Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Sydney, 28 February 2025

TPG Telecom Limited Results for Full Year Ended 31 December 2024 – Investor Presentation

Please find attached for immediate release to the market an Investor Presentation concerning TPG Telecom Limited's financial results for the full year ended 31 December 2024.

Authorised for lodgement with ASX by:

Trent Czinner
Company Secretary
TPG Telecom Limited

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TPG Telecom
2024 Full-Year Results

28 February 2025

tpg TELECOM

Acknowledgement of Country

‘Listening to Land - Connecting to Country’ by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji), We are 27 Creative.

TPG Telecom acknowledges the Traditional Custodians of Country throughout Australia and the lands on which we and our communities live, work and connect.

We pay our respects to their Elders, past and present.

Agenda

Results highlights and strategy update

Iñaki Berroeta, CEO and Managing Director

Review of financial performance

John Boniciolli, CFO

Outlook

Iñaki Berroeta, CEO and Managing Director

To seek a better understanding of TPG Telecom performance, users should read this presentation in conjunction with the consolidated financial statements in TPG's 2024 Annual report, which is available on the Company's website at www.tpgtelecom.com.au.

Results highlights and strategy update

Iñaki Berroeta

Chief Executive Officer and Managing Director

FY24 highlights

Building a simpler, stronger and more competitive business

Strong financial result

Service Revenue growing
- Continued strong Mobile Service Revenue growth
- Industry-wide challenges in Fixed

Higher operating margin
- Product mix and cost discipline continuing to drive gross margin growth
- Opex growth flattening
- EBITDA in line with guidance[1]

Strong cash flow recovery
- Strong growth with heavy transformation investment now past its peak
- Working capital trends improving

Return on capital up
- Profit growth outpacing new investment
- Trending higher

Key strategy priorities addressed

Regional network expanded
- Step change in coverage and addressable market
- Strong customer response since launch

Delivering business simplification
- IT modernisation making life easier for customers
- Strong progress in product and plan simplification

Fibre strategic review complete
- $5.25 billion proposed sale[2]
- Streamlines business
- Strengthens financial position
- Enables TPG to keep network costs flat as traffic grows

1. Excludes any material one-off impact arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.
2. Proposed sale to Vocus Group remains subject to regulatory approval and other conditions precedent; expected to complete in second half of 2025.

FY24 key financial metrics

Strong gross margin, cash performance and ROIC growth

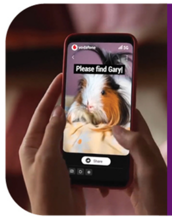
	FY23[1]	FY24	Change	
Service Revenue	**4,632**	**4,702**	1.5%	Mobile up 5.4%, offsetting Fixed down 2.6%
Gross margin	**3,105**	**3,213**	3.5%	Ahead of service revenue growth
Operating expenses[2]	(1,182)	(1,225)	(3.6)%	Flattening over the Year (up just 1.0% in second half)
EBITDA (guidance basis)[2]	**1,923**	**1,988**	3.4%	
Material one-offs: non-cash impairment charge	(17)	(250)	n/m	Impairment per Apr/Oct 2024 disclosure for decommissioning ahead of MOCN implementation
Material one-offs: other	(31)	(26)	n/m	Transaction-related costs and redundancy restructuring
EBITDA (statutory basis)	1,875	1,712	(8.7)%	
Depreciation and amortisation	(1,472)	(1,485)	(0.9)%	
Net financing costs	(341)	(378)	(10.9)%	
NPAT (statutory basis)	49	(107)	n/m	
NPAT (guidance basis)[2]	**83**	**87**	4.8%	Modest increase in depreciation and amortisation; net financing costs increase as expected
Earnings per share (EPS) (cents – LTIP basis)	10.5	10.7	1.9%	
Cash capital expenditure (excluding spectrum)	(1,126)	(1,014)	9.9%	
Operating Free Cash Flow (OFCF)[2]	198	672	n/m	Capex down $112m, and $331m improvement in working capital
Free cash flow	(55)	252	n/m	
Adjusted NPAT	546	562	2.9%	
Dividends per share (cents)	18.0	18.0	0	Final dividend of 9.0 cps
Return on Invested Capital (ROIC) (LTIP basis)	5.7%	6.1%	40 bps	Solid earnings growth on modest increase in capital

Note: refer to Glossary on page 27 for definitions of key terms.

1. FY23 restated to no longer treat $38 million of transformation costs (pre-tax) as material one-offs.
2. Excludes any material one-off impact arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.

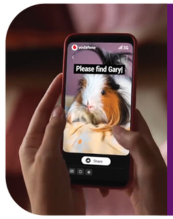
Strategy refresh

FY24 achievements setting us to be more competitive

Principles	Objectives	FY24 key actions and outcomes
 **Run networks smarter**	• Invest in core assets where scale creates value • Close gap in mobile coverage • Extend reach through strategic infrastructure partnerships	• 5G rollout in metro areas 72% complete by mid-Feb 2025 • Regional network sharing doubles mobile coverage • Enhanced fibre network cost and capital efficiency through Vocus deal
 **Invigorate brands and services**	• Differentiate core brands and exit non-core brands • Increase mid-tier and digital brand presence • Grow revenue share across products	• Distinctive positioning of Vodafone, TPG and felix • Streamlining of Westnet, Adam and Internode brands • Investment and growth in digital-only mobile brands
 **Make it easy for customers**	• Simplify plans and products • Increase digitalisation of customer journeys • Modernise IT systems	• Total plans in market reduced 69% to 1,145 to date • Digital share of sales up strongly • IT applications reduced by 15% to 568 to date
 **Become faster, simpler and stronger**	• Simplify operations and reduce cost • Increase capital efficiency • Increase financial flexibility	• Agreed sale of fibre and EGW Fixed assets[1] • Capital management optionality • Second-half opex increase reduced to 1.0%

1. Proposed sale to Vocus Group remains subject to regulatory approval and other conditions precedent; expected to complete in second half of 2025.

FY25 strategy deliverables
Accelerating benefits for customers and shareholders

Principles		FY25 objectives
	**Run networks smarter**	• Activate and deploy regional network sharing • Complete rollout of 5G to >80% of metro areas • Pursue further efficiencies in eJV with Optus • Complete fibre separation and embed benefits
	**Invigorate brands and services**	• Invest in targeted growth in key locations • Refine and enhance brand propositions • Revitalise EGW mobile offering
	**Make it easy for customers**	• Launch new Vodafone app, digital features • Simplify and reduce plans by a further c. 750 • Rationalise IT applications by a further c. 100
	**Become faster, simpler and stronger**	• Hold recurring operating costs flat in real terms • Reduce cash capex (ex spectrum) to $900m • Optimise capital structure post Vocus proceeds

Key KPIs and metrics

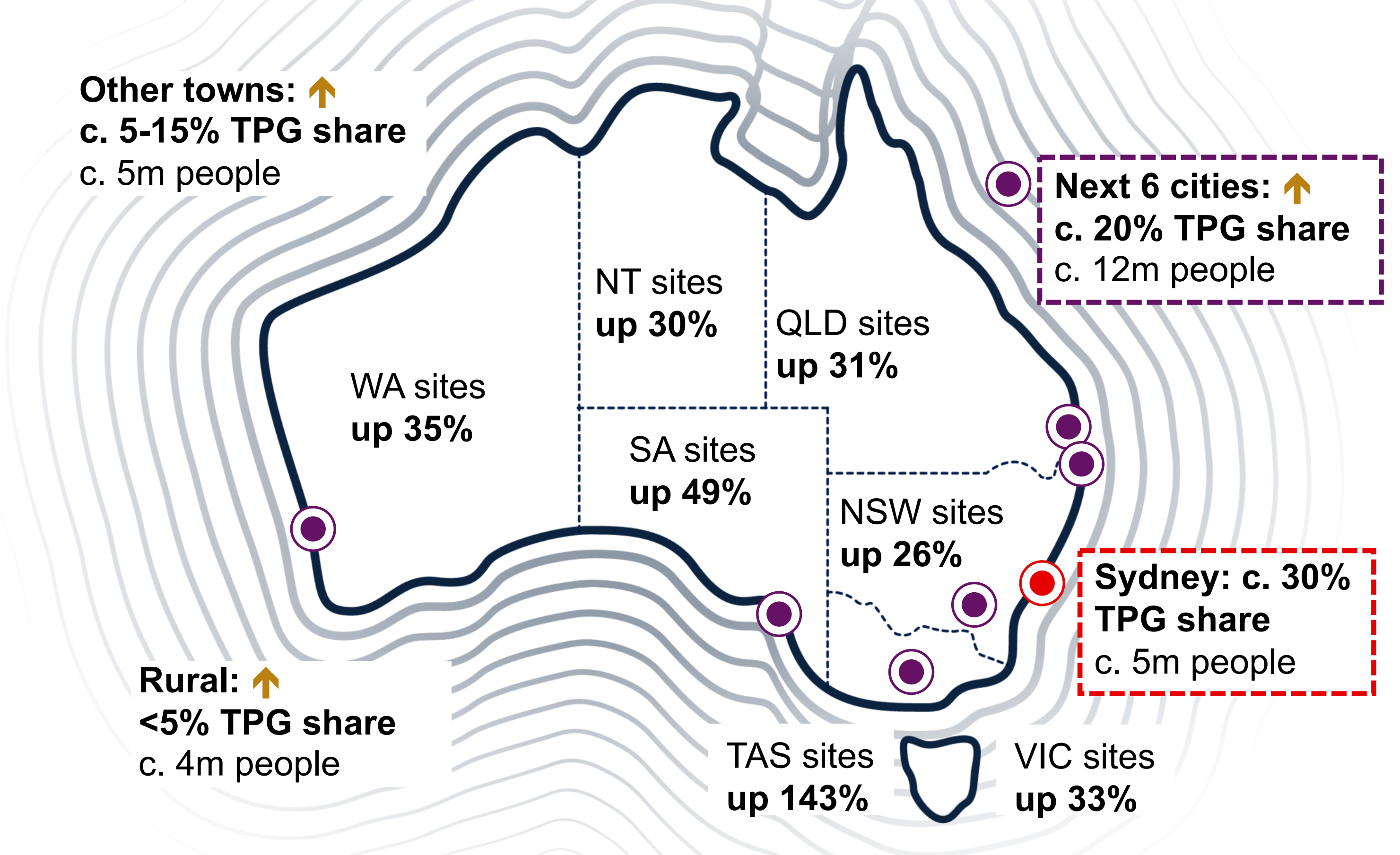
Total mobile network sites[1]: FY21: 5,613 FY24: c. 5,800 FY25: > 7,700	**Total 5G sites available:** FY21: 1,015 FY24: 3,771 FY25: > 4,700	**FWA % of Fixed subscribers:** FY21: 4% FY24: 13% FY25: 15%
Mobile subscriber net adds: FY23: 184k FY24: 99k FY25: > FY24	**Vodafone mobile consideration[2]:** FY21: Baseline FY24: +2 ppt FY25: +5 ppt	**Employee engagement[3]:** FY21: 61% FY24: 73% FY25: > FY24
Total # consumer plans: FY21: 3,732 FY24: 1,145 FY25: c. 400	**Digital share of sales[4]:** FY21: 14.0% FY24: 14.6% FY25: c. 22%	**Total # of IT applications[5]:** FY21: 645 FY24: 568 FY25: c. 470
Actual opex increase[6]: FY23: 8.5% FY24: 3.6% FY25: < CPI	**Cash capex ex. spectrum:** FY23: $1,126m FY24: $1,014m FY25: c. $900m	**Opex/Service Revenue[6]:** FY23: 25.5% FY24: 26.1% FY25: < FY24

