

STOCK EXCHANGE ANNOUNCEMENT

2 December 2024

Chorus Investor Day 2024

The attached presentation materials will be delivered at Chorus' Investor Day commencing at 12:45pm (NZT).

The event will be webcast live on www.chorus.co.nz/webcast and a recording of the presentations will be made available online on Tuesday 3rd December.

With the UFB rollout complete, Chorus is in transition from being the Great Network Builder, to becoming the Great Network Operator. The briefing includes further detail on Chorus' recent strategic reset, in 'Our Road to 2030', including:

- a shift to a Purpose-led organisation: "Unleashing potential through connectivity. Enabling better futures for Aotearoa."
- a clear Aspiration for future success: "A simplified all-fibre business with 80 per cent uptake by 2030."
- a more competitive market challenger posture with focus on under-penetrated markets, including new digital equity plans, to drive fibre uptake to 80%
- moving rapidly to retire the legacy copper network by 2030, as demand diminishes, and ultimately reducing direct copper operating expenditure by about \$50 million per annum

Chorus notes a number of growth and optimisation opportunities are actively being explored:

- recycling of about 4,000 kilometres of large copper cabling, over three to seven years, with estimated net proceeds of approximately \$30 million to \$50 million. This is subject to evaluation over FY25.
- reviewing options for non-core high sites with a \$20 million net book value, which may have a better alternative owner in market

- considering post-copper optionality for other land and buildings outside of UFB areas, with a current net book value of about \$75 million
- launching IoT asset management solutions under a new brand, Neura
- developing an alternative revenue model to scale EdgeCentres
- an exclusive memorandum of understanding with Datagrid to investigate the potential for a Trans-Tasman Ring, providing enhanced international and domestic data connectivity
- continuing to advocate for further fibre expansion to rural households through the government's Infrastructure Priorities Planning process

Any growth opportunities requiring further investment will be assessed against Chorus' capital investment framework, noting the cornerstone of that framework is a sustainable dividend that grows at the rate of inflation.

Chorus' strategy will result in a shift to a simpler, more efficient and more competitive all-fibre operator. This is underpinned by fibre regulatory settings that provide greater clarity and stability over the next four years. New Zealand and global trends also clearly back fibre as essential digital infrastructure for reliability and scalability. As bandwidth demand continues to grow, Chorus is forecasting monthly average data usage of 1,000 gigabytes by 2029 as more terrestrial broadcast TV content moves online.

FY25 guidance reconfirmed

EBITDA: \$700 million to \$720 million

Gross capital expenditure: \$400 million to \$440 million

Sustaining capital expenditure: \$200 million to \$220 million

Dividend: 57.5 cents per share, unimputed

FY25 guidance is subject to no material adverse changes in circumstances or outlook.

Authorised by:

Mark Aue

Chief Executive Officer

ENDS

For further information:

Brett Jackson

Investor Relations Manager

Phone: +64 4 896 4039

Mobile: +64 (27) 488 7808

Email: Brett.Jackson@chorus.co.nz

Vicki Gan

Media and Content Manager

Mobile: +64 (22) 075 0159

Email: vicki.gan@chorus.co.nz

For personal use only

Chorus Investor Day 2024 - Agenda

12:45	Welcome	Mark Aue	CEO
12:50	Board perspective	Mark Cross	Chair
1:00	Strategy	Mark Aue	CEO
1:20	Global broadband trends	Rupert Wood	Analysys Mason – Research Director
1:40	Data demand	Kurt Rodgers	Network Strategy Manager
2:00	Achieving 80% uptake	Elaine Campbell	GM Access
2:20	Q&A		
2:35	Afternoon tea break		
2:50	Infrastructure opportunities	Mike Shirley	GM Infrastructure
3:10	Future-proof fibre	Ewen Powell	Chief Technology Officer
3:25	Regulatory outlook	Julian Kersey	Chief Corporate & Regulatory Officer
3:40	Copper retirement	Anna Mitchell	GM Fibre Frontier
4:00	Financial outlook	Drew Davies	Chief Operating Officer
4:15	Q&A		
4:30	Close	Mark Aue	CEO

For personal use only

C H ● R U S

**INVESTOR
DAY 2024**

Disclaimer

This presentation:

- Is provided for general information purposes and does not constitute investment advice or an offer of or invitation to purchase Chorus securities.
- Includes forward-looking statements. These statements are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond Chorus' control, and which may cause actual results to differ materially from those contained in this presentation.
- Includes statements relating to past performance which should not be regarded as reliable indicators of future performance.
- Is current at the date of this presentation, unless otherwise stated. Except as required by law or the NZX Main Board and ASX listing rules, Chorus is not under any obligation to update this presentation, whether as a result of new information, future events or otherwise.
- Should be read in conjunction with Chorus' audited consolidated financial statements for the year to 30 June 2024 and NZX and ASX market releases.
- Includes non-GAAP financial measures such as "EBITDA". These measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. They should not be used in substitution for, or isolation of, Chorus' audited consolidated financial statements. We monitor EBITDA as a key performance indicator, and we believe it assists investors in assessing the performance of the core operations of our business.
- Has been prepared with due care and attention. However, Chorus and its directors and employees accept no liability for any errors or omissions.
- Contains information from third parties Chorus believes reliable. However, no representations or warranties (express or implied) are made as to the accuracy or completeness of such information.

For personal use only

For personal use only

CHORUS

CEO

MARK AUE



Why we've invited you here today

For personal use only

Provide greater clarity and transparency on Our Road to 2030

Market context has shifted. Reset our Strategy

Transitioning from builder to 'Great Network Operator'

Purpose and aspiration are clear

Capital framework premised on discipline

Evolving to a simpler, more efficient, and competitive operator

Agenda

12:45	Welcome	Mark Aue	CEO
12:50	Board perspective	Mark Cross	Chair
1:00	Strategy	Mark Aue	CEO
1:20	Global broadband trends	Rupert Wood	Analysys Mason – Research Director
1:40	Data demand	Kurt Rodgers	Network Strategy Manager
2:00	Achieving 80% uptake	Elaine Campbell	GM Access
2:20	Q&A		
2:35	Afternoon tea break		
2:50	Infrastructure opportunities	Mike Shirley	GM Infrastructure
3:10	Future-proof fibre	Ewen Powell	Chief Technology Officer
3:25	Regulatory outlook	Julian Kersey	Chief Corporate & Regulatory Officer
3:40	Copper retirement	Anna Mitchell	GM Fibre Frontier
4:00	Financial outlook	Drew Davies	Chief Operating Officer
4:15	Q&A		
4:30	Close	Mark Aue	CEO

Who you'll hear from: Chorus speakers



Mark Cross
Chair, Chorus Board



Mark Aue
Chief Executive Officer



Elaine Campbell
Executive GM, Access



Mike Shirley
Executive GM, Infrastructure



Ewen Powell
Chief Technology Officer



Julian Kersey
Chief Corporate and
Regulatory Officer



Anna Mitchell
Executive GM,
Fibre Frontier



Drew Davies
Chief Operating Officer



Kurt Rodgers
Network Strategy Manager

For personal use only

For personal use only

CHORUS BOARD CHAIR MARK CROSS



Your Board's beliefs

**Empowering
our people**

**Fibre is
future
proofed**

**Connections,
connections,
connections**

**Managed exit
from Copper**

**Market
challenger**

**Promote
digital equity**

**A considered
approach to
new
opportunities**

**An
appropriate
capital
structure**

**Prioritise
long term
value
through
capital
allocation**

For personal use only

For personal use only

C H ● R U S

OUR ROAD TO 2030

Fibre has proven resilient in a time of change

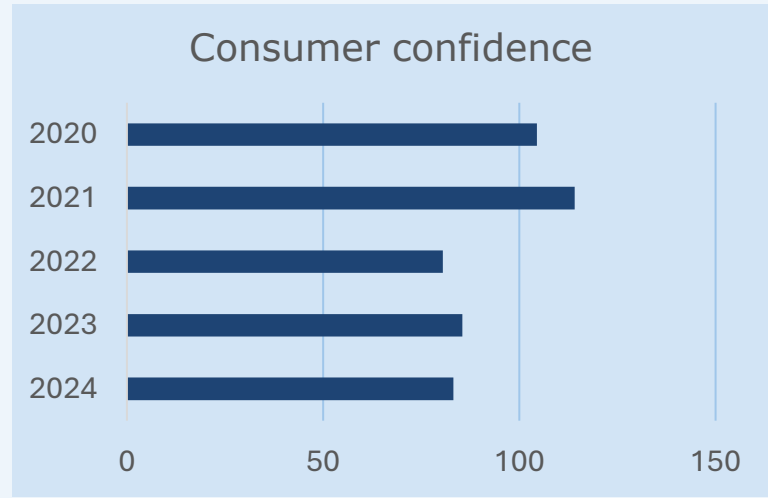
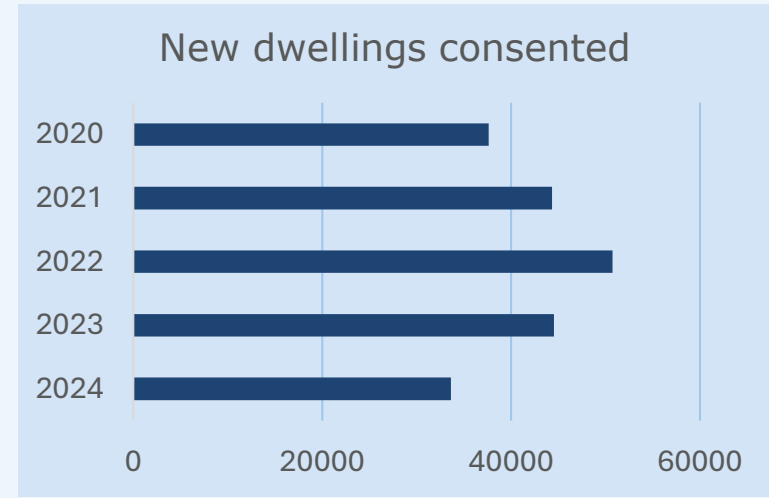
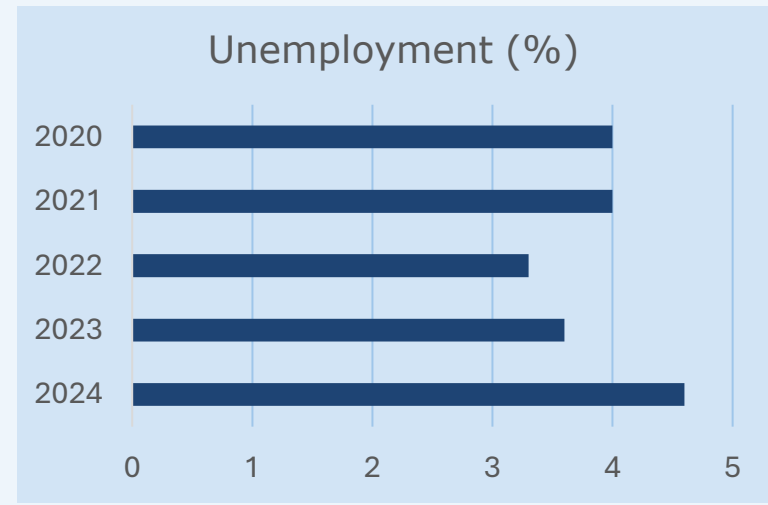
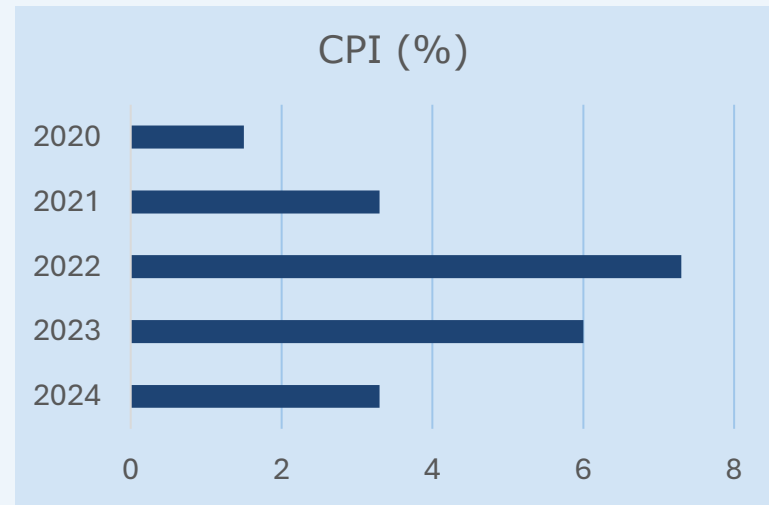
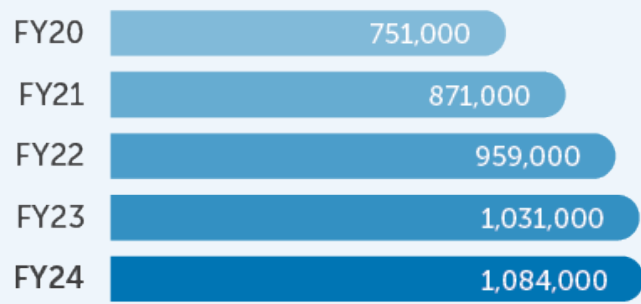
For personal use only



REVENUE (\$ million)



FIBRE CONNECTIONS



For personal use only



We have regulatory clarity

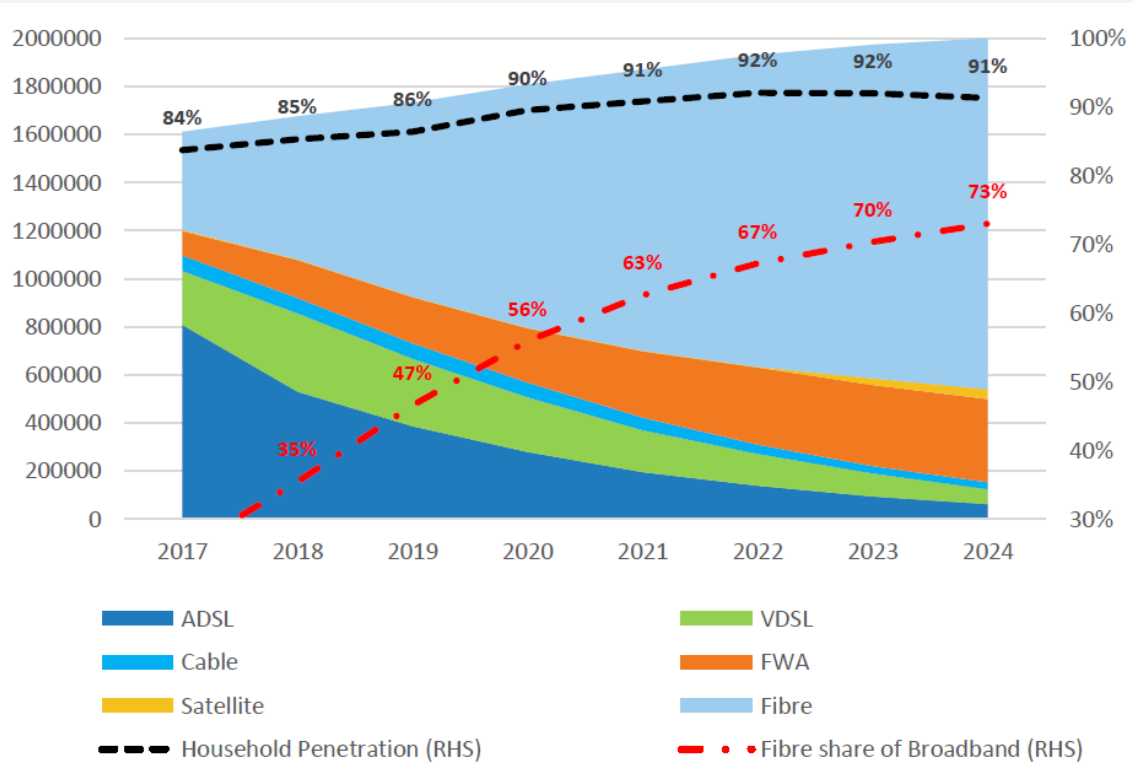
Fibre regime now well established; our focus is legacy copper settings

- Fibre RAB has grown through PQP1: \$5.9bn at 31 Dec 2023
- PQP2 period extended to 4 years, up from 3 years for PQP1
- PQP2 capex and opex allowances are workable following constructive feedback process with Commission
- Final PQP2 MAR decision imminent: core RAB depreciation adjustment proposed to reflect MAR tailwinds
- Commission review due in 2025 on copper deregulation

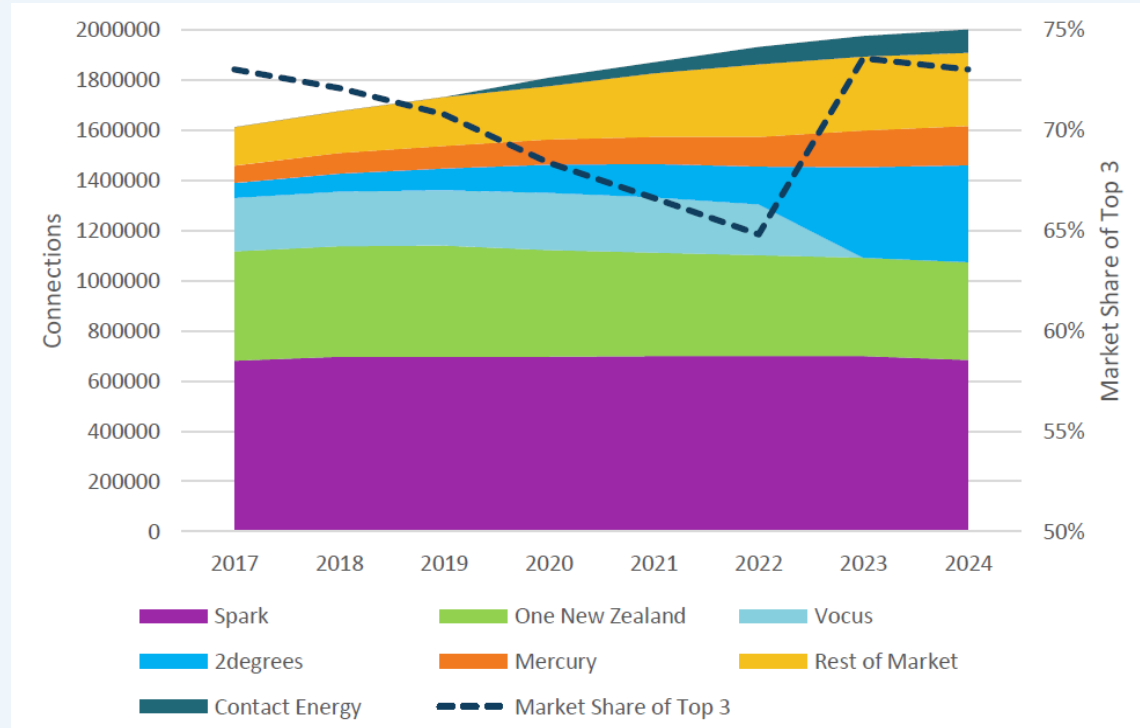
An evolving broadband market – all NZ

Household penetration/fibre share %

For personal use only



Market share by retailer



Source: IDC Telecommunications Market Analysis & Forecast Report 2024

For personal use only

FIGURE 1:
OVERVIEW OF THE IMPACT OF FIBRE
INVESTMENT TO THE NEW ZEALAND ECONOMY

\$163b

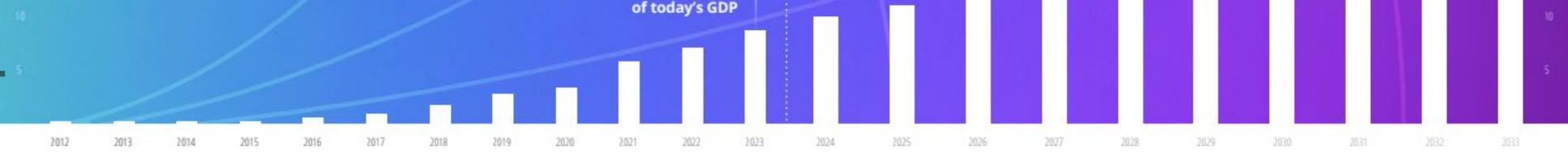
total GDP impact
in NPV terms from 2024 to 2033 in 2023 NZD

\$31b

total GDP impact
summed from 2012 to 2023 in 2023 NZD

\$33.2b
of 2033's GDP

\$8.8b
of today's GDP



Early adoption

Households and businesses are connected to the digital fibre network, but the use cases are limited.

Application development and innovation

New applications and technologies and other innovations allow households and businesses to begin making use of the network, but benefits are limited.

Maturity

The network matures and improvements from innovations start to translate into increasing productivity benefits.

Ubiquity and supporting next generation technology

As access to fibre becomes ubiquitous and next generation technologies are enabled, the productivity benefit accelerates.

