

C H ● R U S

# Q3 FY25 CONNECTIONS UPDATE

# Q3 FY25 overview

- > **Fibre connections (including non-address points and LFC areas) increased 9k (Q2 FY25: +6k) to 1,107,000**
  - in Chorus fibre areas, an 8k increase in fibre broadband connections largely offset a 9k reduction in copper lines
  - *Home Fibre Starter* (50Mbps) connections grew 9k to 77k with the majority of growth from new and offnet addresses
  - 1Gbps+ residential connections grew 2k and comprise 25% of residential plans
- > **Chorus' fibre footprint now covers 1,525,000 addresses (excluding LFC areas)**
  - fibre passed another 5,000 addresses in Q3 (Q2: +6k), including fibre to ~900 existing homes in smaller communities
  - uptake in UFB2 areas lifted from 60% to 61%
  - overall fibre uptake grew 0.3% to 72% of passed addresses in Q3 (Q2: +0.1%)
  - New Zealand is ranked 19<sup>th</sup> globally for fibre uptake, just behind Sweden and Japan
- > **Total fixed line connections\* declined by 7k (Q2: -10k) and now total 1,214,000**
  - copper broadband connections declined by 10k (Q2: -10k) and copper voice connections declined 5k (Q2: -6k)
  - copper lines in non-fibre areas declined by 5k (Q2: -6k) with 75k remaining
- > **Average monthly data usage on fibre was stable at 642GB (Dec:644GB)**
  - a *Fortnite* update drove new peak time traffic record of 5.4Tbps in February
  - the proportion of terabyte users (i.e. consuming 1,000GB+ a month) was ~17% in March (Dec: 17.5%)

\*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

# Fibre comprises 90% of Chorus connections

	31 Dec 2023	31 March 2024	30 June 2024	30 Sept 2024	31 Dec 2024	31 March 2025
Baseband copper (no broadband)	57,000	51,000	45,000	40,000	34,000	29,000
Copper ADSL (includes naked)	68,000	62,000	56,000	49,000	44,000	39,000
VDSL (includes naked)	68,000	62,000	55,000	49,000	44,000	39,000
Data services (copper)	1,000	1,000	1,000	1,000	1,000	NM
Fibre broadband (GPON)	1,052,000	1,064,000	1,074,000	1,083,000	1,089,000	1,098,000
Fibre premium (P2P)	10,000	10,000	10,000	9,000	9,000	9,000
<b>Total connections*</b>	<b>1,256,000</b>	<b>1,250,000</b>	<b>1,241,000</b>	<b>1,231,000</b>	<b>1,221,000</b>	<b>1,214,000</b>

