

5 March 2020

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

ELECTRONIC LODGEMENT

Dear Sir / Madam

TPG Telecom Limited (ASX: TPM) HY20 Financial Results Presentation

Please find attached a presentation on TPG Telecom Limited's financial results for the half-year ended 31 January 2020.

There will also be a live audio webcast of the results presentation at <http://www.openbriefing.com/OB/3664.aspx> commencing at 9.30am (Sydney time) today.

A replay of the webcast will be available via the same link later in the day.

Authorised for lodgement with the ASX by:

Stephen Banfield
Chief Financial Officer & Company Secretary



2020

HALF YEAR RESULTS PRESENTATION

5 MARCH 2020

		Reported		Underlying ¹		
		1H20	1H19	1H20	1H19	Growth
Revenue	\$m	1,246.5	1,235.8	1,246.5	1,235.8	1%
EBITDA	\$m	406.6	192.6 ²	399.1	424.4	(6%)
NPAT	\$m	143.6	46.9 ²	157.9	225.2	(30%) ³
EPS	cps	15.5	5.1 ²	17.0	24.3	(30%) ³

(1) Refer to slide 3 for reconciliation between reported and underlying results.

(2) The sharp increase in reported profits in 1H20 is due to 1H19 having been adversely impacted by a \$227.4m impairment expense (pre-tax) arising from the decision to cease the Australian mobile network build.

(3) The decline in underlying NPAT and EPS relative to 1H19 reflects the impact of commencing the amortisation of the Group's Australian spectrum licences from the start of 2H19.

	1H20		1H19	
\$m	EBITDA	NPAT	EBITDA	NPAT
Reported	406.6	143.6	192.6	46.9
<i>Add: Transaction costs re planned merger with VHA</i>	6.0	4.2	4.4	3.1
<i>Less: Corporate Division one-off benefit</i>	(3.3)	(2.3)	-	-
<i>Add: Australian mobile network and spectrum impairment ¹</i>	-	-	227.4	159.2
<i>Add: Acquired customer base intangible amortisation</i>	-	11.9	-	16.0
<i>(Less)/Add: AASB 16 impact ²</i>	(10.2)	0.5	-	-
Underlying	399.1	157.9	424.4	225.2
<i>Add: Singapore mobile start-up losses</i>	1.8		0.8	
<i>Add: Australian mobile network opex</i>	3.3		-	
Business as Usual ('BAU')	404.2		425.2	

