

ASX Announcement

8 May 2024

Aussie Broadband Group trading update

Aussie Broadband Limited (ASX:ABB) is pleased to provide the following trading update for the quarter ended 31 March 2024 (3Q FY24).

Highlights:

- Core Aussie Broadband business remains strong and continues to show positive growth adding 18,788 broadband services in 3Q FY24.
- Enterprise & Government segment performed well, winning new clients across the retail, food, and local government sectors.
- Successfully completed the acquisition of Symbio, adding scale to our Voice business and increasing our capabilities. Symbio is on track to achieve FY24 contribution to ABB's guidance.
- Winner of three Roy Morgan awards: 'Best of the Best' for customer satisfaction across all industries, Internet Service Provider of the Year (3rd consecutive year) and Mobile Service Provider of the Year for the first time.
- Non-binding indicative offer to acquire 100% shares of Superloop Ltd (SLC) rejected by the SLC Board, resulting in the disposal of approximately 37.6m SLC shares to comply with SLC constitution, resulting in a one-off gain of \$13.4m, after transaction costs and before tax.
- Reaffirming FY24 upgraded Group guidance of \$116m to \$121m, inclusive of 4 months contribution from Symbio.

Quarterly performance of active broadband services*:

	FY23 Total	1Q FY24 Total	2Q FY24 Total	3Q FY24 Total	3Q FY24 Net Adds
Residential	522,505	548,457	560,823	575,611	14,788
Business	47,331	49,440	51,527	54,026	2,499
E&G	10,871	11,326	12,224	12,458	234
White label	91,749	101,585	118,611	132,982	14,371
Wholesale	18,716	20,977	22,621	23,888	1,267
Total Broadband	691,172	731,785	765,806	798,965	33,159

* Broadband connections exclude any connections currently held by Symbio and are based on the segments' closing balance for the quarter, inclusive of new services, customer movements between segments, and churn.

Group Managing Director comments

Co-founder and Group Managing Director, Phillip Britt said:

“Aussie Broadband’s core business continued to demonstrate strong growth and increasing momentum with 18,788 new connections in the quarter. Aussie remains on track to meet our upgraded FY24 guidance.

“We are pleased to have welcomed Symbio into the Group. This successful acquisition represents Aussie’s continued strategic investment into our Wholesale and E&G market segments. The Group continues to assess other strategic investments to advance our ongoing growth ambitions. We expect to see further market consolidation and will look to participate in that where value can be created, and it makes strategic sense to do so.

“While the outcome of negotiations with Origin was disappointing, I remain confident in our growth trajectory. We have a number of strategies in place to deliver on our growth agenda, which we are in the process of executing.

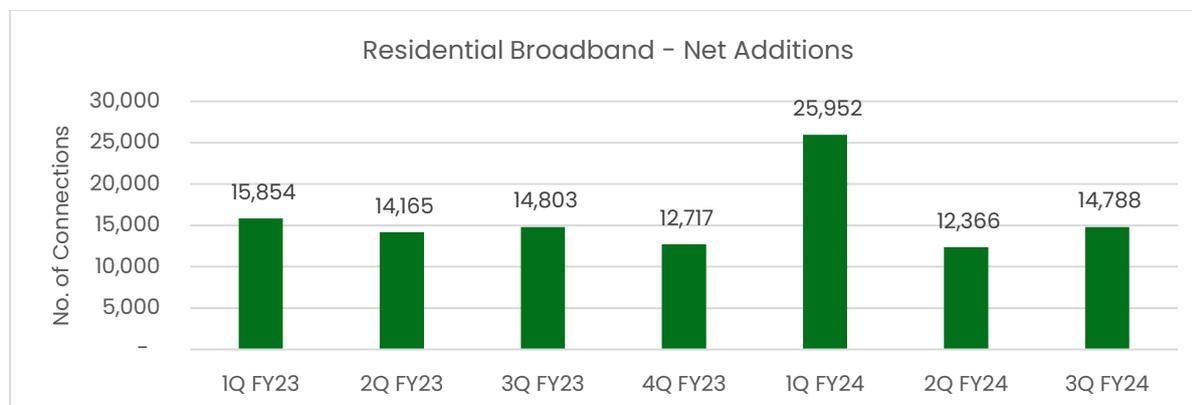
“In quarter 3 the Group acquired 19.90% of Superloop (SLC) shares with the intention of making a non-binding indicative offer to acquire 100% of the shares. This was rejected by the Superloop Board. Subsequently, in order to comply with the SLC constitution, Aussie disposed of approximately 37.6m shares, reducing the holding to 11.99%. This disposal resulted in a one-off gain of \$13.4m, after transaction costs and before tax. We are waiting for the Singapore regulatory approval process to be finalised.