Copper connections declined 16k in Q3 and total 107k

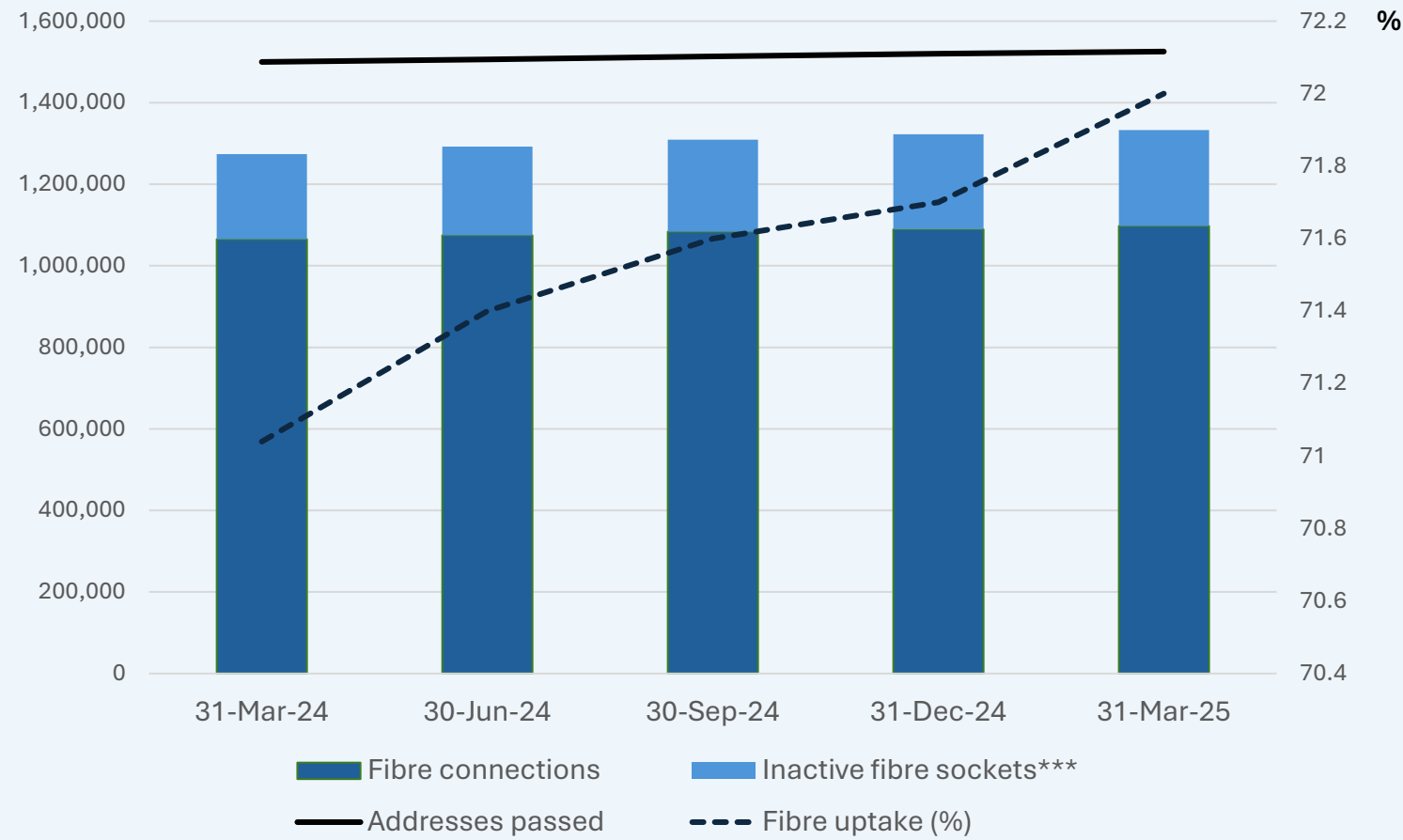
Total fibre connections grew 9k in Q3 and total 1,107k

\*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

# Fibre uptake reaches 72%

## 72% fibre uptake across 1,525,000 passed addresses\*

- uptake grew +0.3% in Q3
- +8k fibre connections to addresses\*\*
- +5k addresses passed in Q3, including ~900 addresses as part of Chorus' fibre expansion programme to smaller communities
- 13k installations in Q3 (Q2:14k)
- 235k inactive fibre sockets (Q2: 233k)