Deloitte October 2024 Report:

“Unleashing fibre: The future of digital fibre infrastructure in New Zealand”

For personal use only

C H ● R U S

OUR ROAD TO 2030

10-year outlook with 3 distinct horizons

For personal use only

15

**HORIZON 1
(FY25)**

Embed Adaptive Organisation

'getting future fit for purpose'

**HORIZON 2
(FY26-29)**

Growth, Simplicity and Efficiency

'accelerating the benefits from our transition'

**HORIZON 3
(FY30-34)**

All Fibre Business

'future state, single technology'



ASPIRATION

*Simplified all fibre business with 80%
uptake by 2030.*



PURPOSE

*Unleashing potential through connectivity.
Enabling better futures for Aotearoa.*

Our Ecosystem

OUR PEOPLE

- **Enabling better futures for our people:** Flexible working practices, wellbeing days, parental leave policy, subsidised broadband and life/income continuance insurance
- **Diverse & Inclusive workplace -** Gender Tick, Pride Pledge and Accessibility Tick accreditation, Te Ao Māori programme
- **Engaged culture -** Engagement (top 10% of industry), eNPS (top 5% of industry)



OUR ENVIRONMENT

- **Doing our bit for a low emission future:** Science Based target and supporting Emissions Reduction programme, solar on exchange trial, e-waste programme, energy efficiency focus, Future Fit tool for employees, Recycle a Device support
- **Understanding climate change and nature impacts:** Climate related risk & opportunity register & action plans, nature related opportunity assessment, climate assessment for asset investment and management, transition planning

OUR CUSTOMERS, PARTNERS AND INVESTORS

- Telecommunications Forum initiatives on network resilience and climate change
- Worker welfare programme
- Supplier code of practice and supplier forums
- Nokia ESG council participation (Asia region)
- **Collaborating for sustainable action:** Sustainable Business Council, Climate Leaders Coalition, Sustainable Leaders Summit, ESP BraveGen

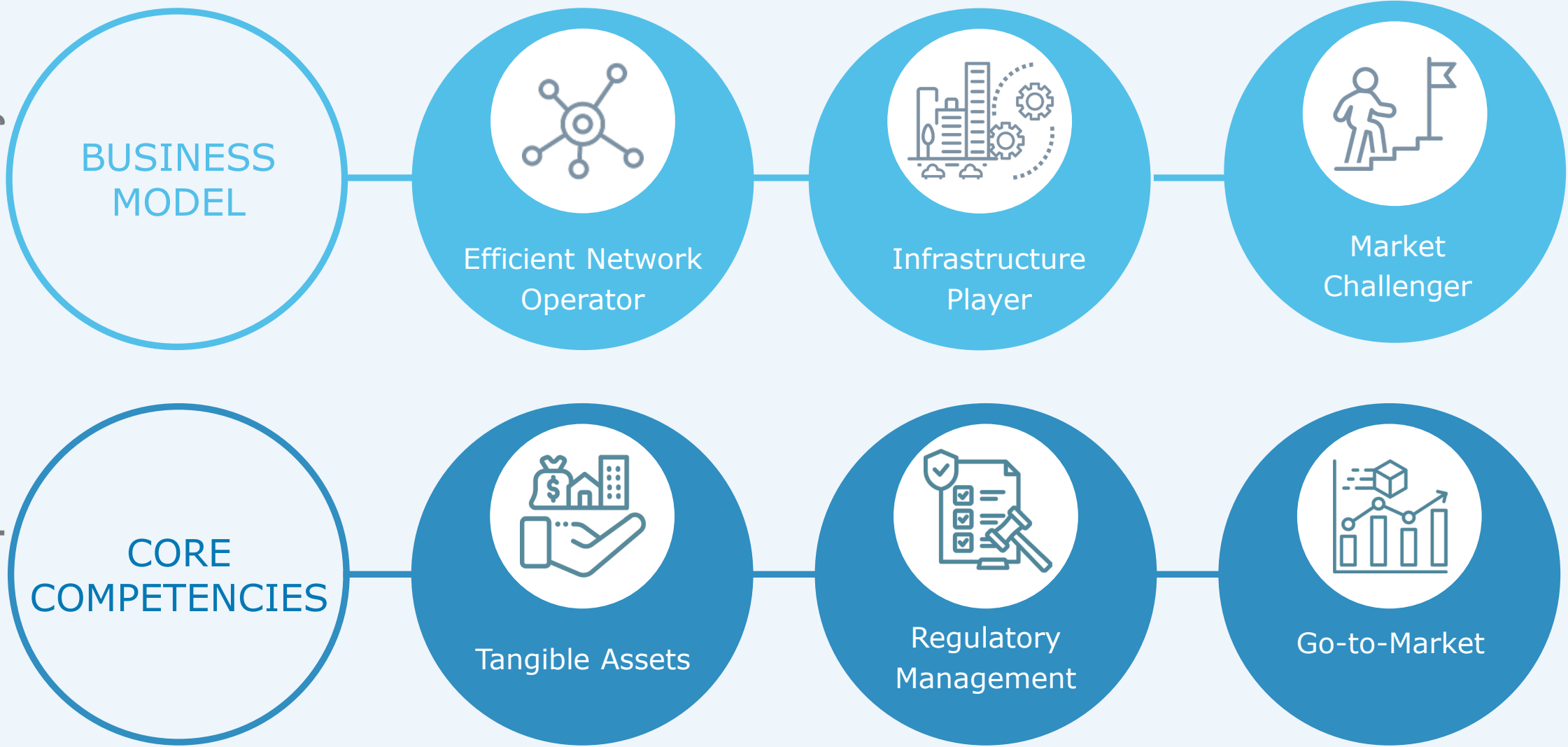
OUR COMMUNITIES

- Employee volunteering programme
- Cabinet art programme with local councils
- Charitable donations and support for digital inclusion initiatives (Digital Senior expansion into Auckland and regions, Katoa Connect – Hapori Connect Programme, Netsafe get set up for safety)
- New Digital Equity product for vulnerable customers in material hardship

For personal use only

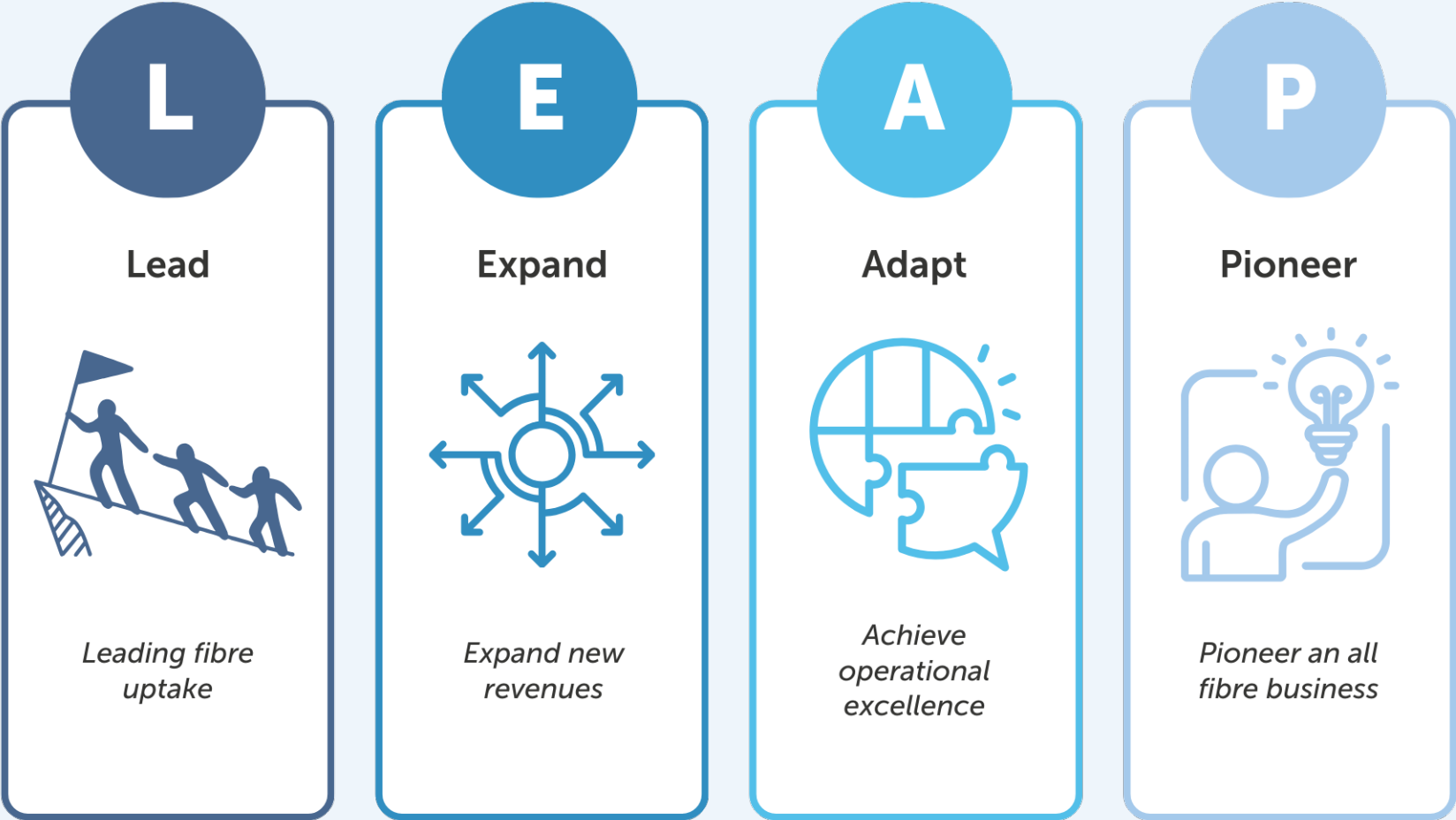
Capability

For personal use only



Strategic Pillars

For personal use only



Our Road to 2030

Growth, Simplicity & Efficiency

For personal use only

PURPOSE	Unleashing potential through connectivity. Enabling better futures for Aotearoa.			
ASPIRATION	Simplified all fibre business with 80% uptake by 2030.			
BUSINESS MODEL	Efficient Network Operator	Market Challenger	Infrastructure Player	
CORE COMPETENCIES	Tangible assets	Regulatory Management	Go-to-Market	
STRATEGIC PILLARS & PRIORITIES	L Lead	E Expand	A Adapt	P Pioneer
	Leading fibre uptake	Expand new revenues	Achieve operational excellence	Pioneer an all-fibre business



Chorus Investor Day

FWA: threat to fibre or a staging post on the road to fibre?



Rupert Wood

2 December 2024



Fast track to an all-fibre future



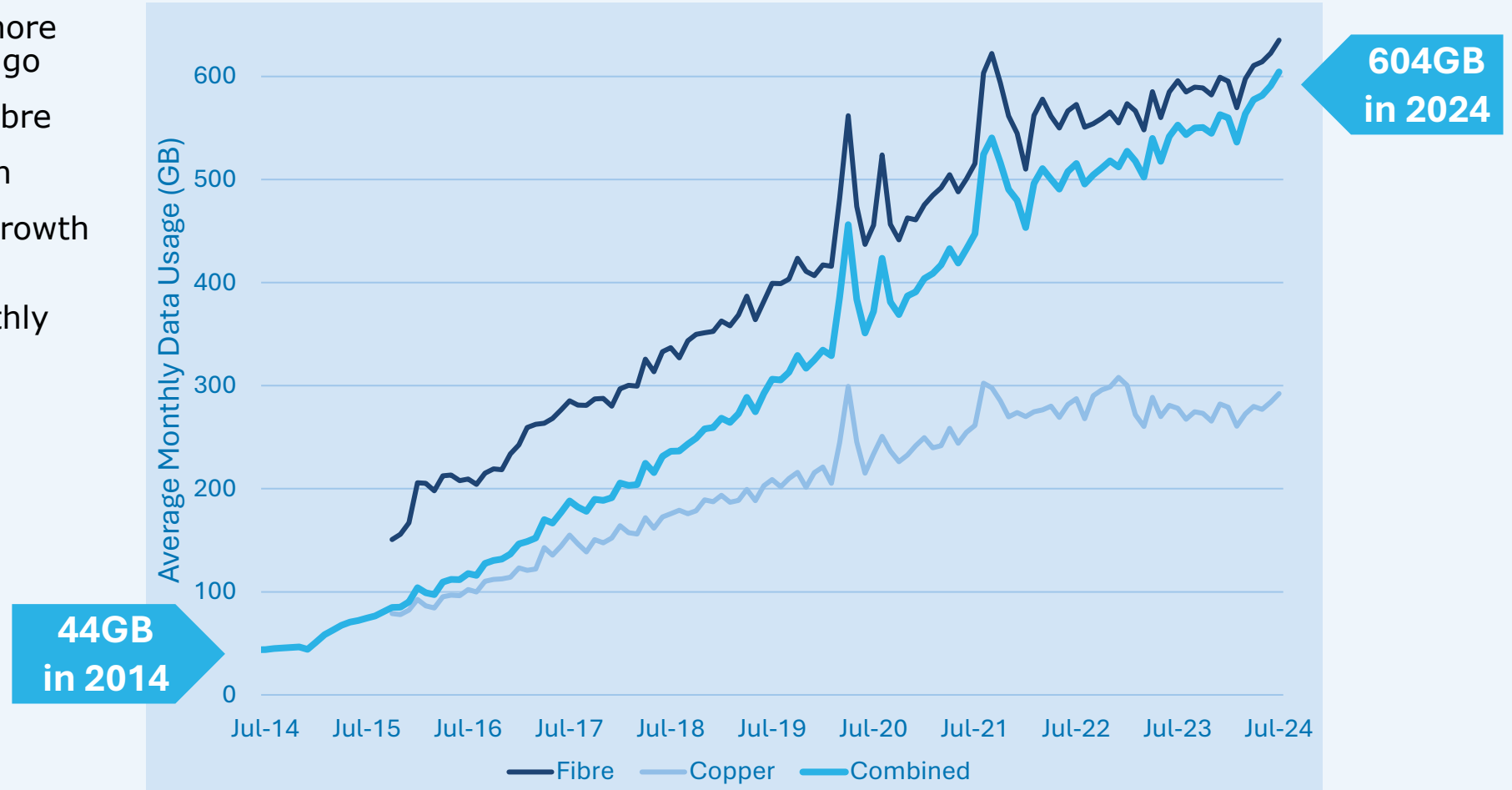
Kurt Rodgers Network Strategy Manager

What does the future hold for data demand?

- We forecast solid growth: average ~1TB by 2029
- Underpinned by broadcast TV switch-over to streaming
- Live sports streaming, 4K and AI would boost growth again
- Only fibre can meet future capacity and reliability needs
- Fixed wireless has constraints and is unlikely to scale
- Wi-Fi 7 removes the in-home handbrake, enabling multi-gig broadband speeds

30% per annum data growth over last decade

- Customers are using 13x more data today than a decade ago
- 636GB monthly usage on fibre
- 17% using >1TB per month
- Forecast 14% per annum growth over next decade
- Expect ~1TB average monthly usage on fibre by 2029

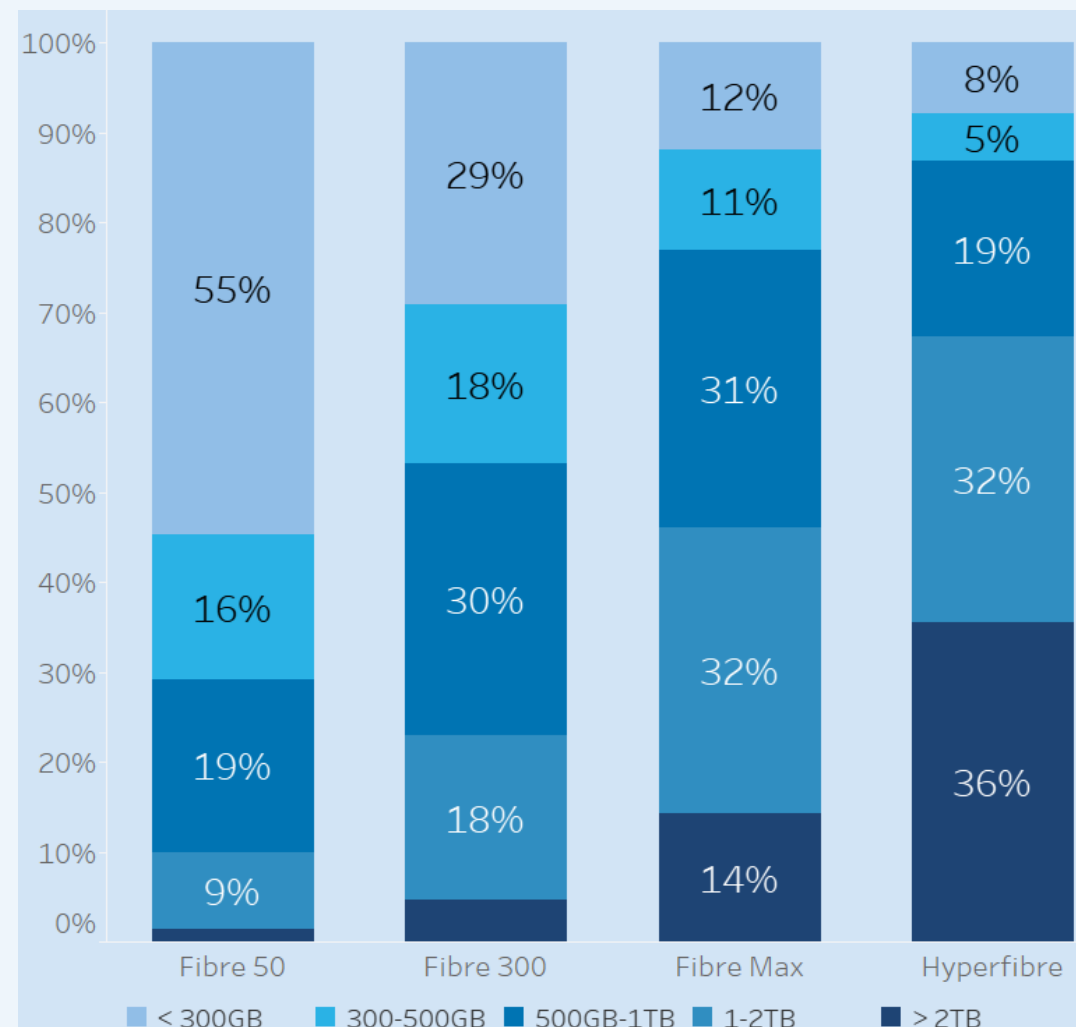


For personal use only

Data usage by speed tier on our network

For personal use only

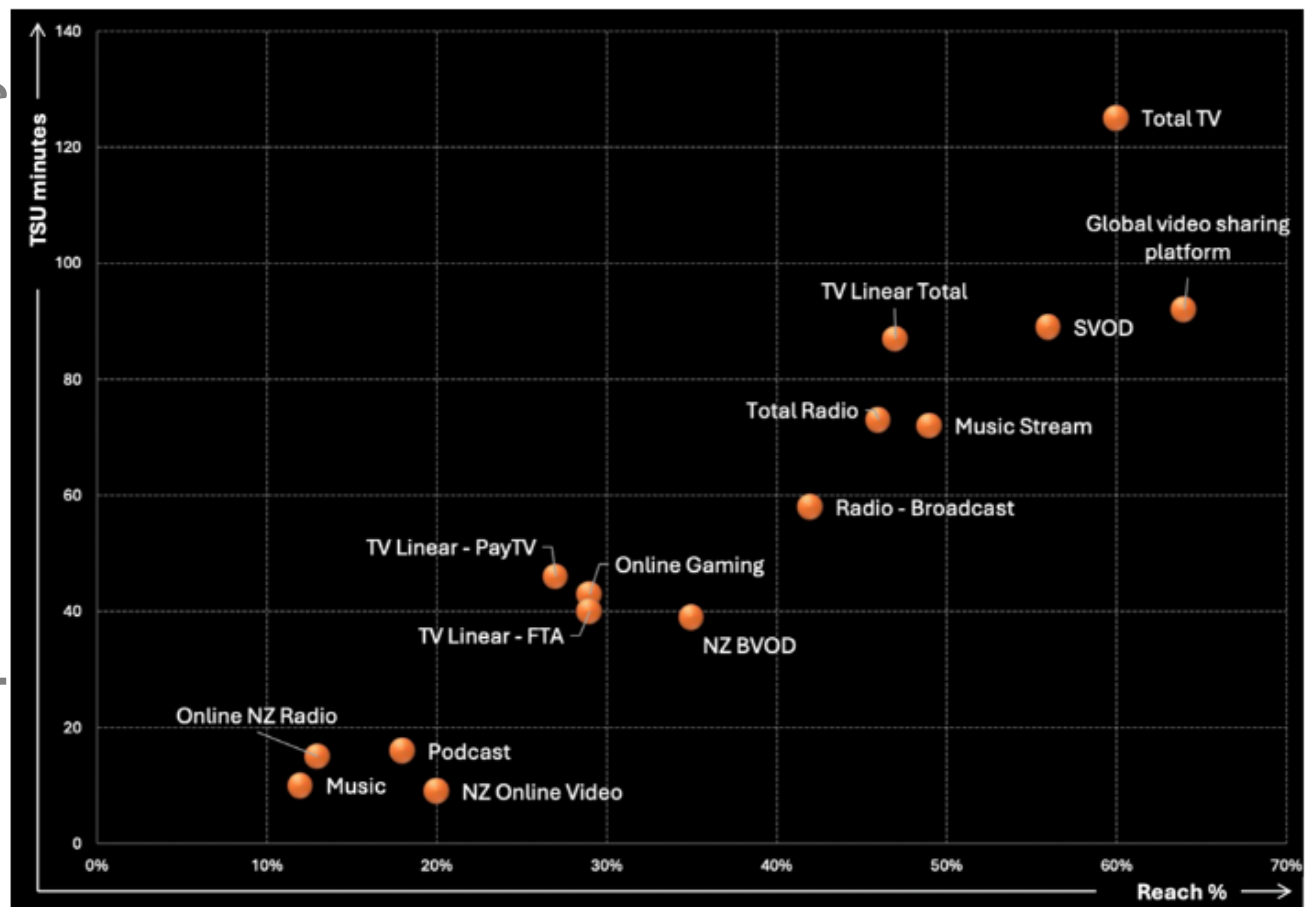
- Chorus offers different plans to meet customer needs
- Entry level 50Mbps meets low data needs
- High data users are choosing higher speed plans:
 - 36% of Hyperfibre customers use >2TB
 - 46% of Fibre Max customers use >1TB
 - 53% of 300Mbps customers use >500GB