Note: refer to Glossary on page 27 for definitions of key terms.
1. Total mobile network sites inclusive of regional sharing arrangement in FY25.
2. Consideration based on monthly surveys of Telstra and Optus customers averaged over three months.
3. Employee engagement based on Spirit Survey from April 21 to September 24.
4. Proportion of annual sales that are digital (unassisted) across Vodafone, TPG and iiNet (all products).
5. FY25 reduction includes benefit of completing sale of fibre and EGW Fixed assets.
6. Opex is excluding material one-offs.

Regional network expansion

Doubling our network to create step change in addressable market

Increased coverage throughout the country positions TPG's brands strongly to grow share in under-penetrated regions



Strong initial customer response following smooth implementation

- ✓ Vodafone Postpaid, Feb 2025 to date:
  - Highest new connections in six years
  - Highest net adds since December 2022 despite lower immigration
  - c. 50% increase in year-on-year port-ins
- ✓ TPG and felix: strong connections year to date and net adds among our best ever months
- ✓ 35% increase in data traffic in regional areas since launch
- ✓ National population coverage now 98.4% with 5G coverage at 97.2% population coverage in metro and 87.7% nationally
- ✓ Marketing spend in first half of FY25 to drive brand consideration in under-penetrated metro, towns and regional areas

Note: refer to Glossary on page 27 for definitions of key terms. Approximate population data sourced from Australian Bureau of Statistics. Market share data sourced from Meta.

Sale of fibre and EGW Fixed

Simplifying TPG and strengthening our network economics

Regulatory approval process progressing - ACCC review findings due 27 March 2025

Completion still expected during second half of 2025

Separation and transition planning on track with costs as expected

Low-cost growth model established irrespective of customer volumes

Annual $130m Transmission and Wholesale Fibre Access Agreement (TAWFA) payment enables TPG to:

- Reduce annual opex by $210m[1] and target a further c. $100m in cost reductions[2]
- Reduce annual capex by c. $150m[1] and target capex of $550-650m from FY27
- Avoid future costs to renew inter-capital transmission (now covered by TAWFA)

Operating leverage in home internet:

- TPG able to access every NBN point of interconnection
- No TAWFA cost increase as subscribers and data volume grows and as market shifts to higher value NBN products

Operating leverage in mobile:

- TPG able to access 100% of mobile network (including regional) on non-volumetric basis
- No variable cost increase as subscribers or data volumes grow
- No additional cost for fibre as network evolves towards and beyond full 5G

Exit of sub-scale assets and operations

Strengthened network economics

Streamlined TPG structure and cost base

Capital management opportunity

TAWFA has best in class SLAs with extensions after initial 15 years at TPG's election (2 x 10-year options)

1. Figures are for FY23 on a pro forma basis as if the proposed sale of fixed network infrastructure assets and EGW Fixed operations to Vocus Group had occurred.
2. $100m cost reduction is the gross efficiency prior to the impact of inflation and is expected to be delivered over two to four years post the completion of the sale of the fibre and EGW Fixed assets; excludes material one-offs (including but not limited to transition and separation costs relating to the fibre/EGW Fixed transaction).

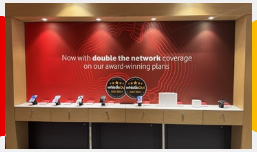
Business simplification
Enabling growth and efficiency in a streamlined business

Delivery driving TPG efficiency: $70m capex and $70m EBITDA benefits (gross margin and opex) are on track for delivery and will contribute to TPG's targeted capex reductions and $100m incremental opex efficiencies post completion of Vocus transaction[1,2]

Simplifying plans and products

- Starting point: 3,732 Consumer mobile and fixed plans (front and back book)
- Reduced by 69% (2,587) at end FY24
- c. 750 more to be reduced in FY25 for year-end target of c. 400
- Final target state of c. 100 plans

Enables faster product changes, lower cost to operate and improved customer experience



Increasing digitalisation of customer experience

- Complex legacy environment prevented increase in use of digital channels
- FY25 will see release of new Vodafone app with revamped digital journeys
- Digital mix in Postpaid tracking at more than twice the levels of same period in FY24

Enables faster and easier customer self service and lowering cost to serve

New Vodafone app

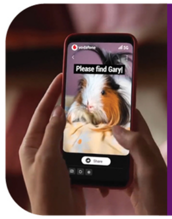
Modernising IT platforms

- Starting point: 645 IT applications
- Reduced by 15% (97) at end FY24
- c. 100 more to be rationalised in FY25 and post EGW Fixed/fibre separation
- Single IT stack in FY26 with final state of <250 applications by FY29

Enables faster response times, holistic view of customer, increased cross-sell, lower cost

1. $100m cost reduction is the gross efficiency prior to the impact of inflation and is expected to be delivered over two to four years post the completion of the sale of the fibre and EGW Fixed assets; excludes material one-offs (including but not limited to transition and separation costs relating to the fibre/EGW Fixed transaction).
2. Proposed sale to Vocus Group remains subject to regulatory approval and other conditions precedent; expected to complete in second half of 2025.

Long-term value creation
Key strategic priorities to position TPG to win and grow

Principles		Objectives
	**Run networks smarter**	• Complete 5G rollout • Explore further partnership opportunities • Drive on-net utilisation via MVNO and FWA
	**Invigorate brands and services**	• Deliver revenue share growth • Increase in-brand convergence (multi-product purchasing) • Enhance consideration of our brands among customers
	**Make it easy for customers**	• Total number of plans reduced to c. 100 • Digital sales at least as strong as industry benchmarks • Lean IT architecture with c. 250 applications and single customer stack
	**Become faster, simpler and stronger**	• Targeting additional c. $100m[1] annual incremental opex efficiencies post Vocus deal[2] • Reduce annual non-spectrum capex to $550-650m from FY27 • Optimised capital structure

Shareholder value aspirations

- Growing Mobile market share
- Low opex to revenue ratio
- Annual OFCF, ROIC and EPS growth
- Growing EBITDA margin
- Attractive dividends

TPG will provide further details of target financial metrics and capital management objectives subject to progress on the completion of the Vocus transaction[1]

Note: refer to Glossary on page 27 for definitions of key terms.

1. $100m cost reduction is the gross efficiency prior to the impact of inflation and is expected to be delivered over two to four years post the completion of the sale of the fibre and EGW Fixed assets; excludes material one-offs (including but not limited to transition and separation costs relating to the fibre/EGW Fixed transaction).
2. Proposed sale to Vocus Group remains subject to regulatory approval and other conditions precedent; expected to complete in second half of 2025.

