MARKET RELEASE – 21 February 2025

Spark New Zealand Limited H1 FY25 Results

In accordance with the NZX Listing Rules, Spark New Zealand releases the following to the market in relation to Spark New Zealand Limited's H1 FY25 results:

1. Market Release
2. Results Announcement
3. Distribution Notice
4. Interim Financial Statements
5. Investor Presentation
6. Detailed Financial Information

Spark New Zealand's Chief Executive, Jolie Hodson, and Chief Financial Officer, Stewart Taylor, will discuss the H1 FY25 Results at 11:00am New Zealand time today.

If you would like to join via teleconference, please register by clicking here or using the below link:

https://s1.c-conf.com/diamondpass/10044982-kij8u7.html

Please note that registered participants will receive their dial in number upon registration.

ASX Appendix 3A.1 will follow this release.

ENDS

Authorised by:

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About Spark

As New Zealand's largest telecommunications and digital services company, Spark's purpose is to help all of New Zealand win big in a digital world. Spark provides mobile, broadband, and digital services to millions of New Zealanders and thousands of New Zealand businesses.
www.sparknz.co.nz

MARKET RELEASE – FRIDAY, 21 FEBRUARY 2025

Spark announces FY25 first half results

- Revenue[1], EBITDAI[2], and NPAT[3] declined in a recessionary environment, while Spark maintained its number one position in mobile and broadband[4]
- FY25 EBITDAI guidance reduced to $1,040-$1,100 million, while capex guidance of ~$415-$435 million and FY25 dividend guidance of 25 cents per share (75% imputed) were maintained
- Decisive action being taken to improve performance – momentum building in consumer mobile; Connexa sale expected to deliver proceeds of ~$310 million in Q3[5]; expected net labour and opex reduction of $80-$100 million in FY25 and $110-$140 million of annualised benefits by FY27; and process underway to secure a capital partner to co-invest in data centre growth strategy

Spark New Zealand (Spark) today announced its H1 FY25 results and provided updated FY25 EBITDAI guidance.

With tough operating conditions continuing to impact overall performance, FY25 EBITDAI guidance has been reduced to $1,040-$1,100 million. The primary driver of the change is further deterioration in the performance of Spark's Enterprise and Government division, which has been impacted by spending cuts and mobile fleet reductions across Government and businesses, changes in product mix, and aggressive price competition in mobile.

Spark Chair Justine Smyth said, "When we updated the market in October, we outlined that we were experiencing one of the longest and deepest recessionary periods in recent history. Since that time, we have seen no improvement in these conditions, and while there has been movement on monetary policy, this is yet to flow through to any meaningful change in consumer or business spending.

"We know our shareholders will be rightly concerned by the ongoing headwinds we are facing, and Board and Management are taking decisive action to improve performance in the short-term and deliver sustainable competitive advantage in future years.

"This includes a significant transformation of our operating model and technology and network operations, which is expected to deliver a net labour and opex reduction of $80-100 million in FY25, and $110-$140 million of annualised benefits by FY27.

"We are simplifying our portfolio to focus on our telco core, and in December announced the sale of our remaining stake in Connexa, which is expected to deliver proceeds of ~$310 million and a gain on sale of ~$66 million in reported EBITDAI and complete in the third quarter[5]. We have also commenced a process to invite expressions of interest from prospective capital partners to co-invest and accelerate our data centre growth strategy.

"The scale and pace of deterioration in trading conditions we have experienced over the last year has been substantial, but this only hardens our resolve to respond rapidly, to transform what is in our control, and to set the foundations for Spark to once again deliver strong shareholder returns."

[1] Operating revenues and other gains
[2] Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures
[3] Net Profit After Tax
[4] Market share estimates sourced from IDC at 31 December 2024
[5] The final sale price is subject to an adjustment based on movements in working capital and capital expenditure. All regulatory approvals required have now been received.

Spark New Zealand Limited
ARBN 050 611 277 Spark City, Level 1, 50 Albert Street, Private Bag 92028, Auckland, New Zealand

The Board declared a first half dividend of 12.5 cents per share, 75% imputed, which will be paid on 4 April 2025. This is in line with FY25 dividend guidance of 25 cents per share, 75% imputed, which has been maintained in recognition of the receipt of ~$310 million in Connexa proceeds expected in Q3. The Dividend Reinvestment Plan will be available for shareholders to receive shares at a 2% discount in lieu of a dividend.

H1 FY25 operating performance

Reported revenue declined 1.9% to $1,939 million, driven by the performance of mobile, IT services, and the continued decline of legacy voice, and partially offset by growth in mobile devices, cloud, data centres, and IoT.

Reported EBITDAI declined 20.9% to $419 million, driven by lower IT services project activity, the mix-shift from private to public cloud, and supplier cost inflation. Reported NPAT declined 77.7% to $35 million, due to lower EBITDAI and higher depreciation and amortisation costs. When adjusting for the non-recurring costs of operating model transformation of $29 million in H1, adjusted EBITDAI declined 15.5% to $448 million, and adjusted NPAT declined 64.3% to $56 million.

Spark's mobile service revenue declined 3.7% to $491 million, driven predominantly by shrinking mobile fleets following customers' headcount reductions and price competition in the Enterprise and Government division, and the cessation of Spark's mobile insurance product in consumer.

Broadband revenue declined 2.3% to $302 million as cost-of-living pressures saw customers trade down to lower priced plans, and connections reduced off the back of intensified price competition.

Total IT revenues[6] declined 1.5% to $336 million. While IT products grew 1.1% to $264 million due to strong growth in public cloud, this change in mix contributed to a 10% margin reduction. Reduced IT services project activity across the government and business sectors saw revenues reduce 10% to $72 million, while high-tech revenues grew 17.1% to $41 million as IoT connections increased 25% to over 2.2 million.

Data centres' revenue increased 13.6% to $25 million, as billing of Spark's 22MW capacity increased.

Commenting on the half-year results, Spark CEO Jolie Hodson said, "Conditions in the New Zealand economy have been incredibly tough, but we are taking action on the things we can control to transform our business.

"We have four key priorities – driving momentum in our telco core, with a particular focus on mobile, simplifying our portfolio, transforming our cost base, and creating long-term shareholder value through our data centre strategy.

"Mobile is central to our business, and we remain the market leader by some distance[4]. This is not something we take for granted, and we have a strong pipeline of new products and campaigns that are proving popular with our customers. We launched new high data pay monthly mobile plans, and acquisition was up 7% compared to the same period last year[7]. We also launched a new prepaid plan line-up in December and early data shows the same promising trends.

"In our Enterprise and Government division, around 80% of the connection decline we have seen comes from mobile fleets shrinking as customers reduce headcounts and deliver cost efficiencies, as opposed to losing business to competitors. Positively, we have seen this trend start to slow, with the rate of fleet shrinkage halving in the first half when compared to the second half of FY24.

"Broadband is a mature and commoditised market and saw consistent lower levels of overall growth. Despite this, wireless broadband is growing and now makes up ~32% of our base, and we continue to see opportunities to accelerate this in the future as 5G delivers higher capacity and speeds.