Source: Chorus Data

Audiences are moving online

For personal use only



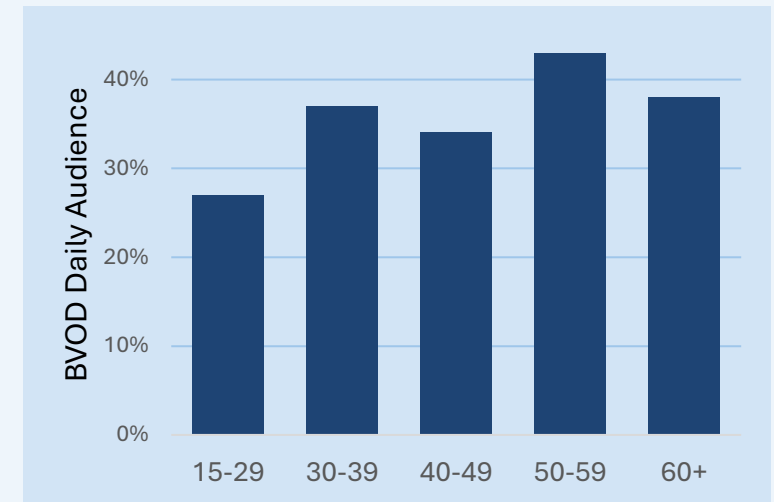
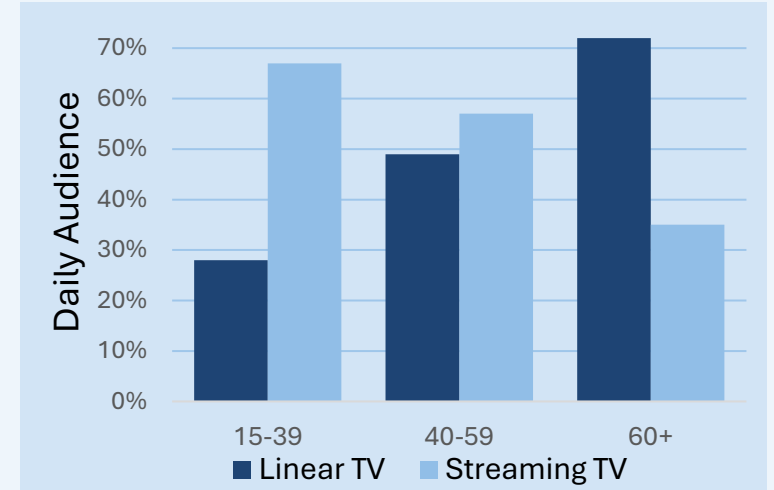
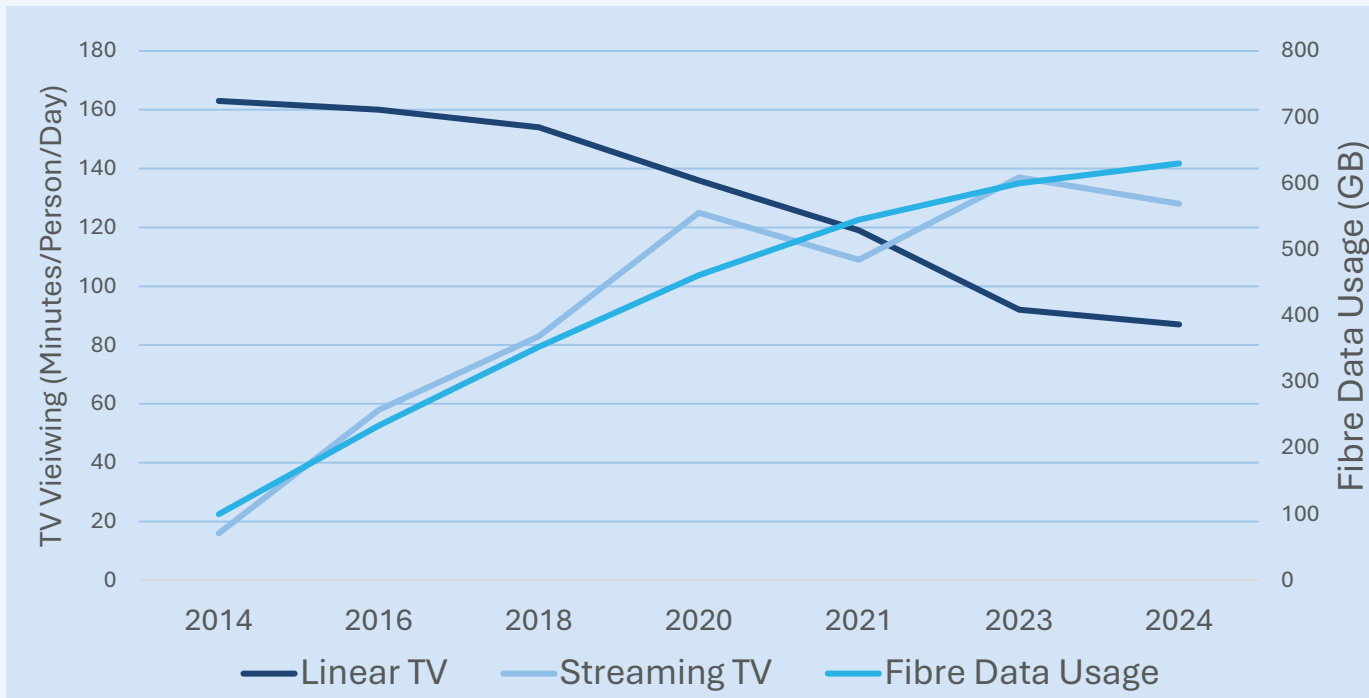
Source: NZ On Air, 2024

- **Global video sharing platforms** have the highest daily reach (64%) and viewing minutes (92 per day)
- **Subscription video on demand (SVOD)** is next highest with 56% reach and 89 minutes/day
- **Linear TV** is declining but still has 47% reach and 87 minutes/day
- **Broadcaster video on demand (BVOD)** is fastest growing with 35% reach and 39 minutes/day

The transition to streaming TV hasn't finished

- Growth in data usage has tracked the shift from linear to streaming TV
- Older generations are still shifting to streaming
- Broadcaster video on demand is more popular with older viewers

For personal use only

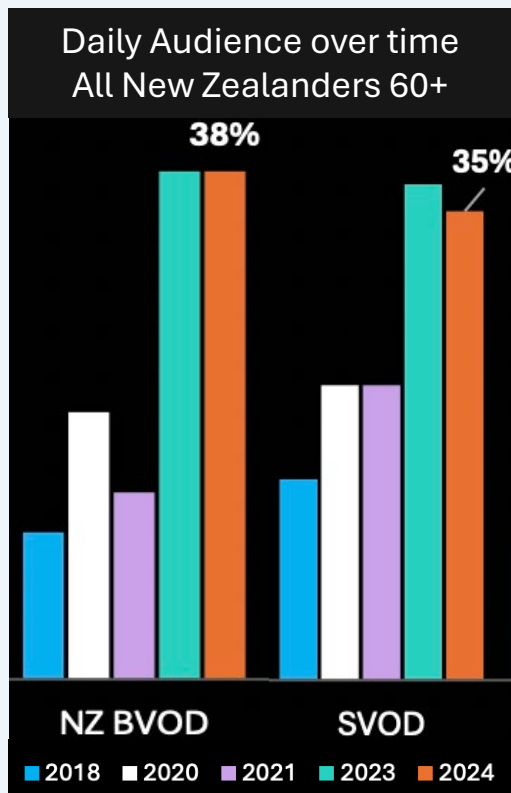


Source: NZ On Air, 2024; Chorus Data

Source: NZ On Air, 2024

Terrestrial TV switch-off will boost low data households

Video on Demand has very high growth amongst 60+



Source: NZ On Air, 2024

25% YoY growth in streaming volume on TVNZ+ platform

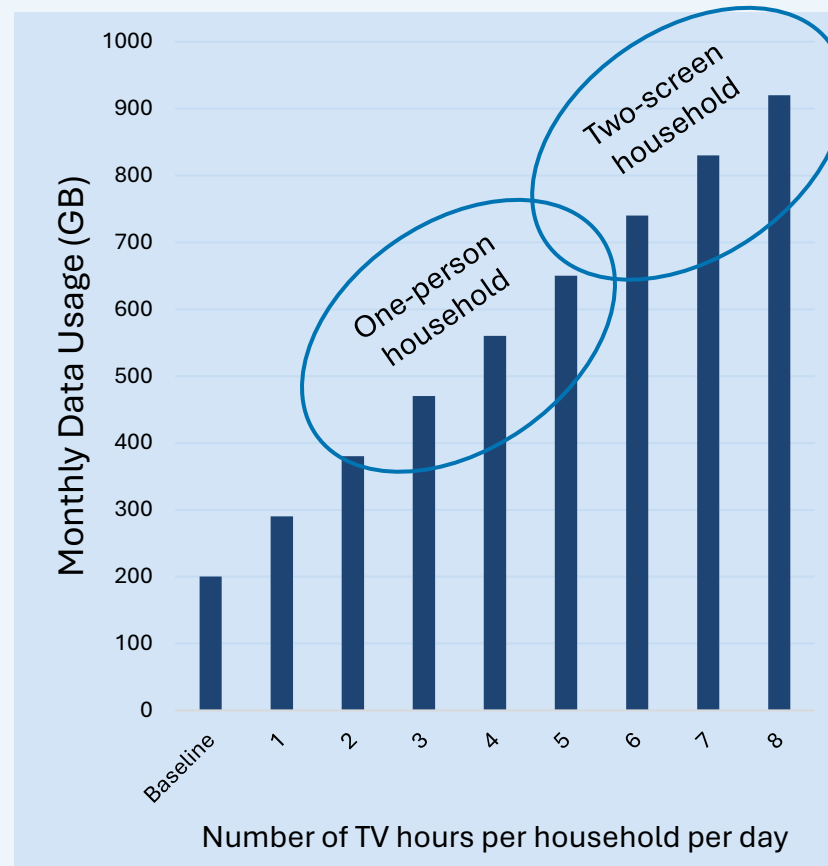
Digital+ TVNZ's 2030 Strategy

OUR DIGITALLY-LED FUTURE

TVNZ is well into a multi-year transformation programme that will take us from being a broadcast-led media business to a digital-first media business. It's our objective to be operating as a genuinely digital-first streamer by 2030.

Source: TVNZ Annual Report 2024

60+ age group watch over 3.5 hours of TV per person per day



Source: Chorus Model

For personal use only

Live Sports, 4K and AI add to data usage and higher peaks


For personal use only

- Live Sports streaming taking off in Europe and US
- Amazon and Netflix are innovating in the sports streaming market
- Sky rolling out hybrid Box and Pod¹
- 7% increase in SkySportNow customers¹
- Sky adding 4K next year²
- RWC 2027 in Australia at peak time
- Game streaming growing at 12%pa³ globally
- Emerging AI demand for bandwidth

Sources:

- (1) [Sky Annual Report](#)
- (2) [Sky website](#)
- (3) [Grand View Research](#)

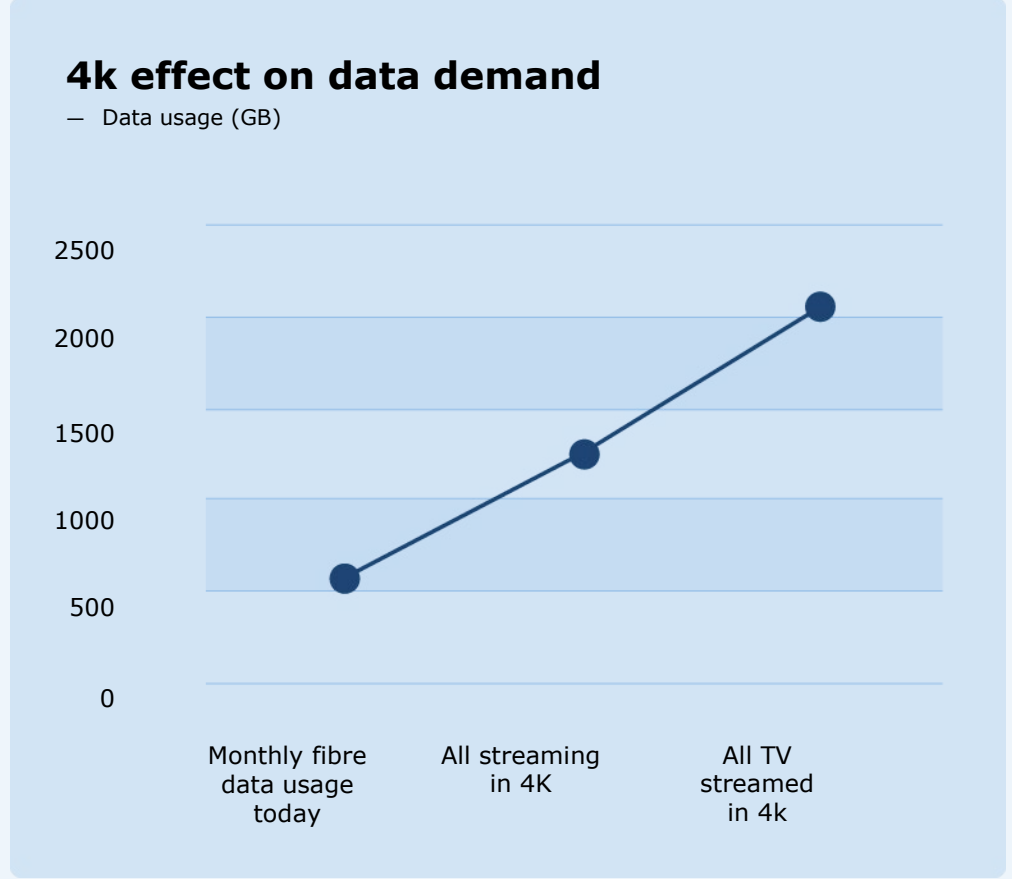
BT sees record broadband traffic
December 7, 2023
By Nik Roseveare



6 Premier League games streamed live on Amazon Prime

+
Major game update downloads
Call of Duty Modern Warfare.

<https://advanced-television.com/2023/12/07/bt-sees-record-broadband-traffic/>



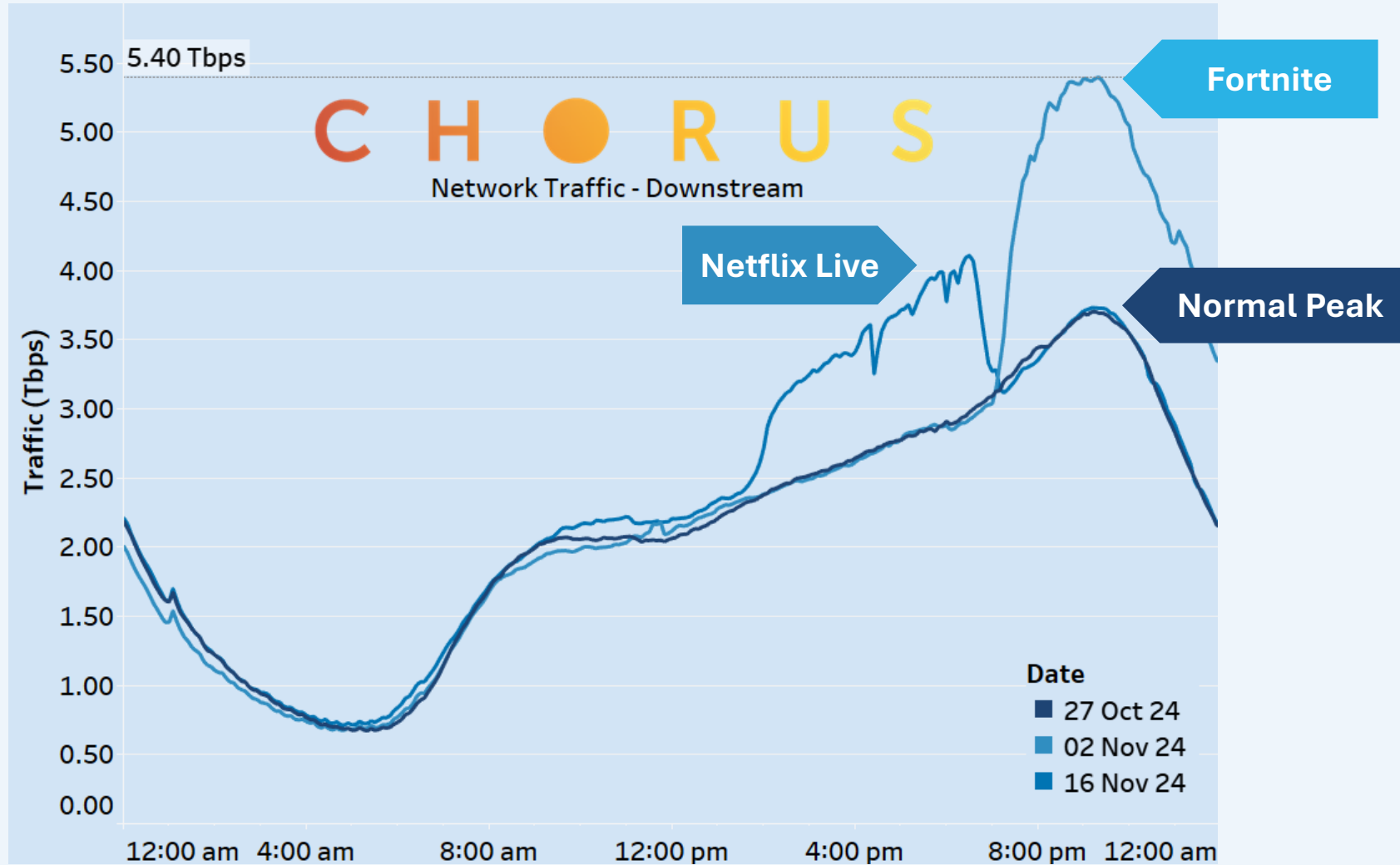
Source: Chorus Model

Broadband is getting peakier. Fibre has the capacity

- Fortnite Game Download



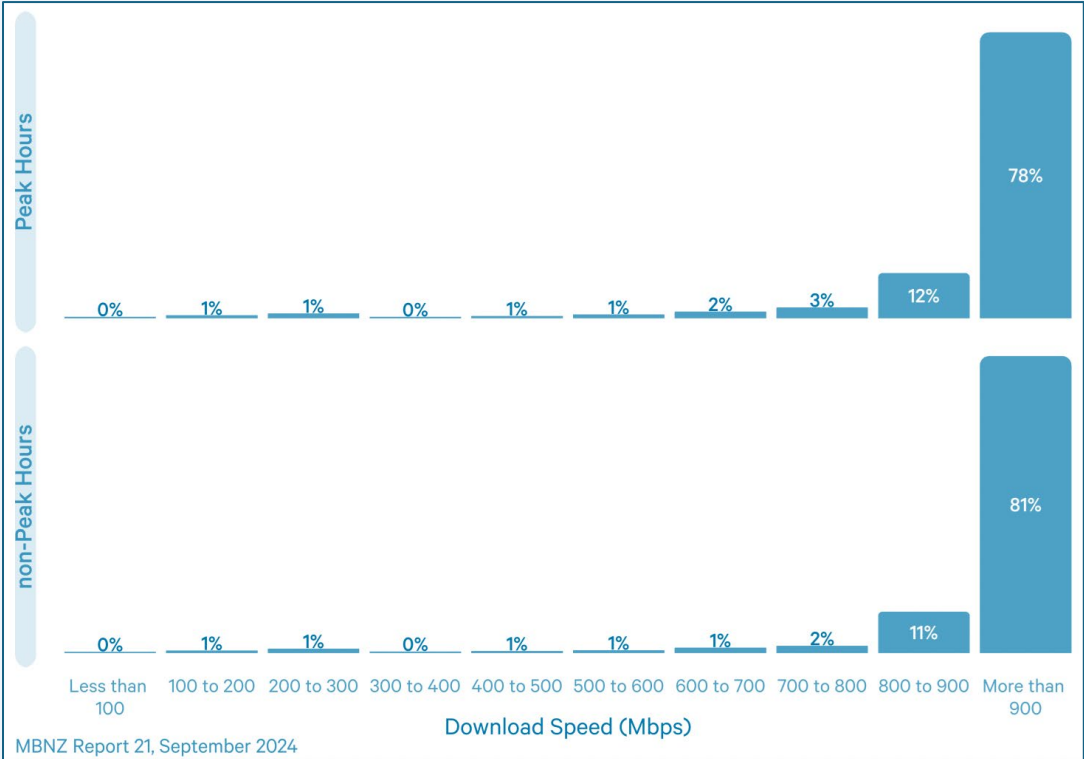
- Netflix Live sports streaming



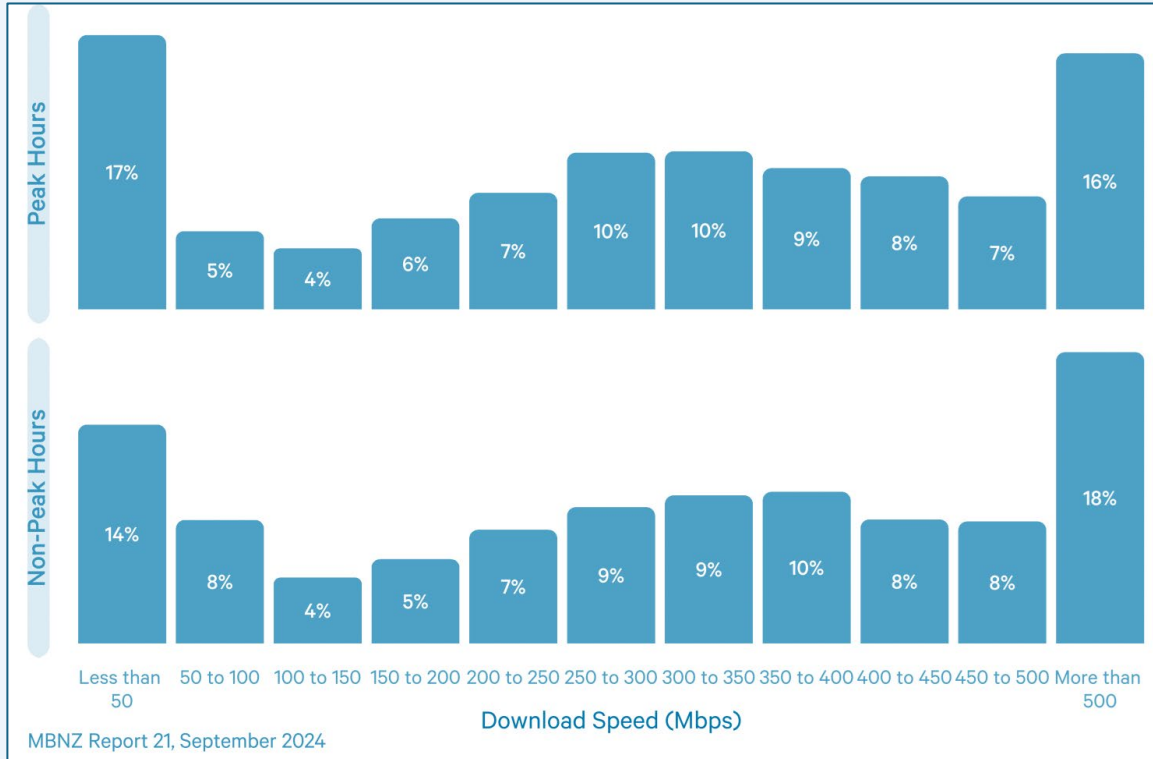
Fibre is a bullet train. FWA is a rollercoaster

For personal use only

Fibre delivers a consistent speed experience, at any location and at any time of day



Fixed wireless performance is unpredictable, it varies by location and time of day



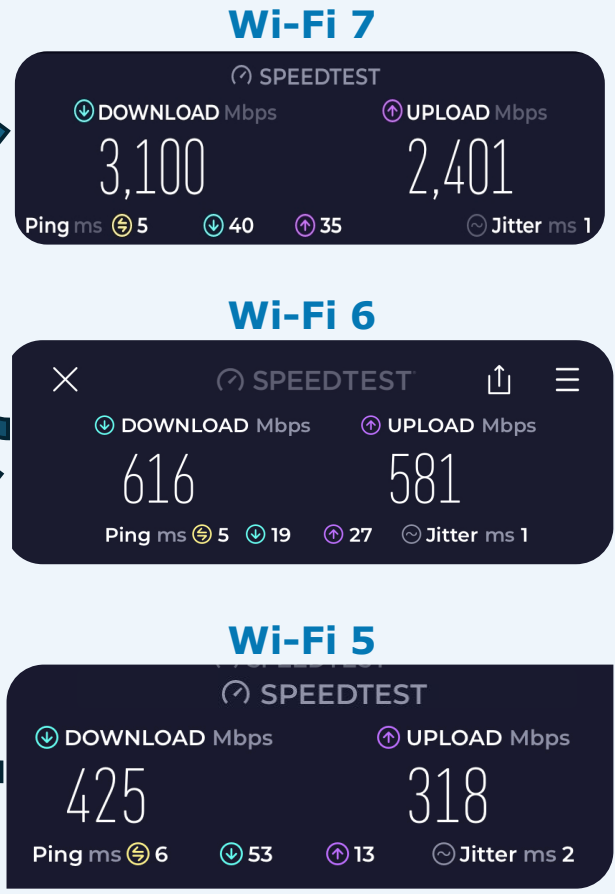
MBNZ Report - Data from Spark's 5G Fixed Wireless plan