People and community
Values-led organisation

Stand Together
Together we are unstoppable

Own It
We step up and own what we do

Simple's Better
We challenge ourselves to find a simpler, fresher way

Boldly Go
We are hungry, curious and brave

Innovate RAP launch

DV Safe Phone donation

Women in STEM

TPG graduate program

Review of financial performance

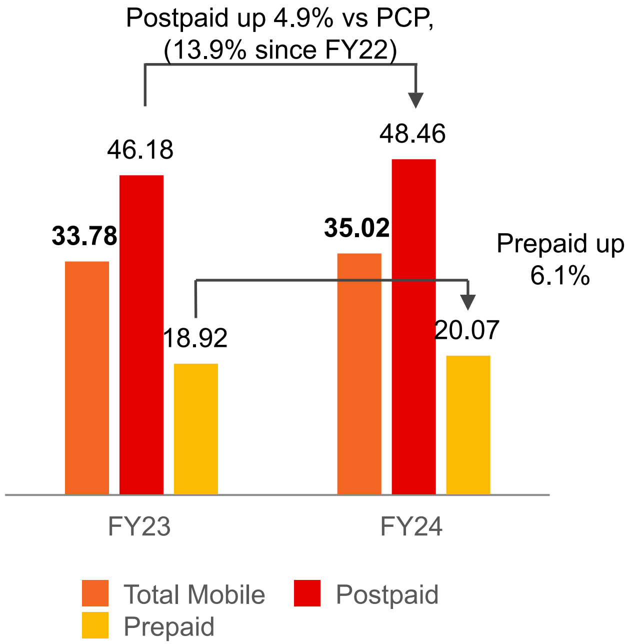
John Boniciolli

Chief Financial Officer

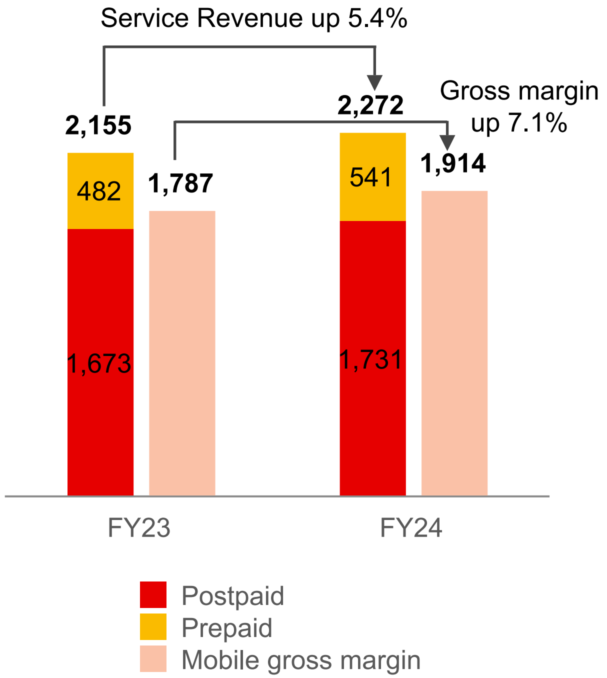
Mobile

Service Revenue up 15.3% since FY22; driven by increasing ARPU

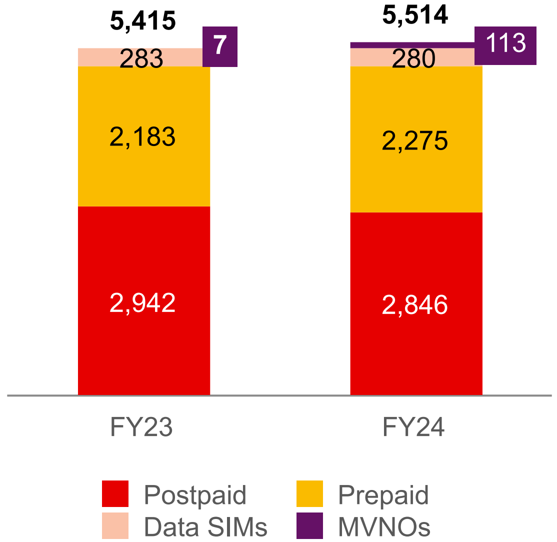
Continued ARPU ($) improvement reflecting focus on plan refreshes[1]



ARPU driving Service Revenue ($m) and gross margin ($m) higher[2]



Growth in subscribers ('000) slowed in FY24 after strong FY22 and FY23[3]
Strong early response to MOCN highlights opportunity to reinvigorate



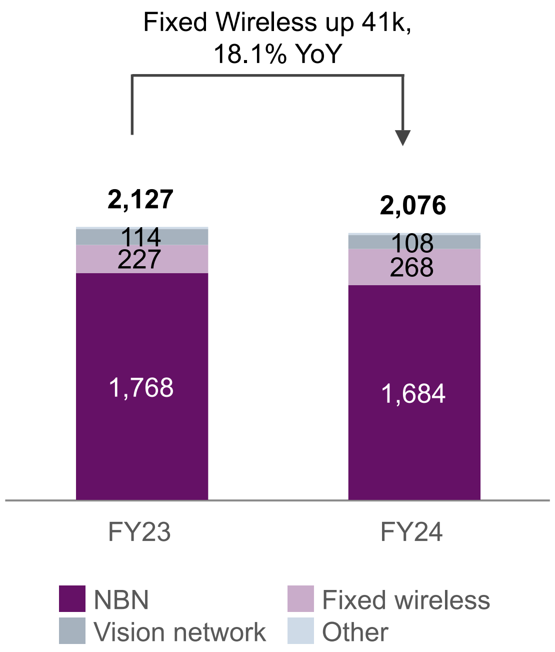
Note: refer to Glossary on page 27 for definitions of key terms.

1. Total ARPU includes data SIMs and excludes MVNOs. Postpaid and Prepaid ARPU excludes data SIMs and MVNOs.
2. Service Revenue and gross margin include data SIMs but exclude MVNOs. Gross margin excludes hardware margin.
3. Mobile subscribers for FY23 and FY24 have been restated to reflect the removal of approximately 41,000 inactive customers.

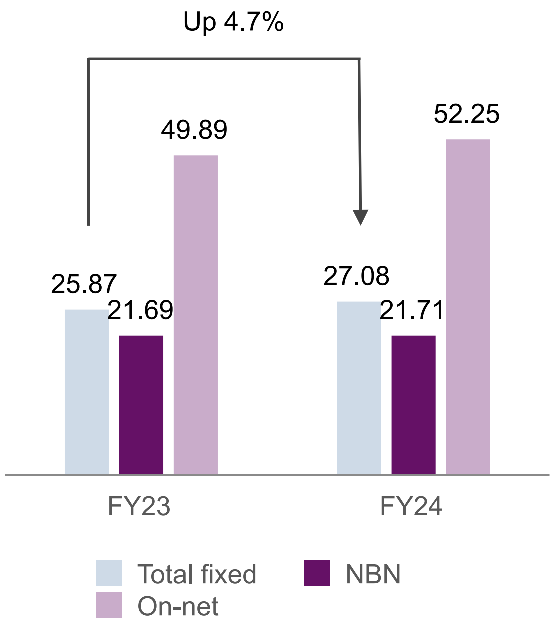
Fixed Broadband

Strong Fixed Wireless growth continues to drive AMPU

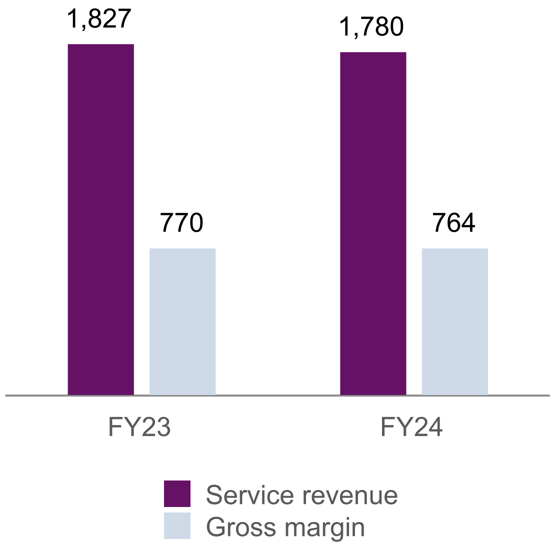
Subscribers ('000) impacted by continued NBN competition[1]



TPG focus on on-net including Fixed Wireless driving AMPU ($) growth[1]



Gross margin[2]($m) resilient despite revenue impact of NBN subscribers



Note: refer to Glossary on page 27 for definitions of key terms.

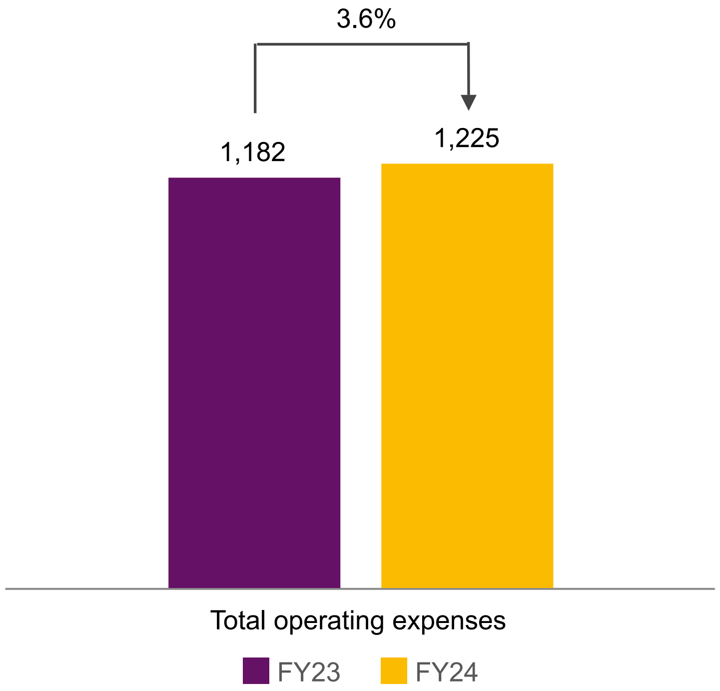
1. Includes all Consumer and small office/home office NBN, Fixed Wireless, Vision Network and other broadband products, but excludes fixed voice products and EGW Fixed Data and Internet products; AMPU excludes Vision Network intersegment costs, which are eliminated at the Group level. On-net AMPU includes Fixed Wireless and Vision Network broadband products.
2. Includes all Consumer and small office/home office NBN, Fixed Wireless, Vision Network and other broadband products and fixed voice products but excludes EGW Fixed Data and Internet products; gross margin excludes Vision Network intersegment costs, which are eliminated at the Group level.

