000** premises passed** (Q4 FY22: 1,037,000) out of 1,054,000 target = UFB rollout 99% complete

(note: data includes some UFB2 areas that have been partially built, but not yet submitted for Crown sign-off)

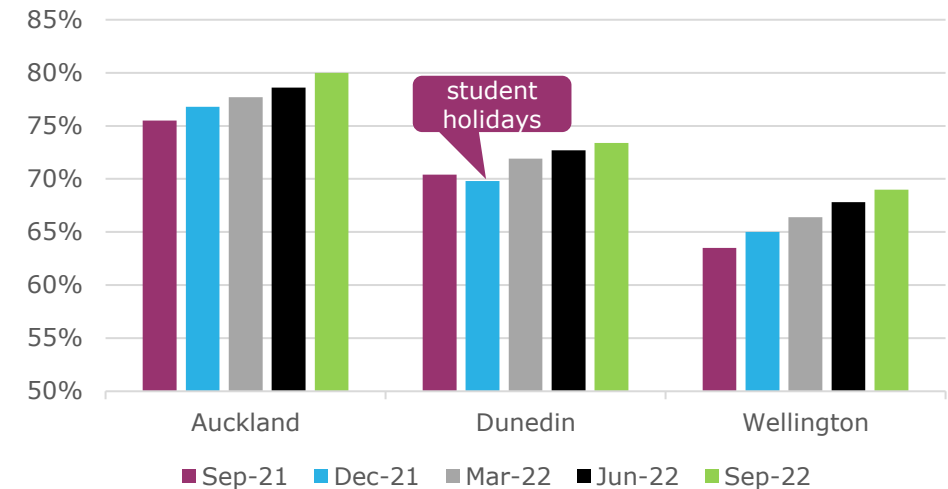
> 26,000 fibre installations completed in Q1 (Q4 FY22: 25k)

- customer satisfaction reduced from 7.8 to 7.7
- WIP reduced from 14k to 13k
- field crews reduced from ~520 to ~450 due to resourcing challenges

* includes ~3k partly subsidised education connections

**under the UFB contract, a multi-dwelling unit or single office block is one premises

UFB uptake by quarter

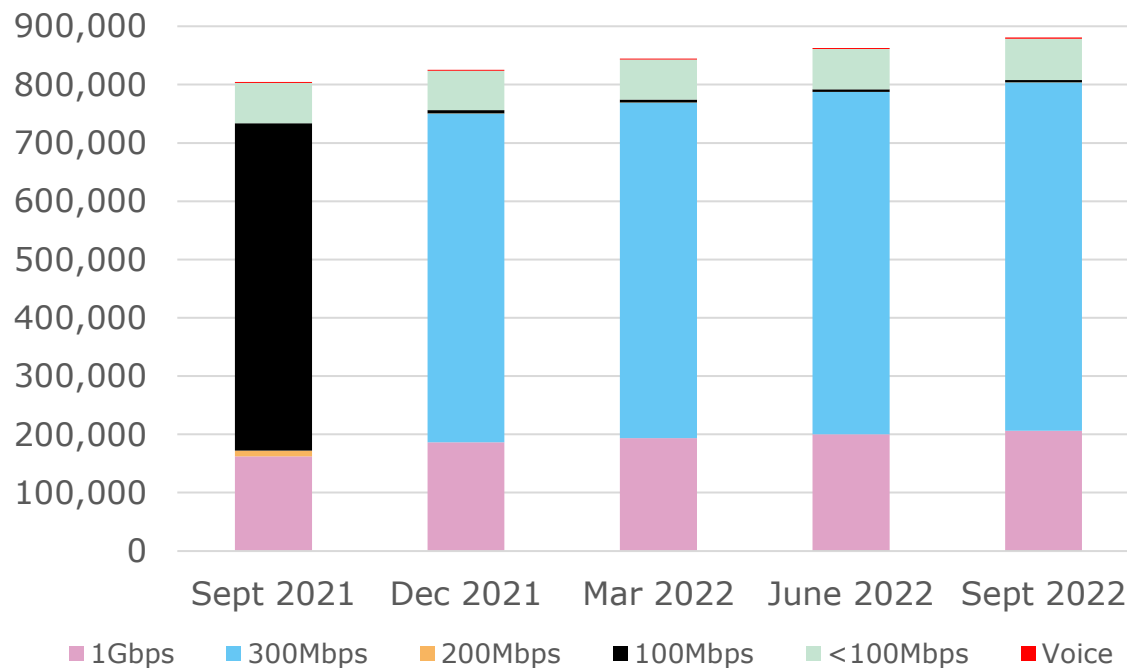


- Auckland, Wellington and Dunedin cover >70% of UFB1 homes and businesses able to connect
- 91% of Chorus' broadband connections in our planned UFB zone are now on fibre