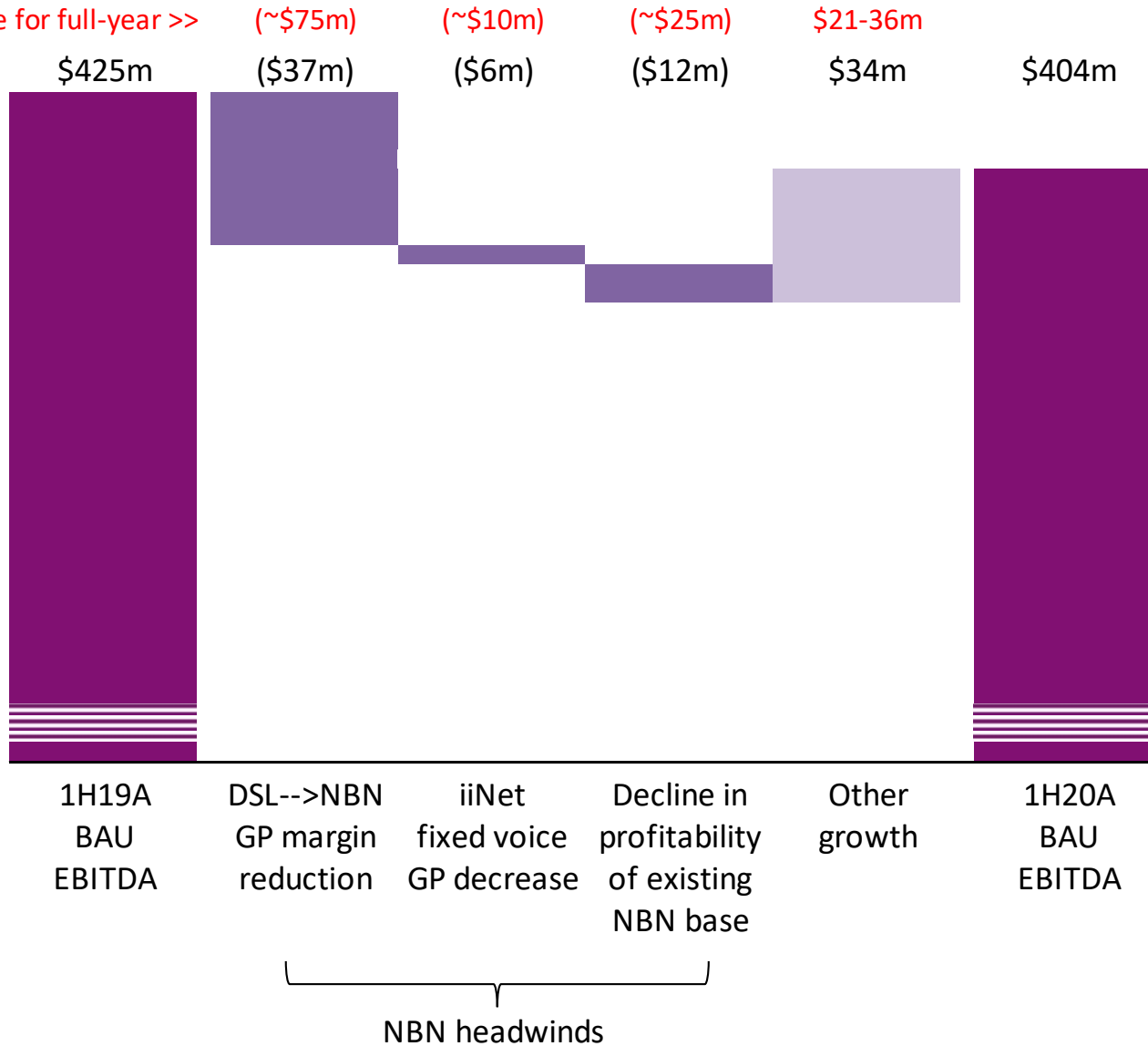
(1) Impairment arising from decision to cease Australian mobile network build.

(2) The impact on EBITDA arising from the implementation of AASB 16 from the start of 1H20 has been excluded from underlying EBITDA in order to facilitate like-for-like comparison with the prior period.

1H19 → 1H20 BAU EBITDA BRIDGE



Original FY20 guidance for full-year >>



REVENUE \$m	Consumer	Corporate	Singapore	Aust mobile	Other	TOTAL
1H20	872.4	373.0	1.1	-	-	1,246.5
1H19	852.6	383.2	-	-	-	1,235.8
Movement	19.8	(10.2)	1.1	-	-	10.7
EBITDA \$m	Consumer	Corporate	Singapore	Aust mobile	Other	TOTAL
1H20	211.4	193.0	(1.8)	(3.3)	(0.2)	399.1
1H19	243.0	182.5	(0.8)	-	(0.3)	424.4
Movement	(31.6)	10.5	(1.0)	(3.3)	0.1	(25.3)
EBITDA %	Consumer	Corporate	Singapore	Aust mobile	Other	TOTAL
1H20	24%	52%	-	-	-	32%
1H19	29%	48%	-	-	-	34%

Results shown in the table are 'underlying' results incorporating the adjustments set out on slide 3