Operating expense[1]

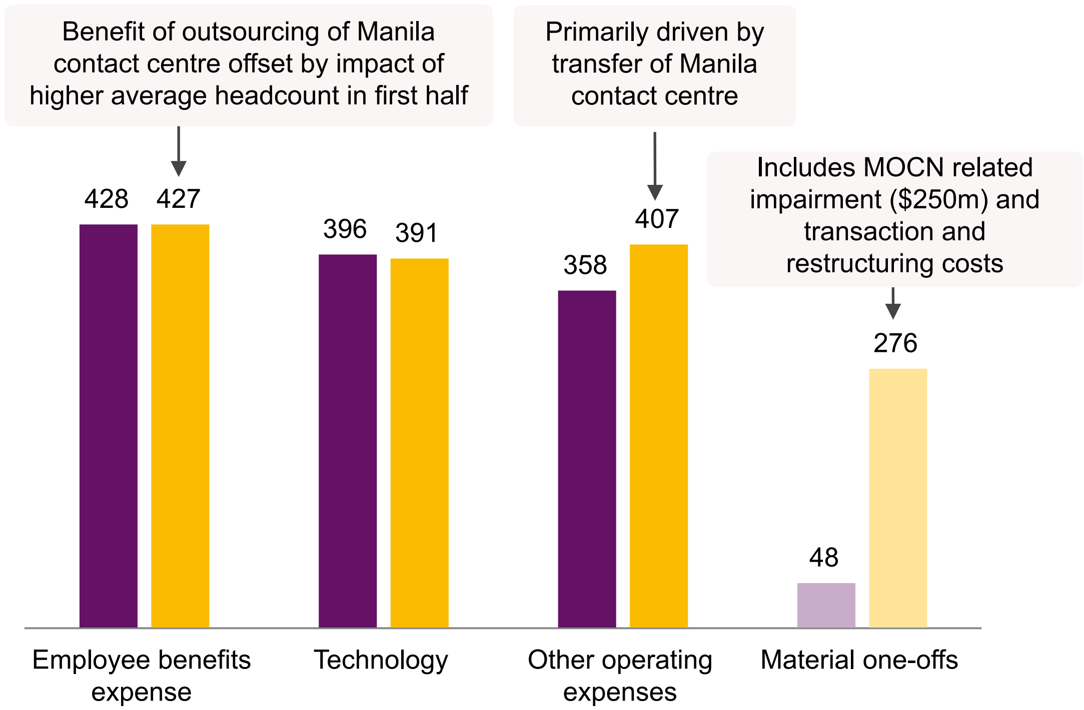
Drop to 1% YoY increase in 2H24; FY25 outlook flat in real terms

Significant improvement following increases of 8.5% in FY23 and 6.6% in 1H24 (3.6% for FY24)

Movement in operating expenses excluding material one-offs ($m)



Operating expenses by category ($m)



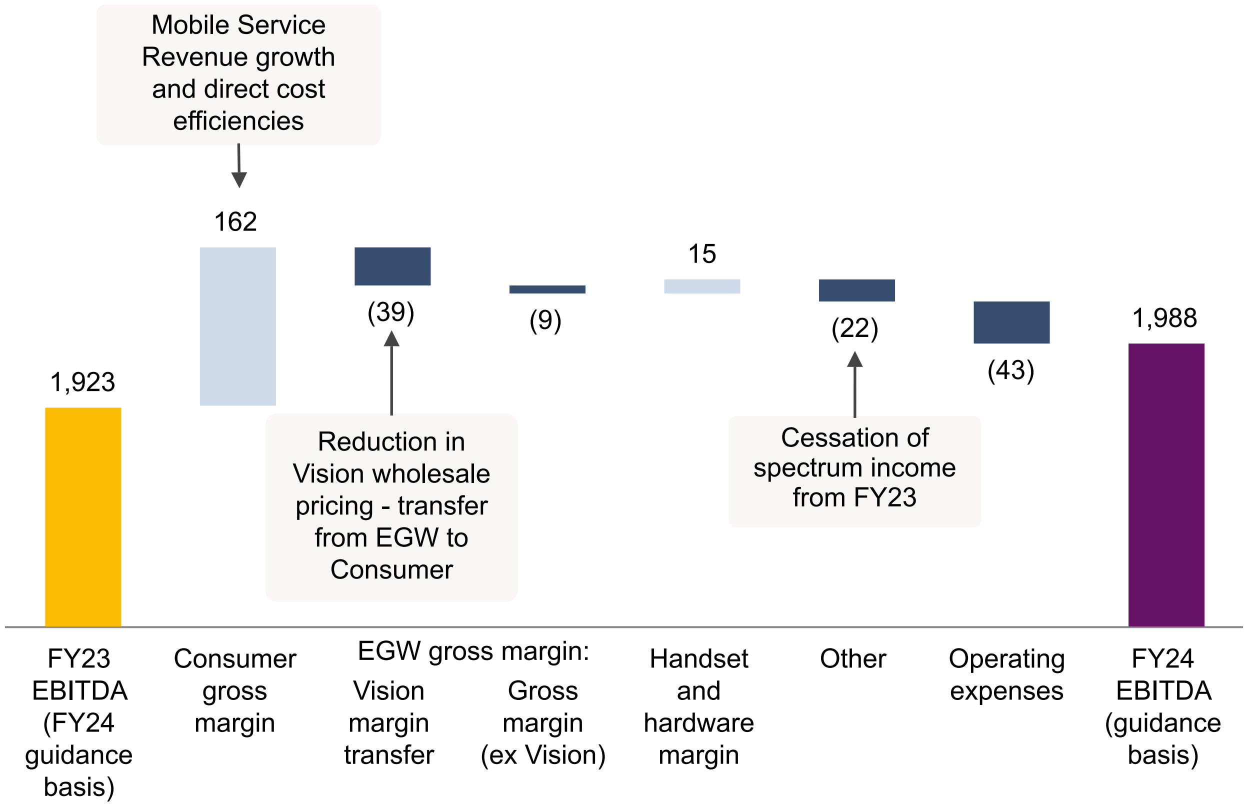
Note: refer to Glossary on page 27 for definitions of key terms.

1. Material one-offs for FY23 include transaction costs of $31 million and Internode brand impairment of $17 million, recorded in operating expense. Excludes material one-offs arising from transactions. Material one-offs for FY24 include non-cash impairment of regional mobile network assets of $250 million, transaction and separation costs of $20 million and restructuring redundancy costs of $6 million, recorded in operating expense.

EBITDA[1]

Robust gross margin result with slowing increase in opex

EBITDA movement ($m) - guidance basis

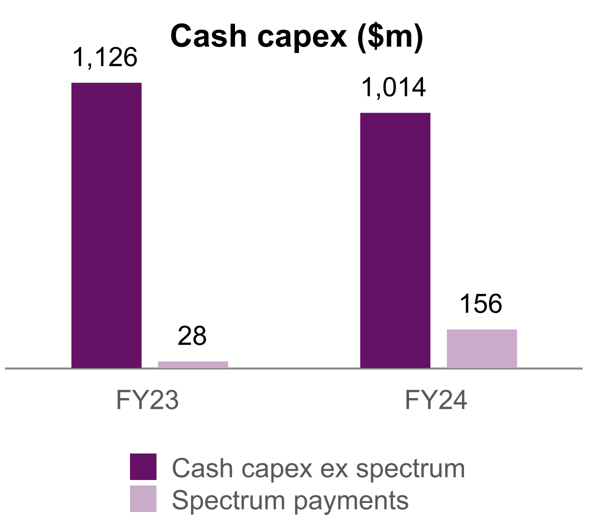


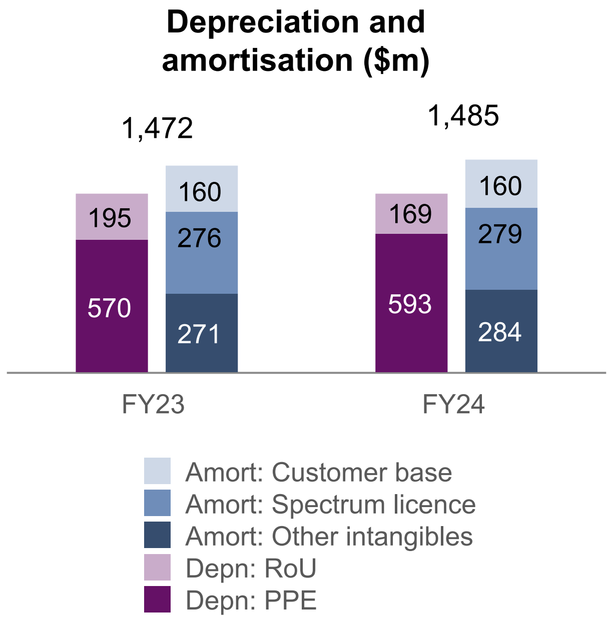
Metric ($m)	FY23	FY24	Change
Consumer gross margin - mobile	1,635	1,755	7.3 %
Consumer gross margin - fixed	577	618	7.2 %
EGW gross margin - mobile	152	159	4.7 %
EGW gross margin - other	90	99	9.9 %
EGW gross margin - fixed ex Vision	510	484	(5.2)%
EGW gross margin - Vision	97	60	(37.7)%
Handsets and hardware margin	17	32	92.8 %
Other	28	6	(78.2)%
Gross margin	3,105	3,213	3.5 %
Operating expenses	(1,182)	(1,225)	(3.6)%
EBITDA (guidance basis)[1]	1,923	1,988	3.4 %
Material one-offs[2]	(48)	(276)	n/m
EBITDA	1,875	1,712	(8.7)%

Note: refer to Glossary on page 27 for definitions of key terms.
1. Material one-offs for FY23 include transaction costs of $31 million and Internode brand impairment of $17 million, recorded in operating expense. Excludes material one-offs arising from transactions. Material one-offs for FY24 include non-cash impairment of regional mobile network assets of $250 million, transaction and separation costs of $20 million and restructuring redundancy costs of $6 million, recorded in operating expense.
2. FY23 gross margin restated to reflect the transfer of Bizphone commercial customers previously reported within Consumer to EGW.