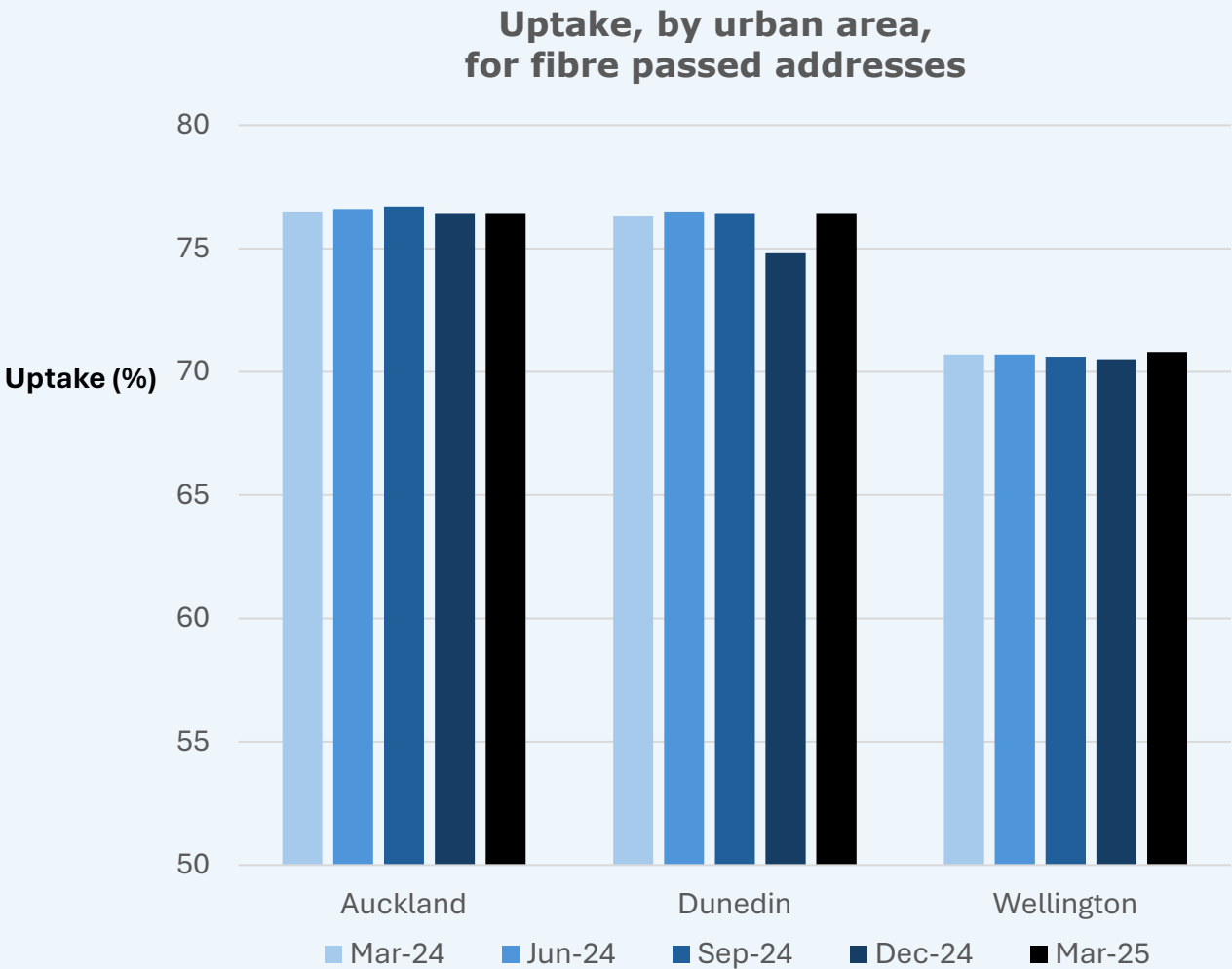


\*based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in Local Fibre Company (LFC) areas  
\*\* includes ~7k fibre premium connections to addresses; excludes smart location (GPON) connections and connections in LFC areas  
\*\*\* not active on 31 March 2025

# Fibre uptake by city

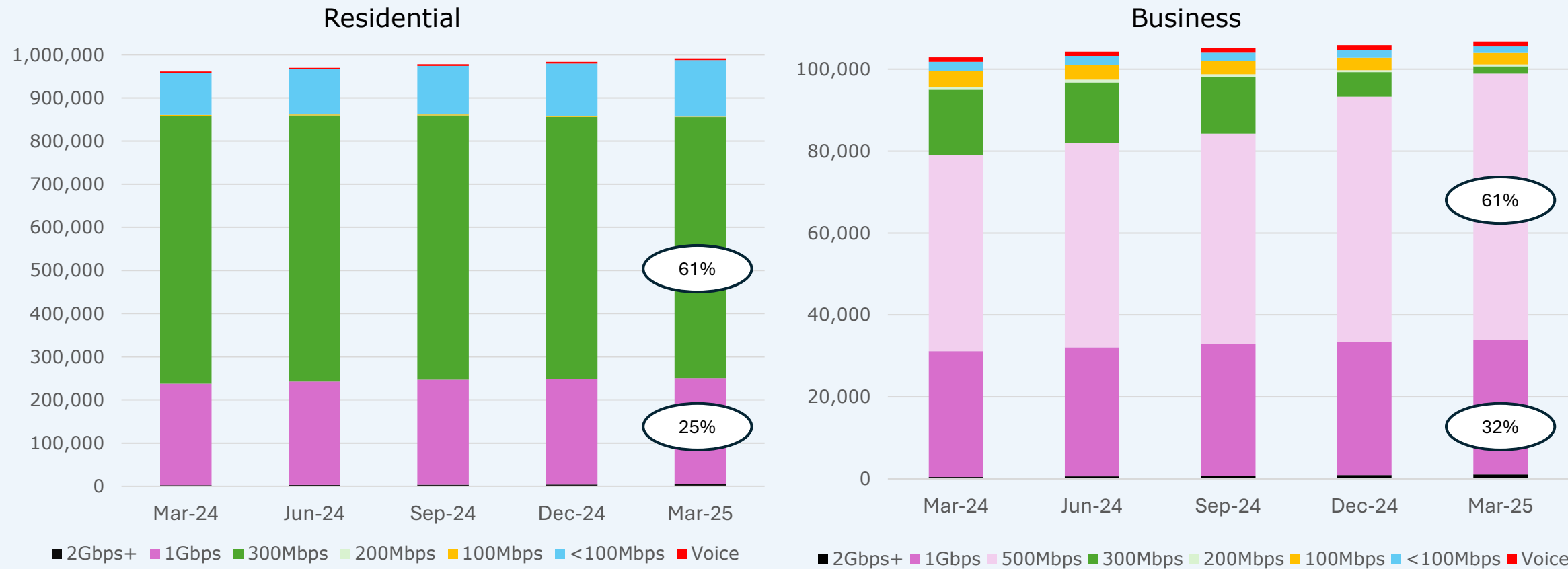
- **Auckland** uptake was flat at 76.4% with address growth continuing to outpace connection growth
- **Dunedin** uptake grew 1.6% to 76.4% reflecting student seasonality
- **Wellington** uptake grew 0.3% to 70.8%