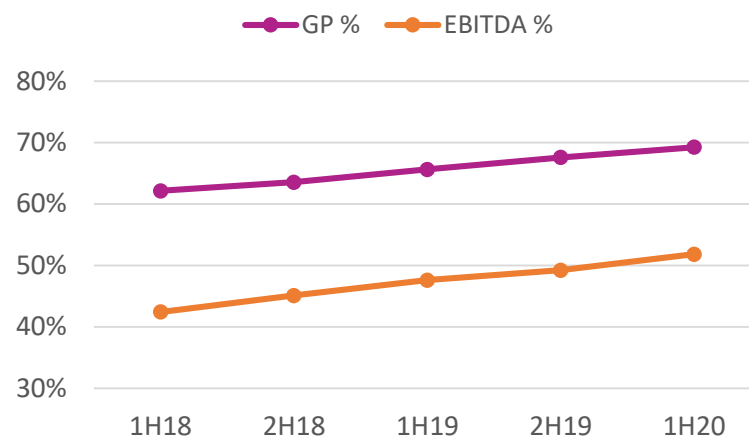
Consumer Segment					
\$m	Broadband	Fixed Voice	Mobile	Other ²	Total
1H20					
Revenue	752.0	20.1	51.1	49.2	872.4
Gross Profit	284.5	5.9	11.1	29.3	330.8
Gross Profit %	38%	29%	22%	61%	38%
Overheads					(119.4)
Overheads %					14%
EBITDA					211.4
EBITDA %					24%
1H19					
Revenue	722.6	40.6	54.6	34.8	852.6
Gross Profit	328.6	11.4	10.4	20.2	370.6
Gross Profit %	45%	28%	19%	58%	43%
Overheads					(127.6)
Overheads %					15%
EBITDA					243.0
EBITDA %					29%

- (1) Results shown in the table are 'underlying' results incorporating the adjustments set out on slide 3
 (2) Improvement in 'other GP' in 1H20 driven by improved performance by Tech2.

	Corporate Segment Revenue			
\$m	Data/Internet	Voice	Legacy iiNet	Total
1H20	297.2	54.9	20.9	373.0
1H19	298.2	58.1	26.9	383.2
1H20 growth	(1.0)	(3.2)	(6.0)	(10.2)

\$m	Corporate Segment EBITDA
1H20 ¹	193.0
1H19	182.5
1H20 growth	10.5

Corporate Division Margin Growth



1 The 1H20 EBITDA shown is pre AASB 16 (to facilitate like-for-like comparison) and excludes a \$3.3m one-off benefit that favourably impacted the Corporate Division's results in the period.

	\$m	
	1H20	1H19
Operating Cash Flow	399.5	410.7
Tax	(60.4)	(77.7)
Capex – Australia – BAU	(124.7)	(98.4)
Capex – Australia – mobile spectrum	(352.4)	(352.4)
Capex – Australia – mobile network	-	(66.1)
Capex – Singapore – mobile network	(68.9)	(39.8)
Finance lease payments	(3.8)	(2.4)
AASB16 lease payments (inc interest)	(10.2)	-
Operating Cash Flow less Capex	(220.9)	(226.1)

'Capex' includes payments for property, plant and equipment plus intangible assets.

\$m

	1H20	1H19
Operating Cash Flow less Capex	(220.9)	(226.1)
Transaction costs re planned merger	(8.4)	(2.9)
Net drawdown of bank debt	297.0	237.8
Interest payments (net)	(24.7)	(28.7)
Dividend payments	(18.6)	(18.6)
Other	0.2	0.3
Increase/(decrease) in cash balance	24.6	(38.2)