Capex and D&A

Network expenditure to slow further in FY25
D&A growth of 1% in FY24 and similar expected in FY25





- **Capex excluding spectrum** down $112m: peak of 5G rollout and IT modernisation investment was in FY23
- **Spectrum capex** reflected $128m payment for 3.7GHz spectrum in first half, plus mmWave installment
- **Outlook**: targeting $900m capex excluding spectrum in FY25 with only $28m spectrum capex expected
- **Capex to drop** to $550-650m per annum (ex spectrum) post Vocus transaction

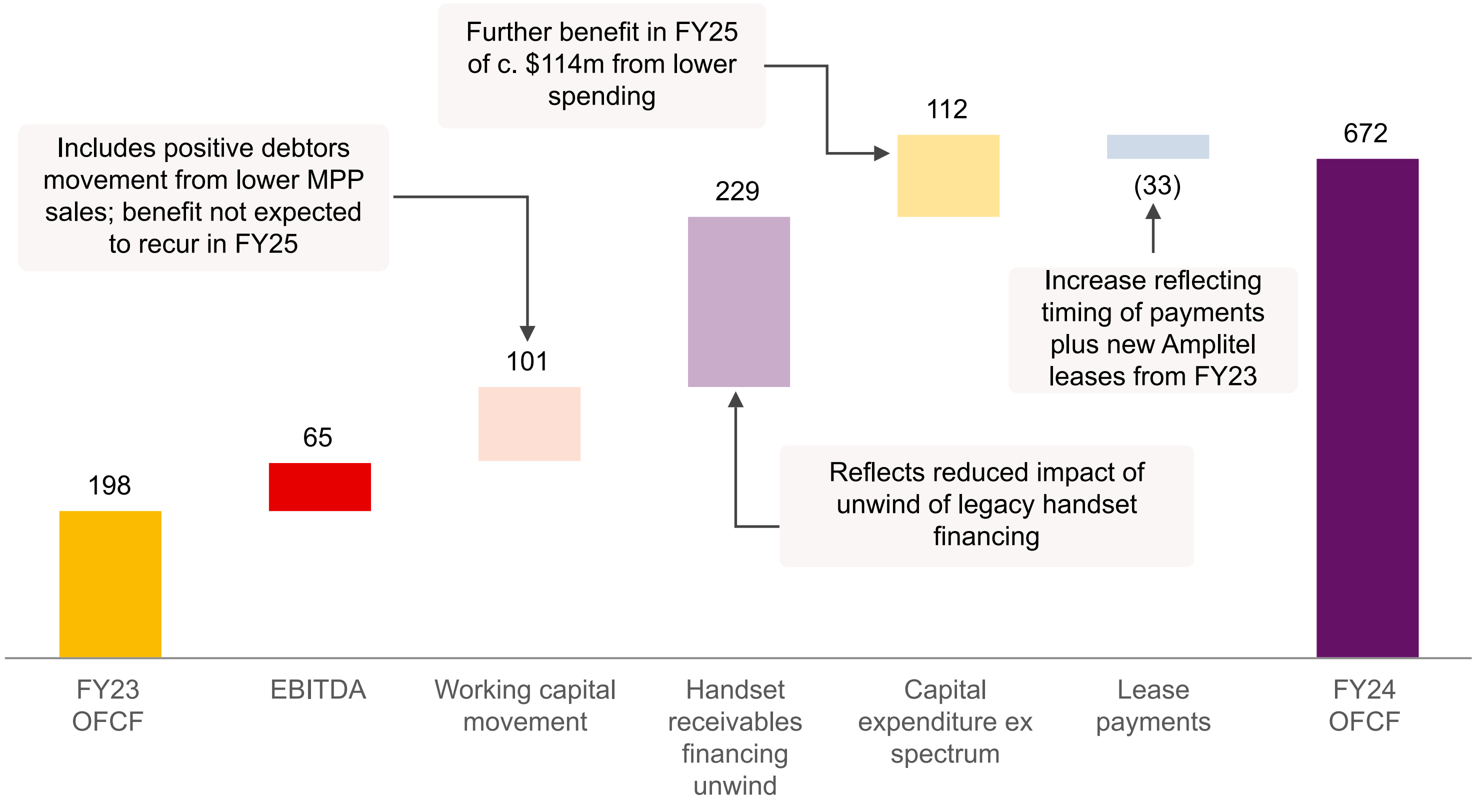
- **Total D&A** up marginally, in line with expectations
- **Depreciation** flat as lower lease expense offsets impact of FY23 investment in PP&E
- **Investment in software** (shorter life) driving increase in amortisation
- **Outlook**: approximately 1% increase expected in FY25

Note: refer to Glossary on page 27 for definitions of key terms.

Cash flow
Up strongly as capex reduces, working capital improves

Strong further improvement anticipated in FY25 but skewed to second half in line with EBITDA and capex expectations

Movement in Operating Free Cash Flow ($m)[1]



Note: refer to Glossary on page 27 for definitions of key terms.

1. Excludes any material one-off impact arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.
2. Proposed sale to Vocus Group remains subject to regulatory approval and other conditions precedent; expected to complete in second half of 2025.

Drivers and outlook

Working capital movement

Future year movement highly linked to Mobile Payment Plan (MPP) debtors activity

Handset receivables financing

Legacy unwind to deliver further c. $125m benefit in FY25

Progressing new financing program; positive to OFCF if concluded

Capital expenditure

To decrease to $900m in FY25 and $550-650m in FY27 onwards (assuming Vocus transaction[2] completes)

Leases

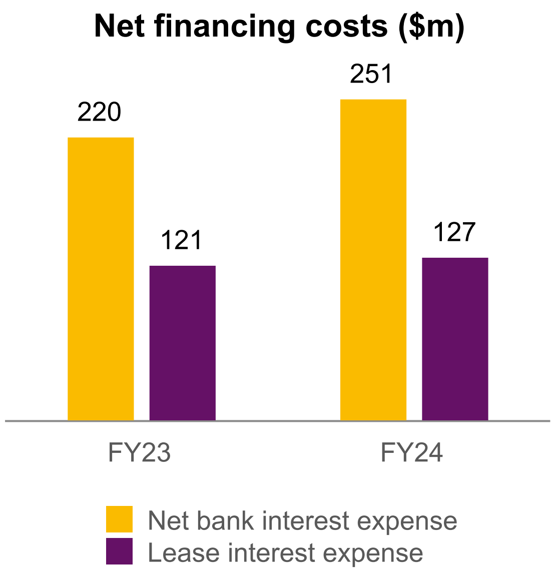
Flat outlook for FY25

Will increase by anticipated $52 million p/a (FY23 pro forma) post Vocus transaction[2]

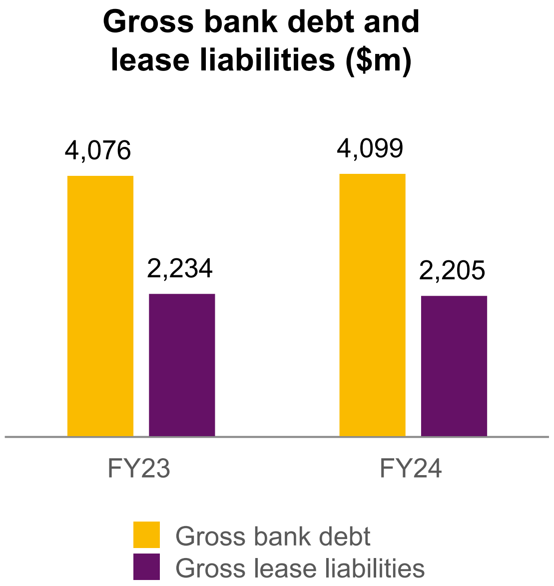
Spectrum (excluded from OFCF)

Spectrum payments (not part of OFCF) expected to be $28m, down $128m on FY24 ($156m)

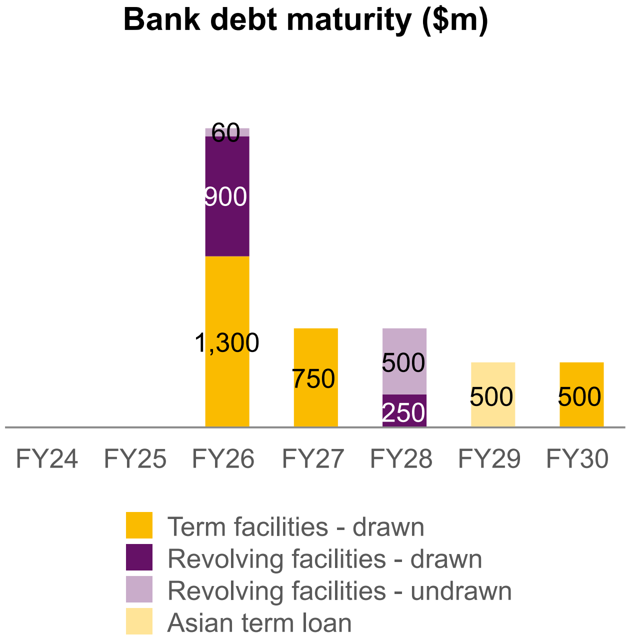
Debt funding
Stable position reflecting strong cash flow



- Net bank interest expense up $30m, reflecting slightly higher borrowings, annualisation of 2023 market rate increases
- Lease interest expense stabilised in H2 and not expected to increase in FY25



- Bank borrowings to EBITDA of 2.3 times at 31 December 2024, well below covenant limit of 3.75 times
- Approximately 27% of bank debt hedged at 31 December 2024



- Well-positioned for early refinancing of FY26 maturities
- Potential new handset receivables financing arrangement

Outlook

Iñaki Berroeta

Chief Executive Officer and Managing Director

Simpler, stronger TPG

Low cost, capital efficient model streamlined to realise our potential

Mobile challenger for Consumer and Business

Integrated telco with strongest ever network coverage and infrastructure position; 98.4% population coverage and 89.7% 5G coverage

5.5m
services in operation

$2.3b
service revenue[1]

c. 5,200
TPG metro sites

c. 2,500
shared regional sites

Diverse and differentiated brands responsive to customer needs:

vodafone	full-service offering to Consumer and Business	LEBARA	great value Mobile offers
TPG iinet	digital-led Mobile and Fixed service offering	kogan mobile	strong third-party brand
felix	digital-only, Mobile-only	MVNO	growing platform for MVNO brands

Leading position in home internet

Largest in Fixed Wireless with strong NBN position

2.1m
services in operation

$1.8b
service revenue[1]

3,300 people living our spirit and values

- Stand together
- Own it
- Simple's better
- Boldly go

Note: refer to Glossary on page 27 for definitions of key terms.
1. Figures are for FY23 on a pro forma basis as if the proposed sale of fixed network infrastructure assets and EGW Fixed operations to Vocus Group had occurred.

