Q3 FY22 Connections Update

CHORUS

Q3 FY22 overview

Total fibre connections increased by 21k to 939,000 (Q2 FY22: +24k)

> **Fibre uptake across the completed UFB footprint grew from 67% to 69%**
- mass market fibre broadband connections increased by 22k despite the summer holiday period and the ongoing effects of COVID alert levels on our migration programme
- uptake reached 73% (+1%) in UFB1 areas and 48% (+2%) in UFB2 areas
- the fibre rollout was recently completed in Omaha, Bulls, Himatangi Beach and St Arnaud

> **Total broadband connections increased 3k to 1,190,000*** (Q2 FY22: +4k)
- 7k connections were added in Chorus UFB areas
- 1Gbps connections were ~1/3 of fibre adds in Q3
- new 50/10Mbps fibre starter plan in market with good initial interest from retailers

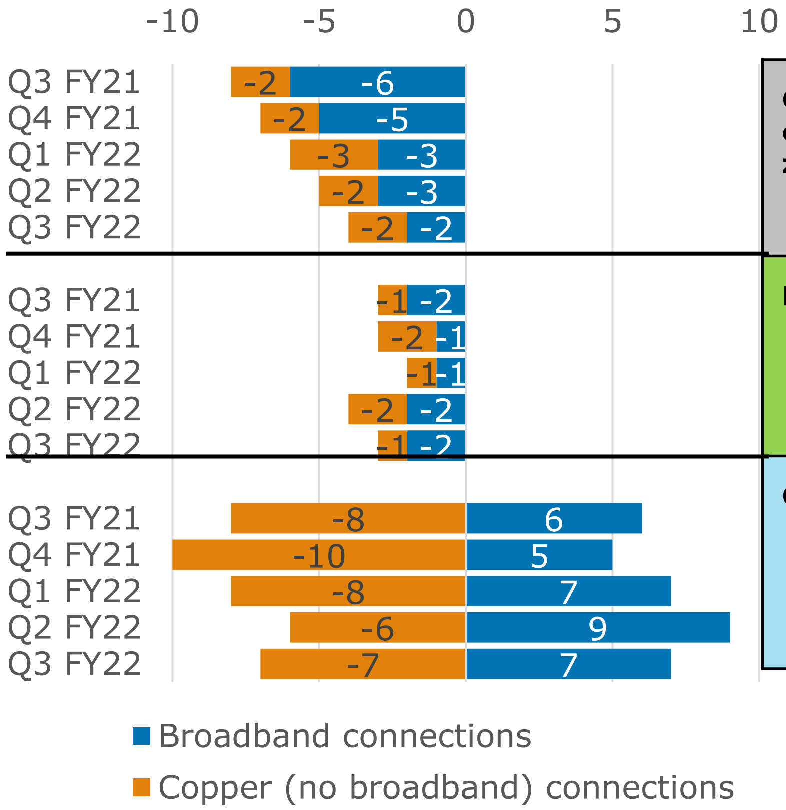
> **Copper broadband and voice connections declined by 29k** (Q2 FY22: -30k)
- voice only disconnections were consistent at 10k (Q2 FY22: -10k)
- copper withdrawal: 41 copper broadband cabinets no longer have active customers
- total fixed line connections declined by 8k to 1,317,000* (Q2 FY22: -6k)

> **Average monthly data usage was 511GB in March (Dec: 479GB)**
- average monthly data usage on fibre was 578GB vs 554GB in December

*totals exclude ~10,000 broadband connections Chorus is partly subsidising for student households

Connection changes by Zone (indicative as at 31 March)