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[6] IT Products and Services revenue and costs have been restated in prior periods due to a product mapping change with the Data Centres business
[7] Pay monthly acquisitions over November and December up 7% vs the same period in H1 24

"In IT, conditions remain particularly tough, with little to no rebound in business spending. We are undertaking a significant transformation of our technology and network operations that will not only support improved margins in this market in the future but also enable us to leverage global capability and innovation to deliver even better outcomes for our customers."

Spark is establishing several strategic partnerships across IT, cloud, and network that will enable it to deliver better customer and business outcomes at a materially reduced cost, with a targeted ~20% overall average cost efficiency.

An IT infrastructure and services partnership is close to finalisation, and will accelerate automation and efficiencies and deliver a significant reduction in annualised IT costs, while a new strategic cloud partnership with Microsoft will improve Spark's overall cloud economics.

The new technology delivery model forms part of Spark's expanded SPK-26 Operate Programme. This programme is expected to deliver a net labour and opex reduction of $80-100 million in FY25, which increases to $90-$110 million on an annualised basis by the end of the financial year. This will be funded by a non-recurring transformation charge of $45-50 million in FY25, with $29 million recognised in H1. Additional annualised benefits of $20-$30 million commence from FY26-27, meaning the overall expanded programme is forecast to deliver $110-$140 million of annualised benefits by FY27.

Jolie continued "We are responding to the challenges we are experiencing in the short-term, in a way that also builds a stronger, more competitive business over the longer term. It is never easy to make changes that impact our people, and we do not do so lightly. I want to acknowledge our teams at Spark who have continued to support our customers during a time of change for our business."

Updated FY25 guidance

Spark updated FY25 guidance as outlined below:

- **EBITDAI:** $1,040 million - $1,100 million (from $1,120 million - $1,180 million)
- **Capital expenditure:** ~$415-$435 million (no change)
- **Total dividend per share:** 25.0 cents per share, 75% imputed (no change)

Authorised by:

Rodney Deacon
Finance Lead Partner – Investor Relations and Commercial

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Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Spark New Zealand Limited	
Reporting Period	6 months to 31 December 2024	
Previous Reporting Period	6 months to 31 December 2023	
Currency	NZD - New Zealand Dollar	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	NZD$1,939,000	(1.9%)
Total Revenue	NZD$1,939,000	(1.9%)
Net profit/(loss) from continuing operations	NZD$35,000	(77.7%)
Total net profit/(loss)	NZD$35,000	(77.7%)
Interim/Final Dividend		
Amount per Quoted Equity Security	NZD$0.12500000 (comprised only of an ordinary dividend)	
Imputed amount per Quoted Equity Security	NZD$0.03645833	
Record Date	21 March 2025	
Dividend Payment Date	4 April 2025	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	As at 31 December 2024: NZD$0.32	As at 31 December 2023: NZD$0.44
A brief explanation of any of the figures above necessary to enable the figures to be understood	Changes in Spark's earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) are provided in the addendum.	
Authority for this announcement		
Name of person authorised to make this announcement	Stewart Taylor, Chief Financial Officer	
Contact person for this announcement	Rodney Deacon, Finance Lead Partner – Investor Relations and Commercial	
Contact phone number	+64 21 631 074	
Contact email address	investor-info@spark.co.nz	
Date of release through MAP	21 February 2025	

Unaudited financial statements accompany this announcement.

Addendum:

	Amount (000s)	Percentage change
Reported earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (Reported EBITDAI)	NZD$419,000	(20.9%)
Adjusted[1] earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (Adjusted EBITDAI)	NZD$448,000	(15.5%)

[1] Adjusted earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) excludes the impact of the transformation costs associated with Spark's SPK-26 Operate Programme amounting to $29 million. EBITDAI and Adjusted EBITDAI are non-GAAP measures which are defined and reconciled in note 4 of Spark's interim financial statements.

Distribution Notice

Section 1: Issuer information				
Name of issuer	Spark New Zealand Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	SPK			
ISIN (If unknown, check on NZX website)	NZ TELE0001S4			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies	Yes		
Record date	21 March 2025 AUST, NZ & USA;			
Ex-Date (one business day before the Record Date)	20 March 2025 AUST & NZ; 21 March 2025 USA			
Payment date (and allotment date for DRP)	4 April 2025 AUST & NZ; 14 April 2025 USA			
Total monies associated with the distribution	NZD$230,511,640 (1,844,093,120 shares @ $0.125 per share)			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD – New Zealand Dollar			
Section 2: Distribution amounts per financial product				
Gross distribution	NZD$0.16145833			
Gross taxable amount	NZD$0.16145833			
Total cash distribution	NZD$0.12500000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	NZD$ 0.01654412			
Section 3: Imputation credits and Resident Withholding Tax				
Is the distribution imputed	~~Fully imputed~~			
	Partial imputation			
	~~No imputation~~			
If fully or partially imputed, please state imputation rate as % applied[1]	23%			
Imputation tax credits per financial product	NZD$0.03645833			

[1] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

Resident Withholding Tax per financial product	NZD$0.01682292	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	2%	
Start date and end date for determining market price for DRP	Start date: 20 March 2025	End date: 26 March 2025
Date strike price to be announced (if not available at this time)	26 March 2025	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	New Issue	
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	24 March 2025	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Stewart Taylor, Chief Financial Officer	
Contact person for this announcement	Rodney Deacon, Finance Lead Partner - Investor Relations and Commercial	
Contact phone number	+64 21 631 074	
Contact email address	investor-info@spark.co.nz	
Date of release through MAP	21 February 2025	

INTERIM FINANCIAL STATEMENTS

FY2025

Interim financial statements

For the six months ended 31 December 2024

These interim financial statements do not include all the notes and information normally included in the annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements for the year ended 30 June 2024.

Statement of profit or loss and other comprehensive income

SIX MONTHS ENDED 31 DECEMBER

	NOTES	2024 UNAUDITED $M	2023 UNAUDITED $M
Operating revenues and other gains		1,939	1,976
Operating expenses[1]		(1,520)	(1,446)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	4	419	530
Finance income		15	14
Finance expense		(75)	(63)
Depreciation and amortisation		(300)	(251)
Net investment income		–	(3)
Net earnings before income tax	3	59	227
Income tax expense[1]		(24)	(70)
Net earnings for the period	4	**35**	**157**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of long-term investments designated at fair value through other comprehensive income	5	(3)	(12)
Items that may be reclassified to profit or loss:			
Translation of foreign operations		–	(1)
Change in hedge reserves net of tax		(30)	(13)
Other comprehensive income for the period		(33)	(26)
Total comprehensive income for the period		**2**	**131**
Earnings per share			
Basic earnings per share (cents)		1.9	8.6
Diluted earnings per share (cents)		1.9	8.5
Weighted average ordinary shares (millions) - used for basic earnings per share		1,829	1,835
Dilutive potential ordinary share (options)		1	3
Weighted average ordinary shares and options (millions) - used for diluted earnings per share		1,830	1,838

See accompanying notes to the interim financial statements.