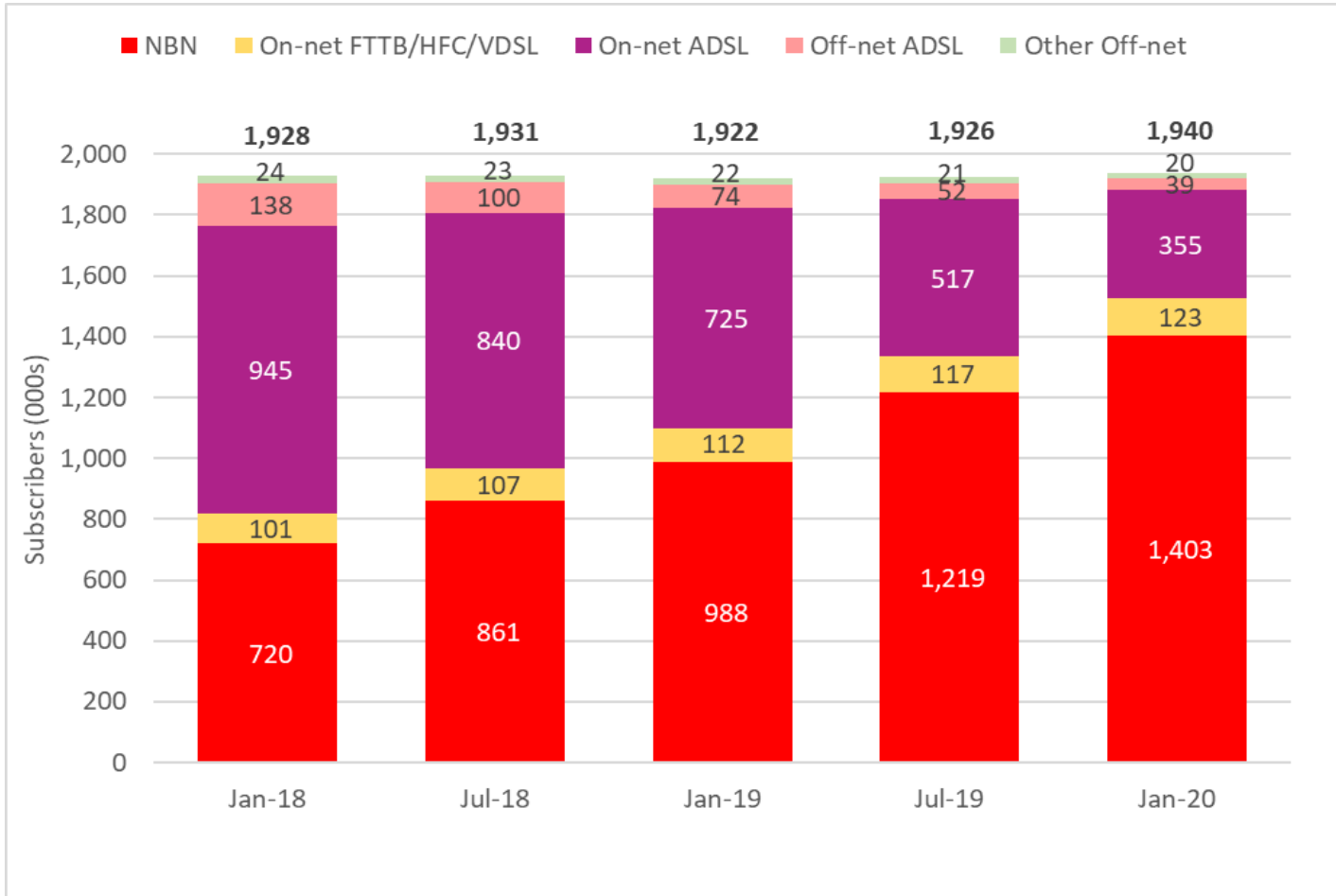
	\$m
Net debt ¹ as at 31 July 2019	1,454.2
Net increase during 1H20	283.2
Net debt ¹ as at 31 January 2020	1,737.4
Spectrum commitments as at 31 January 2020	
- 3.6GHz spectrum payment due 20 March 2020	131.7 ²
Net debt ¹ + spectrum commitments as at 31 January 2020	1,869.1

