

STOCK EXCHANGE ANNOUNCEMENT

25 January 2024

Q2 FY24 Connections Update

Chorus today released its connections update for the Q2 period to 31 December. The results show continued growth in fibre connections, up 11,000 to 1,062,000¹, with demand in some areas affected by student holidays during the quarter.

The entry level 50Mbps Home Fibre Starter service continued to grow strongly and was up another 7,000 connections in the quarter to 30,000. Residential plans for speeds of 1Gbps and above grew by 4,000 connections and make up 25% of plans.

Fibre broadband connections grew by 11,000 in areas where Chorus had fibre available, more than offsetting copper broadband reductions in that footprint. However, total broadband connections decreased by 3,000 to 1,188,000² largely due to copper broadband reductions in areas beyond Chorus' fibre footprint.

Copper voice lines reduced by 7,000 in the quarter and this drove most of the reduction in fixed line connections to 1,256,000³, down from 1,266,000 connections in September. Total copper connections reduced by 21,000 in the quarter, compared to a 25,000 connection decline in the prior quarter.

Record peak time data usage

Average monthly data usage on fibre grew from 585GB in September to 599GB in December, close to record usage levels previously achieved during COVID lockdowns in late 2021. The proportion of broadband connections using more than 1 terabyte of data grew from 15% to 16% in the quarter.

A new peak time throughput record of 5.3 terabits per second was set in December, coinciding with a *Fortnite* gaming update.

Fibre uptake

Fibre uptake grew by 0.4% to 70.6% in the quarter compared to 0.5% in the same December quarter a year ago. Fibre uptake is reported based on all current addresses,

¹ This total includes ~1,000 partly subsidised fibre connections for students.

² This total includes ~1,000 partly subsidised fibre and ~1,000 partly subsidised copper broadband connections for students.

³ This total includes ~1,000 partly subsidised fibre and ~1,000 partly subsidised copper broadband connections for students.

excluding those in other local fibre company (LFC) areas, that have been passed by Chorus fibre.

Chorus' fibre footprint, excluding LFC areas, was about 1,493,000 addresses as at 31 December, an increase of 7,000 addresses in the quarter. There were 1,054,000 connections across this footprint. There were 238,000 addresses passed by fibre that did not yet have fibre installed into the address, down from 252,000 at the last quarter.

Uptake in Dunedin decreased 1.3% to 74.8% reflecting the annual effect of seasonal student demand in the city. Fibre uptake in the Auckland urban area increased 0.1% to 76.4% while Wellington's uptake reduced 0.1% to 70.4% as footprint growth outweighed connection growth in the quarter.

Chorus' copper withdrawal programme continues to drive fibre connection growth, although this contribution is expected to reduce as the pool of remaining copper connections shrinks. Just 67,000 copper connections remain in areas where Chorus has fibre available and a further 25,000 copper connections are in other local fibre company areas. Copper services have now ceased for about 36,000 notified connections, up 7,000 in the quarter, and more than 820 copper broadband cabinets have been closed.

This leaves about 101,000 copper connections in areas where fibre is not available. That number was down 5,000 in the quarter as consumers migrated to alternative wireless and satellite networks.

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