1 These balances have been impacted by the transformation costs associated with Spark's SPK-26 Operate Programme, see note 2 for further details.

Statement of financial position

	NOTES	AS AT 31 DECEMBER 2024 UNAUDITED $M	AS AT 30 JUNE 2024 AUDITED $M
Current assets			
Cash		100	59
Short-term receivables and prepayments		894	915
Short-term derivative assets		6	1
Inventories		113	89
Taxation recoverable		57	6
Assets classified as held for sale	2.1	256	–
Total current assets		**1,426**	**1,070**
Non-current assets			
Long-term receivables and prepayments		378	515
Long-term derivative assets		13	25
Long-term investments	5	132	206
Deferred tax assets		31	17
Right-of-use assets		575	487
Leased customer equipment assets		63	70
Property, plant and equipment		1,433	1,394
Intangible assets		847	851
Total non-current assets		**3,472**	**3,565**
Total assets		**4,898**	**4,635**
Current liabilities			
Short-term payables, accruals and provisions		581	550
Short-term derivative liabilities		1	–
Short-term lease liabilities		107	96
Debt due within one year	6	552	414
Liabilities classified as held for sale	2.1	6	–
Total current liabilities		**1,247**	**1,060**
Non-current liabilities			
Long-term payables, accruals and provisions		55	56
Long-term derivative liabilities		76	78
Long-term lease liabilities		777	646
Long-term debt	6	1,308	1,205
Total non-current liabilities		**2,216**	**1,985**
Total liabilities		**3,463**	**3,045**
Equity			
Share capital		906	810
Reserves		(447)	(414)
Retained earnings		976	1,194
Total equity		**1,435**	**1,590**
Total liabilities and equity		**4,898**	**4,635**

See accompanying notes to the interim financial statements.

On behalf of the Board

Justine Smyth, CNZM
Chair

Jolie Hodson, MNZM
Chief Executive

Authorised for issue on 21 February 2025

Statement of changes in equity

SIX MONTHS ENDED 31 DECEMBER 2024 UNAUDITED	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	SHARE-BASED COMPENSATION RESERVE $M	REVALUATION RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	TOTAL $M
Balance at 1 July 2024	**810**	**1,194**	**12**	**4**	**(407)**	**(23)**	**1,590**
Net earnings for the period	–	35	–	–	–	–	35
Other comprehensive income for the period	–	–	(30)	–	(3)	–	(33)
Total comprehensive income for the period	**–**	**35**	**(30)**	**–**	**(3)**	**–**	**2**
Contributions by, and distributions to, owners:							
Dividends	–	(254)	–	–	–	–	(254)
Supplementary dividends	–	(23)	–	–	–	–	(23)
Tax credit on supplementary dividends	–	23	–	–	–	–	23
Dividend reinvestment plan	94	–	–	–	–	–	94
Issuance of shares under share schemes	3	–	–	1	–	–	4
Other transfers	(1)	1	–	(1)	–	–	(1)
Total transactions with owners for the period	**96**	**(253)**	**–**	**–**	**–**	**–**	**(157)**
Balance at 31 December 2024	**906**	**976**	**(18)**	**4**	**(410)**	**(23)**	**1,435**

SIX MONTHS ENDED 31 DECEMBER 2023 UNAUDITED	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	SHARE-BASED COMPENSATION RESERVE $M	REVALUATION RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	TOTAL $M
Balance at 1 July 2023	**965**	**1,371**	**11**	**2**	**(387)**	**(22)**	**1,940**
Net earnings for the period	–	157	–	–	–	–	157
Other comprehensive income for the period	–	–	(13)	–	(12)	(1)	(26)
Total comprehensive income for the period	**–**	**157**	**(13)**	**–**	**(12)**	**(1)**	**131**
Contributions by, and distributions to, owners:							
Dividends	–	(249)	–	–	–	–	(249)
Supplementary dividends	–	(25)	–	–	–	–	(25)
Tax credit on supplementary dividends	–	25	–	–	–	–	25
Share buy-back	(159)	–	–	–	–	–	(159)
Issuance of shares under share schemes	4	–	–	1	–	–	5
Other transfers	–	1	–	(1)	–	–	–
Total transactions with owners for the period	**(155)**	**(248)**	**–**	**–**	**–**	**–**	**(403)**
Balance at 31 December 2023	**810**	**1,280**	**(2)**	**2**	**(399)**	**(23)**	**1,668**

Statement of cash flows

SIX MONTHS ENDED 31 DECEMBER

	NOTES	2024 UNAUDITED $M	2023 UNAUDITED $M
Cash flows from operating activities			
Receipts from customers		1,977	1,972
Receipts from interest		15	13
Payments to suppliers and employees		(1,566)	(1,519)
Payments for income tax		(78)	(101)
Payments for interest on debt		(46)	(31)
Payments for interest on leases		(24)	(23)
Payments for interest on leased customer equipment assets		(3)	(4)
Net cash flows from operating activities	7	**275**	**307**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2	14
Receipts from finance leases		–	1
Payments for purchase of business, net of cash acquired		**(2)**	(2)
Receipts from loans receivable		3	10
Payments for, and advances to, long-term investments		–	(1)
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum), and capacity		(228)	(347)
Payments for capitalised interest		(4)	(6)
Net cash flows from investing activities		**(229)**	**(331)**
Cash flows from financing activities			
Proceeds from debt		5,427	7,310
Repayments of debt		(5,237)	(6,821)
Payments for dividends		(160)	(249)
Payments for share buy-back		–	(159)
Receipts from lease incentive		22	–
Payments for leases		(44)	(38)
Payments for leased customer equipment assets		(11)	(20)
Net cash flows from financing activities		**(3)**	**23**
Net cash flows		**43**	**(1)**
Opening cash position		59	100
Closing cash position		**102**	**99**
Cash included in assets classified as held for sale	2.1	2	–
Cash		100	99
Closing cash position		**102**	**99**

See accompanying notes to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 About this report

Reporting entity

These unaudited interim financial statements are for Spark New Zealand Limited (the Company) and its subsidiaries (together Spark or 'the Group') for the six months ended 31 December 2024.

The Company is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

Basis of preparation

The interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*, as appropriate for profit-oriented entities.

The accounting policies adopted are consistent with those followed in the preparation of Spark's annual financial statements for the year ended 30 June 2024. The preparation of the interim financial statements requires management to make estimates and assumptions. Spark has been consistent in applying the estimates and assumptions adopted in the annual financial statements for the year ended 30 June 2024. Certain comparative information has been updated to conform with the current year's presentation.

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The only significant variances between instruments held at amortised cost and their fair value relate to long-term debt. There were no changes in valuation techniques during the period. Spark's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange prices. This represents a level two measurement under the fair value measurement hierarchy, being inputs other than quoted prices included within level one that are observable for the asset or liability. The fair value of receivables and prepayments are approximately equal to their carrying value.

