

23 February 2026

Robust half year performance for Chorus supports next phase of growth and efficiency

Key HY26 Results

- Operating revenue of \$506 million (HY25: \$500 million)
- Operating expenses reduced by \$5 million from HY25 to \$149 million
- EBITDA of \$357 million (HY25: \$346 million), up 3% year on year
- Net profit after tax of \$15 million (HY25: net loss of \$5 million)
- Interim dividend of 24 cps, up 4% from HY25
- Total fibre connections increased by 31,000 to 1,129,000 year on year
- Fibre uptake increased to 72.4% of serviceable addresses (HY25: 71.7%)
- Copper connections reduced by approximately 60,000 year on year, with only 3,000 remaining in Chorus fibre areas and full withdrawal expected by mid-2026

Chorus today reported a robust financial performance for the six months ended 31 December 2025 (HY26), underpinned by continued fibre growth, efficiency and simplicity gains, and strong capital discipline as it transitions to an all-fibre network operator.

CEO Mark Aue said Chorus' ability to deliver this result amidst a challenging economic backdrop and constrained consumer spending underlined the strength of its fibre-led strategy.

"We have a clear aspiration to become a simplified all fibre business with 80% uptake by 2030, and this result is a culmination of the work we've done over recent years to reshape Chorus for the future," he said.

"As we shift into the second horizon of our strategy, we are focussed on growth, simplicity and efficiency."

Growth: fibre momentum underpins long-term value accretion

Solid net customer uptake for fibre during the half continued, with total fibre connections increasing by approximately 31,000 to 1.13 million, representing 95% of total fixed connections. Fibre uptake reached 72.4% of serviceable addresses outside local fibre company areas.

Fibre broadband revenue increased 7% to \$387 million, supported by ongoing connection growth and pricing changes implemented in January 2025. Total operating revenue increased to \$506 million, with growth in fibre revenues more than offsetting the expected decline in legacy copper services as customers continue to migrate to fibre and alternative technologies.

Fibre connection trends continue to improve, with over 80% of fibre customers now on 500Mbps plans or higher, and demand for gigabit-plus plans holding steady at a quarter of the base.

Chorus undertook a nationwide fibre speed boost initiative in June 2025, which increased base plan speeds to 100Mbps and 500Mbps. Mr Aue said the business is starting to see encouraging trends, with long term offnet premises reactivating to the fibre network.

"Fibre is exceptionally well positioned for the data heavy future ahead, from cloud services, multiple-device use to the accelerating impact of AI, ensuring Kiwi homes and businesses can keep pace with rapidly rising bandwidth demands."

The average number of internet connected devices per household has almost doubled over the past five years, and is expected to do the same over the next five years. Monthly average data usage per connection continues to grow, reaching 722GB in January 2026.

“Our purpose is anchored in enabling better futures for Aotearoa at an intergenerational level. In many cases, a driving role we play is through connectivity,” said Mr Aue.

“We are highly attuned to the portion of the population currently excluded from the benefits that connectivity unlocks. Nearly 400,000 households cannot afford a package of meaningful digital access – a challenge felt in every region and community across the country.”

“We know we have a role to play in helping address this, and so we are very proud to be launching our Equity Fibre product, designed to provide affordable and accessible connectivity. This will be available to households who meet clear affordability and need-based criteria, and will be a key tool in our digital inclusion efforts. We’re highly committed to driving progress in this space.”

Simplicity: progressing the transition to an all-fibre business

Chorus continued to simplify its network and operating model in line with ongoing decline of copper connections during the half. At 31 December 2025, only around 3,000 copper lines remained in Chorus fibre areas, with full withdrawal from those areas expected by mid-2026.

Total fixed line connections declined year on year as expected, reflecting the managed exit from copper, while fibre now represents the overwhelming majority of Chorus’ connections and revenues.

“As severe weather events become more common across New Zealand, fibre’s resilience is becoming a crucial advantage with far fewer weather-related faults and significantly faster restoration than copper. This durability has strengthened fibre’s position as essential national infrastructure – vital to New Zealand’s economic and social wellbeing – at a time when households and businesses need fast, reliable connectivity more than ever,” Mr Aue said.

“Copper has served New Zealand well for decades, but it no longer meets the current or future connectivity needs of New Zealanders – as shown by the accelerating move away from copper services to superior alternatives.”

Efficiency: strong capital discipline and a more balanced financial profile

Operating expenses were \$5 million lower than the prior corresponding period, reflecting lower labour costs, reduced consulting spend and savings from changes to the operating model, partly offset by non-tradeable inflation.

Network maintenance costs reduced by \$7 million, supported by declining fault volumes as fibre penetration increases, while depreciation and amortisation reduced by \$19 million following the full depreciation of copper cables in Chorus UFB areas in the prior period.

“As fibre continues to be the superior network, we’re seeing tangible benefits in lower overall fault volumes and maintenance cost, without compromising network performance or safety,” Mr Aue said.

Gross capital expenditure reduced to \$158 million, down \$41 million from the prior period, driven in part by lifecycle planning and project timing shifts into the second half of the financial year. Investment remains focused on sustaining network quality and targeted growth, supported by third party contributions.

“We’re being deliberate about how and where we invest,” Mr Aue said. “That discipline is critical as we balance network performance, financial strength and long-term value creation.”

Interim dividend

Chorus will pay an unimputed interim dividend of 24 cents per share on 14 April 2026. The dividend reinvestment plan will not be available for the interim dividend.

Outlook

Chorus' FY26 EBITDA guidance range remains unchanged, at between \$710 million to \$730 million and is tracking to the upper half of the range. The expected FY26 dividend of 60 cents per share unimputed remains unchanged, subject to no material adverse changes in circumstance or outlook.

"Demand for reliable, high-quality connectivity remains strong, and fibre is increasingly recognised as essential infrastructure for households, businesses and communities," Mr Aue said. "Our focus this horizon is on maximising the value of our fibre network, while continuing to support customers as their data needs grow."

ENDS

Chorus Chief Executive Mark Aue and Chief Operating Officer Drew Davies will discuss the HY26 result at a briefing from **10.00 am** on **Monday, 23 February 2026** (NZST). The webcast will be available at www.chorus.co.nz/webcast.

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