Quarterly change ('000s) by zone**

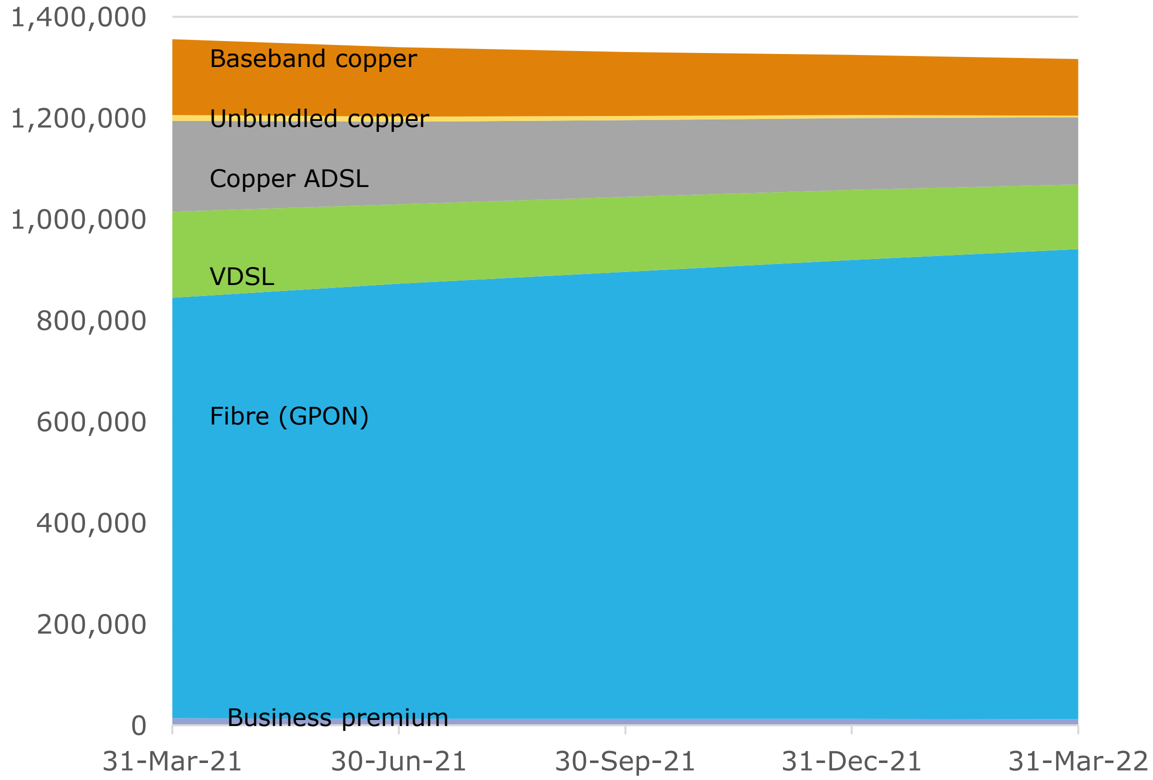


Other fibre company (LFC) zone	Broadband connections	37,000	Disconnections continue due to Local Fibre Company and fixed wireless provider activity, with some slowdown due to COVID-19 effects.
	Copper line (no broadband)	21,000	
	TOTAL	**58,000**	
Non-UFB zone	Broadband connections	145,000	Some expansion of wireless broadband footprint through Government backed programme. New housing outside of UFB zone driving fibre premises growth.
	Copper line (no broadband)	31,000	
	TOTAL	**176,000**	
Chorus UFB zone*	Broadband connections	1,008,000	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)	63,000	
	TOTAL	**1,071,000**	

* Includes planned Chorus UFB1, 2 and 2+ coverage
**Excludes 10k partly subsidised education connections and 12k fibre premium and data services (copper) connections

Fibre comprises 71% of Chorus connections

	31 March 2021	30 June 2021	30 Sept 2021	31 Dec 2021	31 March 2022
Unbundled copper (no broadband)	11,000	10,000	8,000	6,000	3,000
Baseband copper (no broadband)	150,000	137,000	127,000	119,000	112,000
Copper ADSL (includes naked)	180,000	163,000	152,000	142,000	133,000
VDSL (includes naked)	170,000	157,000	148,000	138,000	128,000
Fibre broadband (GPON)	831,000	860,000	883,000	907,000	929,000
Data services (copper)	3,000	2,000	2,000	2,000	2,000
Fibre premium (P2P)	11,000	11,000	11,000	11,000	10,000
Total connections	1,356,000	1,340,000	1,331,000	1,325,000	1,317,000