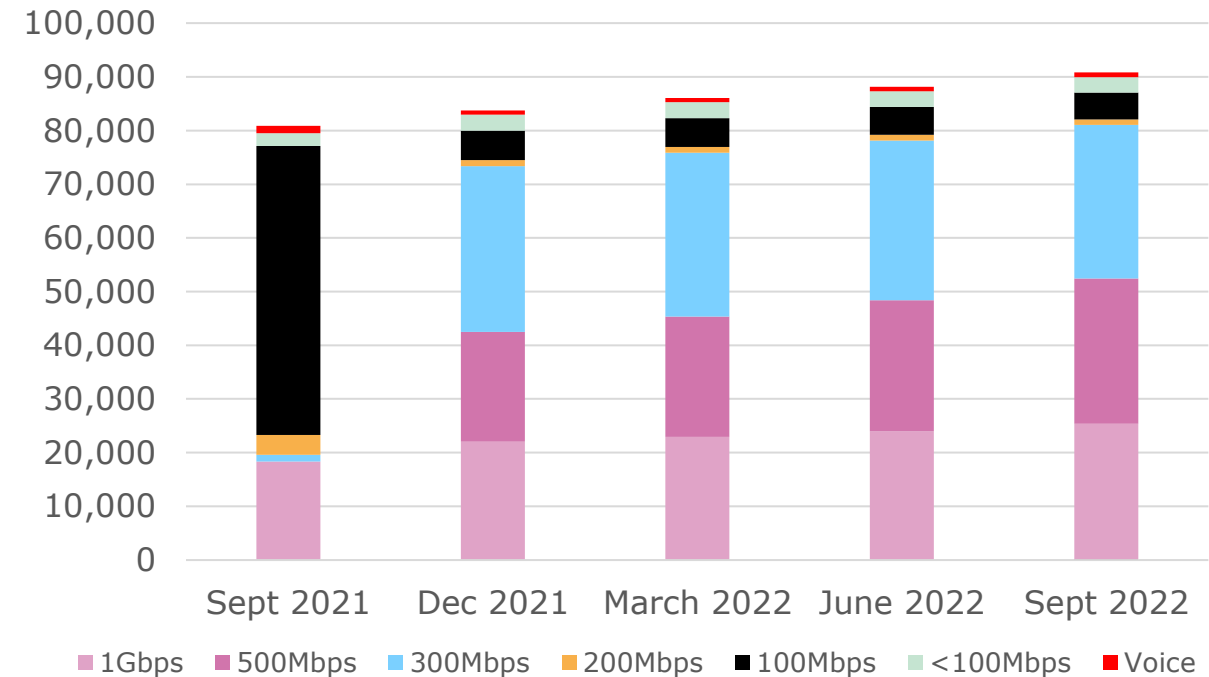
Mass market fibre connections grew 20k

- > 300Mbps plans account for 68% of residential connections
- > ~1/3 of residential fibre adds were 1Gbps plans in Q1
- > 1Gbps and Hyperfibre uptake now 24% across residential and business broadband connections