Leverage ratio as at 31-January-20: ~2.4x

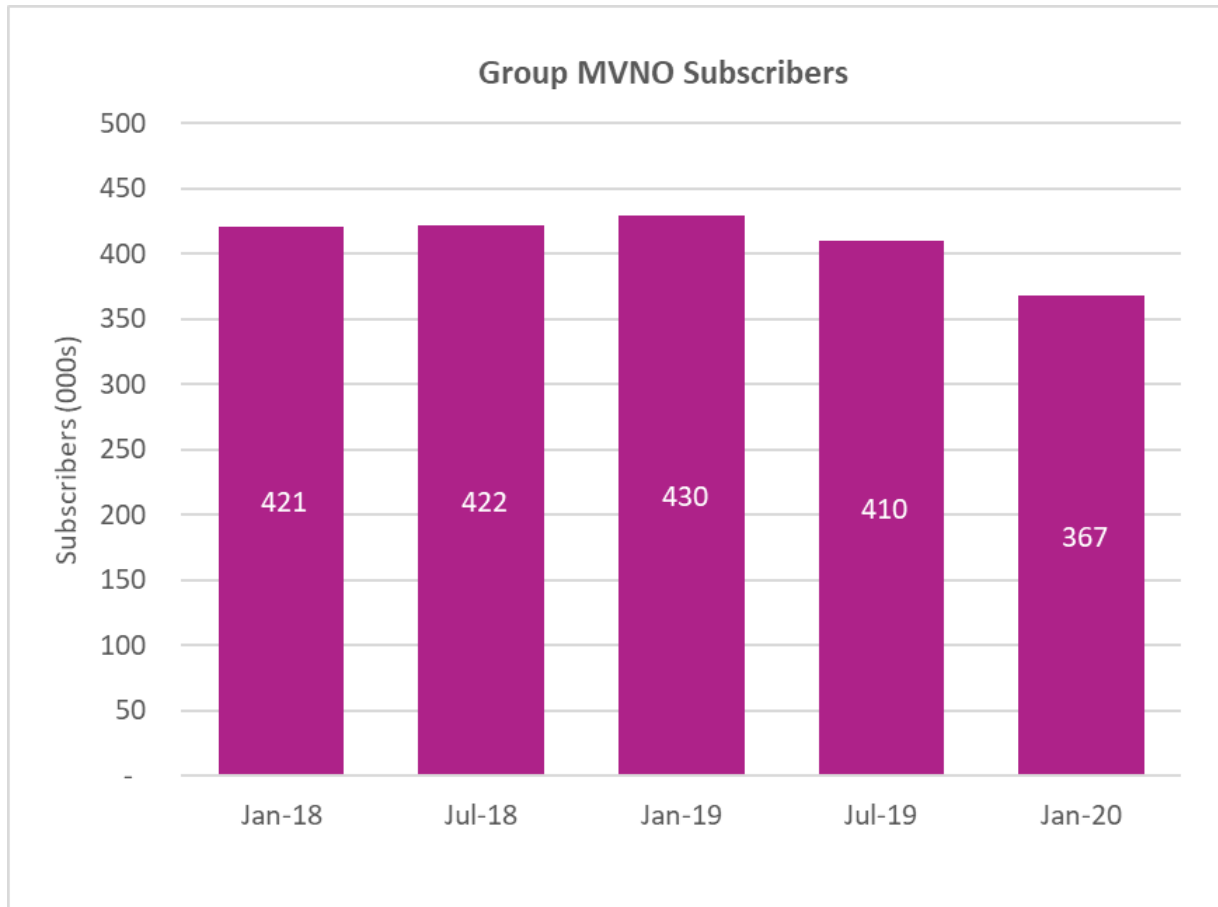
(calculated on a net debt + spectrum commitments to last twelve months underlying EBITDA basis).

1. For the purpose of the table above, 'Net debt' comprises bank debt, derivative financial liabilities and (non AASB 16) finance lease liabilities less cash.
2. Disclosed within capital commitments in the notes to the 31-January-20 financial statements.