FY25 guidance[1]

Underlying growth in EBITDA offset by initial MOCN impact

	FY24 guidance	FY24 result	FY25 guidance	Drivers
EBITDA (excluding material one-offs)[2]	$1,950m to $2,025m	$1,988m	$1,950m to $2,025m	• Includes initial $55m to $65m impact from MOCN, as costs accrue in year one prior to revenue benefits over time • Additional revenue impact from change in key global internet-of-things contract in EGW • First half expected to be flat/down slightly on PCP, reflecting MOCN impact, increased marketing spend • Second half expected to be up on PCP • Full-year operating costs expected to be flat in real terms
Capital expenditure (cash basis, excluding spectrum payments)	$1,020m	$1,014m	Approximately $900m	• Down $114m on FY24 • Expected to skew strongly toward higher expenditure in first half than second half

Note: refer to Glossary on page 27 for definitions of key terms.

1. Guidance is subject to no material change in operating conditions and excludes any material one-off impact arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.
2. Separation costs of $80 million to $120 million related to the proposed sale of fixed network infrastructure assets and EGW Fixed operations to Vocus Group will be included within material one-offs in FY25.

Questions and answers

Appendices

Glossary

Term	Definition
1H	Six months ended/ending 30 June of the relevant financial year
2H	Six months ended/ending 31 December of the relevant financial year
Adjusted NPAT	Defined as statutory NPAT adding back material one-offs, customer base amortisation expense, spectrum amortisation expense and non-cash tax expense.
AMPU	Average margin per user.
ARPU	Average revenue per user
bps	Basis points (1.0% = 100bps)
eJV	eJV is a joint venture between TPG Telecom and Optus for the sharing of passive mobile network tower and rooftop assets.
EPS LTIP basis	EPS (LTIP basis) is statutory NPAT adjusted by adding back customer base amortisation and material one-offs (subject to the discretion of the Board), divided by weighted number of shares on issue.
FWA	Fixed Wireless Access
FY	Financial year ended/ending 31 December of the relevant financial year
Gross margin	Earnings after cost of telecommunication services before operating expenses.
Guidance basis	Guidance is subject to no material change in operating conditions and excludes any material one-off impact arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.
Material one-offs	Impacts arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.
MOCN	Multi-operator core network sharing arrangement

Term	Definition
MVNO	Mobile virtual network operator
mmWave	Millimeter wave (mmWave) is a wireless technology that uses high-frequency radio waves to transmit data.
NOPAT	Net operating profit after tax but before finance expense
Operating Free Cash Flow (OFCF)	Cash flow from operations less capital expenditure (excluding spectrum payments) and lease payments.
Opex	Operating expense
PCP	Prior corresponding period
PPE	Property, plant and equipment
Return on Invested Capital (ROIC)	NOPAT adjusted to remove customer base amortisation expense and material one-offs (subject to discretion of the Board), divided by average invested capital excluding goodwill, brand and customer base intangibles.
RoU	Right-of-use
RSP	Retail service provider
Service Revenue	Excludes revenue from handsets, accessories and other hardware products.
SIO	Services in operation
Spectrum	Radio frequency spectrum used to transmitted and receive telecomunication signals
TIO	Telecommunications Industry Ombudsman

Income statement and balance sheet summary

$m	FY23	FY24	Change (FY24 v FY23)
Service revenue	4,632	**4,702**	1.5 %
Handset, accessories & hardware	901	**818**	(9.2)%
Total revenue	5,533	**5,520**	(0.2)%
Other income	36	**12**	(66.7)%
Cost of provision of telco services	(1,580)	**(1,533)**	3.0 %
Cost of handsets sold	(884)	**(786)**	11.1 %
Gross margin	3,105	**3,213**	3.5 %
Impairment charge	(17)	**(250)**	(1370.6)%
EBITDA	1,875	**1,712**	(8.7)%
Depreciation and amortisation	(1,472)	**(1,485)**	(0.9)%
Results from operations	403	**227**	(43.7)%
Net financing costs	(341)	**(378)**	(10.9)%
Profit before income tax	62	**(151)**	(343.5)%
Income tax benefit/(expenses)	(13)	**44**	438.5 %
Net profit after tax (NPAT)	49	**(107)**	(318.4)%

Note: refer to Glossary on page 27 for definitions of key terms.

$m	31 December 2023	31 December 2024	Change (FY24 v FY23)
Cash and cash equivalents	116	**42**	(74)
Trade and other receivables	968	**972**	4
Inventories	117	**82**	(35)
Other current assets	83	**65**	(18)
Total current assets	1,284	**1,161**	(123)
Trade and other receivables	469	**447**	(22)
Property, plant and equipment	3,795	**3,865**	70
Right-of-use assets	1,709	**1,469**	(240)
Spectrum licences	1,737	**1,586**	(151)
Other intangible assets	10,484	**10,337**	(147)
Deferred tax assets	171	**218**	47
Other non-current assets	19	**11**	(8)
Total non-current assets	18,384	**17,933**	(451)
Trade and other payables	1,174	**1,031**	(143)
Contract liabilities	294	**315**	21
Borrowings	—	**—**	—
Lease liabilities	122	**136**	14
Other current liabilities	132	**124**	(8)
Total current liabilities	1,722	**1,606**	(116)
Borrowings	4,076	**4,099**	23
Lease liabilities	2,112	**2,069**	(43)
Other non-current liabilities	141	**147**	6
Total non-current liabilities	6,329	**6,315**	(14)

EBITDA to cash flow reconciliation[1]

$m	FY23	FY24
EBITDA	1,875	**1,712**
Non-cash impairments	17	**250**
Other non-cash adjustments	—	**3**
Working capital movements	(370)	**(39)**
Cash flow from operating activities	1,522	**1,926**
Capital expenditure	(1,126)	**(1,014)**
Lease principal element	(108)	**(136)**
Lease interest costs	(121)	**(127)**
Operating Free Cash Flow	167	**649**
Spectrum payments	(28)	**(156)**
Receipts from the sale of a subsidiary	—	**5**
Net borrowing costs	(194)	**(246)**
Free cash flow	(55)	**252**
Share payments – TPG employee incentive plan	(8)	**(12)**
Dividends paid	(335)	**(334)**
Net drawdown of borrowings	400	**20**
Net change in cash	2	**(74)**

Note: refer to Glossary on page 27 for definitions of key terms.
1. EBITDA and OCFC shown prior to adjustment for material one-offs.

Reconciliation of ROIC, NPAT and EPS

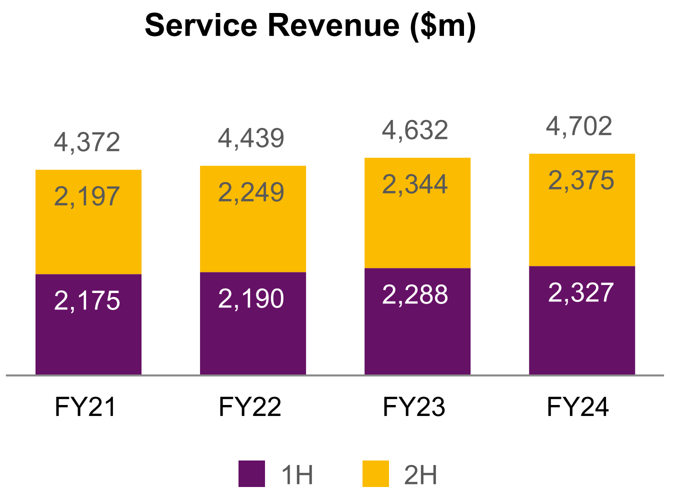
$m	FY23[1]	FY24
Statutory EBIT	**403**	**227**
Add back acquired customer base amortisation	160	160
Adjustment for towers gain, restructuring, transformation or transaction costs	48	276
EBIT adjusted for specific items	611	663
Notional tax	(183)	(199)
Net operating profit after tax (NOPAT)	**428**	**464**
Total assets	19,668	19,094
Less current liabilities	(1,722)	(1,606)
Add back lease liabilities (current)	122	136
Less cash	(116)	(42)
Remove deferred tax assets	(171)	(218)
Remove brand name	(407)	(407)
Remove customer base intangible	(1,127)	(967)
Remove goodwill	(8,515)	(8,515)
Capital invested	**7,732**	**7,475**
Average capital invested (ACI)	**7,468**	**7,604**
Return on invested capital (ROIC = NOPAT ÷ ACI)	**5.7 %**	**6.1 %**

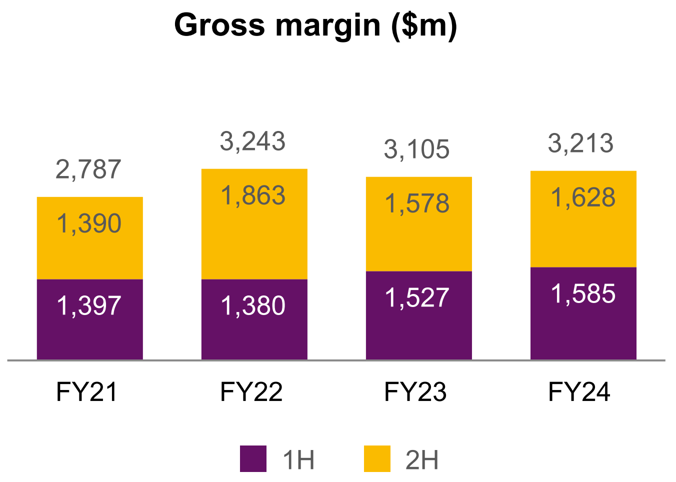
$m	FY23[1]	FY24
Statutory NPAT	**49**	**(107)**
Add back spectrum amortisation	276	279
Add back customer base amortisation	160	160
Add back transaction costs and other material one-offs	31	26
Add back impairment charge	17	250
Add back non-cash tax	13	(46)
Adjusted NPAT for dividend calculation purpose	546	562
Statutory NPAT	49	(107)
Add back acquired customer base amortisation (tax affected)	112	112
Adjustment for transaction costs, impairment and other material one-offs (tax affected)	34	193
NPAT adjusted for customer base amortisation and material one-offs	195	198
Weighted average number of ordinary shares	1,856	1,855
EPS LTIP basis	**10.5**	**10.7**