Residential

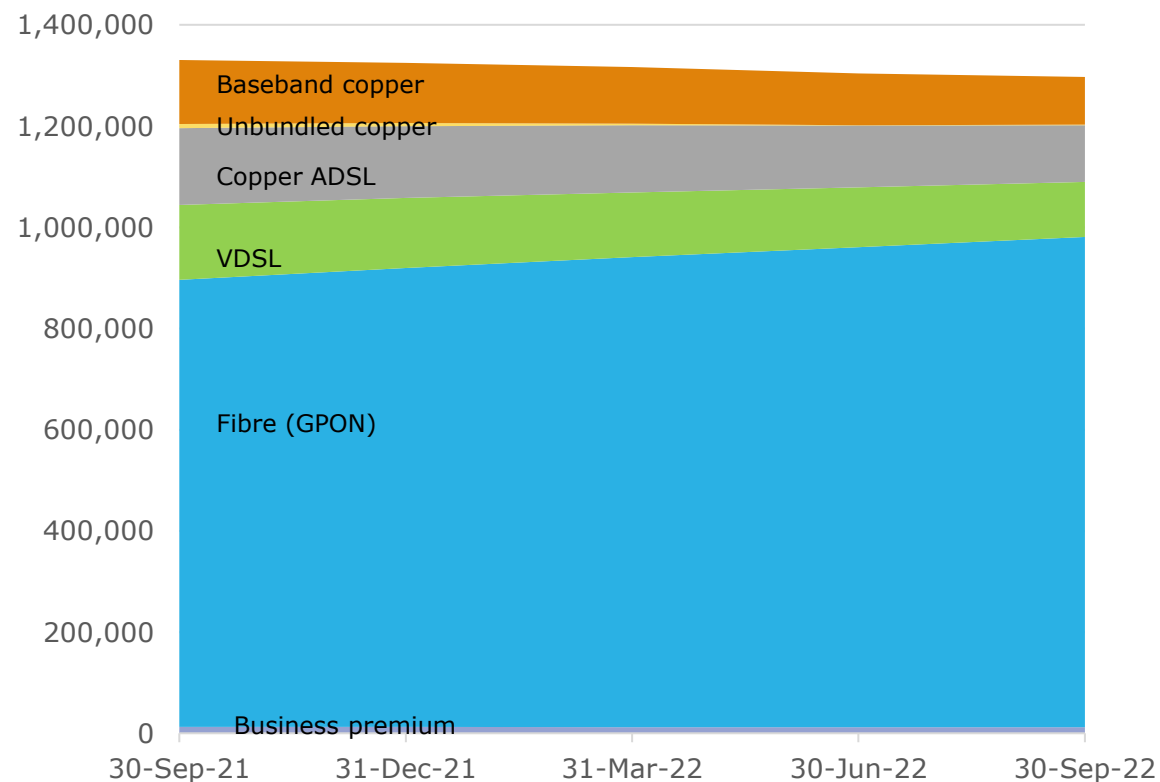


Business



Fibre comprises 76% of Chorus connections

	30 Sept 2021	31 Dec 2021	31 March 2022	30 June 2022	30 Sept 2022
Unbundled copper (no broadband)	8,000	6,000	3,000	1,000	1,000
Baseband copper (no broadband)	127,000	119,000	112,000	102,000	94,000
Copper ADSL (includes naked)	152,000	142,000	133,000	122,000	112,000
VDSL (includes naked)	148,000	138,000	128,000	118,000	109,000
Fibre broadband (GPON)	883,000	907,000	929,000	949,000	969,000
Data services (copper)	2,000	2,000	2,000	2,000	1,000
Fibre premium (P2P)	11,000	11,000	10,000	10,000	11,000
Total connections	1,331,000	1,325,000	1,317,000	1,304,000	1,297,000



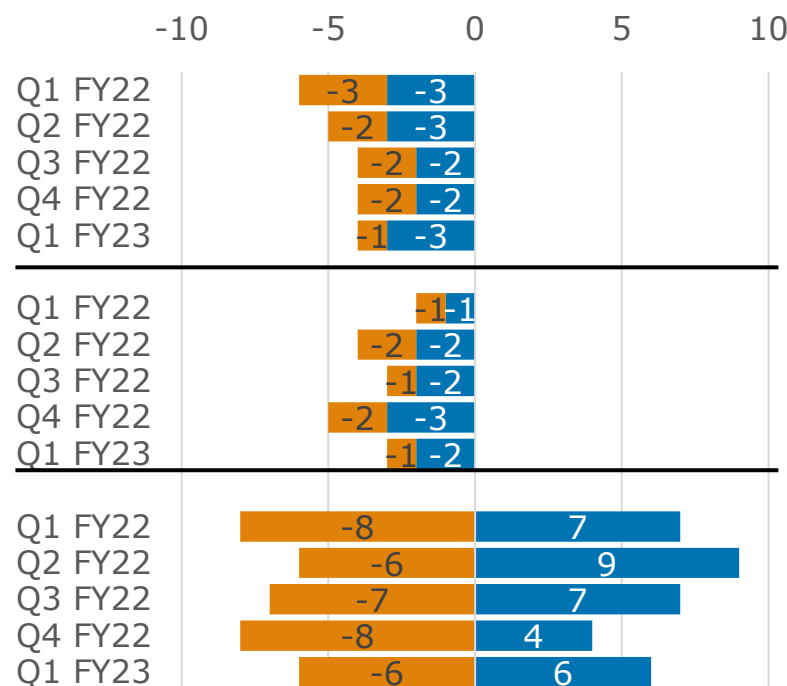
> 1,190,000 broadband connections comprises:

- 969,000 fibre (GPON) connections
- 221,000 VDSL/ADSL (copper) connections

Note: 9,000 partly subsidised education connections are excluded from this data

Connection changes by Zone (indicative as at 30 Sept)

Quarterly change ('000s) by zone*



■ Broadband connections
■ Copper (no broadband) connections

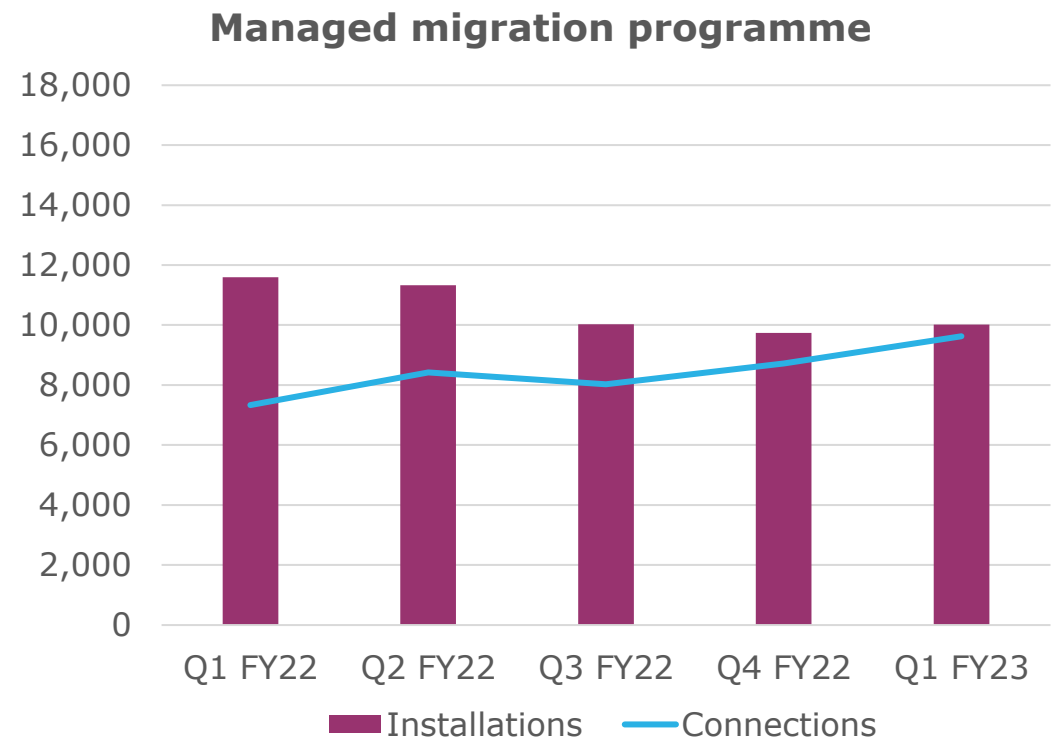
Other fibre company (LFC) zone	Broadband connections	32,000	Disconnections continue due to Local Fibre Company and fixed wireless provider activity, with some slowdown due to COVID-19 effects.
	Copper line (no broadband)	18,000	
	TOTAL	50,000	
Non-UFB zone	Broadband connections	140,000	Some expansion of wireless broadband footprint through Government backed programme. New housing outside of UFB zone driving fibre premises growth.
	Copper line (no broadband)	28,000	
	TOTAL	168,000	
Chorus UFB zone**	Broadband connections	1,018,000	Continued broadband growth driven by Chorus incentives and migration campaigns. Copper voice disconnections reflect migration to fibre and targeted fixed wireless activities.
	Copper line (no broadband)	49,000	
	TOTAL	1,067,000	