Wi-Fi 7 opens in-home networks up for even more growth

For personal use only

+400%

+40%



Source: Chorus Lab Testing

- Wi-Fi 7 provides a huge speed uplift:
 - Wi-Fi 5 to 6 = ~40%
 - Wi-Fi 6 to 7 = ~400% uplift
- Wi-Fi 7 supports 2x more devices than Wi-Fi 6
- Wi-Fi 7 devices are coming to market quickly and prices are dropping
- Wi-Fi 7 now offered with Hyperfibre



Ubiquiti UniFi U7-PRO (BE11000) Tri-Band Wi-Fi ...
\$407.26



TP-Link Deco BE25 (BE5000) Dual-Band...
\$479.00



Elaine Campbell Executive General Manager, Access Value Stream

Driving fibre uptake to 80% by 2030

- Fibre is the global gold standard for broadband technology
- 80% is aspirational but achievable (~240k connections over 6 years)
- NZ fixed wireless market is unique and already highly penetrated
- We're a market challenger, moving from a one-size fits all approach
- Acquisition is our primary focus. We're growing our retention capability
- Winning customer moments that matter are key to growth
- The regulator is playing a greater role in ensuring marketing transparency across broadband technologies

Our road to 80% uptake

Promoting the superiority of fibre across all channels

**Maximise
fibre
uptake**

**Develop
propositions
for under-
penetrated
segments**

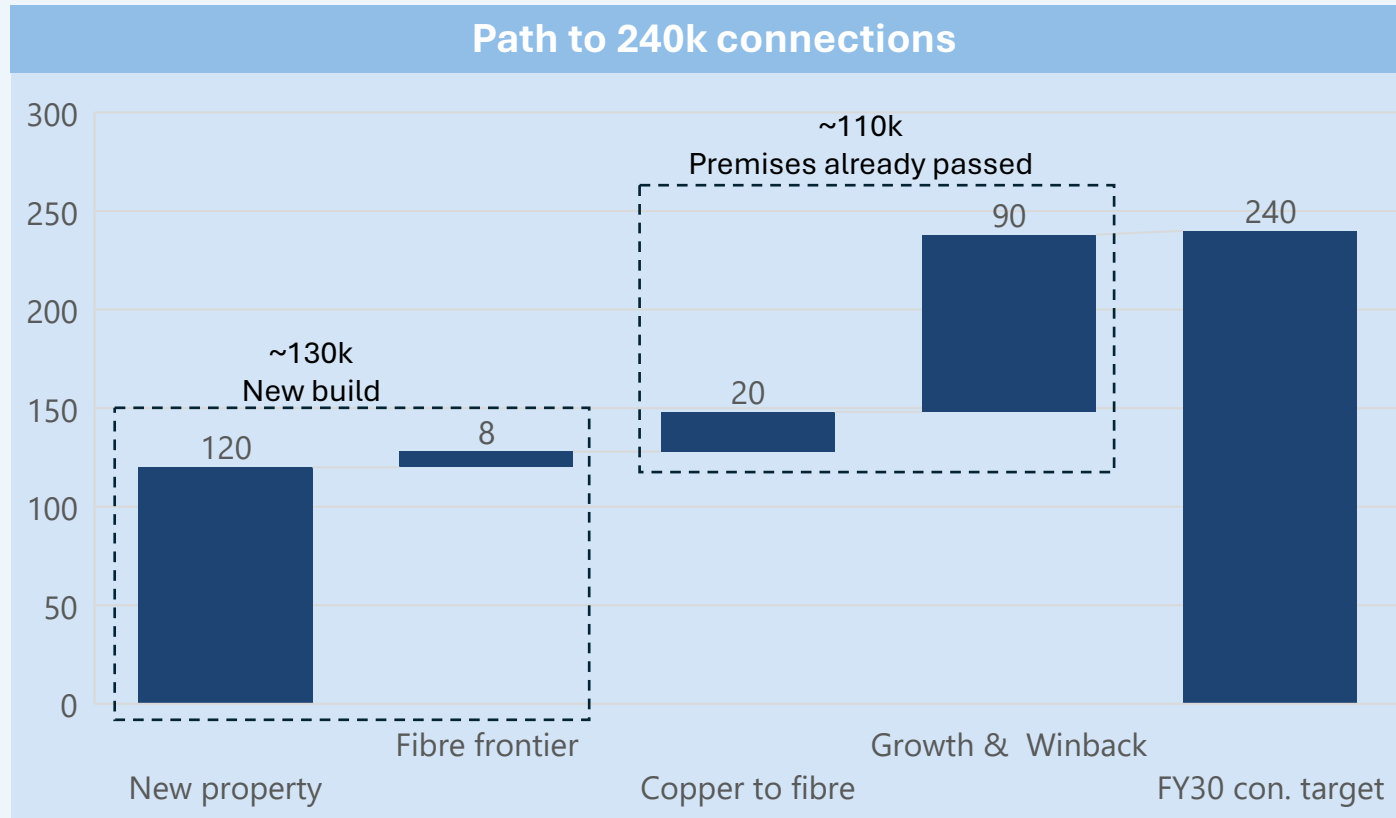
**Win in
customer
moments that
matter**

For personal use only

Moving from 72% to 80% uptake requires ~240k connections

For personal use only

Any new build must reach 80% uptake



FY25 opportunity pools (overlapping)

- ~180k Under-penetrated segments
- ~220k Fixed wireless and HFC
- ~220k Inactive ONTs
- ~110k UFB2/2+

Maximising **acquisition** on our website

1.7M users each year chorus.co.nz

NEW ZEALAND RUNS ON FIBRE



33k users per month **speed test**

14k users per month **broadband checker**

Under-penetrated segments is a focus to drive uptake


For personal use only



Digital equity proof of concept

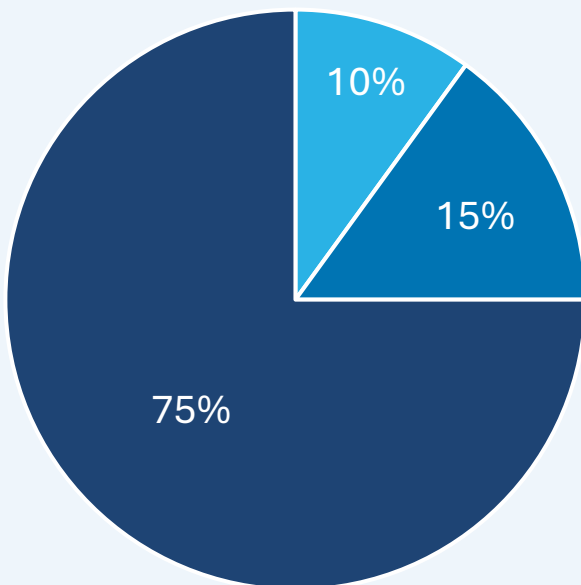
Target: Severe/material hardship and very low-income households

Proof of Concept opportunity size: ~7k inactive ONTs



Moving from one size fits all to tailor offers for RSPs

Chorus Fibre Market Share



~580k power customers

~430k fibre customers



~450k power customers

~340k fibre customers



~940k customers

~245k fibre customers



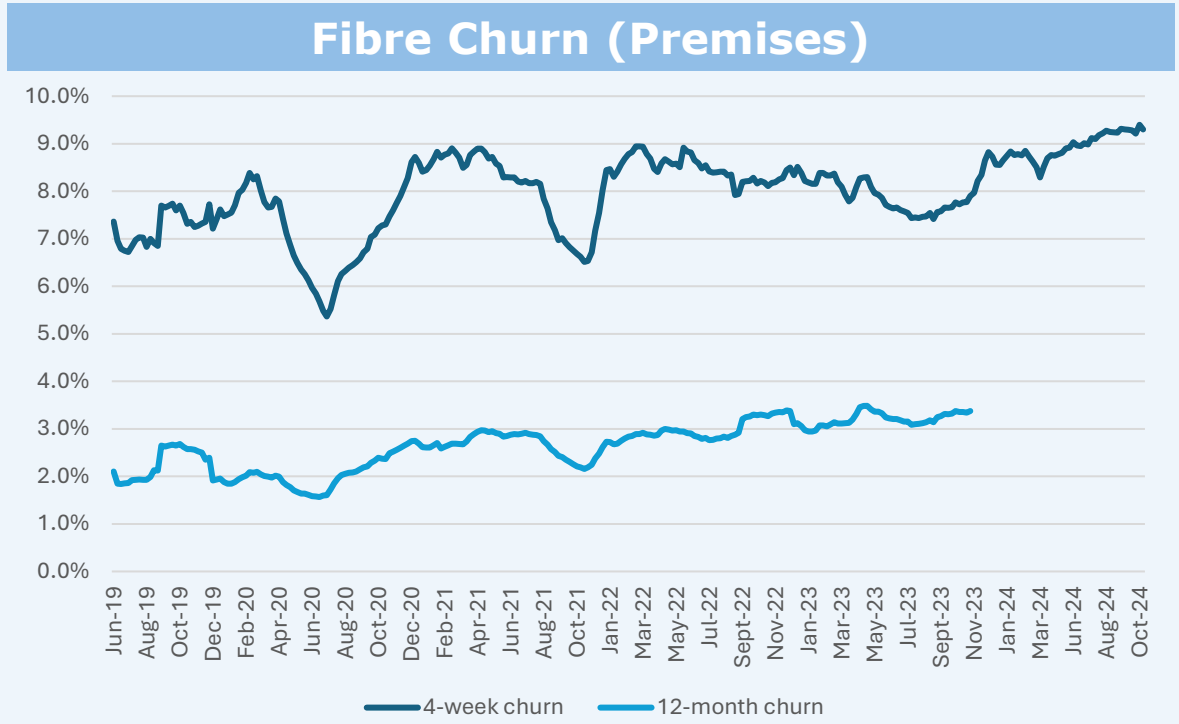
Note: numbers are NZ wide

Consumer incentives	Home Fibre Starter	Home Fibre 300	Home Fibre 920	Hyperfibre
New connection (First connection or 12M+ non-connectivity)	\$100	\$200	\$250	\$250
Upgrade (From any plan lower)	-	\$100	\$100	\$200

For personal use only

Retention is important, we are growing our muscle

For personal use only



~9% premises disconnect for 4+ weeks

~57% premises reconnect within 12 months

12-month premises churn ~4%

Be careful what you switch for

Be in to **WIN** a year's free fibre!

NEW ZEALAND RUNS ON FIBRE
CHORUS

Is the grass really greener?

Score a **\$400** Prezzy Card!

NEW ZEALAND RUNS ON FIBRE
CHORUS

Delivering an excellent experience creates fibre advocates

Overall fibre to 5G NPS lead **+35**

Basic fibre 9
 Fibre 300 17
 Max Fibre 38
 4G FWA -17
 5G FWA -14

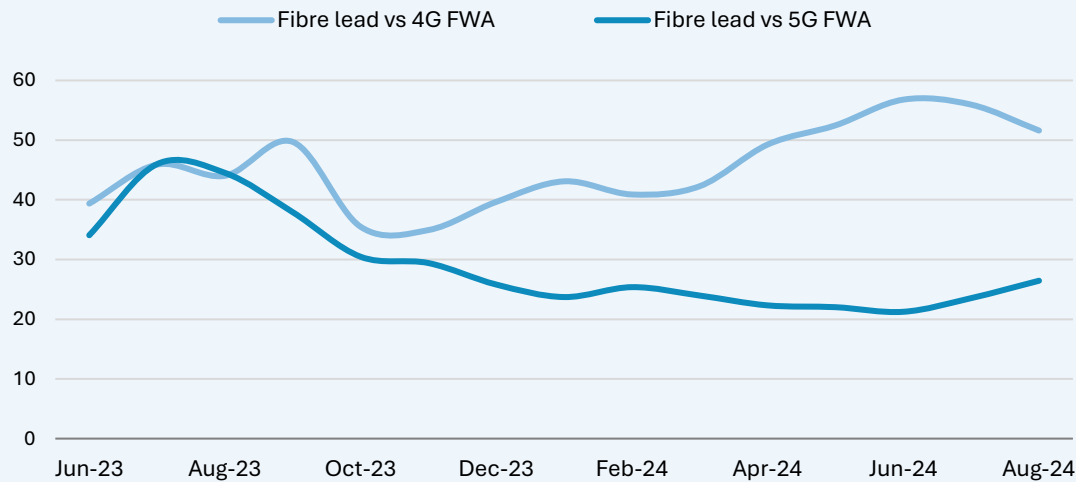
Word of mouth reach
 Positive: 4-6
 Negative: 10+
 88% preference

Install CX
8.4

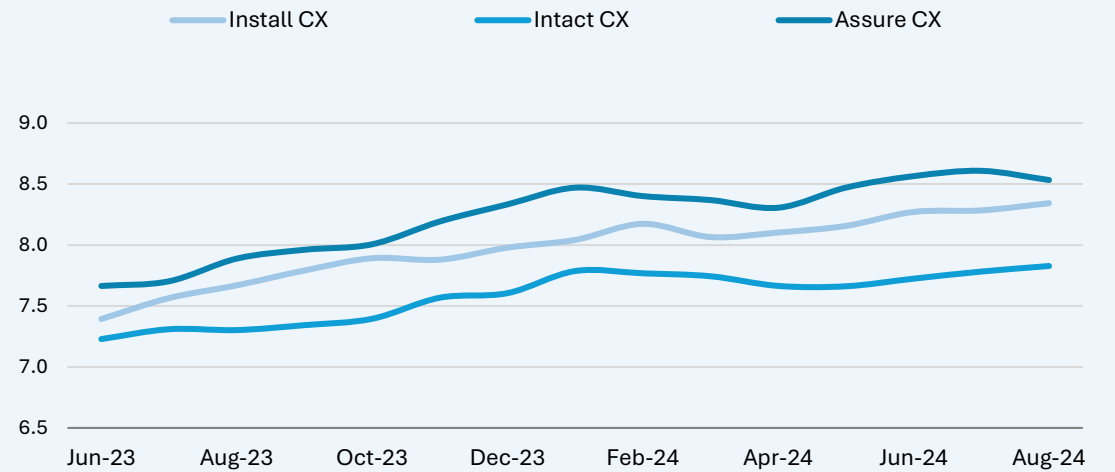
Intact CX
7.9

Assure CX
8.5

NPS lead between fibre and total FWA (3M rolling)



CX improvements over time (3M rolling)



For personal use only

Fibre is the gold standard and we're making it better

For personal use only

Fibre Boost 2.0



Investigating introduction of a low-speed plan

From 50/10Mbps to 80/40 or 100/20Mbps

From 300/100Mbps to 500/100Mbps

In-home trial



In-home coverage performance checks

Network setup support

Hyperfibre

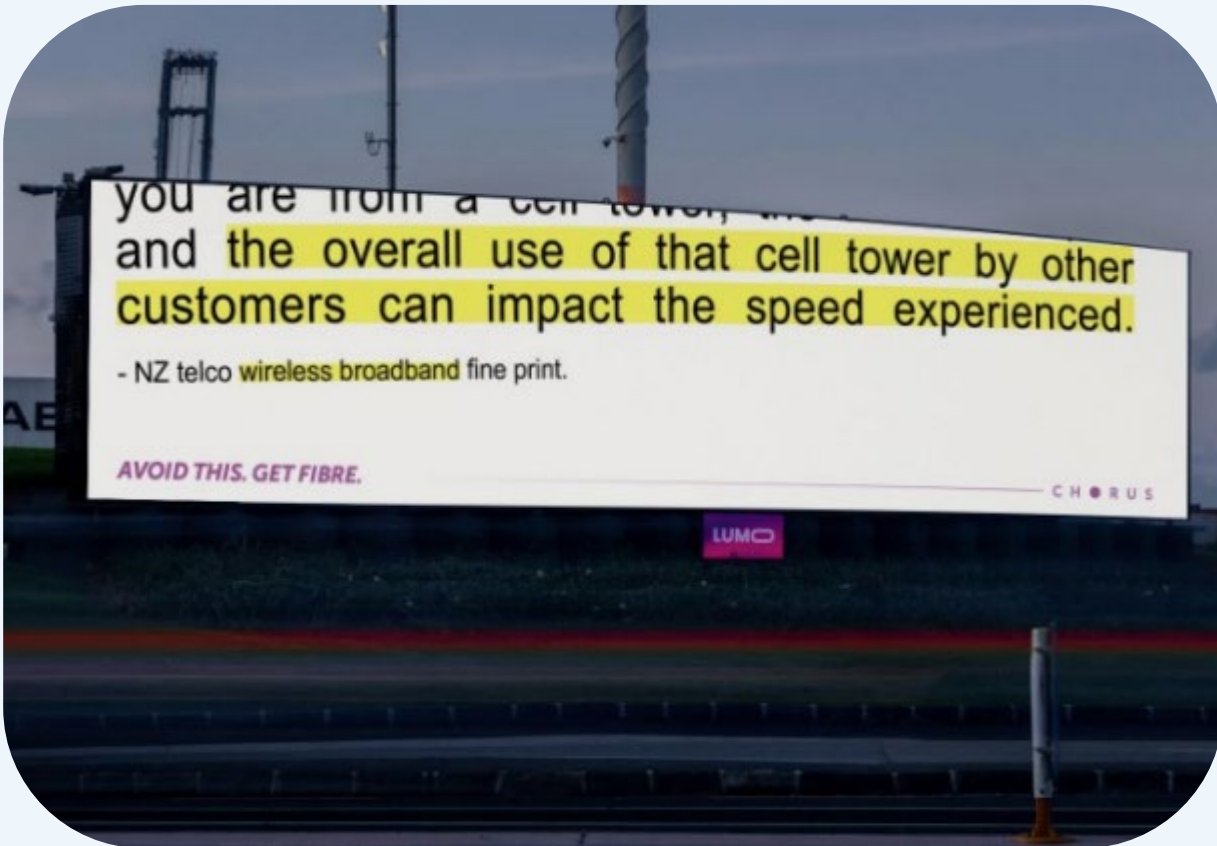


Self-installation of HF ONTs

2G,4G, 8G available with 25G lab-tested

Fibre is the gold standard. Period.

For personal use only



For personal use only

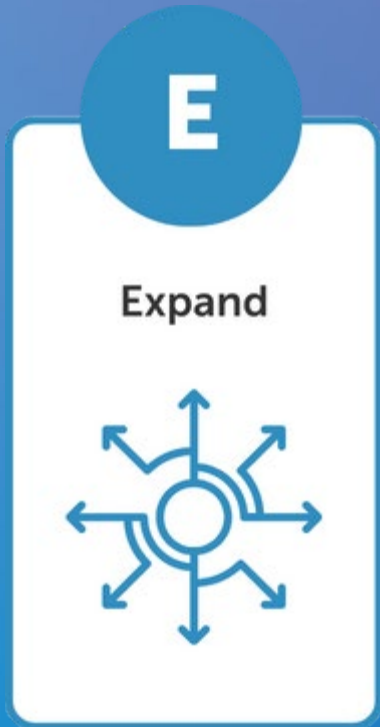
Q and A



insert picture and send
to back – see next slide

For personal use only

Time for a break



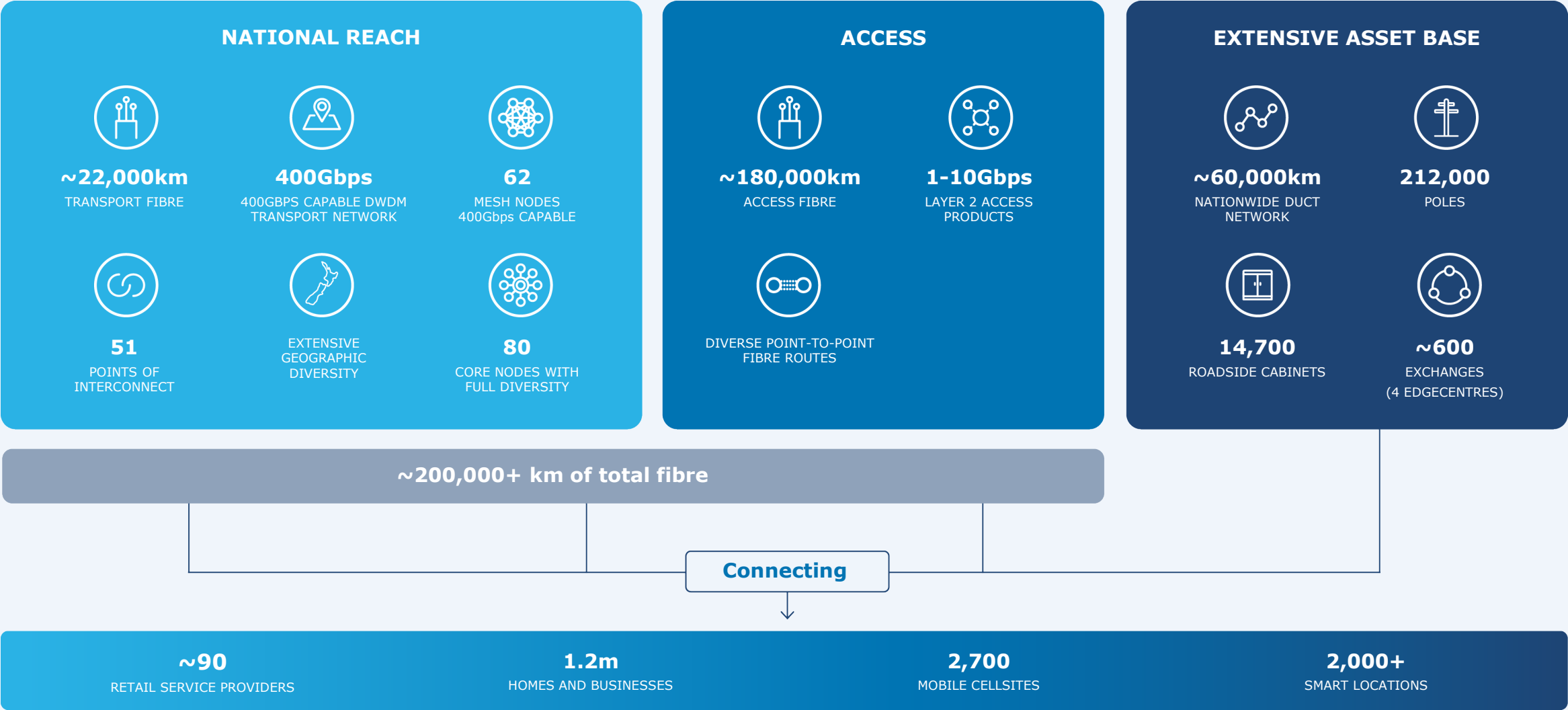
Mike Shirley Executive General Manager, Infrastructure Value Stream

Demand for digital infrastructure presents strong growth opportunity for Chorus

- New structure brings dedicated resourcing and prioritisation
- Growth opportunities in our core - Mobile Infrastructure, Data Centre Connectivity, leveraging existing assets
- Our ambition over Horizon 2 is to grow total infrastructure revenues from ~\$155m to \$180-\$200m
- New property development likely to moderate back in volume, but more competitive
- Exploring adjacent opportunities at scale

New Zealand's largest digital infrastructure 'neutral host'