Note: uptake is measured across “urban areas” as defined by Statistics NZ, rather than the original UFB rollout areas



# Offnet demand drives majority of continued 50Mbps growth

- *Home Fibre Starter* (50Mbps) connections grew by net 9k connections to 77k; 66% of gross adds were from new fibre connections or offnet (up 4% from Q2), 25% were from higher speed plans, and 9% from legacy 50Mbps plans
- 1Gbps+ residential connections grew 2k and comprise 25% of residential plans
- business 500Mbps+ connections grew by 6k, driven by simplification of business plans

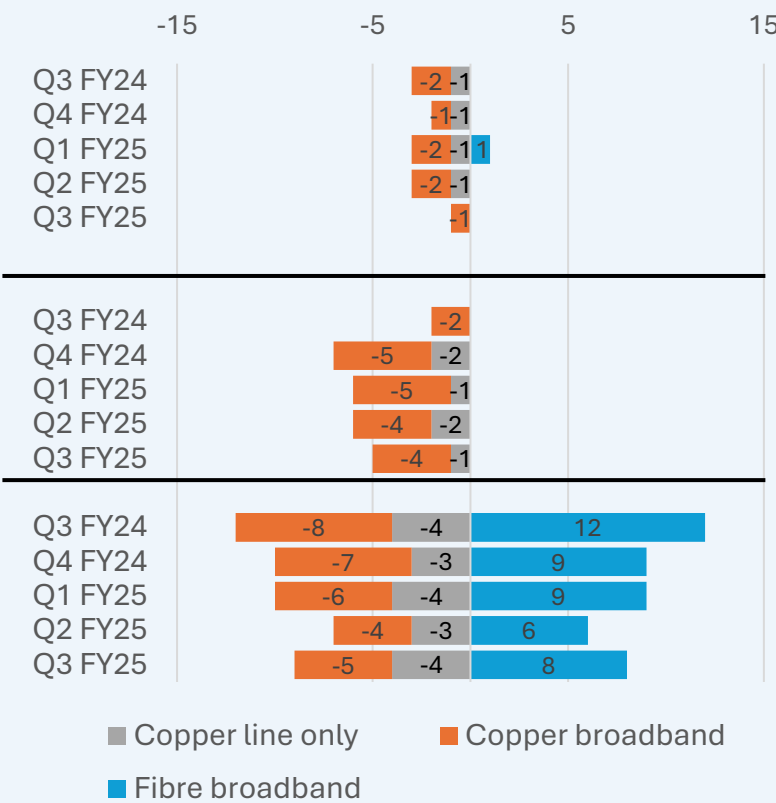


# Connection changes by zone\* (indicative as at 31 March)

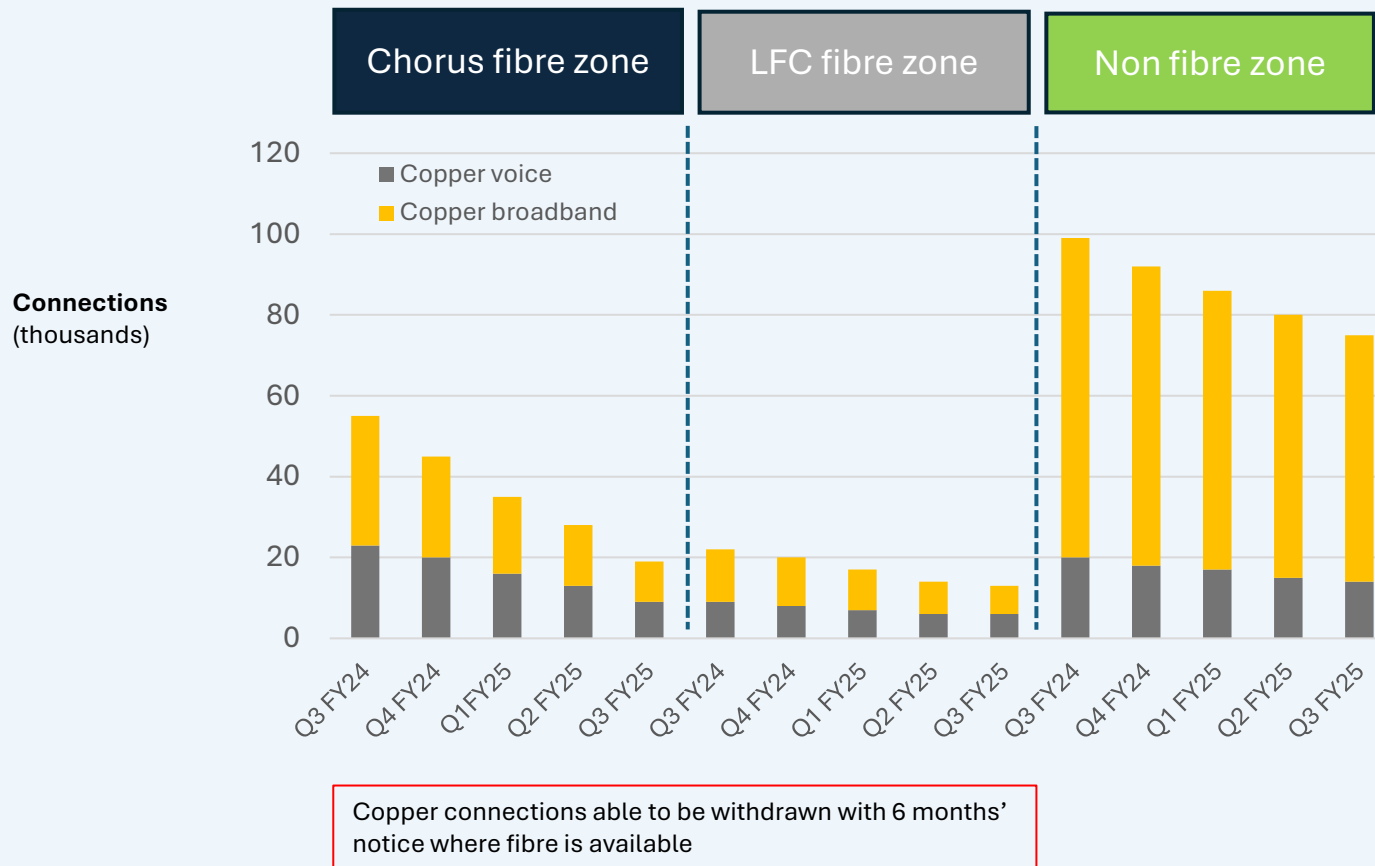
Other fibre company (LFC) zone	Copper lines (no broadband)	6,000	Local Fibre Company and fixed wireless provider activity is driving a gradual decline in copper connections.
	Copper broadband lines	7,000	
	Fibre broadband lines (GPON)	4,000	
	TOTAL	17,000	
Non-fibre addresses (i.e. Chorus fibre not available)	Copper lines (no broadband)	14,000	Ongoing decline in copper connections due to mobile/fixed wireless/satellite footprint expansion.
	Copper broadband lines	61,000	
	TOTAL	75,000	
Chorus fibre zone	Copper lines (no broadband)	9,000	Covers all addresses outside of LFC UFB rollout zone where Chorus fibre is available. Fibre footprint is growing as a result of new property development. Copper connections are reducing as Chorus retires its copper network.
	Copper broadband lines	10,000	
	Fibre broadband lines (GPON)	1,091,000	
	TOTAL	1,110,000	

\* Excludes ~12k fibre premium and smart location connections

Quarterly change ('000s) by zone



# 39% annual decline in copper lines: only 107k lines remain



## > Chorus' fibre zone:

- 19k copper lines in service, with final ~4k lines to receive withdrawal notice this month
- broadband retention rate steady at 80%
- 1,771 copper broadband cabinets closed (Q2: 1,561)