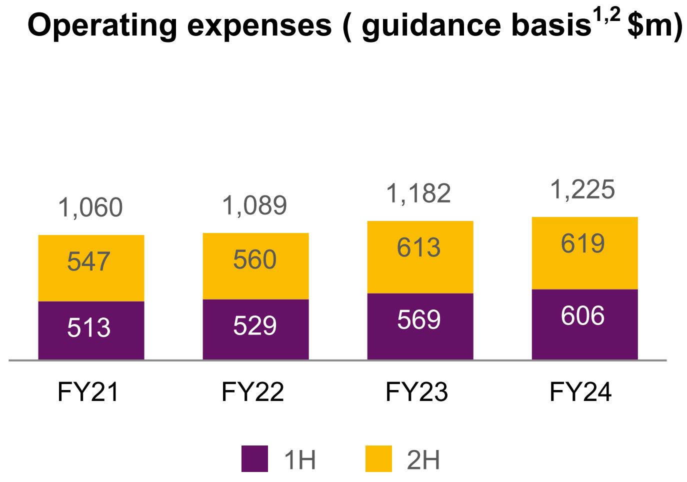
Note: refer to Glossary on page 27 for definitions of key terms

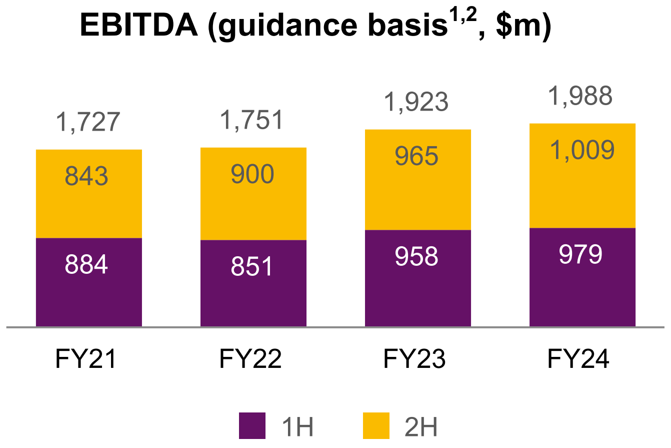
1. FY23 restated to no longer treat $38 million of transformation costs (pre-tax) as material one-offs.

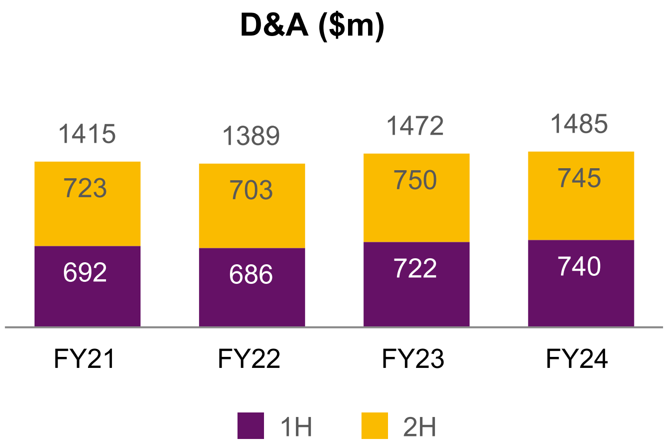
Historic financial metrics

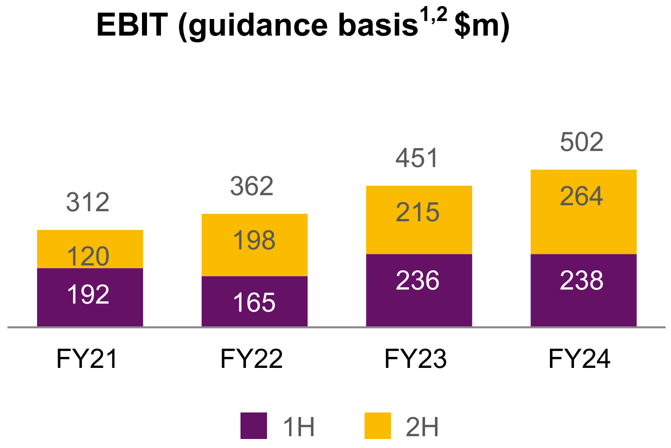








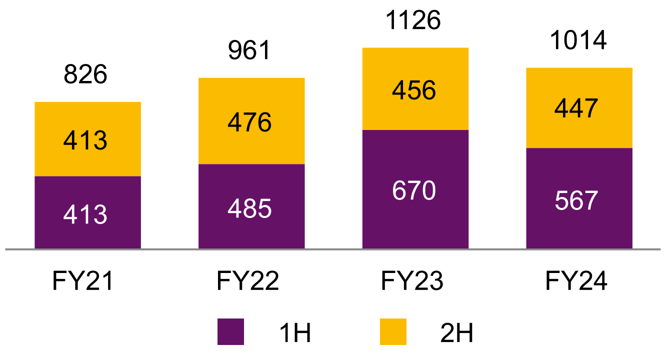




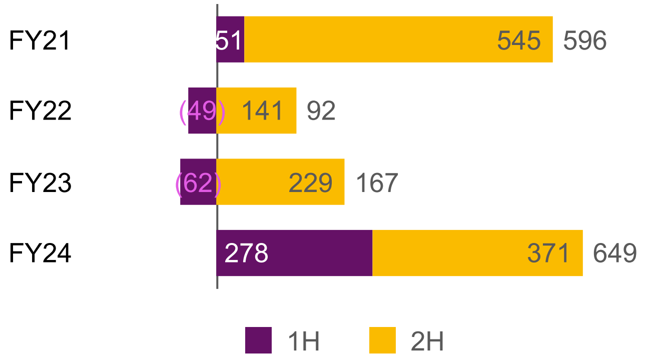
Note: refer to Glossary on page 27 for definitions of key terms
1. Excludes any material one-off impact arising from events such as transactions, redundancy restructuring, mergers and acquisitions, disposals, impairments and any other items as determined by the Board and management.
2. FY21 numbers were on statutory basis.

Historic financial metrics continued

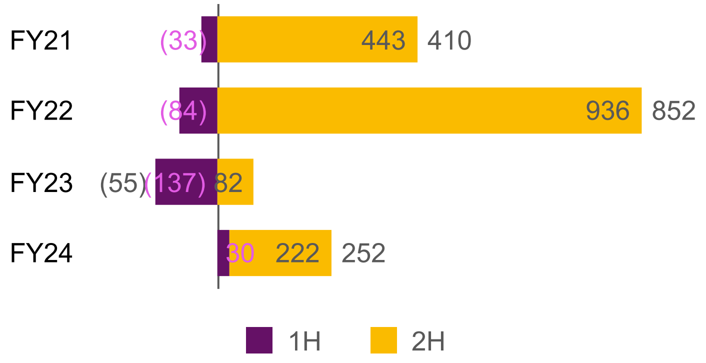
Cash capex ($m)



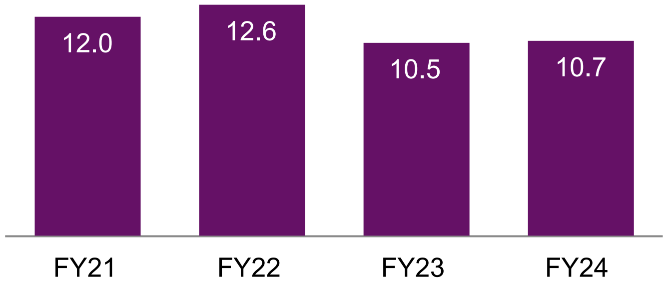
OFCF ($m)[1]



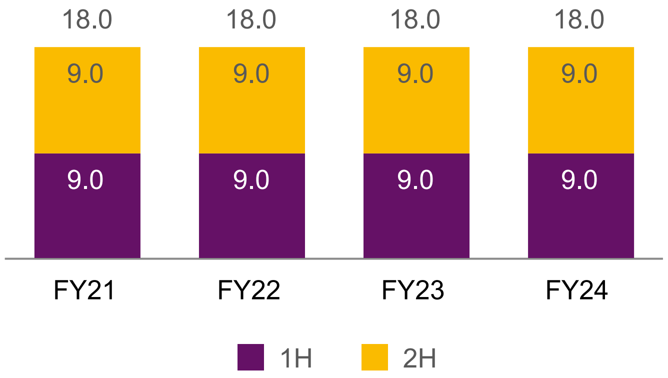
Free cash flow ($m)



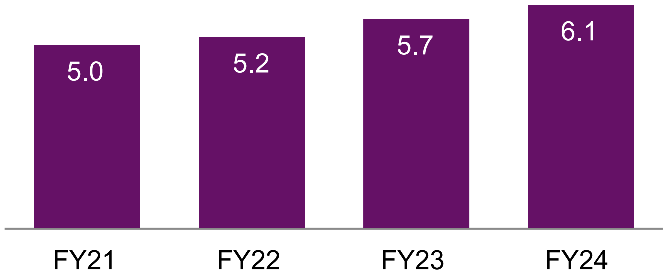
EPS LTIP basis (cents)[2]



DPS (cents)

