

STOCK EXCHANGE ANNOUNCEMENT

22 January 2025

Q2 FY25 Connections Update

Chorus today released its connections update for the Q2 period to 31 December.

Record monthly data usage

Average monthly data usage on fibre grew from 609 gigabytes (GB) in September to a new monthly record of 644GB. The proportion of fibre users consuming more than 1,000GB, or 1 terabyte of data, rose from 15% to 17.5%.

Shift to a simpler all-fibre network continues at pace

About 16,000 copper lines were disconnected nationwide in the quarter, leaving about 123,000 copper lines in service on 31 December.

Within this total, about 28,000 copper lines remain in service in Chorus fibre areas, down from about 35,000 lines at the end of September. Chorus expects the copper network in this area to be fully retired by the end of 2026 and has issued approximately 96,000 service withdrawal notices for copper connections so far. More than 1,500 copper broadband cabinets no longer have active customers.

In areas where fibre is not available, about 6,000 copper customers chose to migrate to alternative network options, consistent with the trend in the prior quarter.

Fibre uptake keeps growing despite holiday season and shrinking copper pool

Total fibre connections increased by about 6,000 lines in the quarter to 1,098,000. This growth more than offset a decline of 4,000 copper broadband lines in Chorus fibre areas. While Chorus continues to retain close to 80% of migrating copper broadband connections, the pool of customers available to migrate to fibre from copper is diminishing.

Fibre uptake in UFB2 rollout areas, completed between 2018 and the end of 2022, rose steadily in the quarter from 59% to 60%. Fibre uptake across Chorus' wider fibre network footprint, excluding other local fibre company areas, lifted by 0.1% to 71.7%. The pace of uptake also reflected the addition of another 6,000 addresses to the network footprint in the quarter. This growth was driven by new property developments and Chorus' ongoing programme to extend fibre to about 10,000 existing homes in smaller communities.

The effect of reduced student demand during summer holidays was again most evident in Dunedin where fibre uptake decreased 1.6% to 74.8%. Uptake in Auckland and Wellington also slipped slightly, despite overall growth in connections, as footprint growth outweighed connection growth in the quarter.

The combination of reducing demand for copper connections, partly offset by growth in fibre connections, saw Chorus' total fixed line connections reduce by 10,000 lines. This was consistent with the prior quarter.

Multi-gigabit services continue to gain momentum

Business and residential customers on speeds of 500Mbps and above grew by 11,000 connections, with Chorus' simplification of business plans driving a significant proportion of upgrades to 500Mbps plans. Demand for multi-gigabit *Hyperfibre* connections also gained momentum, rising another 19% to near 5,000 connections.

Cost-of-living pressures likely continued to fuel strong uptake of the entry level 50Mbps Home Fibre Starter service, with another 11,000 connections added.

Authorised by:

Mark Aue
Chief Executive Officer

ENDS

For further information:

Vicki Gan
Media and Content Manager
Phone +64 22 075 0159
Email: Vicki.Gan@chorus.co.nz

Brett Jackson
Investor Relations Manager
Mobile: +64 (27) 488 7808
Email: Brett.Jackson@chorus.co.nz