“Our customer service continues to be recognised as market leading. Aussie Broadband was the first business to win three awards in a single year from Roy Morgan:

- Mobile Phone Service Provider of the Year for the first time
- Internet Service Provider of the Year for the third year running and
- The prestigious ‘Best of the Best’ Customer Satisfaction Award, across all industries, for the first time. We are the first Telco to win the ‘Best of the Best’ award.”

Residential

3Q FY24 was a strong quarter for Aussie Broadband with 14,788 net additions in our residential segment. This increase in connections is up 20% against the previous quarter’s performance, continuing the ongoing momentum of connection growth.



* Broadband connections exclude any connections currently held by Symbio and are based on the residential segment closing balance for the quarter, inclusive of new services, customer movements between segments, and churn. 1Q & 2Q FY24 included 8,700 connections acquired from Uniti

As of 6 May 2024, a further 5,716 residential broadband connections have been added.

Aussie Broadband has also continued to capture the high value segment of the residential broadband market with our tier mix shifting towards high-speed plans greater than 100 Mbps. We expect this trend to continue as residential customers seek higher broadband speeds to accommodate families connecting with multiple devices, new technologies, media viewing habits and gaming activities.

Business

Business broadband net additions were 2,499 in 3Q FY24, an increase of 4.8% over the previous quarter. Growth remains steady and in line with recent quarters.

Enterprise & Government

The E&G segment continues to see traction with over 250 new customer site wins in 3Q FY24 across the retail, hospitality, and local government sectors. We continue to see retention of major customers who are choosing to re-sign with us.

Already in quarter 4 this momentum continued, with a major retail customer confirming Aussie Broadband would connect broadband services to almost 400 sites. Aussie won this client from a leading telco, which further demonstrates our ability to compete and win in this segment. The sale process took over 15 months and is an example of the longer lead times required in this segment.

Wholesale

Origin update

At the end of 3Q FY24 Origin Broadband connections totalled 132,982. The contract between Aussie Broadband and Origin ended on 12 April 2024 and is now in transition.

Migration is not forecast to commence until July 2024 and is planned to conclude by October 2024.

With the expiry of the Origin white label agreement, Aussie is actively exploring new opportunities, leveraging our existing white label capabilities through the Aussie Broadband and Symbio platforms.

Wholesale Voice

NetSIP, ABB's voice network, increased its average call volume for the quarter to 175.6m minutes, up from an average of 169.1m minutes in 1H FY24. This sustained growth is pleasing in what is a seasonally softer quarter due to increased public holidays resulting in fewer business days.

Symbio

Aussie assumed full ownership of Symbio on 28 February 2024.

Symbio is on track to achieve FY24 contribution to ABB's guidance.

In relation to target synergies Aussie remains confident that at least \$5m will be achieved and is actively exploring additional synergy opportunities.

Symbio's Asian business is a relatively small part of the Group with minimal bottom-line impact. With current expected orders in Singapore, we anticipate the business will be

contributing positively to Symbio results. We are taking a disciplined approach to investing in Singapore and Malaysia.

Outlook and guidance update

Aussie Broadband is pleased to reaffirm its upgraded FY24 EBITDA guidance of \$105m to \$110m and expects 4 months' contribution from Symbio of approximately \$11m, taking the total Group FY24 EBITDA guidance to \$116m to \$121m. Capex guidance remains on track to achieve \$40m to \$45m.

ENDS

Authorised for release by the Aussie Broadband Board.

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About Aussie Broadband Limited

Aussie Broadband is an Australian operated telecommunications and technology company that formed in 2008 in Morwell, Victoria.

The Company provides a broad range of solutions to residential, business, enterprise and government customers, and provides wholesale services to other telecommunications companies and managed service providers.

The Company is the 5th largest provider of broadband services in Australia and is one of only five tier 1 voice providers in Australia.

Aussie Broadband is focused on building market share in the business, enterprise & government and wholesale segments through its range of data, voice, cloud and managed solutions, whilst continuing to build share in the residential segment.

For further information please visit: <https://www.aussiebroadband.com.au/>