As at 31 December 2024, capital expenditure amounting to $718 million (30 June 2024: $684 million) had been committed under contractual arrangements.

New and amended standards

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) will replace NZ IAS 1 *Presentation of Financial Statements* and may have a material impact on Spark's disclosures. NZ IFRS 18 has been issued but is not yet effective until periods commencing on or after 1 January 2027.

NZ IFRS 18 sets out the requirements for the presentation and disclosure of information in financial statements, and will not change net profit reported, but how results are presented on the statement of profit or loss and other comprehensive income and what information is disclosed in the notes. Spark is yet to determine the disclosure impacts of this standard and whether it will adopt it prior to the year ending 30 June 2028. The key changes of NZ IFRS 18 are expected to be:

- A more structured statement of profit or loss and other comprehensive income, including new subtotals, and income and expenses classified into three categories (operating, investing and financing).
- Non-GAAP, management performance measures are required to be disclosed in the financial statements and subject to audit.
- New disclosures are required for items currently labelled as 'other', with enhanced guidance on how to group information within the financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 2 Significant transactions and events for the current period

The following significant transactions and events affected the financial performance and financial position of Spark for the six month period to 31 December 2024 or subsequent to balance date:

Debt programme (see note 6)

- On 28 November 2024, Spark extended the term of its $100 million committed revolving sustainability linked loan (SLL) facility with Commonwealth Bank of Australia by three years, to mature on 30 November 2027. Spark's SLL has a dual focus on the Group's environmental and gender diversity performance. For the SLL extension, the gender representation target has been replaced with a median gender pay gap target. The environmental targets remain unchanged.
- On 28 November 2024, Spark established a NZ$100 million committed revolving facility with Commonwealth Bank of Australia, to mature on 28 May 2025.

Capital expenditure

- Spark's additions to property, plant and equipment, intangible assets (excluding spectrum) and capacity right–of–use assets were $252 million (31 December 2023: $286 million).

Dividends

- Dividends paid during the six month period ended 31 December 2024 in relation to the H2 FY24 second-half ordinary dividend of 14.0 cents per share totalled $254 million. Of this, $94 million was reinvested through the dividend reinvestment plan with the shares issued at a 3% discount to the prevailing market price around the time of issue. The dividends paid during the comparative six month period to 31 December 2023 in relation to the H2 FY23 second-half ordinary dividend of 13.5 cents per share totalled $249 million, with no shares offered under the dividend reinvestment plan.

Connexa (see note 2.1)

- On 12 December 2024, Spark announced the sale of its remaining stake (~17%) in mobile towers business Connexa to global investment group CDPQ, with final proceeds expected to be around $310 million and completion anticipated to occur in the third quarter of FY25. More details on the anticipated transaction are contained within note 2.1.

Transformation costs (see note 4)

- Transformation costs of $29 million were incurred in the implementation of Spark's SPK-26 Operate Programme. The objectives of this programme are to redesign the organisational operating model, drive labour and operating cost reductions. The costs incurred related to largely labour restructuring and advisory costs.

Note 2.1 Assets and liabilities classified as held for sale

Connexa

On 12 December 2024, Spark announced the sale of the remaining ~17% interest in Connexa to global investment group CDPQ, with final proceeds expected to be around $310 million. As at 31 December 2024, the assets associated with Connexa have been classified as held for sale.

All necessary regulatory conditions have been satisfied and the sale is expected to complete in the third quarter of FY25.

Other Transactions

On 20 December 2024, Spark signed a sale and purchase agreement for the sale of its subsidiary Digital Island which is expected to be completed in the third quarter of FY25. The sale excludes Digital Island's mobile services business which will be transferred to Spark after completion. As at 31 December 2024, the assets, excluding its mobile customer base, and liabilities associated with Digital Island have been classified as held for sale.

In July 2024, Spark bought back a Business Hub from the previous licensee. Spark intends to re-sell the hub and anticipates the Business Hub will be sold in the third quarter of FY25.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 2.1 Assets and liabilities classified as held for sale (continued)

The major classes of assets and liabilities classified as held for sale are as follows:

UNAUDITED	AS AT 31 DECEMBER 2024 $M
Cash	2
Short-term receivables and prepayments	4
Long-term receivables and prepayments	1
Long-term receivable[1]	171
Long-term investments[1]	65
Property, plant and equipment	1
Intangible assets	12
Total assets classified as held for sale	**256**
Short-term payables, accruals and provisions	6
Total liabilities classified as held for sale	**6**

1 These balances relate to the investment in Connexa and associated shareholder loans.

No gain or loss was recognised in the statement of profit or loss on classification of the above assets and liabilities to held for sale.

At the time these interim financial statements were authorised for issue the Connexa, Digital Island and Business Hub transactions had not yet completed.

Note 3 Segment information

The segment results disclosed are based on those reported to the Chief Executive and are how Spark reviews its performance. Spark's segments are measured based on product margin, which includes product operating revenues and direct product costs. The segment results exclude other gains, labour, other operating expenses, finance income and expense, depreciation and amortisation, net investment income and income tax expense, as these are assessed at an overall Group level by the Chief Executive.

Comparative segment results

Spark has made minor reclassifications of segment revenues and costs from IT products and IT services to data centres. There is no change to the overall Spark reported result because of these changes.

SIX MONTHS ENDED 31 DECEMBER	2024			2023		
UNAUDITED	OPERATING REVENUES $M	PRODUCT COSTS $M	PRODUCT MARGIN $M	OPERATING REVENUES $M	PRODUCT COSTS $M	PRODUCT MARGIN $M
Mobile	739	(251)	488	749	(253)	496
Procurement and partners	332	(307)	25	339	(315)	24
Broadband	302	(162)	140	309	(161)	148
IT products	264	(139)	125	261	(122)	139
Voice	78	(36)	42	94	(43)	51
IT services	72	(23)	49	80	(14)	66
High-tech	41	(19)	22	35	(13)	22
Data centres	25	(2)	23	22	(1)	21
Other products[1]	63	(26)	37	68	(22)	46
Segment results	**1,916**	**(965)**	**951**	**1,957**	**(944)**	**1,013**

1 Other products includes mobile infrastructure and exchange building sharing arrangements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 Segment information (continued)

Reconciliation from segment product margin to consolidated net earnings before income tax

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	2024 $M	2023 $M
Segment product margin	951	1,013
Other gains		
Gain on sale and acquisition of property, plant and equipment and intangibles	1	17
Gain on lease modifications and terminations	22	2
Labour[1]	(273)	(279)
Other operating expenses		
Network support costs	(52)	(40)
Computer costs	(74)	(52)
Accommodation costs	(48)	(48)
Advertising, promotions and communication	(31)	(33)
Bad debts	(10)	(7)
Other[1]	(67)	(43)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	**419**	**530**
Finance income		
Finance lease interest income	4	4
Other interest income	11	10
Finance expense		
Finance expense on debt	(41)	(33)
Lease interest expense	(25)	(24)
Leased customer equipment interest expense	(3)	(4)
Other interest and finance expenses	(10)	(8)
Capitalised interest	4	6
Depreciation and amortisation expense		
Depreciation – property, plant and equipment	(147)	(112)
Depreciation – right-of-use assets	(50)	(42)
Depreciation – leased customer equipment assets	(13)	(17)
Amortisation – intangible assets	(90)	(80)
Net investment income		
Share of associates' and joint ventures' net losses	(6)	(8)
Interest income on loans receivable from associates and joint ventures	6	6
Net loss on remeasurement of equity accounted investments	–	(1)
Net earnings before income tax	**59**	**227**

