

STOCK EXCHANGE ANNOUNCEMENT

9 July 2024

Q4 FY24 Connections Update

Chorus today released its connections update for the Q4 period to 30 June.

Fibre uptake lifts to 71.4%

Chorus' fibre network footprint, excluding other local fibre company areas, grew by 7,000 addresses in the quarter to just over 1.5 million addresses. Fibre uptake within this footprint grew by 0.4% to 71.4%. Auckland is at 76.6% uptake, compared to Dunedin on 76.5% and Wellington on 70.7%.

Fibre connections grew by 10,000 in the quarter, slightly below growth of 12,000 fibre connections in Q3.

Strong demand continued for the entry level 50Mbps Home Fibre Starter service with another 9,000 connections added. Business and residential consumers on speeds of 500Mbps and above grew by 8,000 connections. About 25% of residential connections are on speeds of 1Gbps and above, while 79% of business connections are on speeds of 500Mbps and above.

Average monthly data use surpasses COVID lockdown levels

Average monthly data usage on fibre was 623 gigabytes in June, up from 598GB in March and above the peaks last seen during 2021 COVID lockdowns. The proportion of fibre users consuming more than 1 terabyte of data also lifted from 15% to 16%.

The OECD has said the shift to a post-pandemic digital future requires high-quality broadband networks characterised by high speeds, high reliability and low latency. Recent data shows an accelerating international shift to fibre networks within the OECD, with fibre the dominant fixed network technology in June 2023. Of total fixed broadband subscriptions, 41% were on fibre with cable falling to 30.5% and copper falling to 21.9%.

Just 45,000 copper connections remain in Chorus fibre areas

The global shift away from legacy copper networks is reflected in Chorus' connection numbers. The number of copper connections declined by 19,000 in Q4, compared to 18,000 in the prior quarter. This drove an overall reduction in Chorus' fixed line connections from 1,250,000 to 1,241,000¹ connections in the quarter.

¹ This total includes partly subsidised fibre and copper broadband connections for students.

Just 45,000 copper connections remain in areas where Chorus has fibre available and of these, about 30,000 have already been notified that copper services will be withdrawn within six months. To date, Chorus has withdrawn copper services to a further 52,000 consumers under this process and about 1,250 copper broadband cabinets have been closed.

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