



25 August 2025

Resilient financial result with good progress on strategy

Key FY25 results

- Operating revenue \$1,014m (FY24: \$1,010m), with fibre revenue up 7%
- Solid year-on-year EBITDA of \$705m (FY24: \$700m)
- Net profit after tax \$4m (FY24: net loss \$9m)
- Cash flows from operating activities of \$559m (FY24: \$513m)
- Unimputed final dividend of 34.5 cents per share (total FY25 dividends: 57.5cps)
- Increase in fibre connections: by 31,000 to a total of 1,115,000
- Fibre uptake increased to 72.1% addresses, up 1%
- Remaining copper connections: down 41% to 92,000
- Network traffic up 10% to 8,741 petabytes

Chorus has delivered a resilient result for the year ended 30 June 2025, despite a difficult year for the New Zealand economy and revenue headwinds from the retirement of legacy services.

Fibre connections grew by 31,000 and made up 92 per cent of Chorus' fixed lines, with fibre uptake at 72.1 per cent of addresses passed. The growing importance of digital connectivity was underlined with data demand growing 10 per cent in the year to 8,741 petabytes. Average monthly usage for fibre connections grew 7.7 per cent to 671GB through FY25.

Revenue lifted from \$1,010 million to \$1,014 million despite copper-related revenues reducing by \$39 million during the year. We more than offset this decline through continued growth in both fibre connections and the average revenue per user.

Our simplification strategy and strong cost management held operating expenditure at \$309 million, down \$1 million from FY24. This was achieved despite continued inflation across numerous expense lines and increased regulatory levies, together with one-off costs for operating model changes and the exploration of new revenue opportunities.

As a result, EBITDA was \$705 million for FY25, a 1 per cent increase on FY24 EBITDA of \$700 million. After the deduction of depreciation, amortisation, interest and tax, net earnings were \$4 million compared to a loss of \$9 million in FY24.

A renewed purpose

Chorus CEO Mark Aue said Chorus is making continued progress in its shift to becoming a simpler all-fibre digital infrastructure company.

“Our December Investor Day outlined a reset in strategy and execution across three distinct Horizons. FY25 (Horizon 1) was foundational, marking the start of our transition to becoming the great network operator.

“This year, we laid the groundwork for that change – embedding a clear strategy, with the clarity and specificity of what future success looks like: “a simplified all fibre business with 80% uptake by 2030”. We refined our operating model and reinvested in new operational capabilities.

“We sharpened our market position, promoting fibre as the gold standard in connectivity – vastly superior to alternatives like fixed wireless.

“These structural changes have helped us maintain fibre connection growth through FY25 and will be an ongoing advantage, with the economy expected to remain challenging for some time.

“With fibre uptake already above 72%, our goal to reach 80% requires us to work in different ways. Innovation remains central, as exemplified by the recent speed boost for two of our popular plans, benefitting more than 700,000 homes. This signals where we’re headed, with advanced fibre markets like Singapore already moving to 10Gbps speeds as standard.

“As we transition into Horizon 2 (FY26–FY29) Chorus will continue to evolve, reflecting a business that is more simple, efficient, innovative and competitive.

Expanding fibre further

Chorus is proud of the work we have done so far in 2025, taking fibre to an additional 9,000 homes and businesses in 59 communities across Aotearoa. Commenting on the continued rollout of fibre, Mark said: “Fibre rollout has stopped at 87% of the population, while other countries are going further. There’s a risk that ‘good enough’ non-fibre solutions for the remaining 13% will only exacerbate the digital divide as customer needs evolve.

“We were, therefore, pleased when the government’s Infrastructure Priorities Programme recently endorsed our proposal to expand fibre to 95% of New Zealanders. The only private sector proposal among 17 endorsed projects, it has a benefit-cost ratio of 6.3, based on an expected \$17 billion in economic benefits for a cost of less than \$3 billion. We’re ready to start, with the ability to flex the rollout for funding and regional needs.

“However, expansion benefits the communities where fibre reaches, rather than going to the network builder. Some form of public investment is needed but government endorsement doesn’t guarantee any government funding.

“Equally urgent is affordability, where a different approach is needed. Nearly 400,000 households remain digitally excluded. In an age where connectivity underpins everything from remote surgery to immersive virtual learning, participating in the digital economy must be a right, not a luxury.

“We’re committed to addressing this. We’ve established a new community co-fund initiative to contribute to build costs in willing communities and launched a digital equity proof-of-concept trial with service providers. It’s a complex challenge, but we’re committed to finding real solutions for low-income households.”

Milestone to copper retirement

Last week the Commerce Commission recommended the removal of copper access regulation. The widespread availability of superior and affordable alternatives to copper in rural New Zealand means

regulation is no longer required to promote competition. The Commission's recommendation is now with Media and Communications Minister Paul Goldsmith for consideration.

"This recommendation represents a key milestone on Chorus' journey to being a simplified, all-fibre business. Removal of copper regulation will provide a clear pathway to copper network retirement outside fibre areas."

The Commerce Commission noted the importance of a managed withdrawal process for the rural copper network. Mark Aue said "We reiterate our commitment to a clear, consumer-centric retirement process that supports transition of customers still on copper to modern services. We are working with the Commerce Commission and Government to establish an appropriate set of managed withdrawal commitments for rural consumers."

Final dividend

Chorus has confirmed it will pay an unimputed final dividend of 34.5 cents per share in October 2025 bringing total dividends to 57.5 cents per share in FY25, an uplift of 10 cents per share compared to FY24 (21% increase). The dividend reinvestment plan remains suspended.

FY26 guidance

FY26 guidance is subject to no material adverse changes in circumstances or outlook.

- **EBITDA:** \$710 million to \$730 million
- **Gross capital expenditure:** \$375 million to \$415 million
- **Sustaining capital expenditure** \$195 million to \$215 million
- **Dividend:** 60.0 cents per share, unimputed (up 4.3% from FY24)

ENDS

Chorus Chief Executive Mark Aue and Chief Operating Officer Drew Davies will discuss the FY25 result at a briefing from **10.00 am on Monday, 25 August 2025** (NZST). The webcast will be available at www.chorus.co.nz/webcast.

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