1 These balances have been impacted by the transformation costs associated with Spark's SPK-26 Operate Programme, see note 2 for further details.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 Non-GAAP measures

Spark uses non-GAAP financial measures that are not prepared in accordance with NZ IFRS. Spark believes that these non-GAAP financial measures provide useful information to readers to assist in the understanding of the financial performance, financial position or returns of Spark. These measures are also used internally to evaluate performance of products, to analyse trends in cash-based expenses, to establish operational goals and allocate resources. However, they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS, as they are not uniformly defined or utilised by all companies in New Zealand or the telecommunications industry.

Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)

Spark calculates EBITDAI by adding back finance expense, depreciation and amortisation and income tax expense, subtracting finance income and adjusting for net investment income (which includes Spark's share of net profits or losses from associates and joint ventures, interest income on loans receivable from associates and joint ventures, net loss on remeasurement of equity accounted investments and dividend income) to net earnings. A reconciliation of Spark's EBITDAI is provided below and based on amounts taken from, and consistent with, those presented in these interim financial statements.

SIX MONTHS ENDED 31 DECEMBER **UNAUDITED**	**2024** **$M**	**2023** **$M**
Net earnings for the period reported under NZ IFRS	35	157
Less: finance income	(15)	(14)
Add back: finance expense	75	63
Add back: depreciation and amortisation	300	251
Add back: net investment income	–	3
Add back: income tax expense	24	70
EBITDAI	**419**	**530**

Adjusted EBITDAI and adjusted net earnings

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes significant items (such as gains, expenses and impairments) individually greater than $25 million. In the six months ended 31 December 2024, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $29 million and were deemed significant to adjust.

SIX MONTHS ENDED 31 DECEMBER **UNAUDITED**	**NOTE**	**2024** **$M**	**2023** **$M**
EBITDAI		419	530
Add: transformation costs	2	29	–
Adjusted EBITDAI		**448**	**530**

SIX MONTHS ENDED 31 DECEMBER **UNAUDITED**	**2024** **$M**	**2023** **$M**
Net earnings for the period reported under NZ IFRS	35	157
Add: transformation costs	29	–
Less: tax effect on transformation costs	(8)	–
Adjusted net earnings	**56**	**157**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 Non-GAAP measures (continued)

Net debt

Net debt at hedged rates, the primary net debt measure Spark monitors, includes long-term debt at the value of hedged cash flows due to arise on maturity, plus debt due within one year, less any cash. Net debt at carrying value includes the non-cash impact of fair value hedge adjustments and any unamortised discount.

Net debt at hedged rates is a non-GAAP measure and is not defined in accordance with NZ IFRS but is a measure used by management. A reconciliation of net debt at hedged rates and net debt at carrying value is provided below:

	NOTE	AS AT 31 DECEMBER 2024 UNAUDITED $M	AS AT 30 JUNE 2024 AUDITED $M
Cash		(100)	(59)
Cash included in assets classified as held for sale	2.1	(2)	–
Debt due within one year at face value		560	418
Long-term debt at face value		1,335	1,267
Net debt at face value		**1,793**	**1,626**
To retranslate debt balances at swap rates where hedged by currency swaps		3	10
Net debt at hedged rates[1]		**1,796**	**1,636**
Non-cash adjustments			
Impact of fair value hedge adjustments[2]		9	9
Unamortised discount		(6)	(7)
Net debt at carrying value		**1,799**	**1,638**

1 Net debt at hedged rates is the value of hedged cash flows due to arise on maturity.

2 Fair value hedge adjustments arise on domestic notes in fair value hedges and foreign currency medium term notes in dual fair value and cash flow hedges. These have no impact on the cash flows to arise on maturity.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 5 Long-term investments

	MEASUREMENT BASIS	AS AT 31 DECEMBER 2024 UNAUDITED $M	AS AT 30 JUNE 2024 AUDITED $M
Shares in Hutchison	Fair value through other comprehensive income	38	41
Investment in associates and joint ventures	Equity method	90	161
Other long-term investments	Cost	4	4
		132	**206**

Spark holds a 10% interest in Hutchison Telecommunications Australia Limited (Hutchison), an ASX listed company. The fair value of this investment is determined using the observable bid price quoted on the ASX, categorized as level one in the fair value hierarchy. As at 31 December 2024, Hutchison's share price was AU$0.026 (30 June 2024: AU$0.028). The decrease in fair value of $3 million is recognised in other comprehensive income (31 December 2023: $12 million decrease).

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 31 December 2024 consists of the following:

NAME	TYPE	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Flok Limited	Associate	New Zealand	38%	Hardware and software development
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company for the Southern Cross Cables network
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company for the Southern Cross Cables network
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development

On 12 December 2024, Spark announced the sale of the remaining ~17% interest in FrodoCo Holdings Limited, the holding company for Connexa, to global investment group CDPQ. This investment in associate is classified as assets held for sale, see note 2.1 for further details.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt

	FACILITY	COUPON RATE	MATURITY	AS AT 31 DECEMBER 2024 UNAUDITED $M	AS AT 30 JUNE 2024 AUDITED $M
Debt due within one year					
Commercial paper		Variable	< 3 months	199	208
				199	**208**
Supplier financing arrangements[1]		Variable	< 30/06/2029	28	21
				28	**21**
Bank funding					
MUFG Bank, Ltd.[2]	125 million NZD	Variable	30/11/2025	125	–
Commonwealth Bank of Australia	100 million NZD	Variable	28/05/2025	100	–
Commonwealth Bank of Australia[2]	100 million NZD	Variable	30/11/2024	–	100
Bank of New Zealand	100 million NZD	Variable	30/05/2025	100	85
				325	**185**
Total debt due within one year				**552**	**414**
Long-term debt					
Supplier financing arrangements[1]		Variable	< 30/06/2029	46	49
				46	**49**
Bank funding					
Westpac New Zealand Limited[2]	200 million NZD	Variable	30/11/2026	94	–
Commonwealth Bank of Australia[2]	100 million NZD	Variable	28/11/2027	100	–
MUFG Bank, Ltd.[2]	125 million NZD	Variable	30/11/2025	–	125
				194	**125**
Domestic notes					
125 million NZD		3.94%	07/09/2026	123	117
100 million NZD[3]		4.37%	29/09/2028	100	100
125 million NZD		5.21%	18/09/2029	130	124
175 million NZD		5.45%	18/09/2031	182	174
				535	**515**
Foreign currency Medium Term Notes					
Australian Medium Term Notes – 100 million AUD		1.90%	05/06/2026	106	102
Australian Medium Term Notes – 150 million AUD		4.00%	20/10/2027	161	156
Australian Medium Term Notes – 125 million AUD		2.60%	18/03/2030	121	116
Norwegian Medium Term Notes – 1 billion NOK[4]		3.07%	19/03/2029	145	142
				533	**516**
Total long-term debt				**1,308**	**1,205**
Total debt				**1,860**	**1,619**

1 With respect to arrangements with outstanding liabilities at 31 December 2024, including those entered into in prior years, financing providers have paid suppliers a total of $106 million, Spark has accrued interest of $4m and made payments against these arrangements of $36 million, resulting in a closing liability of $74 million as at 31 December 2024 (30 June 2024: financers have paid suppliers $120 million, Spark has accrued interest of $4m and made payments against these arrangements of $54 million, resulting in a closing liability of $70 million). Amounts paid under these arrangements are presented in the statement of cash flows within financing activities.