GROUP BROADBAND SUBSCRIBERS



1H20 overall growth of 14k includes +184k NBN and +6k FTTB



43k mobile subscriber decline in 1H20

MOBILE

\$12.50 /mth
 1st 6 months
 \$24.99 /mth after

14GB
 DATA

+ UNLIMITED NATIONAL TALK & TEXT

\$0 SIM FEE | \$0 DELIVERY FEE | NO LOCK-IN CONTRACT

Discounted pricing for the first 6 months available for new mobile registrations only. Offer may be withdrawn at any time. Standard rates apply for excluded usage. Excess data \$10 for extra 2GB blocks. Visit website for T&Cs.



New competitive plan range

Small 6GB	Medium 14GB	Large 25GB	Extra Large 30GB
\$10 /mth <small>for the 1st 6 months \$19.99 /mth thereafter</small>	\$12.50 /mth <small>for the 1st 6 months \$24.99 /mth thereafter</small>	\$15 /mth <small>for the 1st 6 months \$29.99 /mth thereafter</small>	\$20 /mth <small>for the 1st 6 months \$39.99 /mth thereafter</small>
Unlimited National Talk & Text	Unlimited National Talk & Text	Unlimited National Talk & Text	Unlimited National Talk & Text
			100 minutes International Talk

Switch to Fast NBN

FTTB/N/C speeds to be confirmed when active

85 Mbps
TYPICAL EVENING SPEEDS
with **NBN100**

Available in serviced areas. Typical Evening Download Speed is measured between 7pm and 11pm. Actual speeds may vary.
Based on confirmed actual activation speeds, TPG will refund or allow you to downgrade if you are not satisfied.



#1 in NBN100 Market Share



NEW
SUPERFAST
NBN BUNDLE

NBN50 | 43.5Mbps **\$74.99**
Typical evening speed* /mth

Min charge \$579.88
6 mth contract

Includes
fetch
Entertainment
\$0 for first 24 months*

*Typical evening speed indicates download speed measured between 7pm - 11pm. Actual speeds may vary due to access method, network, device and more. Min charge incl \$59.95 modem + \$10 delivery + \$59.99 Fetch setup fee. *Incl standard Fetch subscription. Available in selected coverage areas. FTTB/C/N speeds to be confirmed when active.

iiNet triple play bundle at \$74.99

iiNet introduces 6 month and no lock in contracts



Internode proudly named Internet Service Provider of the Year

TPG Consumer	+44.4
iiNet	+53.9
TPG/AAPT Corporate	+65.2

NPS results represent the average for 1H20

Increase in NPS for TPG & iiNet Consumer



- 99.89% outdoor coverage as at Jan 2020 and 100% indoor QoS validation of buildings tested to-date in 2020.
- Tunnels and MRT coverage progressing.
- 5G licence application submitted in Feb 2020.
- Over 400k users on-boarded to free trial as at Feb 2020. Paid services to commence soon.
- New prepaid service to launch later this month.