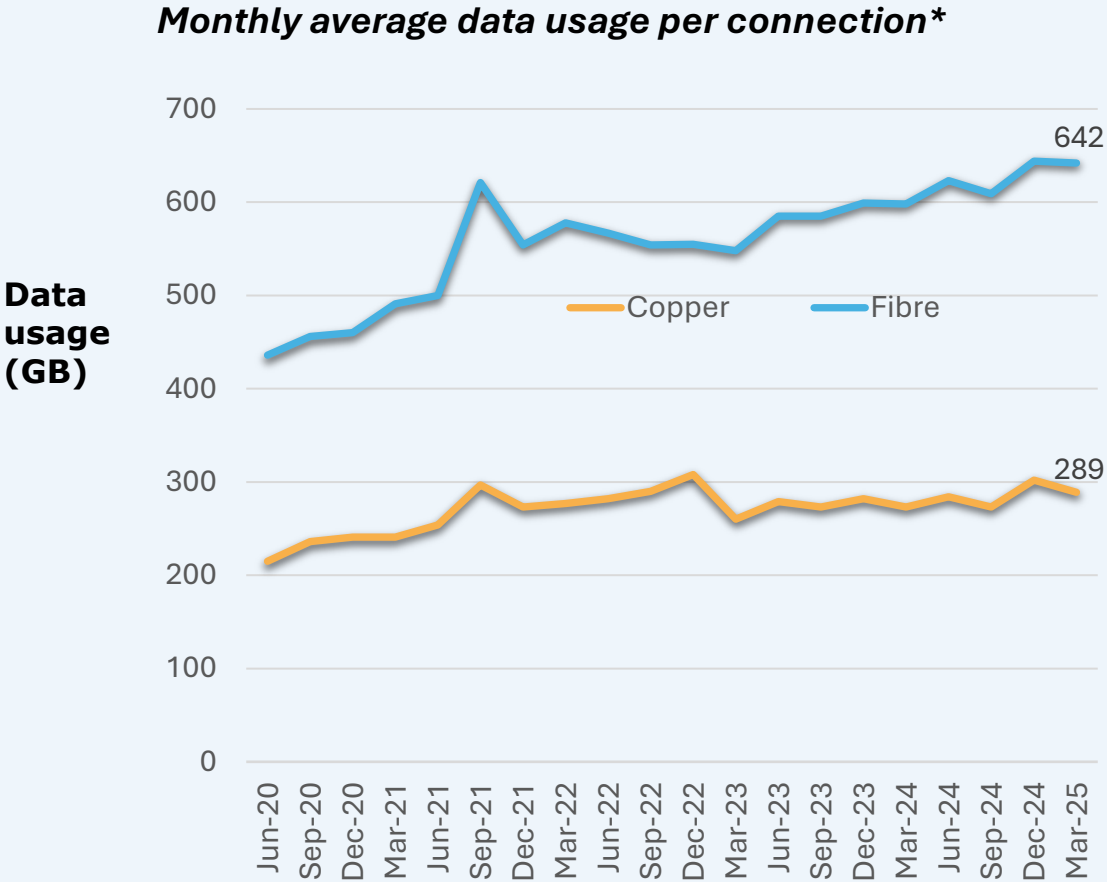
## > Non-fibre zones:

- just 75k copper lines remaining, down 24% in a year
- Chorus' ~10k premises fibre rollout is reducing copper further with 2.5k premises ready for service and 700 connected to date (4.5k expressions of interest)

## > Deregulation of copper:

- Commerce Commission draft recommendation that regulation of copper voice and broadband services is no longer needed to promote competition
- final report due to Government by end of 2025