> **1,190,000 broadband connections comprises:**
- 929,000 fibre (GPON) connections
- 261,000 VDSL/ADSL (copper) connections

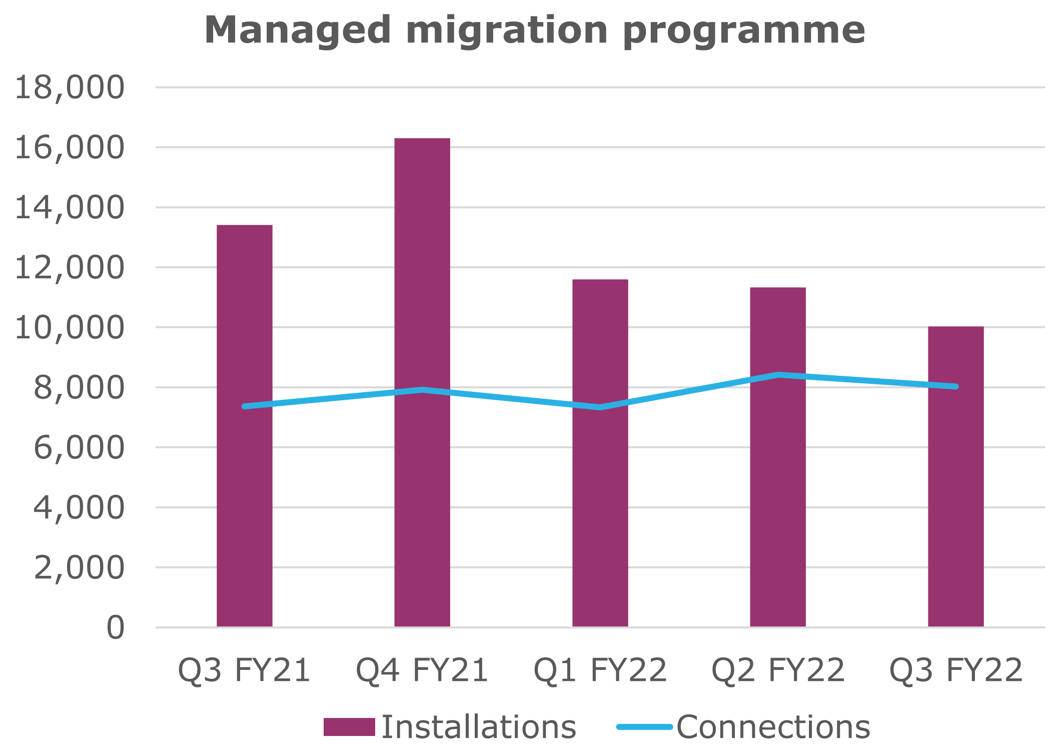
Note: 10,000 partly subsidised education connections are excluded from this data

Managed migration programme lifts uptake

~10k managed migration installations completed in Q3 (Q2 FY22: 11k)