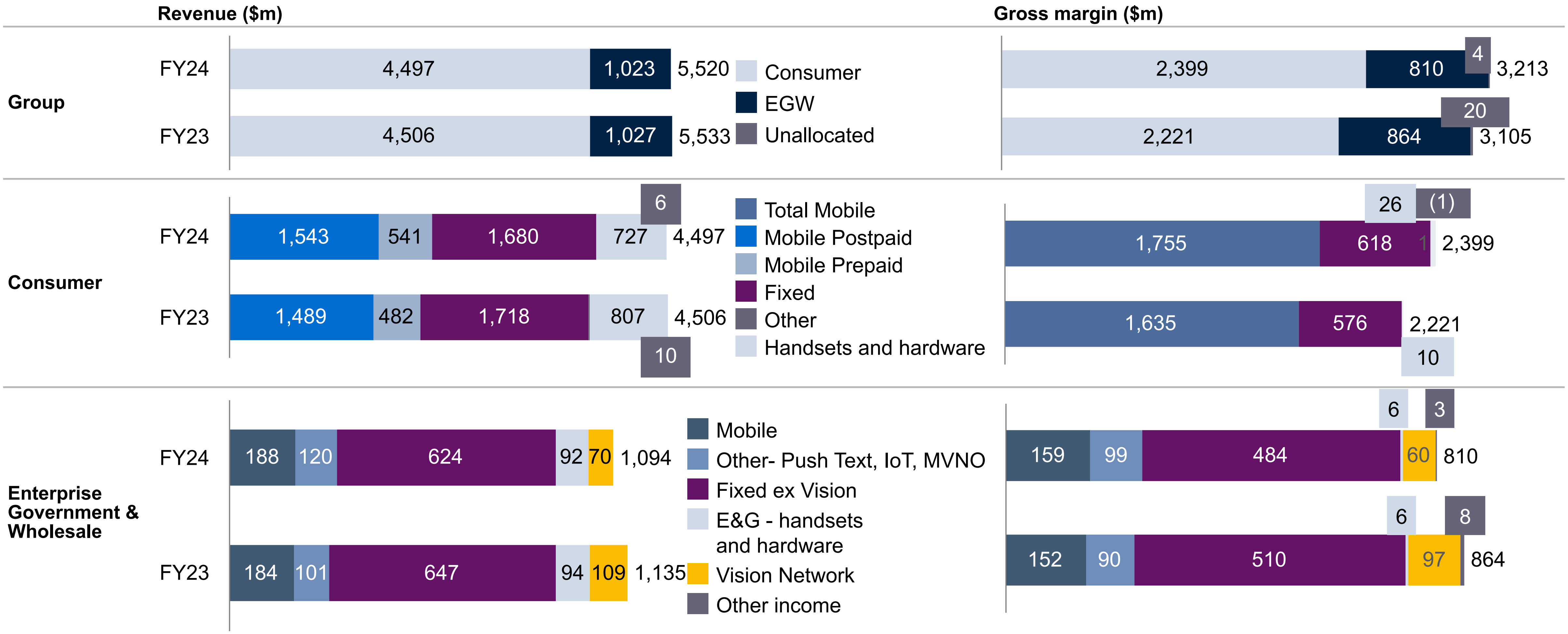


ROIC (%)[2]



Note: refer to Glossary on page 27 for definitions of key terms.
1. OFCF shown prior to adjustment for material one-offs for purposes of consistency across years.
2. EPS and LTIP shown on FY24 guidance basis, not including transformation costs within material one-offs.

Revenue and gross margin by product



Note: refer to Glossary on page 27 for definitions of key terms.

1. Vision Network wholesale revenue is recognised in the Enterprise, Government and Wholesale segment and Vision Network retail revenue and wholesale cost is recognised in the Consumer segment. Intersegment charges (Wholesale revenue and costs) are eliminated at the Group level.
2. FY23 gross margin restated to reflect the transfer of Bizphone commercial customers previously reported within Consumer to EGW.

Mobile and Fixed metrics

		1H23	2H23	1H24	2H24
Mobile (overall)	Subs ('000)	5,279	5,415	5,479	**5,514**
	ARPU ($)	$33.25	$34.62	$34.64	**$35.62**
Mobile Postpaid	Subs	2,930	2,942	2,895	**2,846**
	ARPU	$44.97	$47.45	$47.67	**$49.26**
Mobile Prepaid[1]	Subs	2,054	2,183	2,196	**2,275**
	ARPU	$18.85	$19.39	$19.77	**$20.66**
Data SIMs	Subs	282	283	282	**280**
	ARPU	$15.58	$15.54	$15.27	**$15.21**
MVNOs	Subs	13	7	106	**113**
Fixed (overall)	Subs	2,175	2,127	2,097	**2,076**
	AMPU	$25.36	$26.37	$26.97	**$27.25**
NBN	Subs	1,812	1,768	1,727	**1,684**
	ARPU	$67.70	$68.70	$67.65	**$70.03**
	AMPU	$21.52	$21.99	$22.04	**$21.36**
Fixed Wireless	Subs	209	227	245	**268**
	ARPU	$43.87	$47.76	$49.12	**$49.95**
Vision Network (retail)	Subs	126	114	107	**108**
	ARPU	$59.35	$66.06	$67.42	**$67.33**
On-net (Fixed Wireless and Vision Network retail)	AMPU	$47.22	$50.84	$52.36	**$53.03**
Other Fixed	Subs	28	18	18	**16**

Note: refer to Glossary on page 27 for definitions of key terms.

1. Mobile subscribers for FY23 and FY24 have been restated to reflect the removal of approximately 41,000 inactive customers.

Gross margin breakdown by half-year period

$m	Consumer Reported 1H23	Reported 2H23	Reported 1H24	Reported 2H24	Change vs 2H23	Change vs 1H24
Service revenue	1,822	1,878	1,862	**1,908**	1.6%	2.4%
Handset, accessories and hardware	377	430	345	**382**	(11.1)%	10.7%
Inter-segment revenue		—	—	**—**	n.m[1]	n.m[1]
Total revenue	2,199	2,308	2,207	**2,290**	(0.8)%	3.7%
Other income	—	—	—	**(1.3)**	n.m[2]	n.m[2]
Telco costs	(746)	(742)	(692)	**(705)**	(5.0)%	1.9%
Cost of handsets sold	(367)	(429)	(344)	**(357)**	(16.8)%	4.0%
Gross margin[1]	1,086	1,136	1,172	**1,226**	7.9%	4.6%
Hardware gross margin ($m)	10	—	1	**25**	6050.0%	1657.1%
Service gross margin ($m)	1,076	1,136	1,170	**1,201**	5.8%	2.7%
Service gross margin (%)	59.0%	60.5%	62.8%	**63.0%**	2.5 pp	0.1 pp

$m	Enterprise, Government and Wholesale Reported 1H23	Reported 2H23	Reported 1H24	Reported 2H24	Change vs 2H23	Change vs 1H24
Service revenue	465	467	464	**467**	—%	0.7%
Handset, accessories and hardware	44	50	39	**52**	3.8%	31.6%
Inter-segment revenue	58	51	36	**33**	(35.3)%	(8.3)%
Total revenue	567	568	539	**552**	(2.9)%	2.3%
Other income	4	10	6	**1**	(95.1)%	(90.9)%
Telco costs	(95)	(103)	(97)	**(106)**	2.3%	8.8%
Cost of handsets sold	(41)	(46)	(38)	**(47)**	2.2%	23.7%
Gross margin[1]	434	429	409	**399**	(6.9)%	(2.4)%
Hardware gross margin ($m)	3	4	1	**5**	23.7%	261.5%
Service gross margin ($m)	432	425	408	**395**	(7.2)%	(3.3)%
Service gross margin (%)	92.8%	91.0%	88.0%	**84.5%**	(6.5 pp)	(3.5 pp)

$m	Inter-segment and other unallocated Reported 1H23	Reported 2H23	Reported 1H24	Reported 2H24	Change vs 2H23	Change vs 1H24
Service revenue	—	—	—	**—**	n.m[1]	n.m[1]
Handset, accessories and hardware	—	—	—	**—**	n.m[1]	n.m[1]
Inter-segment revenue	(58)	(51)	(36)	**(33)**	(35.3)%	(8.3)%
Total revenue	(58)	(51)	(36)	**(33)**	(35.3)%	(8.3)%
Other income	8	14	4	**3**	(77.7)%	(26.2)%
Telco costs	57	50	35	**32**	n.m[1]	n.m[1]
Cost of handsets sold	—	—	—	**—**	n.m[1]	n.m[1]
Gross margin	6	12	3	**2**	(84.7)%	(44.1)%
Hardware gross margin ($m)	—	—	—	**—**		
Service gross margin ($m)	6	12	3	**2**	(84.7)%	(44.1)%
Service gross margin (%)						

$m	Group Reported 1H23	Reported 2H23	Reported 1H24	Reported 2H24	Change vs 2H23	Change vs 1H24
Service revenue	2,287	2,345	2,326	**2,376**	1.3%	2.1%
Handset, accessories and hardware	421	480	384	**434**	(9.6)%	12.9%
Inter-segment revenue	—	—	—	**—**	n.m[1]	n.m[1]
Total revenue	2,708	2,825	2,710	**2,810**	(0.5)%	3.7%
Other income	11	24	10	**2**	(90.5)%	(76.3)%
Telco costs	(784)	(796)	(754)	**(779)**	(2.1)%	3.3%
Cost of handsets sold	(409)	(475)	(382)	**(404)**	(14.9)%	6.0%
Gross margin	1,527	1,578	1,585	**1,629**	3.2%	2.8%
Hardware gross margin ($m)	12	4	3	**29**	597.6%	985.2%
Service gross margin ($m)	1,515	1,574	1,582	**1,599**	1.6%	1.1%
Service gross margin (%)	66.2%	67.1%	68.0%	**67.3%**	0.2 pp	(0.7 pp)

Note: refer to Glossary on page 27 for definitions of key terms.
1. FY23 gross margin restated to reflect the transfer of Bizphone commercial customers previously reported within Consumer to EGW.
2. Not a meaningful comparison

Executive Leadership Team

Iñaki Berroeta
CEO and Managing Director

Kieren Cooney
Group Executive Consumer

Trent Czinner
Group Executive Legal and External Affairs and Company Secretary

Jonathan Rutherford
Group Executive Wholesale, Enterprise and Government

John Boniciolli
Group Chief Financial Officer

Giovanni Chiarelli
Chief Technology Officer

Vanessa Hicks
Group Executive Customer and People Experience

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