For personal use only



Demand for fibre and digital infrastructure continues to grow

For personal use only

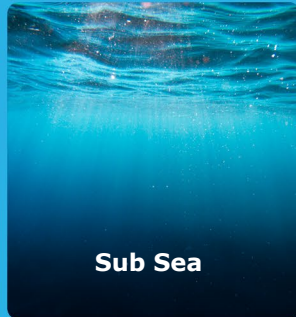
NEW

Chorus Infrastructure

Existing expertise and revenues

Exploring adjacent opportunities

FOCUS AREAS

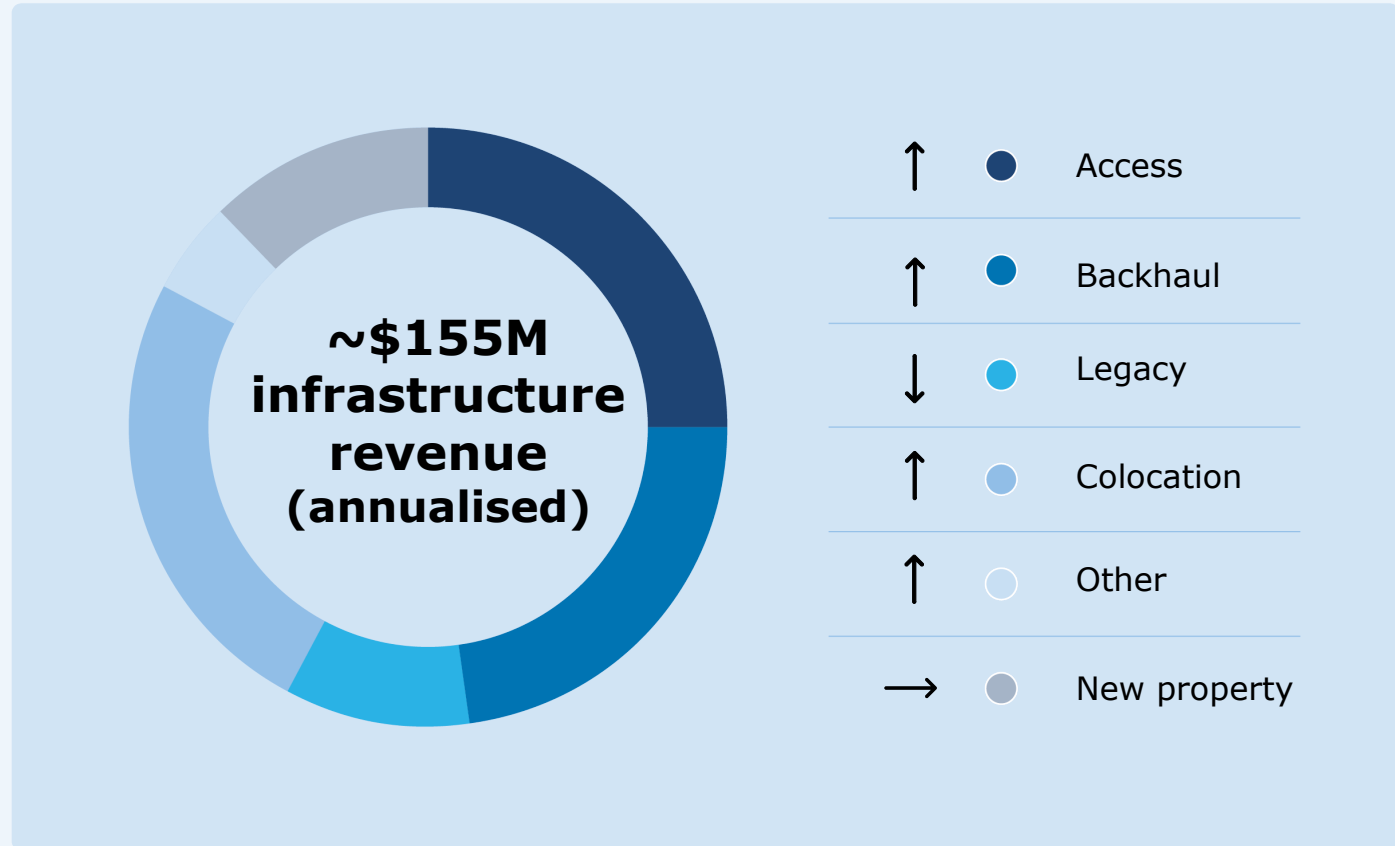


Infrastructure revenue - overview



Potential path to \$180m to \$200m annual infrastructure revenue by 2030, with incremental upside opportunities.

Note: Infrastructure revenue on this slide includes revenue from various financial reporting lines: fibre broadband, fibre premium, field services, infrastructure and value-added network services.

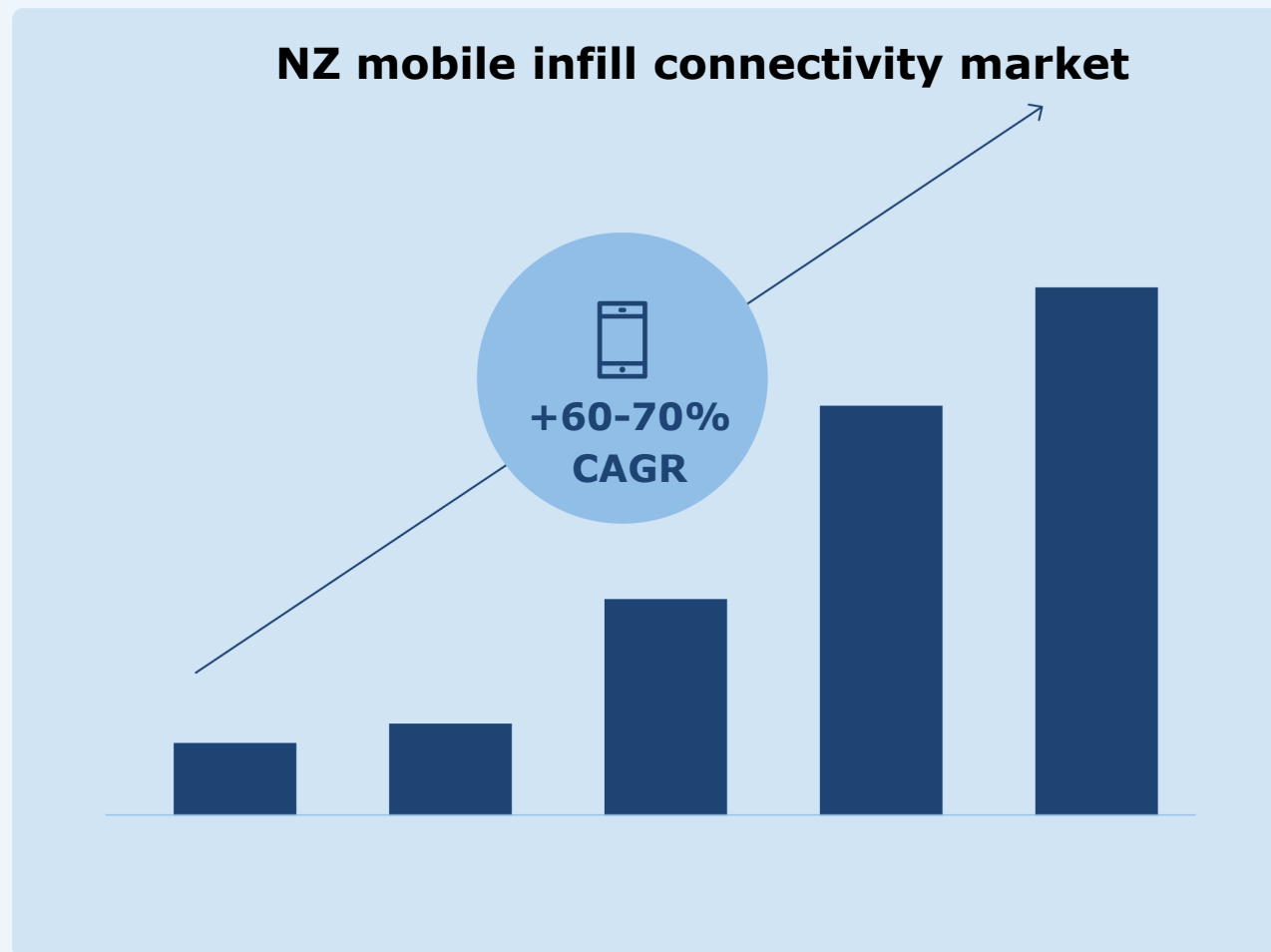


For personal use only

Mobile Infrastructure segment

Building on our strong existing mobile backhaul portfolio to grow revenue by:

- Connecting ~50% of cell sites today and looking to maintain share as market grows
- Helping tower companies connect new macro cell sites
- Using our poles and fibre solutions to enable 5G densification
- Developing potential industry solution - Precision Timing



Source: Chorus estimates



New property development

Annual pipeline of new premises supported by ongoing population growth

- Recession has slowed housing growth and funding in wake of post-COVID building boom
- Solid backbook of developments and developer relationships provides ongoing demand
- Focus on customer experience in competitive market



Smart locations

Fibre connectivity enabling smart towns and cities

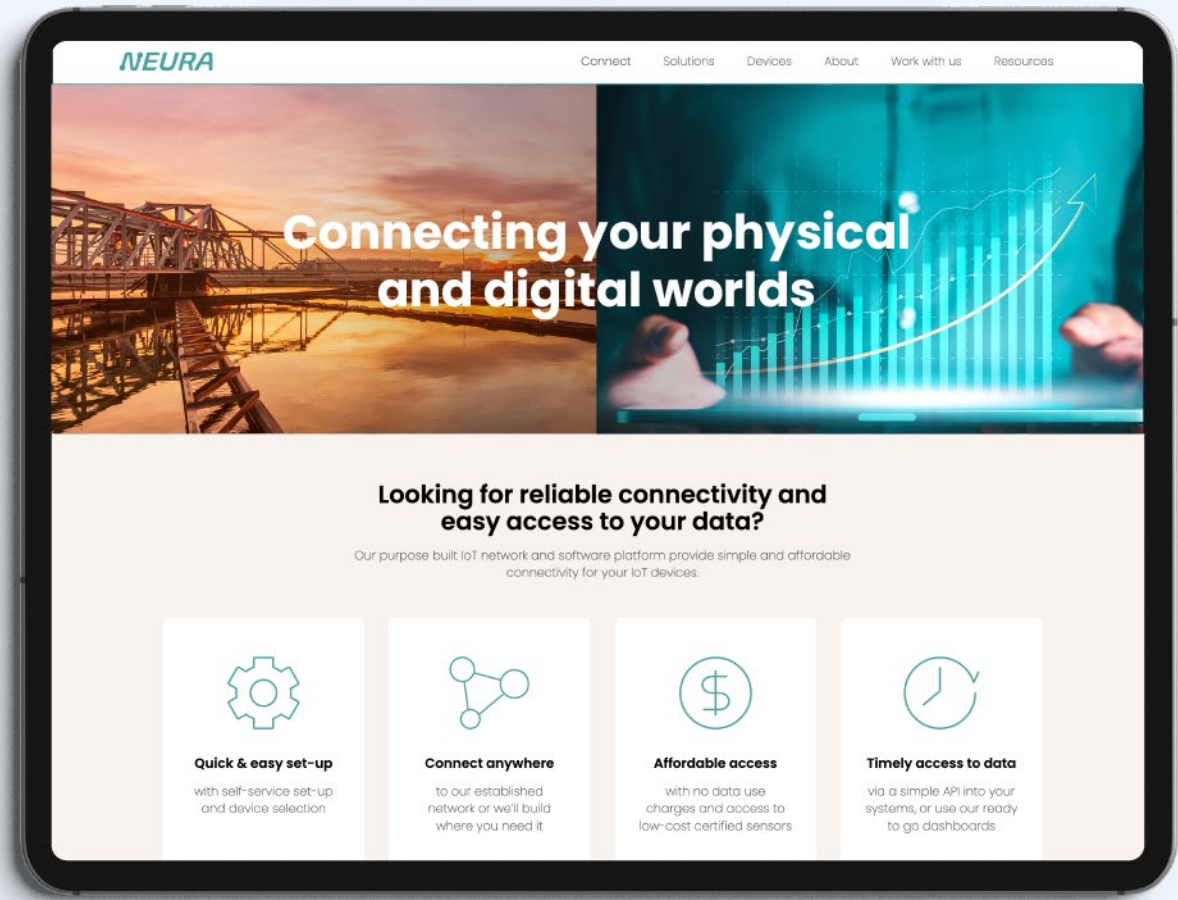
- Connecting non-building CCTV, digital billboard and traffic sites
- ~40% growth to 2,000+ connections over last two years
- High quality video needs drive preference for fibre

Exploring Option 1

IoT Solutions with Launch of *Neura*

For personal use only

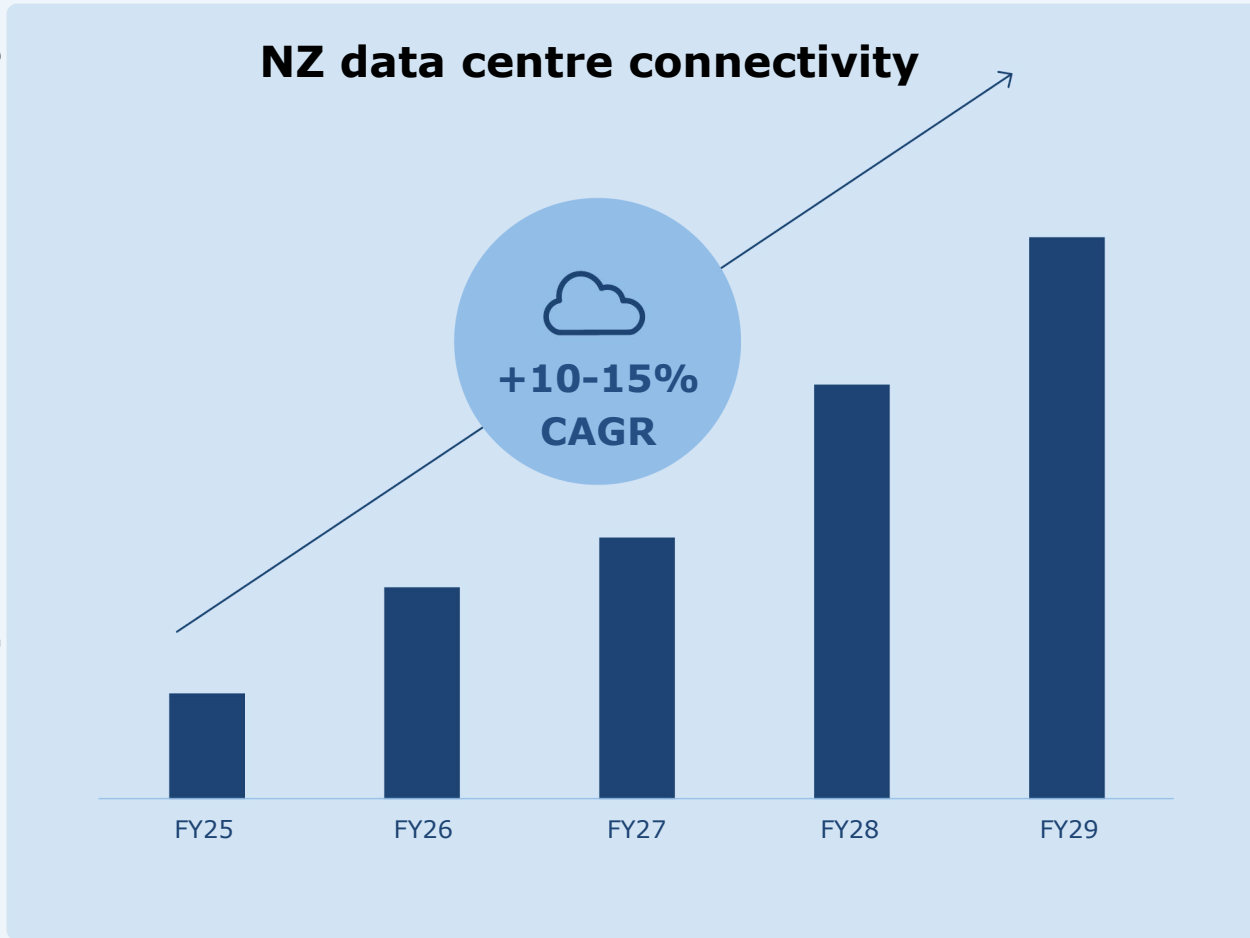
- *Neura* in-market offering IoT asset management solutions using long-range LoRaWAN technology
- Enables near real-time monitoring and management of critical assets like water, public lighting, power and waste collection
- Ability to utilise Chorus pole assets for lower cost deployment
- Proof of value trials underway



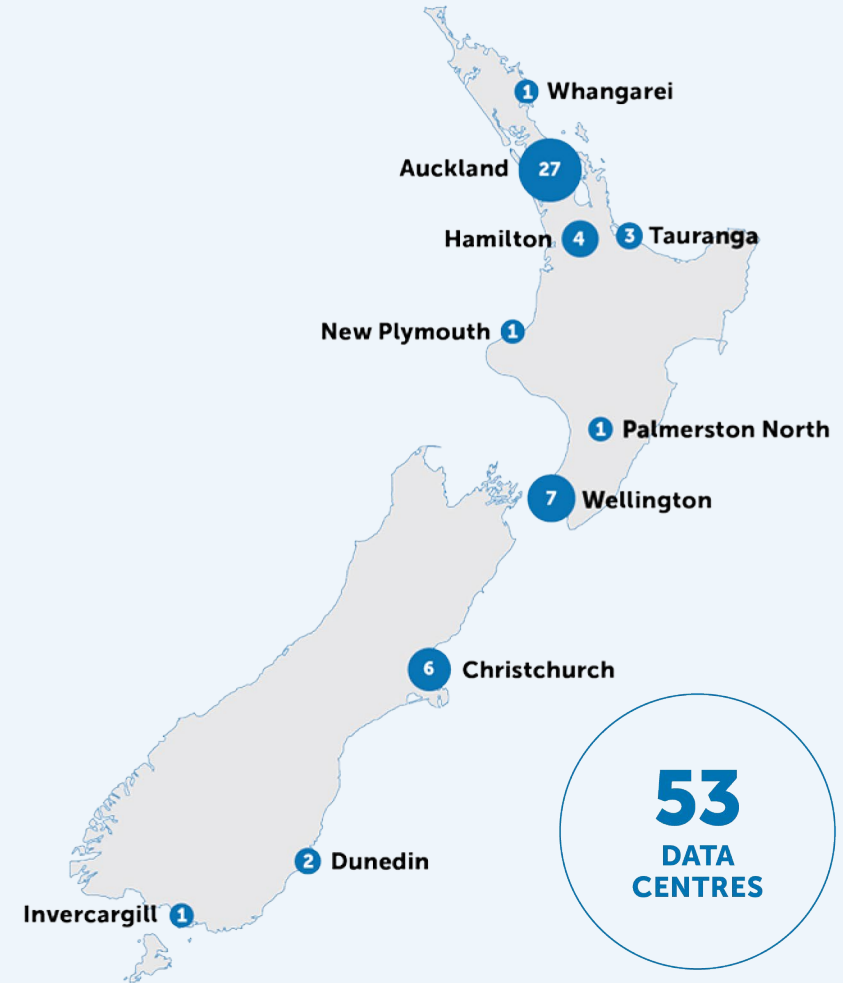
NEURA

Cloud migration & AI is driving exponential growth for fibre connectivity

For personal use only



Source: Chorus estimates



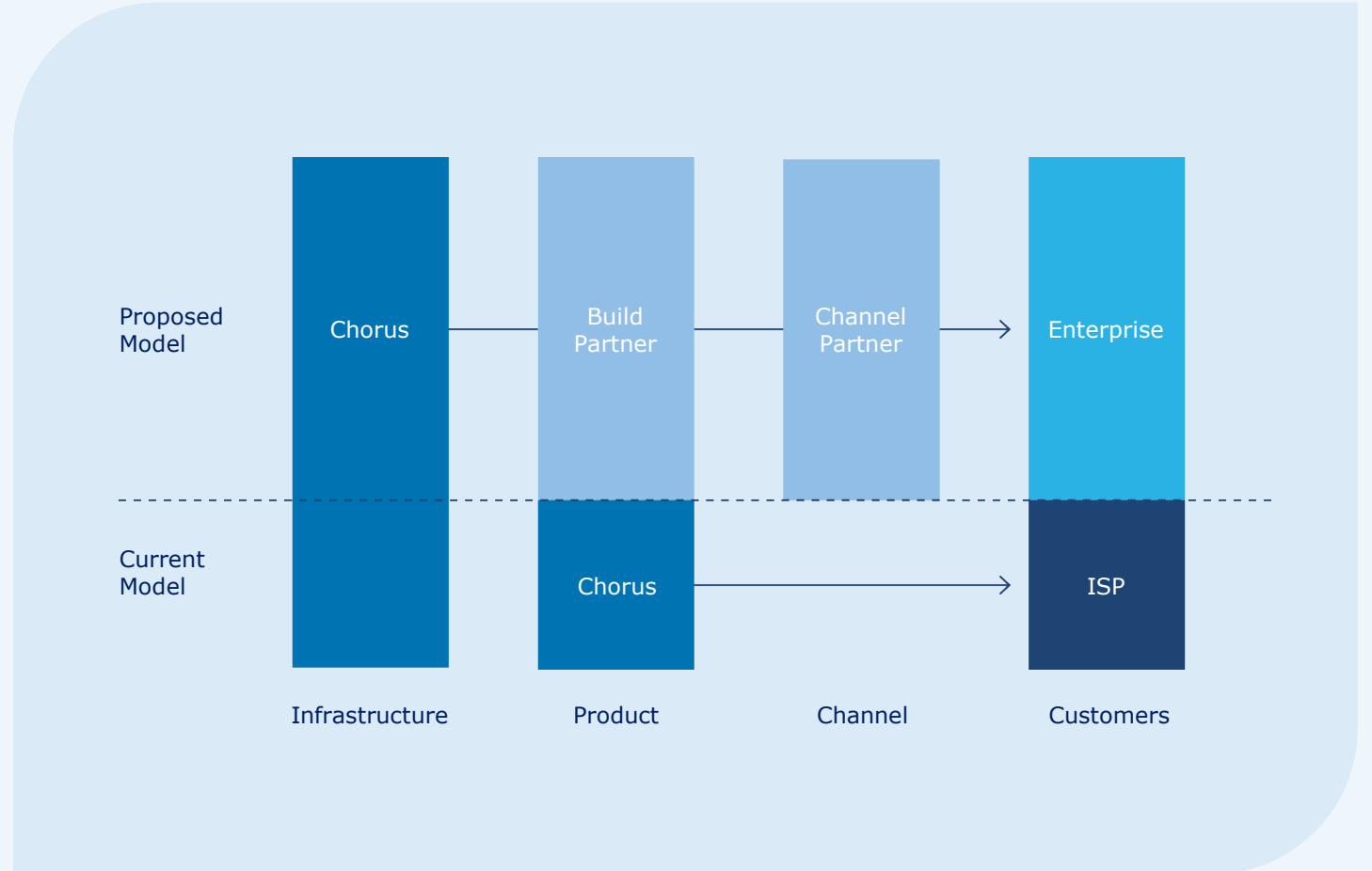
Exploring Option 2

New Model to Scale EdgeCentres

- EdgeCentres established in 4 Chorus exchanges (Auckland; Tauranga; Wellington, Christchurch)

- Product solution leverages additional co-location space with copper network retirement

- In discussion to develop revenue sharing model with an IT market participant



For personal use only

Exploring Option 3

Unlocking Hyperscaler Connectivity

Investigating opportunity with DataGrid that includes national and trans-Tasman connectivity

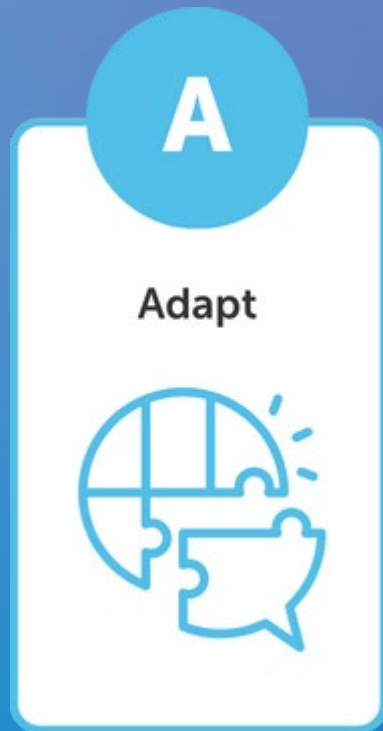
Could unlock a key role for Chorus in burgeoning data centre ecosystem and leverage lower South Island renewable energy

Builds on Chorus' existing network and plans for enhanced national backhaul

- Exclusive MoU to test demand in 2025



Datagrid (founded by Hawaiki subsea cable founder Remi Galasso) is developing a hyperscale data centre near Invercargill. The facility is to enable an AI training cluster powered by renewable energy, with domestic and international connectivity via a new sub sea cable.