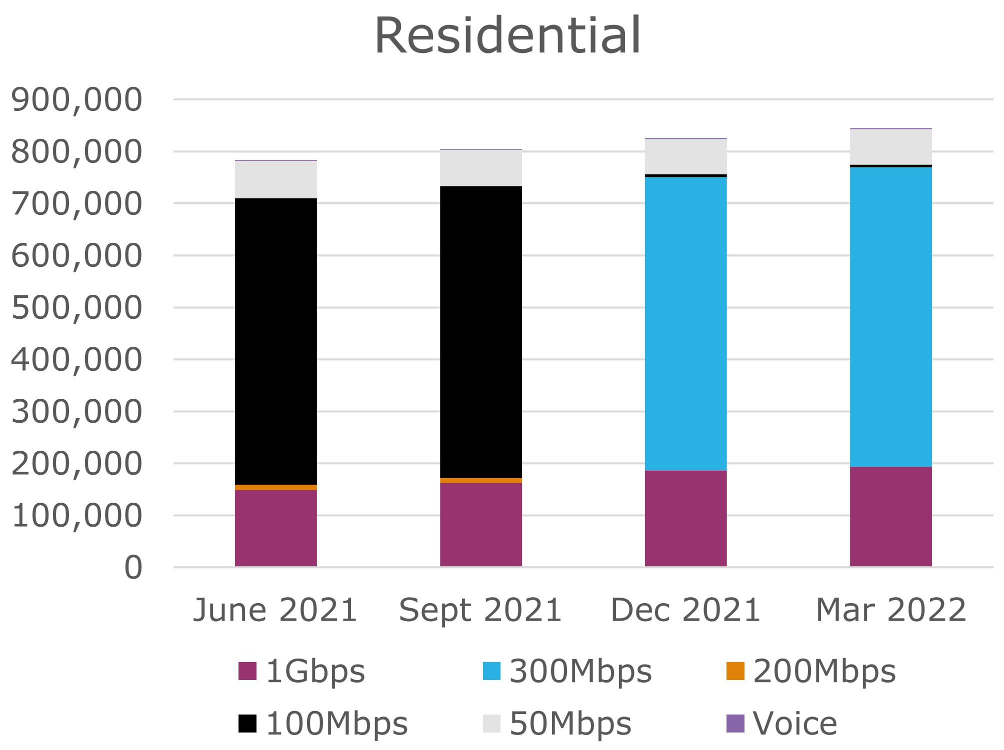
> Installation activity was slightly lower than Q2 due to the summer holiday period and COVID alert levels continuing to affect some consumer facing activity

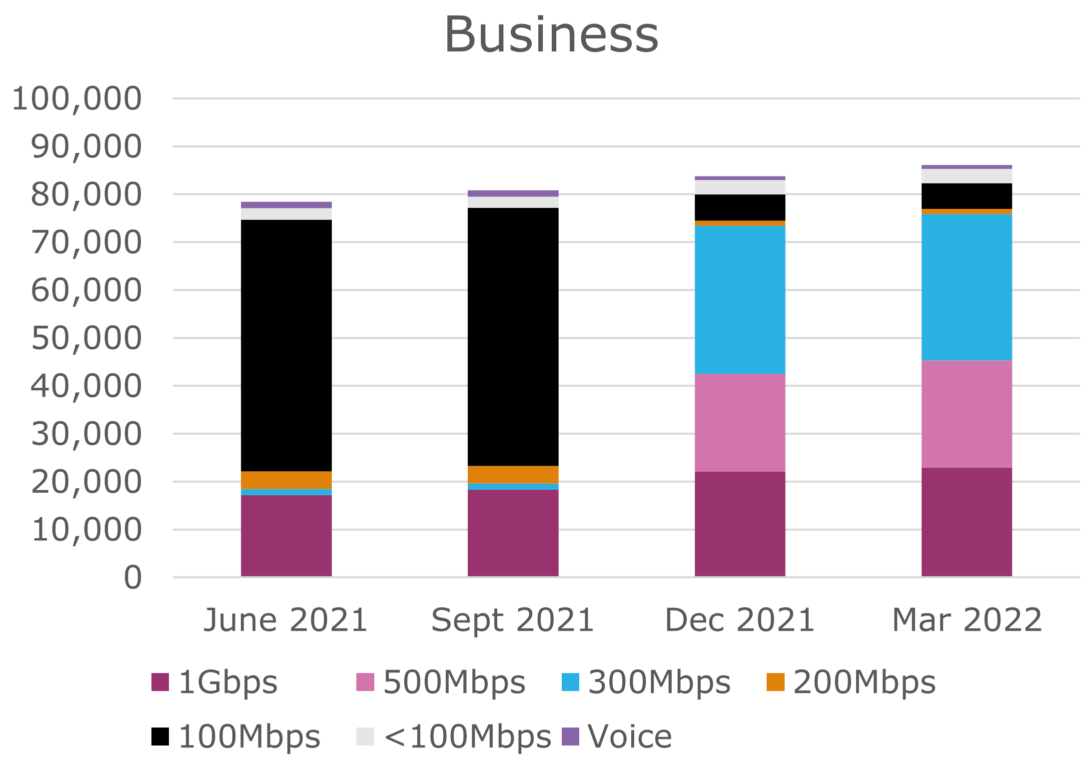
- activations of installed fibre sockets (ONTs) were steady at 8k for the quarter
- 52% of these activations were at offnet addresses