2 These facilities are Sustainability-Linked Loans. Spark will receive lower interest rates for the next annual period if it achieves annual sustainability targets or pay higher rates on the loans for the next annual period if it falls short of these annual targets.

3 This bond is a Sustainability-Linked Bond. The bond includes an interest rate step up depending on the achievement of a sustainability target as at 30 June 2026.

4 Norwegian krone.

Changes in Spark's short-term and long-term financing are disclosed in note 2 of these interim financial statements.

The fair value of total debt based on market observable prices, was $1,878 million compared to a carrying value of $1,860 million as at 31 December 2024 (30 June 2024: fair value of $1,635 million compared to a carrying value of $1,619 million).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 7 Reconciliation of net earnings to net cash flows from operating activities

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	2024 $M	2023 $M
Net earnings for the period	35	157
Adjustments to reconcile net earnings to net cash flows from operating activities		
Depreciation and amortisation	300	251
Bad and doubtful accounts	11	8
Deferred income tax	(2)	2
Share of associates' and joint ventures' net losses	6	8
Interest income on loans receivable from associates and joint ventures	(6)	(6)
Net loss on remeasurement of equity accounted investments	–	1
Gain on sale and acquisition of property, plant and equipment and intangibles	(1)	(17)
Gain on lease modifications and terminations	(22)	(2)
Other	2	4
Changes in assets and liabilities net of effects of non-cash and investing and financing activities		
Movement in receivables and related items	(13)	(50)
Movement in inventories	(24)	(26)
Movement in current taxation	(51)	(33)
Movement in payables and related items	40	10
Net cash flows from operating activities	**275**	**307**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 8 Dividends

On 20 February 2025, the Board approved the payment of a first-half ordinary dividend of 12.5 cents per share or approximately $231 million. The dividend will be 75% imputed. In addition, supplementary dividends totalling approximately $15 million will be payable to shareholders who are not resident in New Zealand. In accordance with the Income Tax Act 2007, Spark will receive a tax credit from Inland Revenue equivalent to the amount of supplementary dividends paid.

	H1 FY25 ORDINARY DIVIDENDS
Dividends declared	
Ordinary shares	12.5 cents
American Depositary Shares[1]	35.64 US cents
Imputation	
Percentage imputed	75%
Imputation credits per share	3.6458 cents
Supplementary dividend per share[2]	1.6544 cents
'Ex' dividend dates	
New Zealand Stock Exchange	20/03/2025
Australian Securities Exchange	20/03/2025
American Depositary Shares	21/03/2025
Record dates	
New Zealand Stock Exchange	21/03/2025
Australian Securities Exchange	21/03/2025
American Depositary Shares	21/03/2025
Payment dates	
New Zealand and Australia	04/04/2025
American Depositary Shares	14/04/2025

1 Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs), are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon. For H1 FY25, these are based on the exchange rate at 18 February 2025 of NZ$1 to US$0.5702 and a ratio of five ordinary shares per one American Depositary Share. The actual exchange rate used for conversion is determined in the week prior to payment when the Bank of New York Mellon performs the physical currency conversion.

2 Supplementary dividends are paid to non-resident shareholders.

Dividend Reinvestment Plan

The dividend reinvestment plan has been retained for the H1 FY25 dividend. Shares issued under the dividend reinvestment plan will be issued at a 2% discount to the prevailing market price as determined around the time of issue. The last date for shareholders to elect to participate in the dividend reinvestment plan for the H1 FY25 dividend is 24 March 2025. Spark's Dividend Reinvestment Plan Offer Document and Participation Notice can be found on Spark's Investor Centre Website: **investors.sparknz.co.nz**

Deloitte.

Independent Auditor's Review Report to The Shareholders of Spark New Zealand Limited

Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of Spark New Zealand Limited ('the Company') and its subsidiaries ('the Group') on pages 3 to 16 which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for Spark New Zealand Limited in relation to the regulatory audit, other assurance related services (such as trustee reporting), compliance services and non-assurance services provided to the Corporate Taxpayer Group of which Spark New Zealand Limited is a member, along with a number of other organisations. These services have not impaired our independence as auditor of the Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Company and its subsidiaries and this matter has not impacted our independence. Also, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in the Group.

Directors' responsibilities for the interim financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim financial statements.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our engagement, for this report, or for the conclusions we have formed.

Deloitte Limited

Jason Stachurski, Partner
for Deloitte Limited

Auckland, New Zealand

21 February 2025

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KORA

Spark nz
hello tomorrow

Spark New Zealand

H1 FY25 Results Presentation

Jolie Hodson, Chief Executive Officer
Stewart Taylor, Chief Financial Officer

Disclaimer

This announcement may include forward-looking statements regarding future events and the future financial performance of Spark New Zealand. Such forward-looking statements are based on the beliefs of and assumptions made by management along with information currently available at the time such statements were made.

These forward-looking statements may be identified by words such as ‘guidance’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’, ‘plan’, ‘may’, ‘could’, ‘ambition’, ‘aspiration’ and similar expressions. Any statements in this announcement that are not historical facts are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Spark New Zealand’s control, and which may cause actual results to differ materially from those projected in the forward-looking statements contained in this announcement.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements are discussed herein and also include Spark New Zealand's anticipated growth strategies, Spark New Zealand's future results of operations and financial condition, economic conditions and the regulatory environment in New Zealand, competition in the markets in which Spark New Zealand operates, risks related to the sharing arrangements with Chorus, any impacts or risks to Spark’s anticipated growth strategies, future financial condition and operations, economic conditions or the regulatory environment in New Zealand arising from or otherwise with Covid, other factors or trends affecting the telecommunications industry generally and Spark New Zealand’s financial condition in particular and risks detailed in Spark New Zealand's filings with NZX and ASX. Except as required by law or the listing rules of the stock exchanges on which Spark New Zealand is listed, Spark New Zealand undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

H1 25 financial snapshot

$1,939m
1.9% decrease vs. H1 24
REVENUE[1]

$448m
15.5% decrease vs. H1 24
ADJUSTED EBITDAI[2][3]