* Excludes 9k partly subsidised education connections and 12k fibre premium and data services (copper) connections

** Includes planned Chorus UFB1, 2 and 2+ coverage

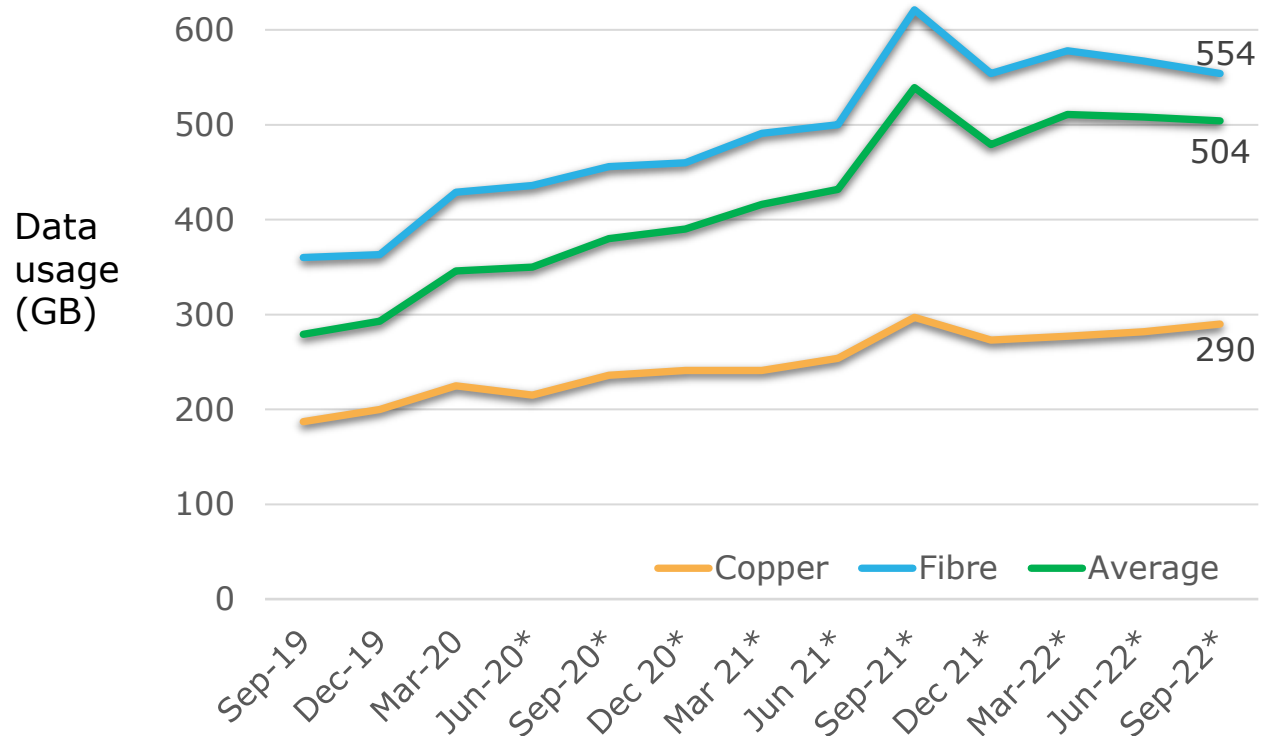
Managed migration programme lifts connections

- > 10k managed migration installations completed in Q1 (Q4 FY22: ~10k)
- > marketing activity drove activation of installed fibre sockets (ONTs) from ~9k to ~10k in Q1
 - 45% of these activations were at offnet addresses