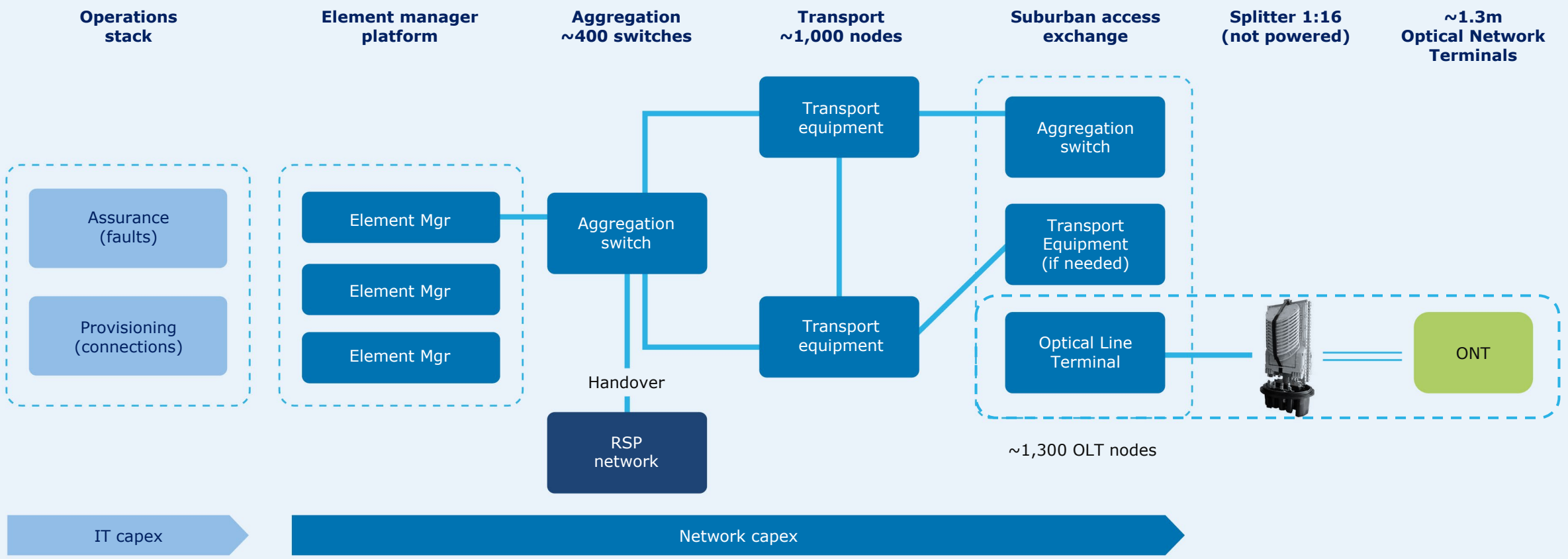
Ewen Powell Chief Technology Officer

Maximising value from our future-proofed fibre network

- Fibre is a highly reliable and scalable network technology
- We're focused on prudent and efficient asset management
- Growing bandwidth demand and regulatory requirements drive ongoing capacity investment
- Increased demand (e.g. bandwidth, Hyperfibre) and asset lifecycle to shape sustaining capex within \$200m to \$240m annual range across Horizon 2

A highly reliable, scalable, future-proofed network

For personal use only

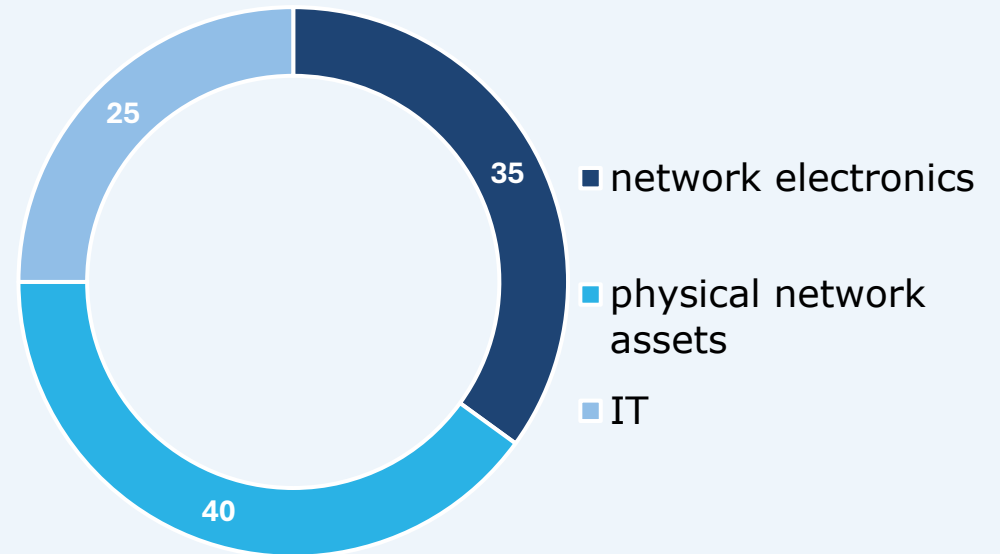


Prudent and efficient asset management

Investment drivers

- Connection growth, data growth, asset lifecycle management, product and business improvements
- Regulatory regime drives data-driven decision-making and 10-year asset management planning
- Expect sustaining capex to remain within \$200m to \$240m range through Horizon 2
 - copper spend relating to shared assets, roadworks and poles will change across the period
 - spend at top of range would reflect strong customer demand (e.g. capacity, Hyperfibre upgrades) and lifecycle replacement

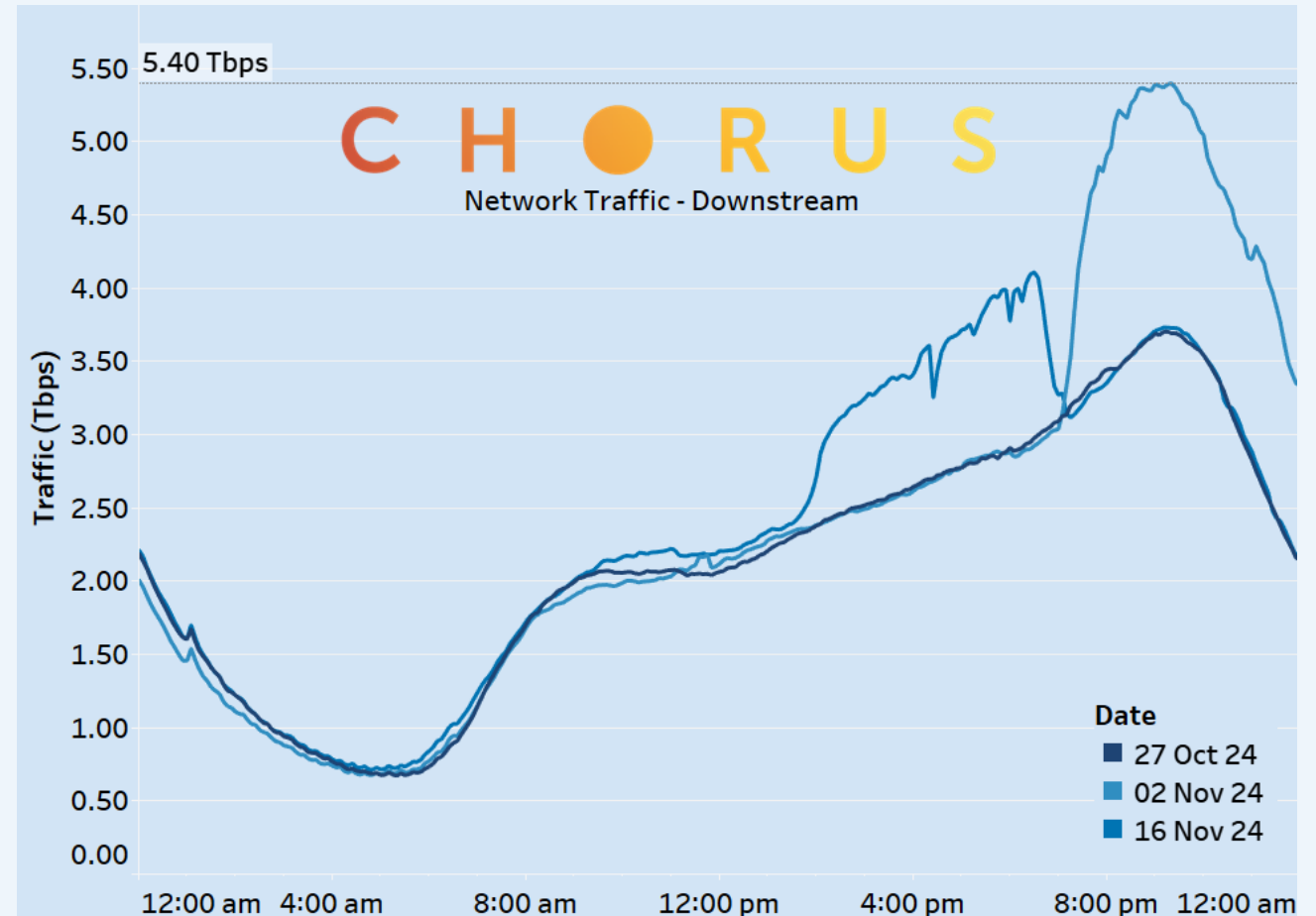
Annual sustaining capex (%)



Network electronics

Investment drivers

- **Capacity**
 - Peak bandwidth growth ~21% p.a.
 - 60% utilisation trigger, to stay within 90% regulatory standard
- **Lifecycle**
 - Equipment (5-10yrs); software (2yrs)
 - Investment phased to smooth capital and optimise field activity.
- **Products and customer demand**
 - Multi-gigabit (Hyperfibre) requires replacement ONT
 - Technology roadmap to 25G PON



Physical network assets

Investment drivers

• Lifecycle

- Significant proportion of physical assets pre-date UFB roll-out
- ~8,000km shared legacy fibre 30+ years
- Replacement subject to asset performance (574km planned through PQP2) and investment optimised through timing and partnering

• General sustain spend and safety

- Seismic strengthening
- Poles, pits and manholes, high sites

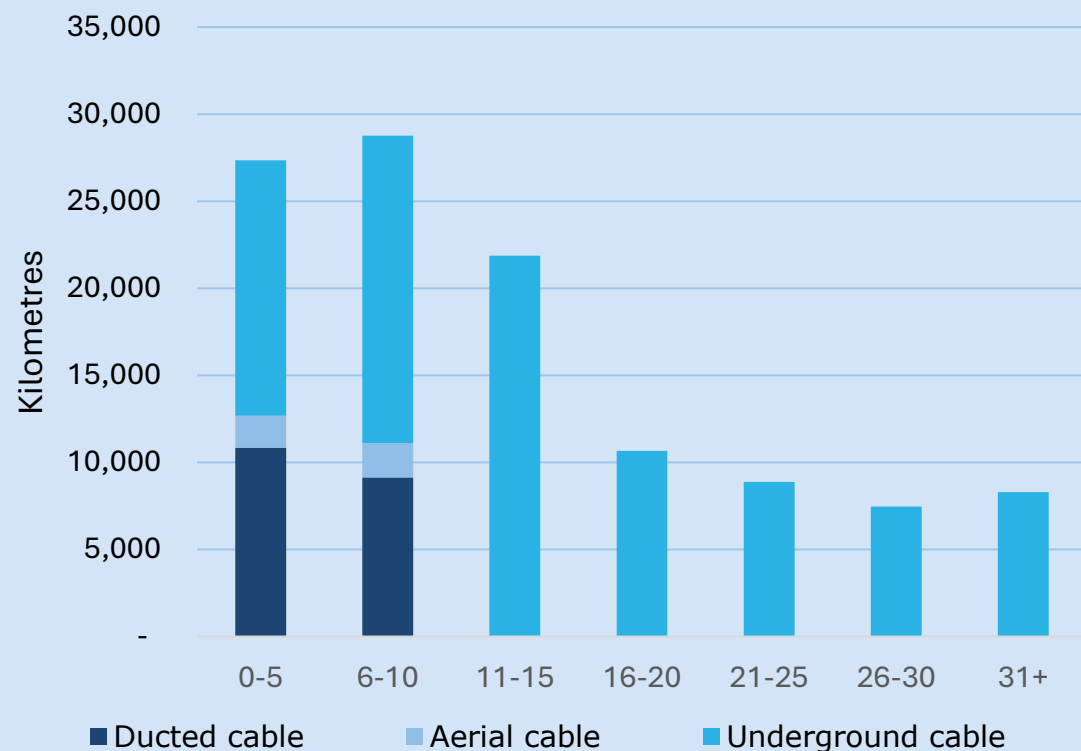
• Third party infrastructure changes

- Roadworks, power network undergrounding

• Resilience (growth capex if new fibre route)

- ~\$57m in PQP2 for towns with 3,000+ customers and diversified exchanges

Fibre cable age profile (years)*



*Excludes service leads

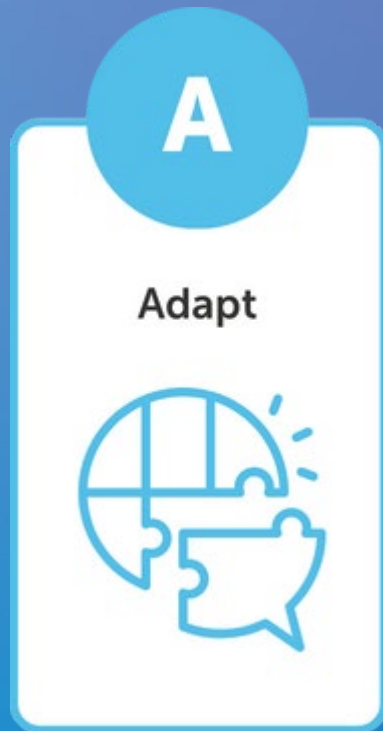
For personal use only



IT investment

Investment drivers

- **Lifecycle management**
 - ~50% of IT spend: enterprise, provisioning and assurance systems
 - strong focus on cyber security
- **Process and product development or improvement**
 - ~50% of IT spend on developing new products and systems to support growth initiatives , customer experience and business improvement opportunities
 - 90%+ of fibre processes with RSPs automated
 - AI and machine learning used to optimise work-flow and network service. Future opportunities emerging as AI becomes embedded in many SaaS solutions.



Julian Kersey

Chief Corporate & Regulatory Officer

Regulatory outlook

- Workable outcomes for PQP2 provide certainty and stability
- New Zealand fibre compares well globally
- Regulatory simplification is needed over Horizon 2 with a focus on:
 - copper deregulation; and
 - lighter touch fibre regulation.
- Consumer transparency is critical for fair competition

PQP2 outcomes provide certainty and stability

For personal use only

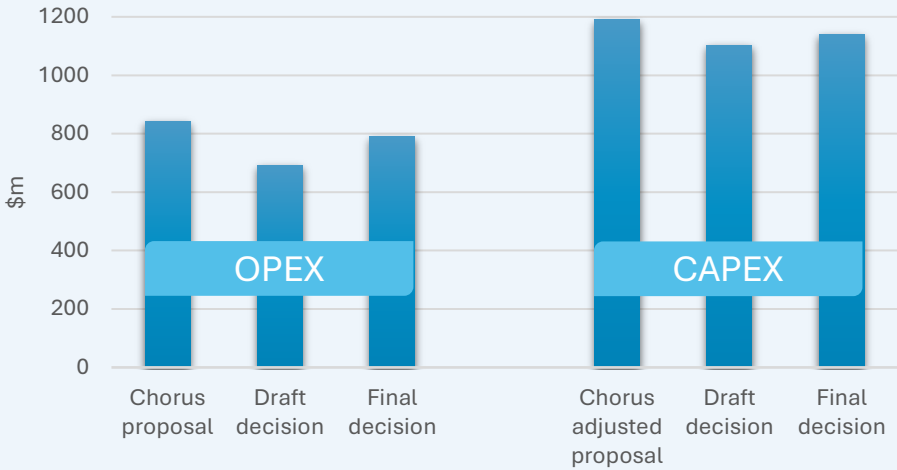
Opex
\$790m

Capex
\$1,140m

No change to
anchor
services

WACC
7.68%

Expenditure allowances

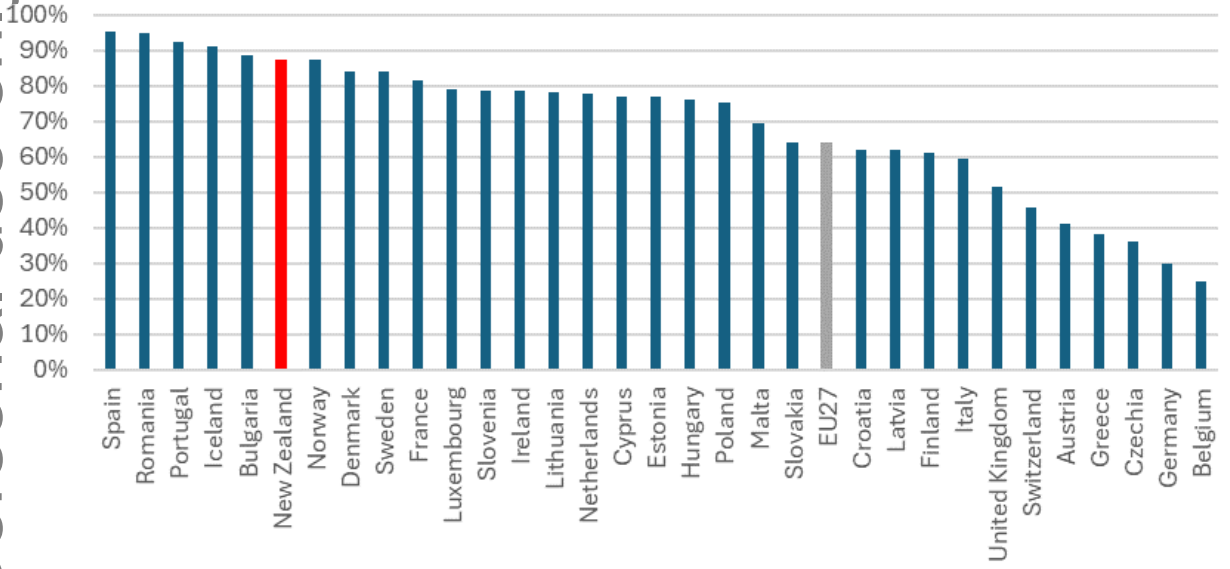


Note: "adjusted" proposal for capex excludes items where we pulled back our planned spend (eg fibre frontier, hyperfibre)

Fibre pricing and coverage compare well globally

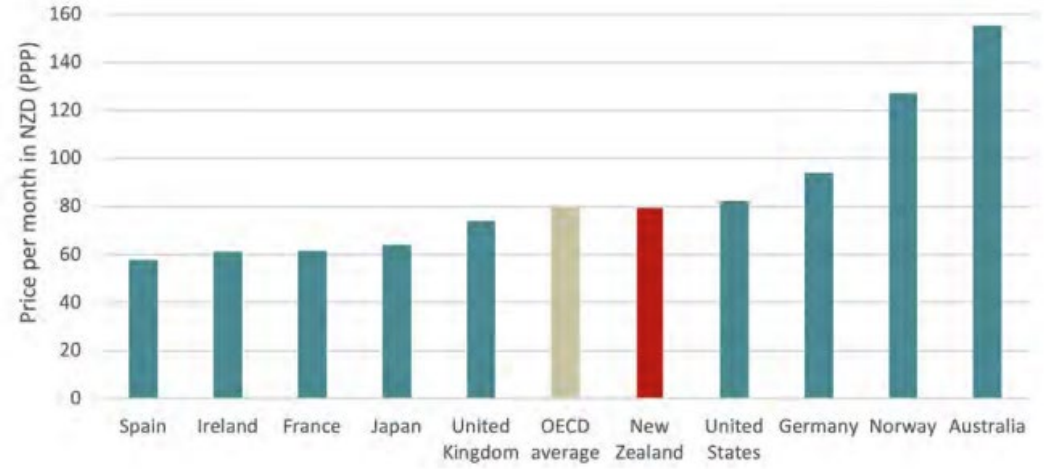
For personal use only

FTTP coverage - NZ and Europe, 2023

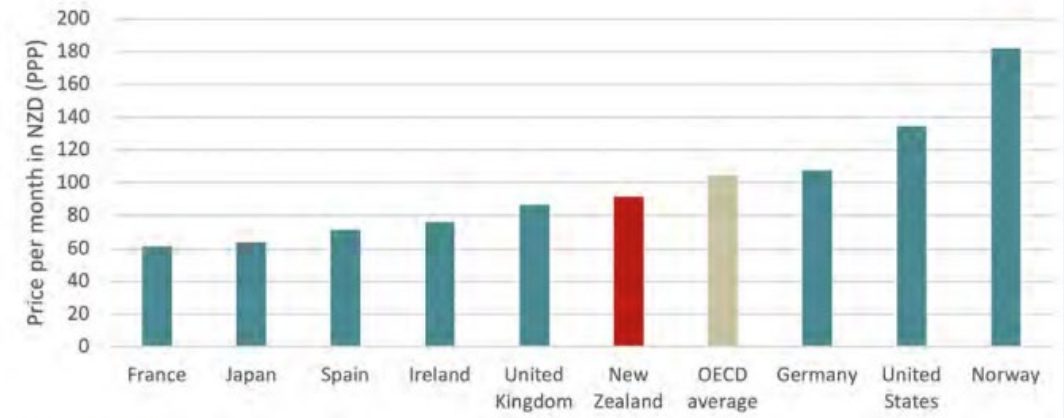


Source: Broadband Coverage in Europe 2023, a study by Omdia and Point Topic for the European Commission, with NZ data added