Mass market fibre connections grew 22k

- ~1/3 of fibre adds were 1Gbps plans in Q3; 1Gbps uptake remains at 23% of mass market connections
- new 50/10 fibre starter plan in market with good initial interest from retailers





UFB uptake grows to 69%

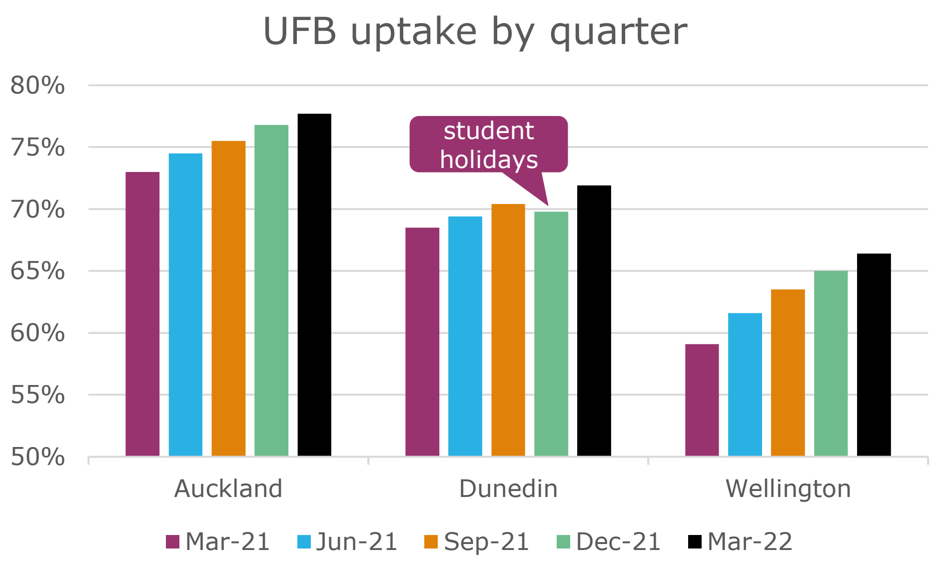
> **UFB uptake increased from 67% to 69% within completed footprint in Q3***

- uptake in UFB1 areas grew from 72% to **73%**
- uptake in UFB2 areas grew from 46% to **48%**
- **901,000** connections (Q2 FY22: 881,000) now within completed footprint, including business premium connections
- **1,315,000** customers able to connect (Q2 FY22: 1,308,000)
- **1,029,000** premises passed** (Q2 FY22: 1,022,000) out of 1,054,000 target = UFB rollout 98% complete

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

> **28,000 fibre installations completed in Q3 (Q2 FY22: 34k)**

- customer satisfaction reduced from 8.3 to 8.1
- WIP increased from 13k to ~14k
- field crews reduced from ~600 to ~540