Prepaid Mobile

50GB

\$10

for 30 days

+ 1GB Roaming Data in selected countries

300 Call Minutes to Local Fixed Lines & Mobiles

300 SMS to Local Mobiles



New Prepaid Service to be released in March 2020

3.0 cents per share interim dividend

Payable

19 May 2020

Record date

14 April 2020

Dividend Reinvestment Plan currently suspended

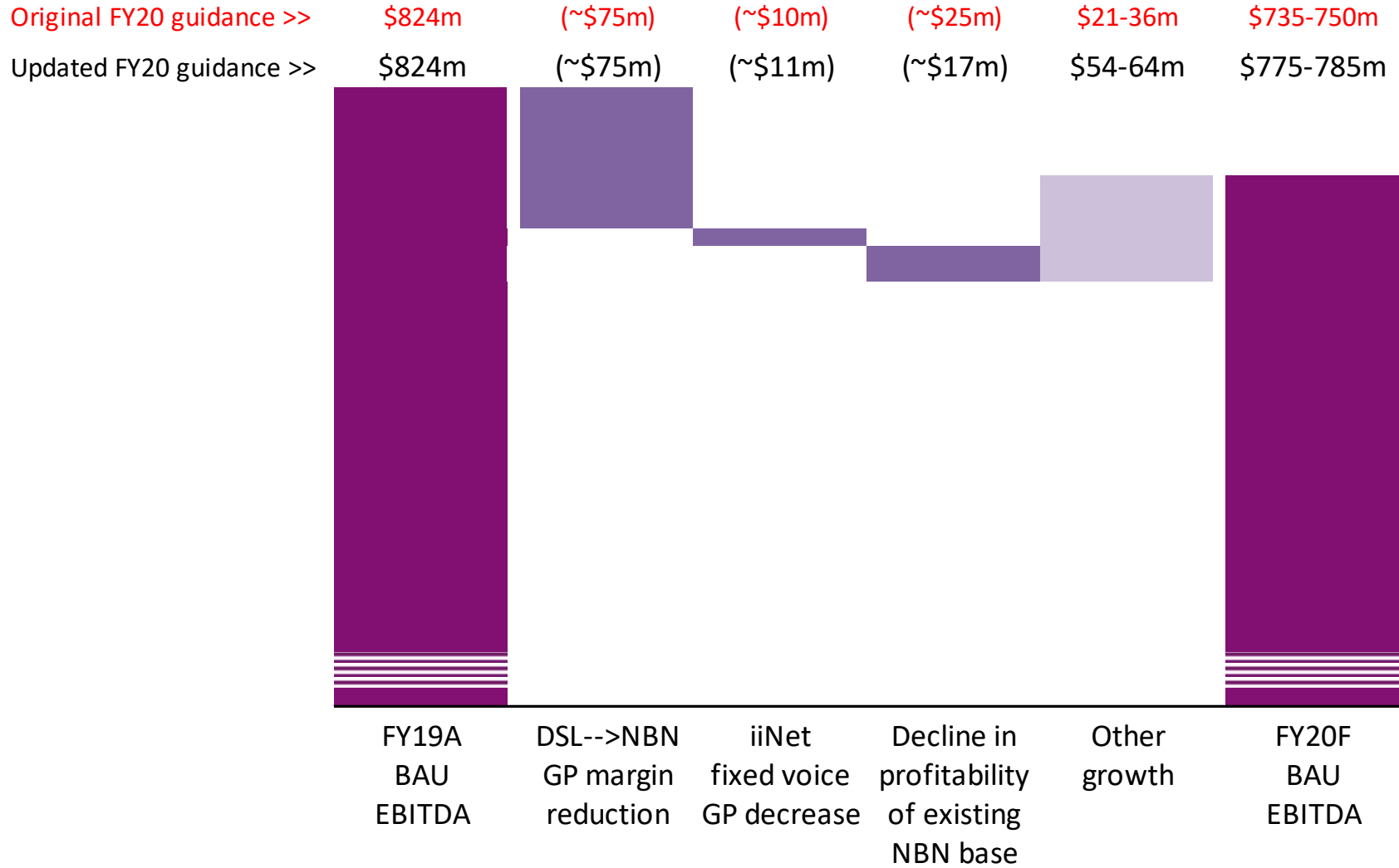
\$m	1H20 Actual	FY20 Guidance Original (Sept-19)	FY20 Guidance Updated (Mar-20)
BAU EBITDA	404.2	735-750	775-785
BAU capex	124.7	200-240	200-240

'BAU EBITDA' relates to existing Consumer and Corporate Division operations. It excludes Singapore EBITDA and Australian mobile network operating costs.

'BAU capex' excludes any expenditure in relation to the Singapore mobile network build and also excludes spectrum payments.

'BAU EBITDA' and capex guidance takes no account of any impact from the planned merger with VHA. Transaction costs relating to the planned merger are also excluded.

'BAU EBITDA' guidance is provided on an excluding AASB16 basis.