Price for Fibre 300 (or equivalent) – Sept 2023



Price for Fibre 1 gig (or equivalent) – Sept 2023



Source: TechInsights

Time to take stock

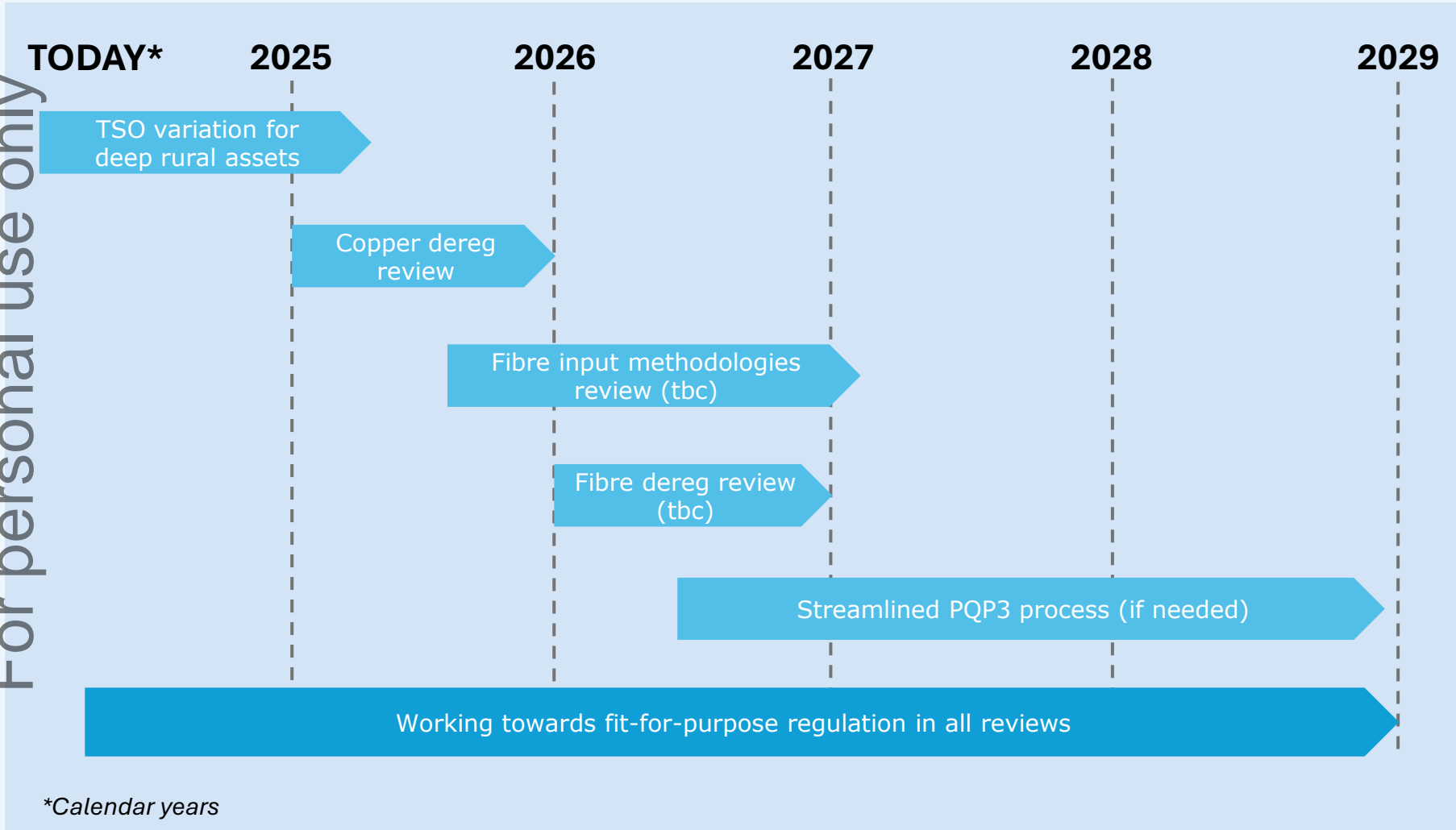
Existing framework reflects out of date market assumptions

Chorus: ~1.1m connections (service some major centres – e.g. Auckland, Wellington, Dunedin)	Local Fibre Companies (LFCs): ~375k connections (service some major centres – e.g. Hamilton, Tauranga, Christchurch)	Fixed Wireless Networks: ~350k connections (service all major centres)
Non-discrimination (treat RSPs equally)		None
Business line restriction (cannot retail)		None
Unbundling requirement		None
Revenue cap + Information Disclosure	Information Disclosure only	None
Anchor products (CPI only price increases on fibre voice, 100Mbps, direct fibre)	None	
Averaged urban/non-urban pricing	No restriction	
Legacy TSO outside Specified Fibre Areas	No TSO requirement	
Legacy 10% ownership cap	No restriction	

For personal use only

Pathway to simplification by 2030

For personal use only



TSO obligation is outdated

No case for continued regulation of copper

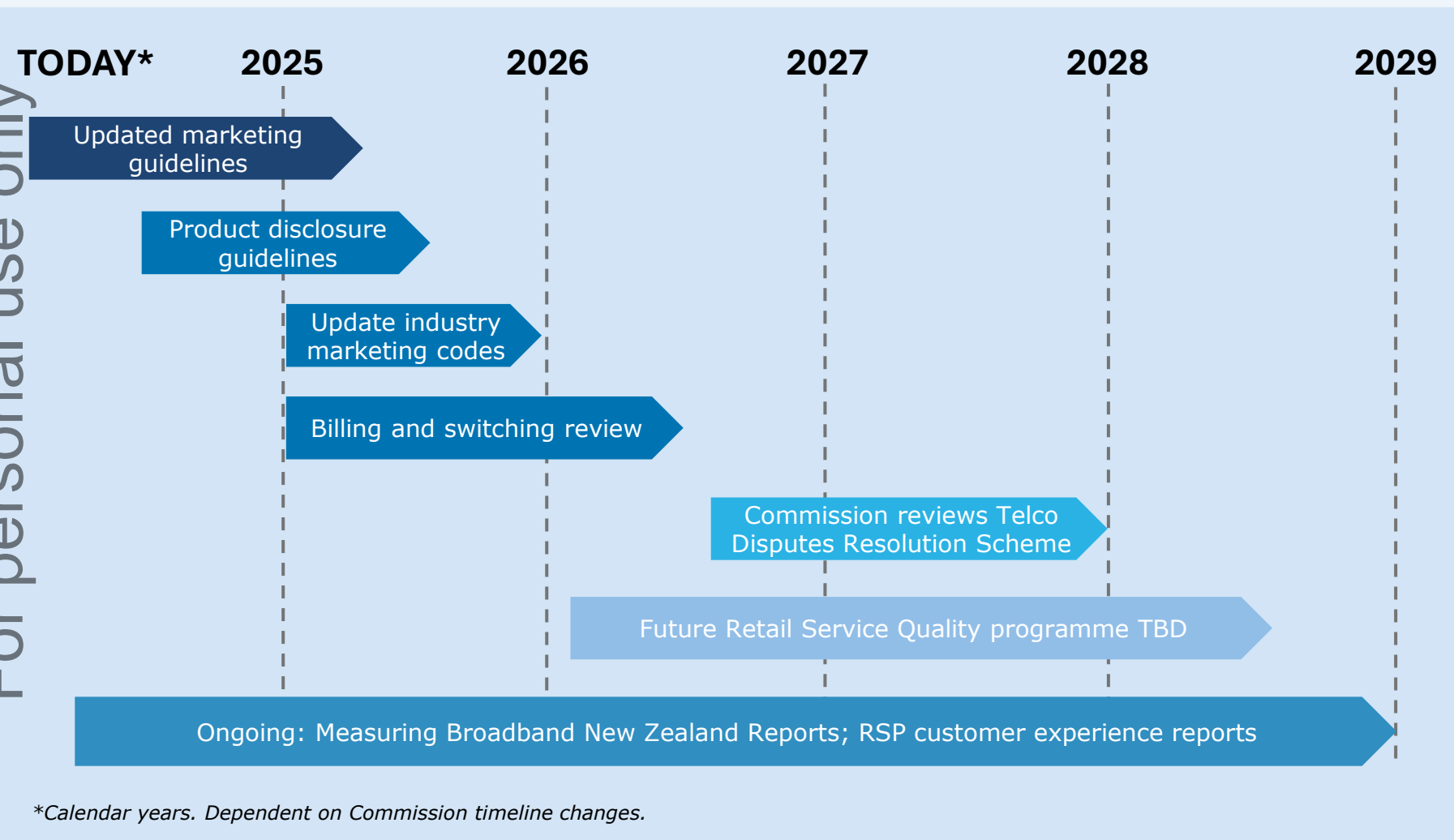
Fibre market very different from 2018

Information disclosure-only regulation is better

Opportunity now to simplify rules and save cost

Consumer transparency opportunities

For personal use only

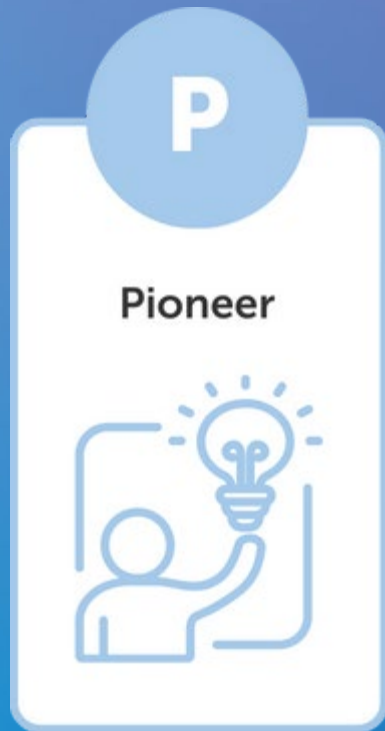


Enabling informed customer decisions

Consistent shopping journey and unbiased up-front info

More meaningful comparisons between products

Shining a light on how different broadband services perform



Anna Mitchell Executive General Manager, Fibre Frontier Value Stream

Copper retirement and fibre expansion

- Accelerated copper retirement by 2030 is achievable
- Customer outcomes key to delivering on our strategy
- Copper savings building over the coming years, essential to staying FCF+
- Fibre Frontier build tracking well, with strong early interest and uptake
- A strong economic case for fibre expansion for New Zealand

Focusing on copper retirement by 2030

End-to-end copper retirement

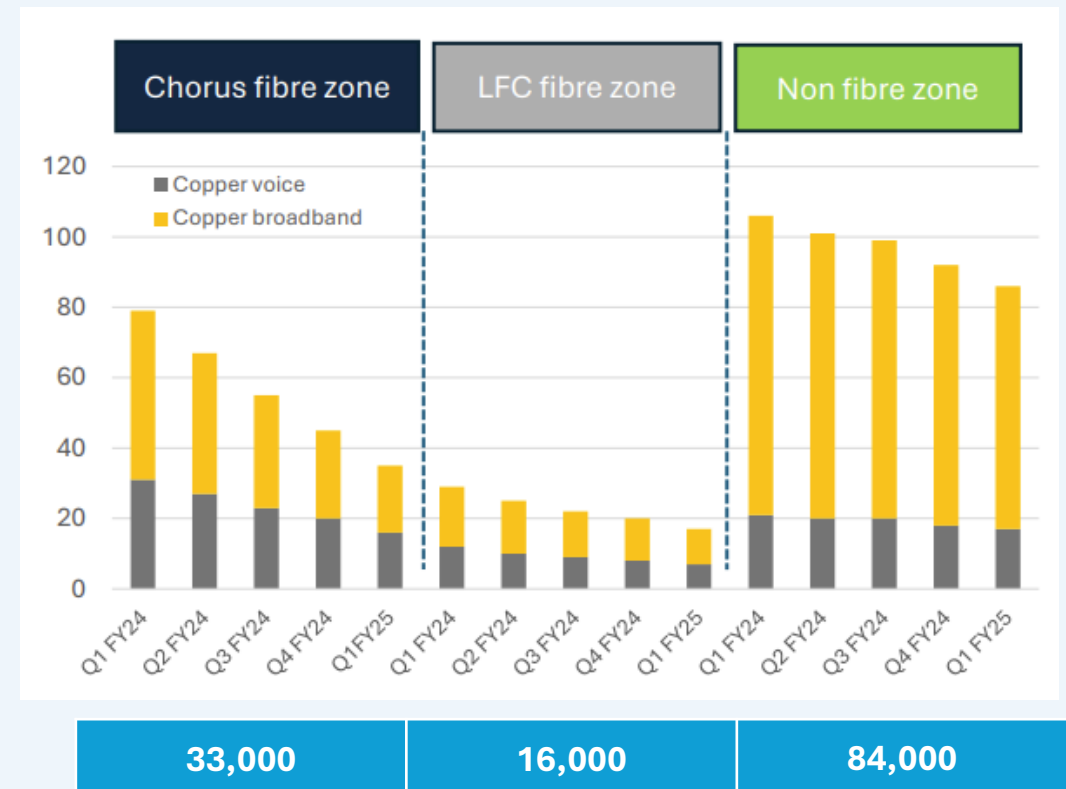
Customer transition

Asset optimisation and reuse

Decommissioning and disposal

- **Organisational alignment** to optimise programme delivery
- Prioritising encouraging and enabling **customer transition and migration**
- Implementing **data-driven tactical approaches** using forecast connections and network costs

133,000 copper connections remaining (31 Oct)



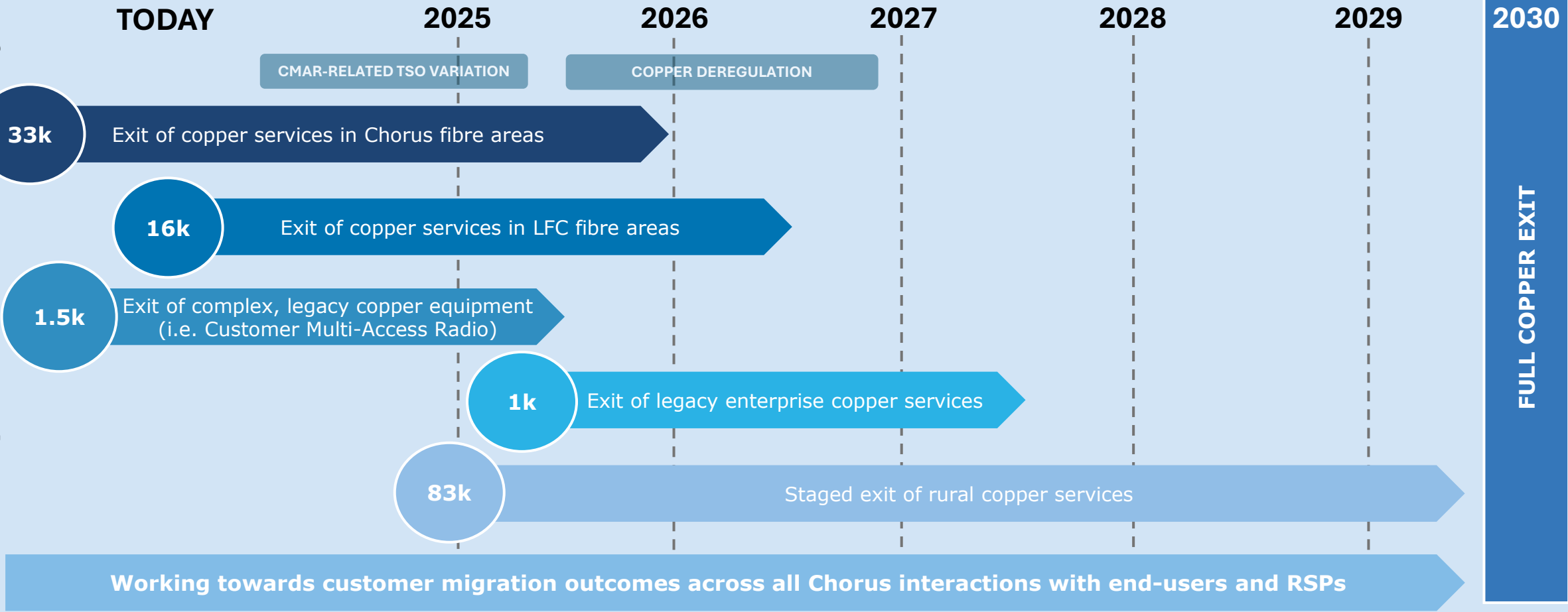
33,000

16,000

84,000

Pathway to copper retirement by 2030

For personal use only



Rural telco market has changed significantly since CNU listed

For personal use only

97%

Rural copper consumers can now access terrestrial wireless alternatives

\$270m

Spent by govt on wireless in rural New Zealand since 2016 – not including the 5G spectrum allocation for extended coverage

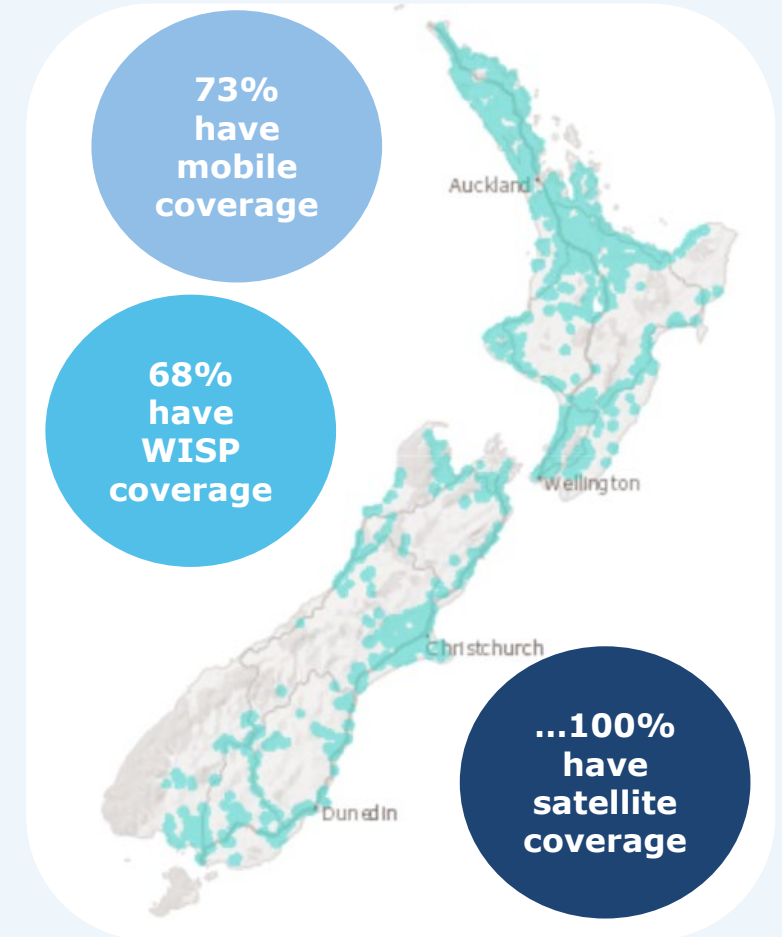
\$79pm

'Residential Lite' Starlink service launched earlier this year

73%

Remaining Chorus copper connections not subject to TSO

Of 345k rural premises...



Commerce Commission Annual Monitoring Report 2023 (Aug 24), Starlink.

Reducing costs in line with declining customer numbers

Cabinets remaining	Chorus Fibre Areas	LFC Fibre Areas	Non-Fibre Areas
5,150	1,000	650	3,500

- Average savings per cabinet **~\$2,500p.a.** (electricity and avoided network maintenance)
- Over **1,500** cabinets closed to date
- Cumulative net savings of **\$50m from cabinet shutdown** between FY25 and FY30
- **100 exchanges** in Chorus Fibre Areas with fewer than 50 connections
- Copper capex to continue to steadily decline to 2030



For personal use only

Retirement of Customer Multi-Access Radio systems

For personal use only

Technology surpassed by modern alternatives

Customer numbers have halved in past two years

Serving ~1,300 addresses

800+ sites were used to provide service

Fault rate 15x higher than fibre

Costs significantly exceed revenue

CHORUS

Changing the way we communicate

Voice calling for rural communities


For decades Kiwis in rural parts of New Zealand have relied on traditional phone lines to keep in touch. That's been changing and we now have mobile phones, wireless technology, and modern satellite technology which have opened up a world of voice calling options over the internet.

Not only do these options provide more flexibility and functionality than a landline delivered over the copper network, but they can be cheaper too. Plus you can keep your landline phone handset to use with these newer technologies if you prefer.

Over the next decade, Chorus plans to retire the copper network, so it could be worth trying one of the alternative phone services sooner rather than later.


Each option outlined below takes a few simple steps to set up and has the potential to greatly improve the way you communicate.

What are my voice calling options?



MOBILE
If your property has mobile coverage, you can use your mobile phone to make and receive voice calls. Mobile phones are simple and easy to use and it's cheaper than paying for both a mobile and a landline phone.

Things to be aware of:
Check the detail of your mobile plan to make sure you have enough calling minutes.



WI-FI CALLING
If your property doesn't have mobile coverage, but you have a broadband service, then you may be able to use your mobile phone to make and receive voice calls over Wi-Fi. Most mobile providers and smartphones support this feature. Wi-Fi calling only uses a small amount of data to provide a good voice quality so most broadband services, including wireless and satellite, will comfortably support it.


Once you know your mobile phone provides this, it's easy to enable in the settings on your device, and it's just like making a regular mobile phone call.

Things to be aware of:
Some older mobile phones might not support Wi-Fi calling. Like mobile calls, Wi-Fi calling may deduct calling minutes from your mobile plan. Because Wi-Fi voice calling relies on the internet, it can be affected during an internet outage.