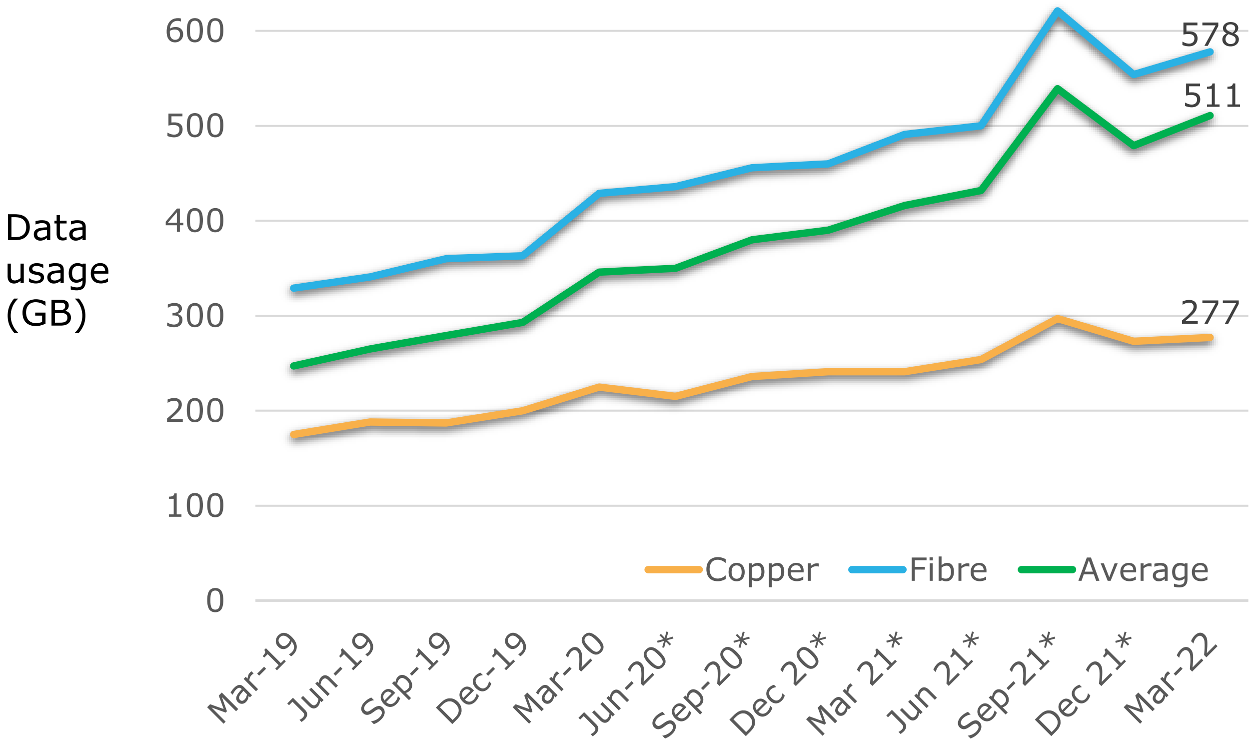
- Auckland, Wellington and Dunedin cover >70% of UFB1 homes and businesses able to connect
- 89% of Chorus' broadband connections in our planned UFB zone are now on fibre

* includes ~3k partly subsidised education connections

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

Monthly average data usage on fibre 554 gigabytes

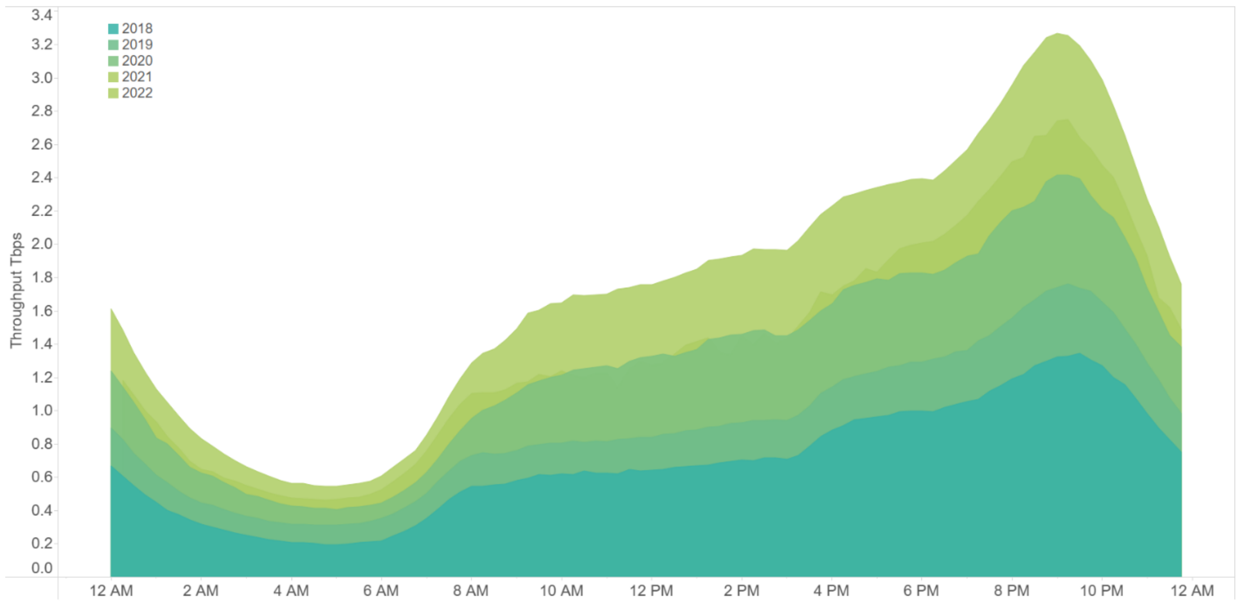
Monthly average data usage per connection on our network*