$56m
64.3% decrease vs. H1 24
ADJUSTED NPAT[2][4]

$252m
11.9% decrease vs. H1 24
CAPEX[3]

$77m
67.4% increase vs. H1 24
FREE CASH FLOW

12.5 cps
1.0 cps decrease vs. H1 24
INTERIM DIVIDEND

$1,939m
1.9% decrease vs. H1 24
REPORTED REVENUE[1]

$419m
20.9% decrease vs. H1 24
REPORTED EBITDAI[3]

$35m
77.7% decrease vs. H1 24
REPORTED NPAT

[1] Operating revenues and other gains
[2] H1 25 EBITDAI is adjusted for the impact of $29 million of transformation costs incurred in the implementation of Spark's SPK-26 Operate Programme. There were no adjusting items in H1 24.
[3] Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's Annual Report.
[4] H1 25 NPAT adjusted for the SPK-26 transformation costs net of tax as described in note 2 of the interim financial statements

H1 25 results summary

Challenging conditions persist; decisive action being taken to improve performance, which is building momentum into H2

Tough operating environment impacted financial performance in H1

- Revenue of $1,939 million, down 1.9% YoY, driven by mobile services, IT services, and continued decline of legacy voice, and partially offset by growth in mobile devices, cloud, data centres, and IoT
- Adjusted EBITDAI[1] of $448 million, down 15.5% YoY, driven by lower IT services project activity, the mix shift from private to public cloud, and supplier cost inflation, and offset by lower labour costs
- Adjusted NPAT[2] of $56 million, down 64% YoY, driven by lower EBITDAI and higher depreciation and amortisation costs

Performance improvement plan focussed on sustained competitive advantage

- Focus on growing market leading position in telco core through new product development, campaign activity, and annual price reviews
- Portfolio simplification and review of non-core assets on track, with sale of remaining stake in Connexa[3] expected to realise ~$310 million in proceeds and a gain on sale of ~$66 million in reported EBITDAI on completion in Q3
- Significantly expanded SPK-26 Operate Programme on track to deliver $80m-$100m reduction in net labour and opex costs in-year (funded by non-recurring transformation charge of $45m-$50m, with $29m reported in H1 25 result) and $110m-$140m of annualised benefits by FY27
- Data centre build programme on track, progress made towards establishment of capital partnership to accelerate growth

Capital management

- Free cash flow increased 67% to $77 million YoY (and when including working capital and growth capex improved by $163 million), through disciplined capital expenditure (down 11.9% to $252 million in H1 25)
- Net debt to EBITDAI 2.3x at 31 December 2024, will improve in the near term by ~0.3x with the completion of the Connexa and Digital Island transactions
- H1 25 dividend of 12.5 cents per share, consistent with FY25 total dividend guidance of 25 cents per share, 75% imputed[4]

[1] H1 25 EBITDAI is adjusted for the impact of $29 million of transformation costs incurred in the implementation of Spark's SPK-26 Operate Programme. There were no adjusting items in H1 24.
[2] H1 25 NPAT adjusted for the SPK-26 transformation costs net of tax as described in note 2 of the interim financial statements
[3] All regulatory approvals required for the sale of Connexa stake have now been received
[4] Subject to no material adverse change in operating outlook

Strategic priorities

Clear focus on four strategic priorities to drive improved underlying performance and sustained competitive advantage over the longer-term

1. Market momentum in telco core

- Consumer mobile market leadership
- Enterprise and Government transformation

2. Simplified portfolio

- Review of non-core assets
- Enterprise and Government product portfolio simplification

3. Transformed cost base

- Leaner operating model
- Transformation of technology delivery model

4. Long-term value creation

- Data centre growth strategy
- Capital partnerships

1. Market momentum in telco core

Mobile performance predominantly impacted by cessation of insurance product in consumer, and reducing mobile fleets and price competition in business

$491m

3.7% decrease vs. H1 24

MOBILE SERVICE REVENUE

Consumer and SME	Enterprise and Government
2.3% decrease vs. H1 24	17.7% decrease vs. H1 24

Pay monthly connection growth continues, revenue impacted by insurance product change

- Connection acquisitions up 1.1% YoY
- ARPU mainly impacted by removal of mobile insurance from Spark-owned solution to third party

Spark gained revenue share in a contracting prepaid market

- Prepaid service revenue across the total market declined, while Spark's revenue share increased[1]
- Spark connections declined while ARPU increased, with ~70% of connection loss attributable to casual users with low/no spend
- Of these casual users, over 80% of connection loss was due to inactivity vs. port-outs to competitors

Spark overweight in segments with shrinking mobile fleets

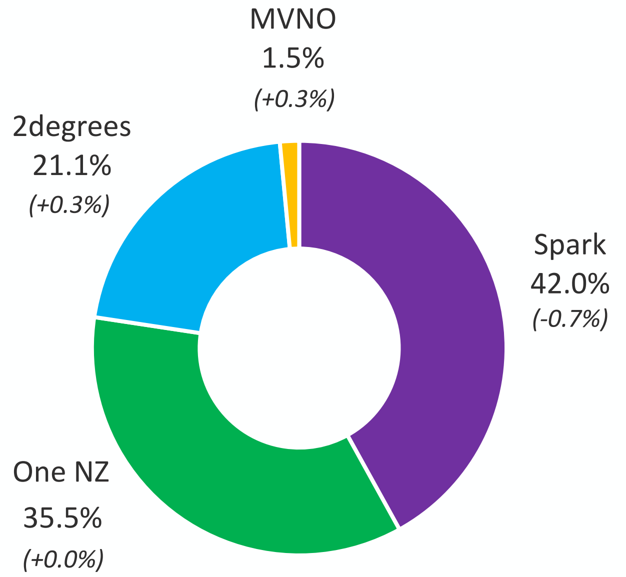
- Connections impacted in a market dominated by shrinking mobile fleets: ~80% of the 18k connection decline from H1 24 to H1 25 driven by Government and businesses reducing mobile fleets post headcount reductions or to deliver cost efficiencies

Aggressive competitor pricing

- ARPU and revenue share declined due to aggressive competitor pricing activity driving down value of contract re-signings and new business wins

TOTAL MOBILE MARKET PERFORMANCE[1]

- Total market service revenues broadly flat
- Lower insurance revenue contributed 0.2 percentage points of share reduction for Spark
- Maintained #1 position in mobile market share by service revenue and total connections



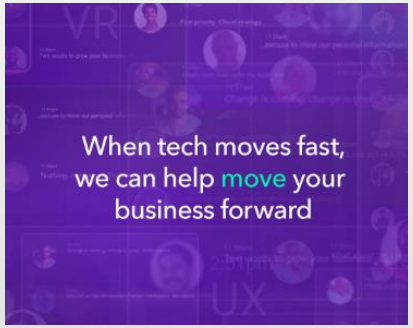
[1] All comparisons are market share estimates sourced from IDC as at 31 December 2024, comparing H1 FY25 to H2 FY24. Note IDC restated historical market share data at 30 September 2024.