How to enable Wi-Fi calling on your smartphone:

<p>iPhone: Go to Settings > Phone > Wi-Fi calling Toggle on Wi-Fi Calling</p>	<p>Samsung: Open Settings Select Connections Toggle on Wi-Fi Calling</p>
--	---

For more information:
spark.co.nz/help/mobile/understand/wifi-calling/
one.nz/our-networks/wifi-calling/
2degrees.nz/help/mobile-help/calling-features/wifi-calling




Nevis Country-set repeater station, South Island

Demand for fibre outside current footprint is strong

For personal use only



10k premises due for completion mid-2025



First **10 builds are complete** and over **1,000 addresses passed**



Build currently underway in **25 areas** across NZ



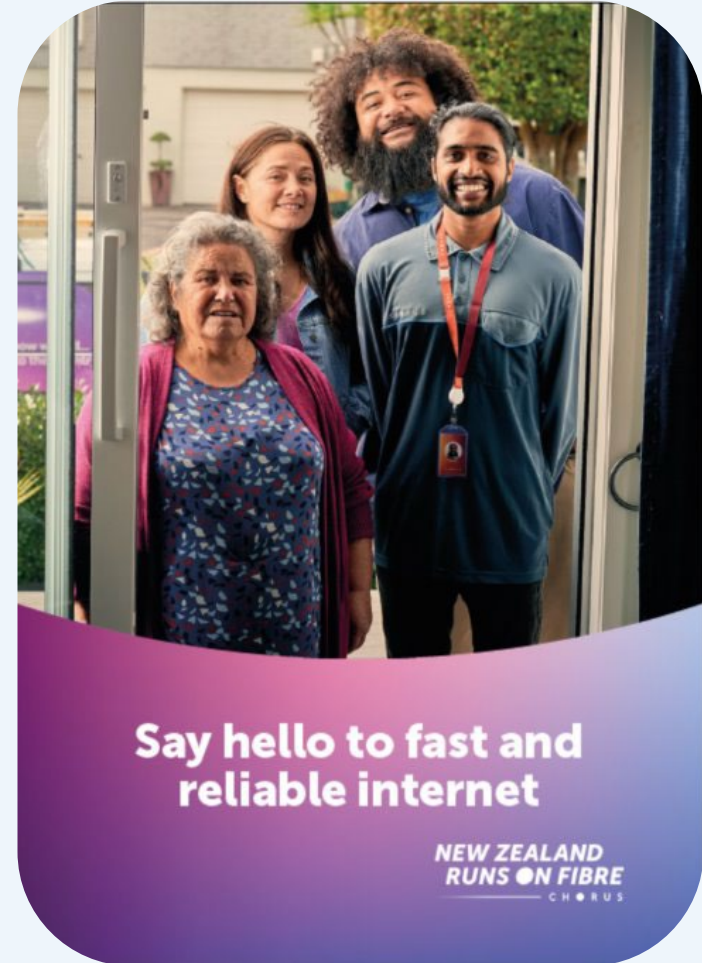
Over **3,000** expressions of interest – nearly **70%** in first 10 areas



Over **500 installs to date** with more than **300 already live**



40% connections to date from offnet addresses



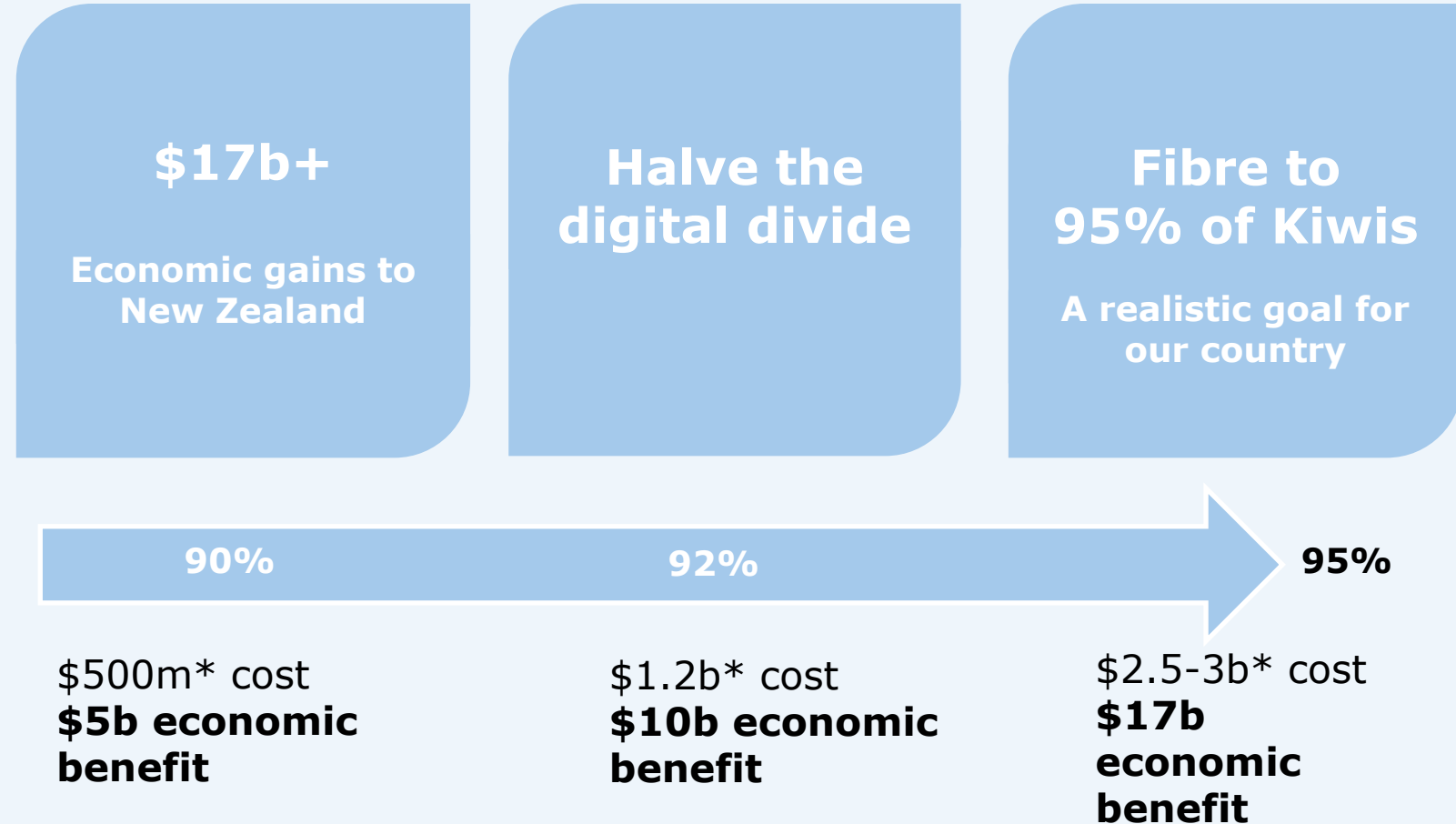
Exploring Option 4

Fibre Expansion

NZIER and Deloitte reports show significant socio-economic benefits from high-capacity broadband

We're encouraging government to consider fibre as part of its Infrastructure Priorities Pipeline

Chorus would need to meet IRR hurdles to invest in further expansion



**combined communal and connection cost*



Drew Davies Chief Operating Officer

A solid fibre business with clear upside in Horizon 2

- Enabling our Value Streams to drive growth and optimise operations
- Immediate focus on streamlined go-to-market capability and simplification
- Copper retirement to release \$50m+ of annual direct copper opex by 2030
- Exploring a number of portfolio asset optimisation opportunities
- Strong PQP2 MAR tailwinds and core RAB to grow to ~\$5.2bn through PQP2
- Capital management principles and policy drive investment discipline and sustained dividend growth

We're getting future fit

FY25 guidance unchanged from what we have informed you previously

- EBITDA: \$700m-\$720m*
- Sustaining capex: \$200m-\$220m
- Gross capex: \$400m-\$440m
- Dividend*: 57.5cps unimputed

**subject to no material adverse changes in circumstances or outlook*

Where we're headed with our Operations focus

- Continually working with our RSP's on new incentives and products for fibre bundling, such as Fibre Boost
- For the Access Value Stream, we're optimising our Go-To-Market processes to be more adaptive from development to product launch
- For the Infrastructure Value Stream, we're increasing the depth of capabilities to support the new opportunities
- Overall Enterprise focus on improving cost efficiency via simplification and streamlining our operating model into Horizon 2

Copper cost outlook

Tight cost control keeps direct copper revenues and costs FCF positive

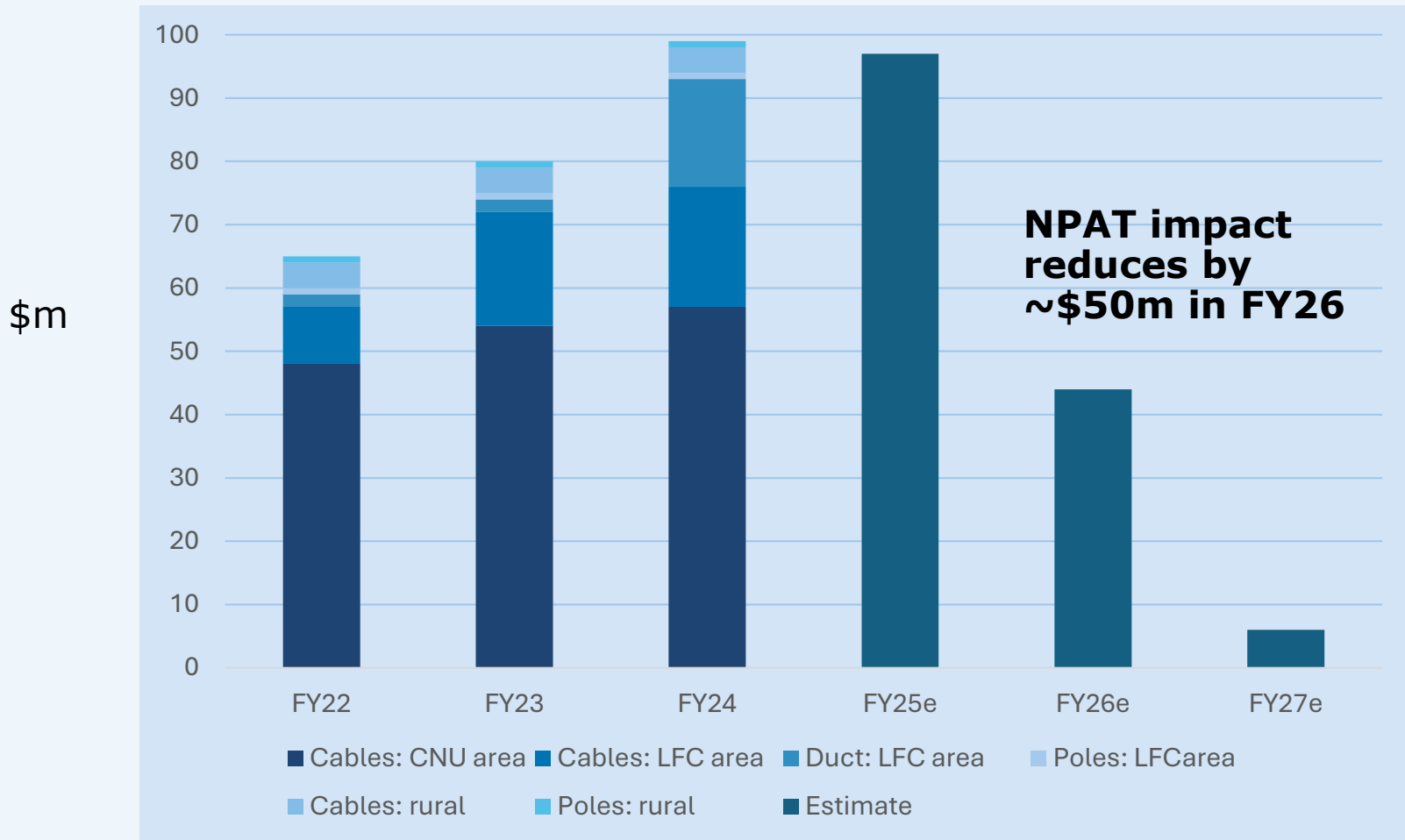
- Copper capex, net of contributions, \$15m (FY24) and declining as activity transitions to fibre
- Direct copper opex of ~\$54m (FY24) steps down as copper customers migrate to other networks, or to fibre with a lower cost to serve

Direct copper expenses*	FY24 \$m	Outlook to 2030 copper retirement
Network maintenance	27	Reducing as customers migrate to alternative networks: includes faults from the exchange and/or cabinet, through to customer premises
IT	10	Step-change once customer numbers remove need for scale systems
Other network costs	5	\$4m of exit costs in FY24; ongoing exit costs subject to pace of copper retirement and copper recycling programme
Electricity	12	Steady decline as network equipment shuts down
TOTAL	54	

**Note: this summary excludes shared costs and potential property maintenance savings from property optimisation*

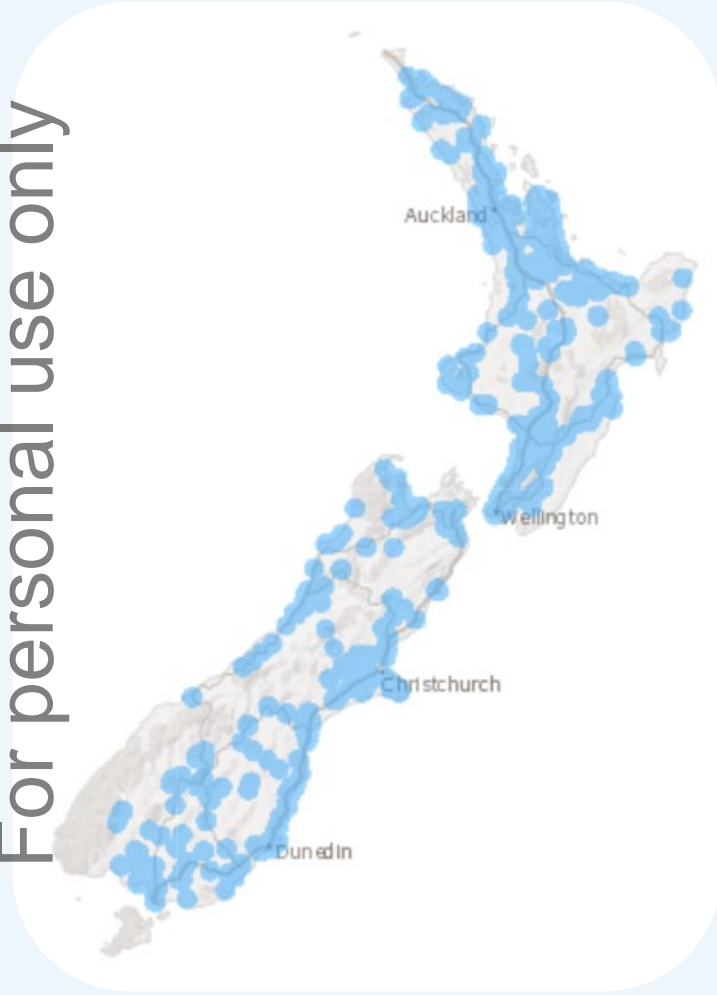
Accelerated copper depreciation rolls off rapidly

For personal use only



Optimising options for our asset portfolio

For personal use only



Our assets	Optimisation options
~600 exchanges	<ul style="list-style-type: none">• EdgeCentre co-location in emptied copper spaces• Sale of non-RAB exchanges as copper removed
~1,100 high sites	<ul style="list-style-type: none">• Potential sale of primary sites to towercos• Sale to customers or exit retired sites (e.g. CMAR)
130,000km copper cable	<ul style="list-style-type: none">• Recycle retired copper cable where economic
212,000 poles	<ul style="list-style-type: none">• Possible 5G mobile/IoT use• Sale or exit in non-fibre areas
14,700 cabinets	<ul style="list-style-type: none">• Potential re-use for other urban telco/utility services, or new innovations such as EV charging, distributed energy
~60,000km duct	<ul style="list-style-type: none">• Potential re-use for other urban telco/utility services

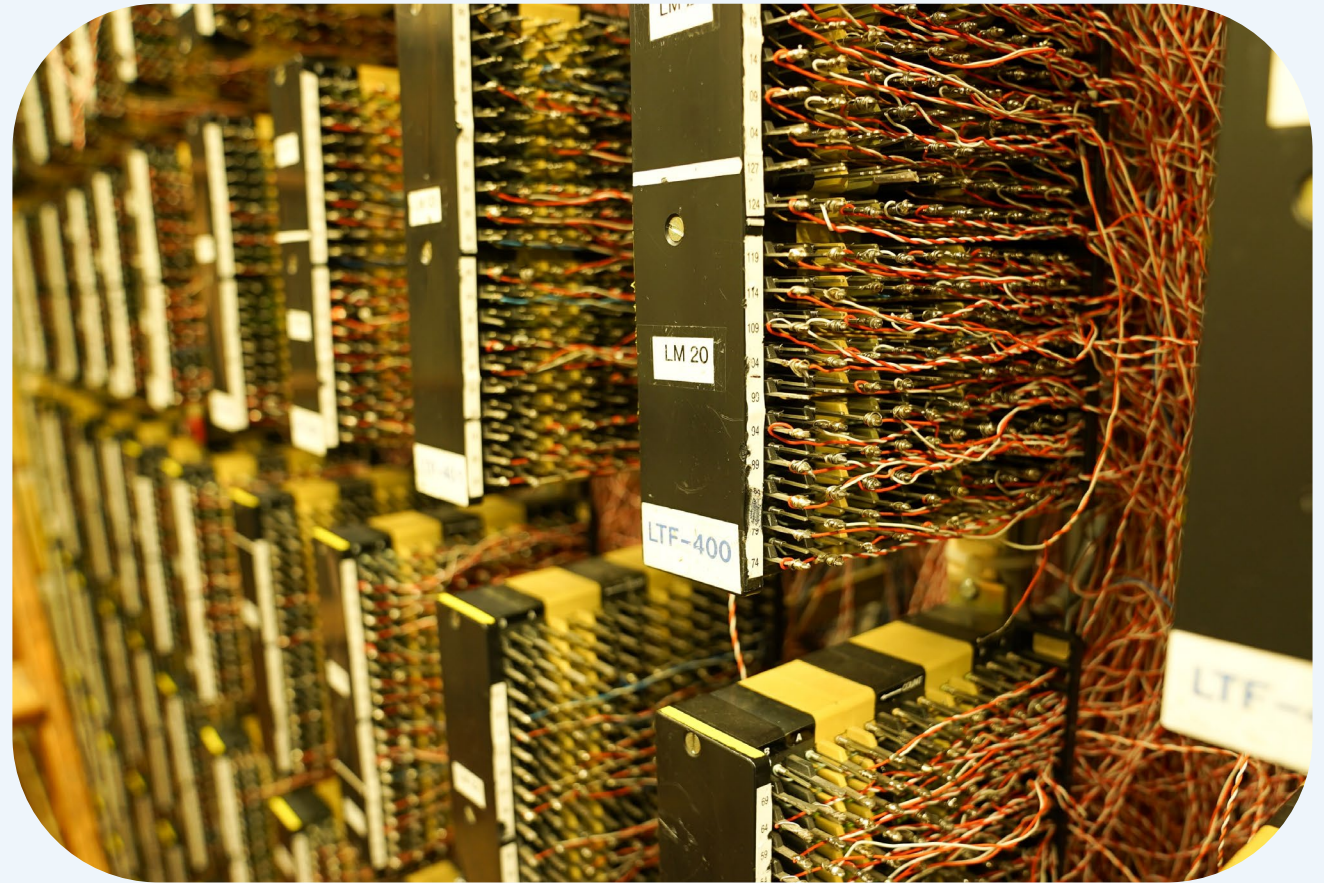
Exploring Option 5

Asset Optimisation on Copper Recovery

~4,000km of large copper cable that is economic to recycle

• Trial to assess practicality and economics of cable removal in H2 FY25

• Expect ~3 to 7-year programme



Estimated \$30m-\$50m net proceeds opportunity for large copper cable recycling at current prices

For personal use only

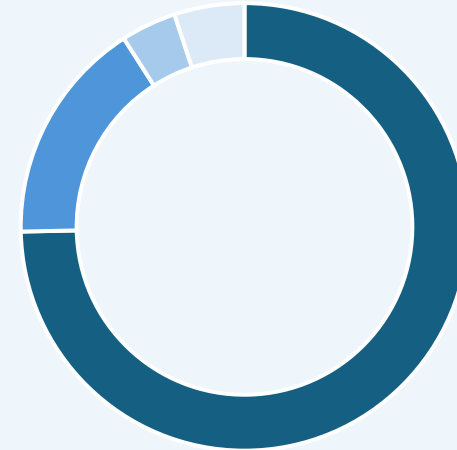
Exploring Option 6

Asset Optimisation on High Sites and Property Sales

- Land and buildings NBV of \$375m (FY24)
- A review is underway of our nationwide high sites portfolio to assess potential options for sale/disposal in FY26
- Chorus' need for other non-RAB land and buildings will reduce as the copper network is retired

Land & Buildings: Net Book Value \$375m

- UFB area
- LFC area
- Other area
- High sites



- **~\$20m of 'high sites'** are located across a mix of areas and are used principally for remote network connectivity and wireless co-location
(Note: this category includes a large number of low value rural sites)
- A further **~\$75m** of land and buildings assets are in LFC and other non-UFB areas that may become surplus – unless required as key fibre transport sites.



MAR and RAB outlook provides certainty to 2028

- Expect final MAR (due next week) to be higher than draft, given final expenditure allowances and our depreciation tilt
- Strong MAR tailwinds in PQP2: WACC 7.68%; ~\$200m wash-up; ~\$85m tax building block from 2028; CPI wash-up in year 1; CIP 'benefit' deduction reduces ~\$6m with refinancing
- We expect to add \$10m-\$20m opex p.a. (to be recovered via wash-up) as copper shuts down in CNU fibre areas from end 2026
- Expect core RAB to grow from \$4.77bn (Dec 2023) to ~\$5.2bn through PQP2, subject to depreciation tilt

PQP2 MAR	2025	2026	2027	2028
Draft MAR	\$908m	\$947.4m	\$983.1m	\$1,017.9m

PQP2 allowances	2025	2026	2027	2028
Opex*	\$189.6m	\$196.3m	\$200.7m	\$202.9m
Capex**	\$327.6m	\$290.6m	\$261.3m	\$260.0m

* opex allowance excludes ~\$20m p.a. of pass-through costs included in MAR

** capex allowance may increase subject to installation demand and any future incentive proposal

For personal use only

Capital management principles and policy

A digital infrastructure business maximising long-term value and returns

Dividend policy: pay an ordinary dividend of 70% to 90% (on average, over time) of net cash flow from operating activities less sustaining capital expenditure

Net cash flow from operating activities

Less sustaining capital expenditure

= Free cash flow for capital allocation

Less ordinary dividend
(70% to 90% of free cash flow
for capital allocation)

= Surplus free cash flow for allocation

Share buy
backs

Additional
dividends

Discretionary
growth capex

Capital allocation
underpinned by
free cash flow
from an essential
regulated
infrastructure
asset

Deliver a
sustainable
growing dividend,
at least in real
terms

Use balance sheet
to fund
discretionary
growth capex - up
to 4.75x
ND/EBITDA

Discretionary
growth capex
must deliver
greater value
than returning
funds to
shareholders

For personal use only

Q and A



Recap: Fast track to an all-fibre future

For personal use only

We're moving quickly to become an all-fibre business by 2030

New market challenger posture supports push for 80% uptake

Regulatory settings on fibre provide clarity and stability for next 4 years

Focus on leveraging our infrastructure, with new market adjacencies to explore

Copper retirement provides opportunities for efficiencies

We are enabling better futures for Aotearoa

For personal use only

Thanks for joining us