* includes upstream traffic from June 2020 onwards

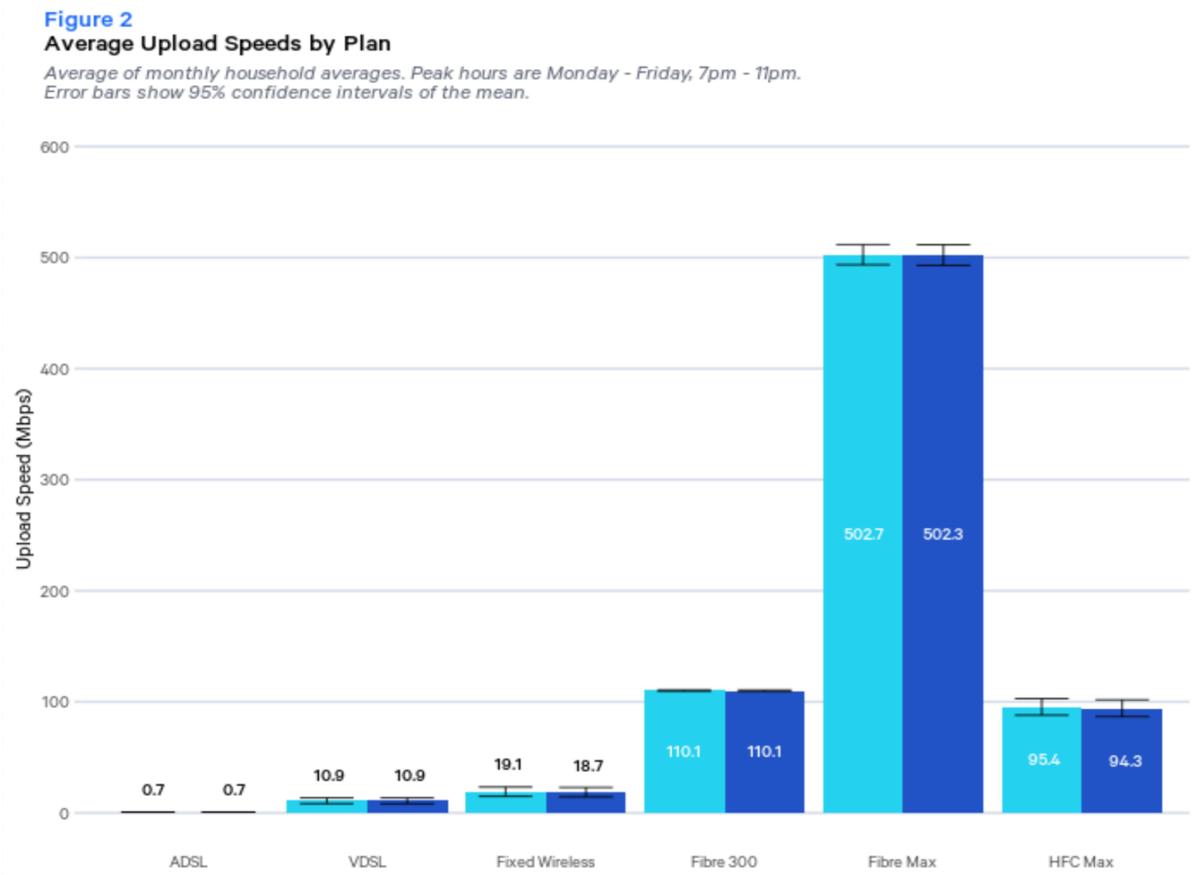
> Monthly data usage continues to grow
  - **578GB** on fibre (Dec:554GB)
  - **277GB** on copper (Dec:273GB)
  - **511GB** average (Dec:479GB)