# Data usage on fibre stable at 642GB in March

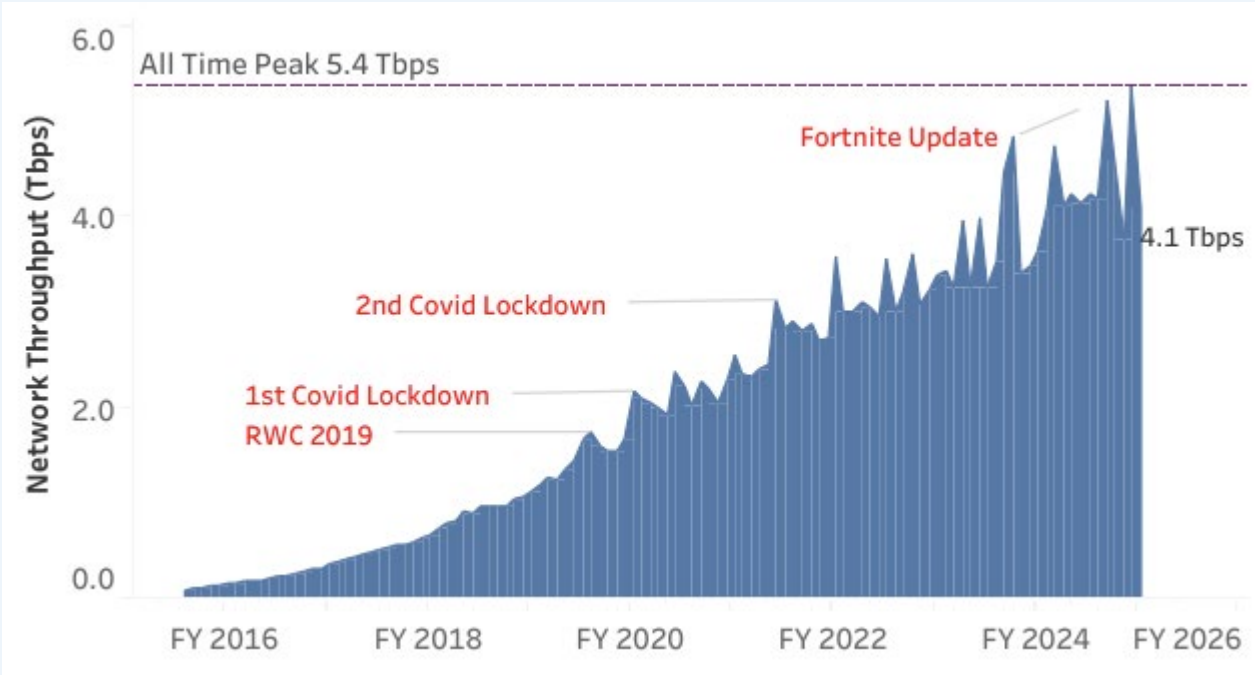


\* includes upstream traffic

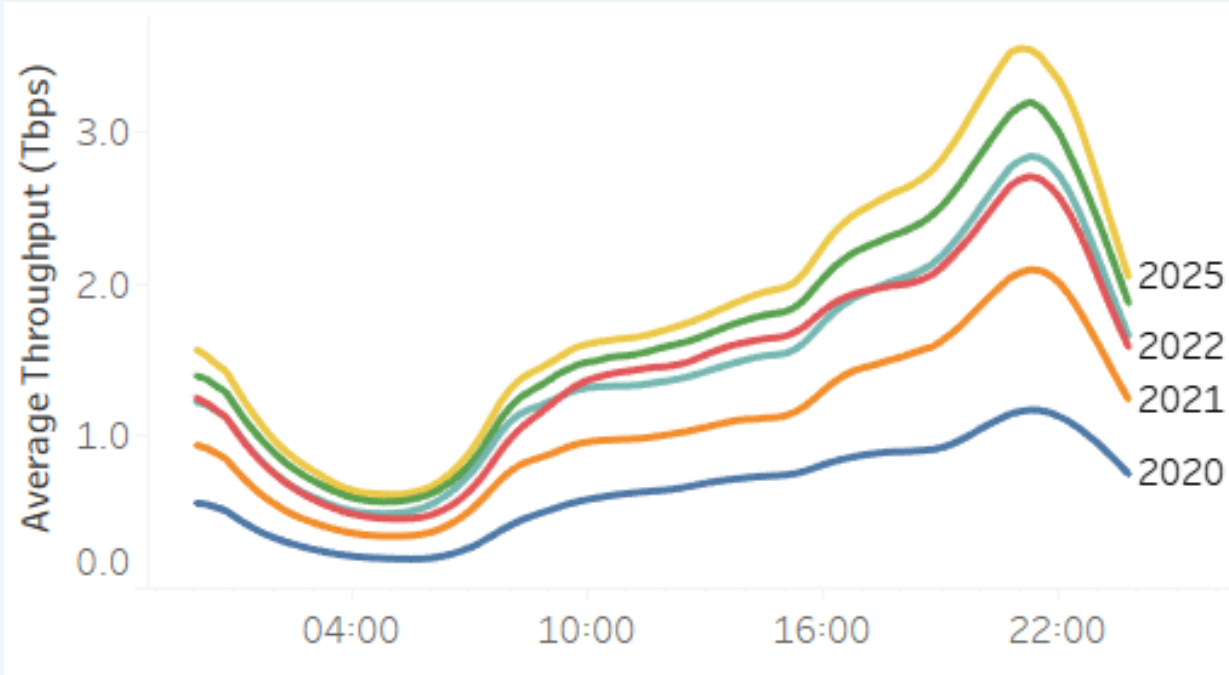
- monthly average data usage on fibre was stable at 642GB in March vs 644GB in December
- the proportion of fibre connections using more than 1 terabyte of data was ~17% vs 17.5% in December
- copper usage was 289GB (Dec: 302GB)