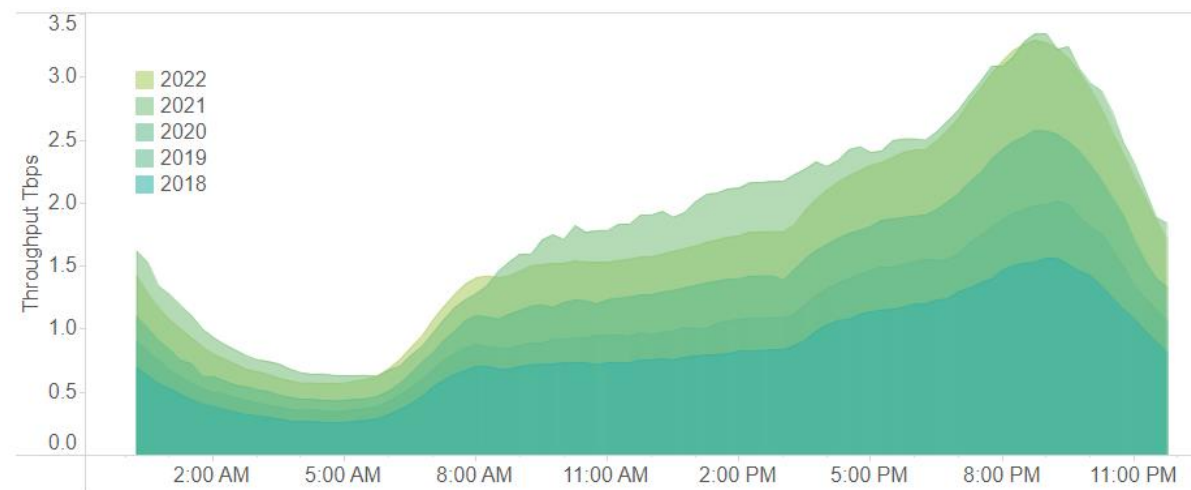
Monthly average data usage on fibre 554 gigabytes

Monthly average data usage per connection on our network*



* includes upstream traffic from June 2020 onwards

- > Reduction in fibre/average usage likely reflecting continued return of workers from homes to offices
 - **554GB** on fibre (June:567GB)
 - **290GB** on copper (June:282GB)
 - **504GB** average (June:508GB)
- > Average peak throughput on our network at peak time (~9pm) was consistent at 3.3Tbps