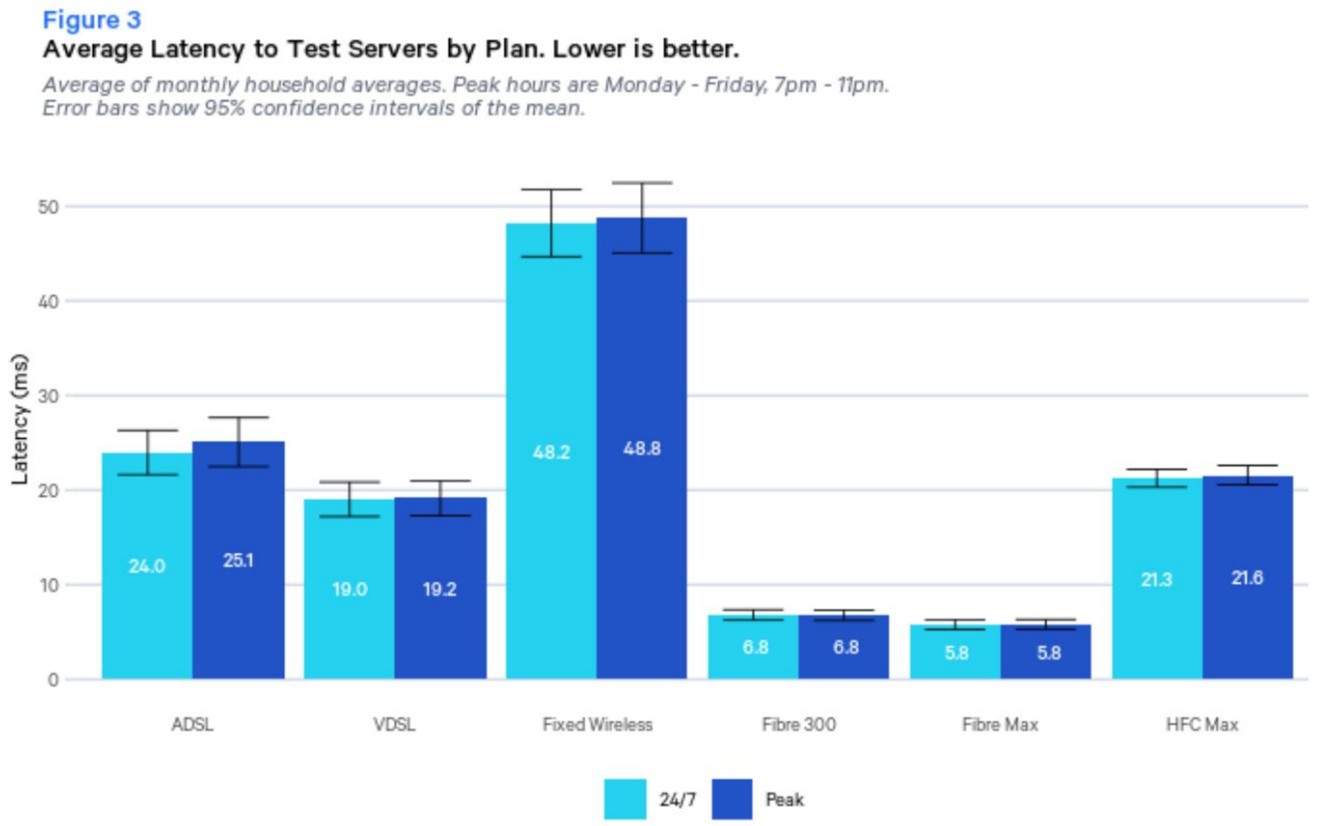
> Average peak throughput on our network at peak time (~9pm) was 3.3Tbps in March, up from 2.9Tbps in Dec



Commerce Commission broadband testing report

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





Source: Commerce Commission