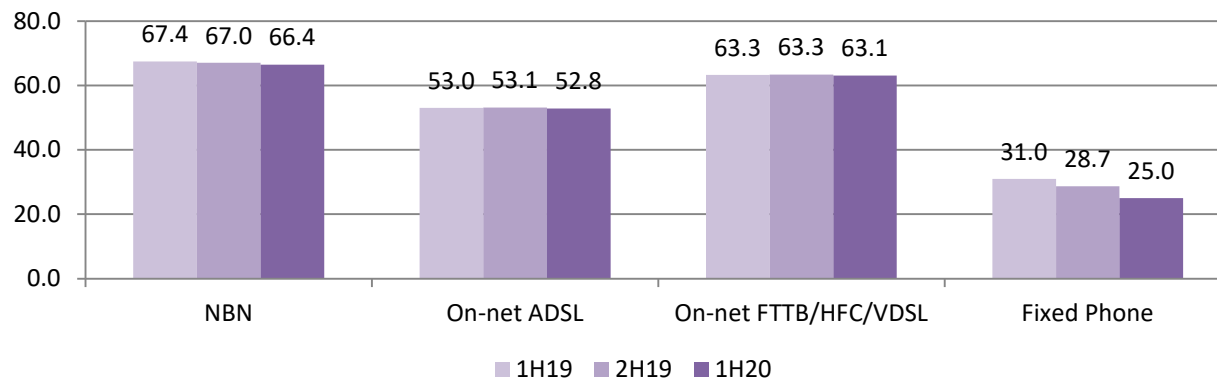


- On 13 February 2020, the Federal Court ruled that the TPG merger with VHA would not substantially lessen competition.
- The ACCC has agreed to the usual order to pay TPG's legal costs as agreed or assessed.
- Absent an appeal, the decision clears one of the conditions precedent to completion of the merger.
- If the ACCC wishes to appeal, it must do so by 12 March 2020.
- There remain other regulatory conditions that must be met before the merger can proceed, including CFIUS and FIRB.
- We are currently targeting a completion for the merger in mid-2020.

THANK YOU

Q&A

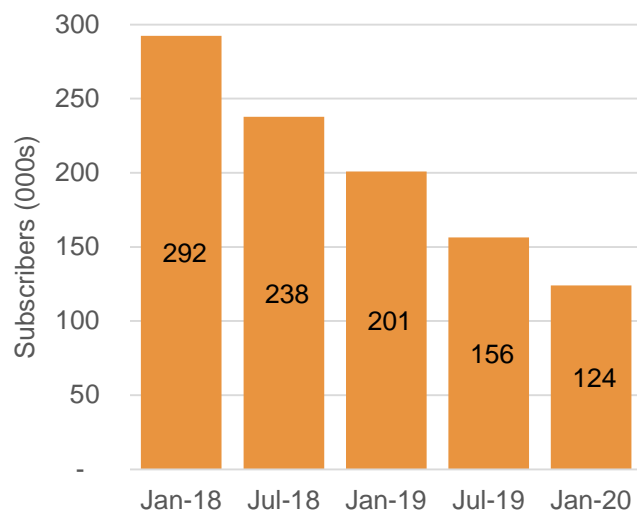
ARPU (\$/mth)



ARPU shown is the weighted average across all brands. Excludes GST and any one-off charges.

ARPU for NBN and On Net ADSL includes revenue from bundled home phone voice.

iiNet Fixed Voice Subscribers



iiNet fixed voice subscribers represent standalone home phone services which are declining as they are replaced by NBN services.

APPENDIX 2: Acquired Customer Base Intangible Amortisation



\$m	1H20 Actual	2H20 F'cast	FY21 F'cast	FY22 F'cast	FY23 F'cast	FY24 F'cast
Acquired customer base intangible amortisation	17.0	14.7	20.8	15.3	11.2	8.4

The expected pre-tax P&L expense in relation to the Group's acquired customer base intangible amortisation is shown above. There are no cashflows associated with this expense.

This presentation contains certain forward-looking and unaudited information. Such information is based on estimates and assumptions that, whilst considered reasonable by the Company, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information.