# Record peak time usage of 5.4Tbps in February

**Fortnite update drove new record peak in February**

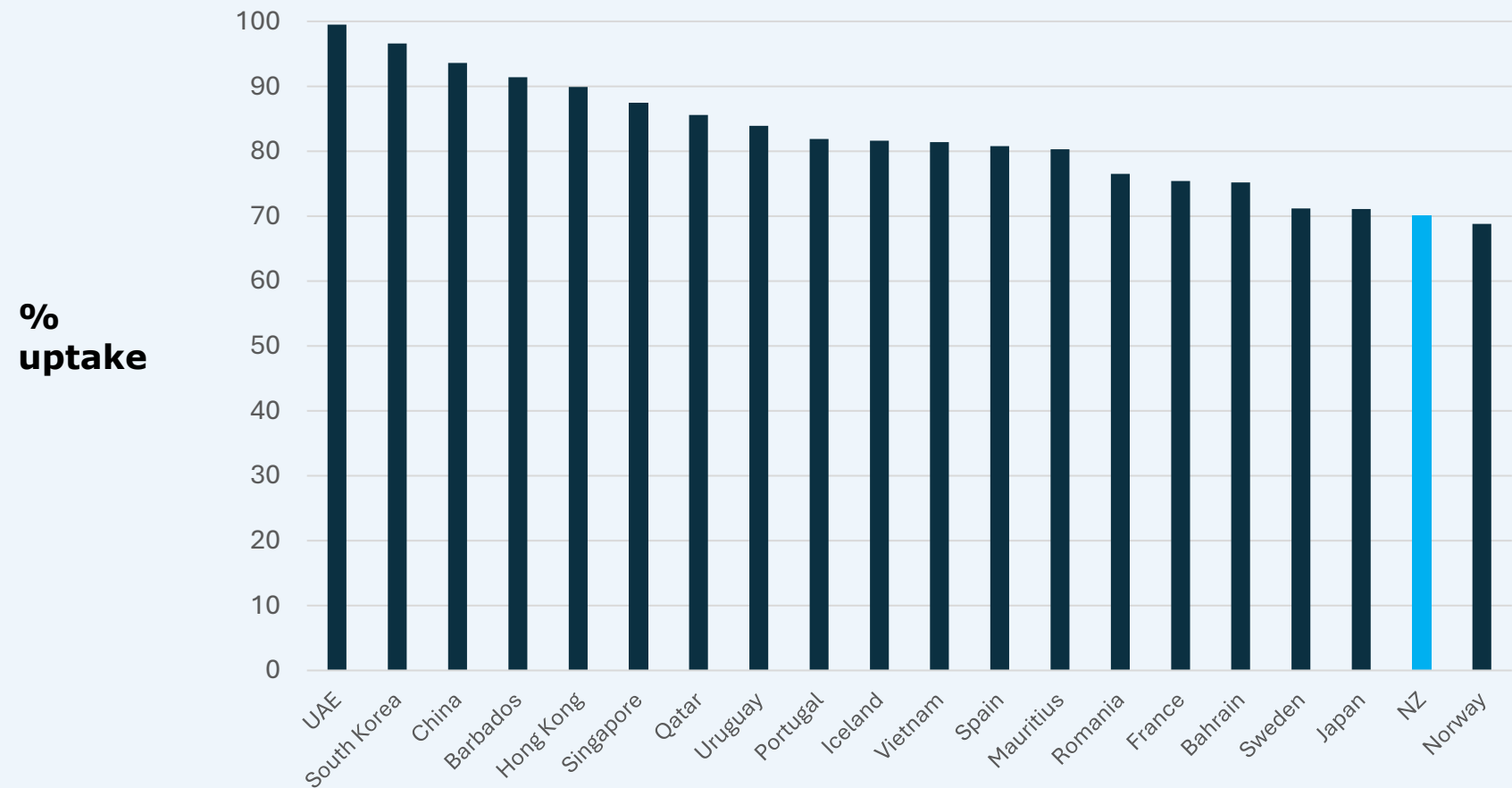


**Average throughput in March, by time of day**



# NZ ranked 19<sup>th</sup> globally for fibre uptake

FTTH/B uptake % by households



**Source:**  
*FTTH Council Europe, Sept 2024*