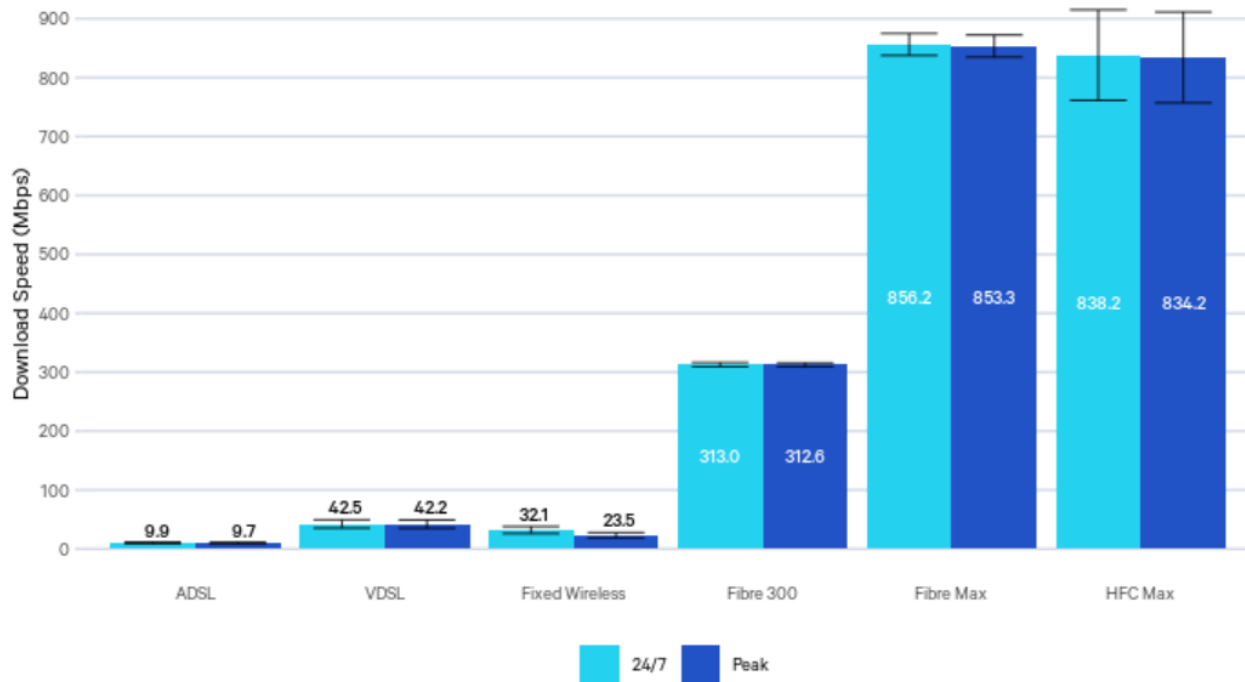


Commerce Commission broadband testing report

- The Commerce Commission's *Measuring Broadband New Zealand*, Winter Report (August 2022) continues to highlight the strong performance of fibre relative to other technologies, particularly for download, upload and latency.

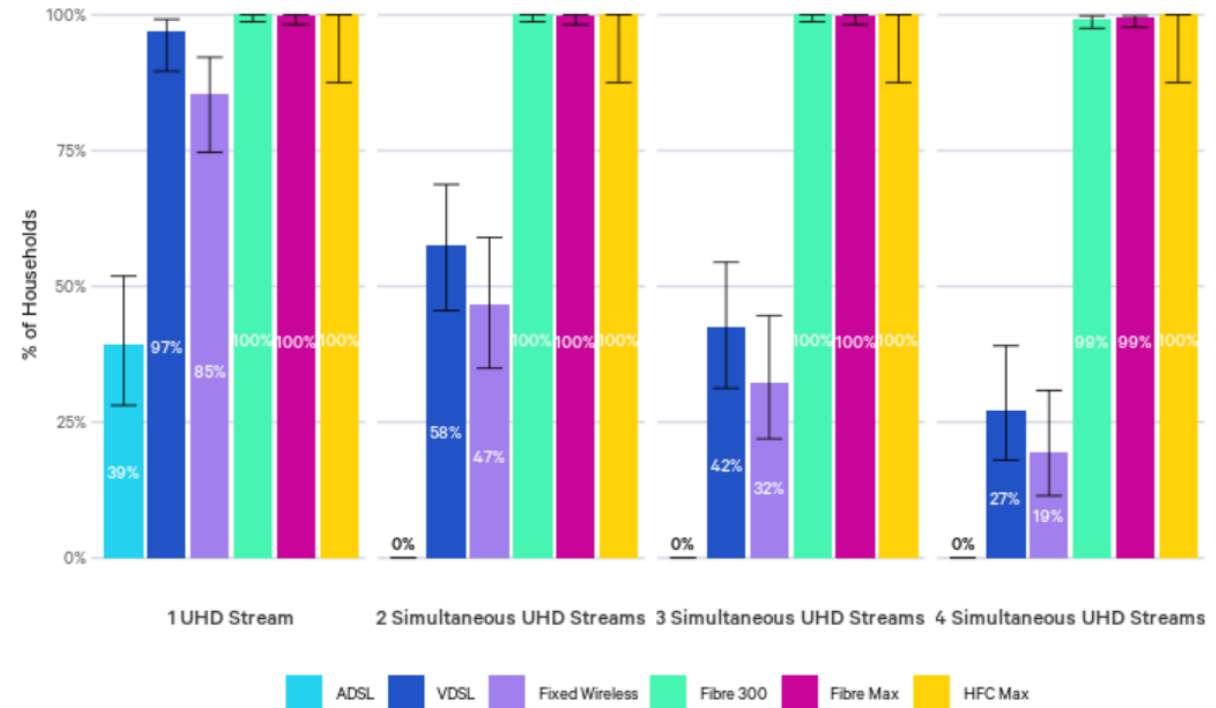
Average Download Speeds by Plan

Average of monthly household averages. Peak hours are Monday - Friday, 7pm - 11pm.
Error bars show 95% confidence intervals of the mean.



The proportion of households able to stream 1, 2, 3 or 4 simultaneous Ultra High Definition videos from Netflix.

Based on the average download speed to Netflix servers for each household. Error bars show 95% confidence intervals.



Source: Commerce Commission