1. Market momentum in telco core

Rolling calendar of new product development, campaign activity, and pricing driving consumer mobile momentum in H2

CONSUMER AND SME

- Pay monthly plan refresh (end Oct) introduced big data caps for customers, with positive impact on acquisition ARPU
- Strong customer response driving momentum into H2 – pay monthly acquisitions over November and December up 7% vs the same period in H1 24
- Prepaid plan refresh (Dec) improved competitive positioning, and early data shows uptick in acquisition
- Price increases across pay monthly and prepaid base in December offering more data for dollars, to deliver further benefits in H2



ENTERPRISE AND GOVERNMENT

- Mobile fleet shrinkage slowed during H1 to half the rate of H2 FY24
- New B2B brand campaign launched in January, targeting enterprise and government decision makers
- Focussed on retaining connection share through proactive re-signing and competitive bids, to enable future organic growth
- Mitigating ARPU impacts from aggressive competitor pricing through targeted bundling and enhanced service offerings

NETWORK LEADERSHIP

- Continue to allocate capital to areas of highest value return, with 45% of capex invested into mobile network, supporting network performance and product innovation
- Spark awarded #1 mobile network for coverage and reliability by Open Signal in September 2024
- Spark has entered a new partnership with another US-based satellite provider to offer customers satellite-to-mobile services from early 2026

1. Market momentum in telco core

Macro-economic conditions continue to impact broadband and IT, while IoT growth remains strong

$302m

2.3% decrease vs. H1 24

BROADBAND REVENUE

Broadband market is mature and commoditised, with consistent lower levels of overall market growth

Spark strategy remains focussed on margin improvement as fibre company costs are passed through and WBB addressable base expands through 5G. WBB now ~32% of base

Cost of living pressures saw customers trade down to lower priced plans and drove intensified price-driven competition, resulting in connection share reduction of 0.7% points

$336m

1.5% decrease vs. H1 24

TOTAL IT REVENUE[1]

IT products revenue grew 1.1% to $264m, driven by cloud (up 8.3%). Mix shift from private to public drove a 10% margin reduction – private cloud price increase to support H2 improvement

Reduced project activity within government and business sectors continued to impact IT services demand, with revenues down 10% to $72m

New strategic partnerships to support cloud economics as mix shifts from private to public[2]

$41m

17.1% increase vs. H1 24

HIGH-TECH REVENUE

IoT continues to see strong growth with revenues up 25%

IoT connections increased 25% to over 2.2 million

[1] IT Products and Services revenue and costs have been restated in prior periods due to a product mapping change with the Data Centres business
[2] See page 11 for more details

2. Simplified portfolio

Review of non-core assets and portfolio simplification supporting focus on telco core, while further strengthening balance sheet

Non-core asset review

- On 12 December 2024 Spark announced the sale of its remaining 17% stake of mobile towers business Connexa to CDPQ, with all regulatory approvals required now received
- Spark now expects proceeds of ~$310 million[1] and an expected gain on sale of ~$66 million in reported EBITDAI on completion in Q3
- Continuing to progress broader asset portfolio review to identify further opportunities to realise value in the medium term

Product portfolio simplification

- Enterprise and Government (E&G) operating model transformation completed, with subsidiaries integrated into Spark
- Product portfolio rationalisation underway to simplify and improve customer experiences
- Focus on legacy migration in managed networks and data, voice, and collaboration, with ~30% of products in security service lines to be exited by end FY25
- Reviewing focus for service management based on evolving demand and margin profiles
- Sale of Digital Island (excluding mobile) will further support focus on telco core in E&G

[1] The final sale price is subject to an adjustment based on movements in working capital and capital expenditure

3. Transformed cost base

Significantly expanded SPK-26 Operate Programme to deliver a materially leaner, more competitive business

Operating Model

- Significant progress made to improve operating model effectiveness and efficiency across the business
- Enterprise and Government transformation complete, with subsidiary businesses integrated into Spark
- ~900 FTE reduction at 31 December 2024, including changes made during FY24
- Broader operating model changes underway in H2 25 to focus resources on refreshed strategic priorities and momentum in core

Tech Delivery Model

- Significant transformation of technology and network operations underway, leveraging several strategic partnerships for global scale, capability, and accelerated AI and automation – delivering better customer outcomes and material cost savings (see slide 11)

Scale AI

- Investment in AI and automation supporting better customer outcomes and reduced cost to serve
- Spark developed ‘Bravety’, an AI capability for contact centres, which summarises customer calls within 5 seconds – enabling frontline teams to focus on customer interactions and reducing call handling times and costs

3. Transformed cost base

Significant transformation of technology and network operations, leveraging several strategic partnerships

New technology delivery model

- Moving to best-practice global model for technology delivery
- Common structure utilised by telcos in offshore markets
- Establishing several strategic partnerships across IT and networks

Benefits

- **Leveraging global investment**
  - Access to partners' global scale, capability, and innovation
  - Accelerated AI and automation benefits, delivering better customer outcomes at lower cost
- **Improved cost efficiency**
  - ~20% overall average cost efficiency
- **Long-term sustainable benefits**
  - Long-term contracts and competitive partner market supports longer-term cost control
  - Spark to retain overall strategic decision making and components of competitive advantage – i.e. critical operations, intellectual property, systems

Progress

- **IT infrastructure and services partnership**
  - Finalising new partnership that will deliver accelerated automation and efficiencies and a significant reduction in annualised IT costs
- **Cloud partnership**
  - Strategic partnership with Microsoft to further modernise Spark's hybrid cloud environment and accelerate AI strategy, improving Spark's overall cloud economics
- **Network partnership**
  - Heads of Agreement signed to explore network operations partnership that accelerates AI and automation, delivers greater efficiency, and enables access to global capability and innovation. Further detail to be shared in coming months

3. Transformed cost base

Significantly expanded SPK-26 Operate Programme will deliver materially higher benefits over the next three years

FY25 benefits

1. In-year benefits
- Net labour and opex reduction expected to deliver $80m-$100m
  - $50m labour target exceeded
  - Cost benefits of the technology delivery model are heavily weighted to H2 and are expected to bring opex in line with FY24

2. Annualised net benefits
- Additional annualised net labour and opex reduction benefits as a result of initiatives put in place in FY25
- Total annualised benefits exiting FY25 is $90m-$110m

3. Transformation costs
- Non-recurring transformation charge of $45m-$50m to achieve these ongoing savings ($29m reported in H1 25 result)

FY26-27 benefits

4. Annualised benefits
- Additional $20m-$30m annualised net labour and opex cost reduction anticipated from FY26-FY27

Total benefits of expanded SPK-26 Operate Programme:

$110m-$140m of annualised benefits[1] by FY27

[1] Subject to no material adverse change in operating outlook

4. Long term value creation

Data centre business continues to build momentum as capacity delivered in previous periods increases billing

$25m[1]

13.6% increase vs. H1 24

DATA CENTRES REVENUE

Gross margin of $23m up 9.5% vs. H1 24 continued the growth trend

Capital expenditure of $14m in H1 25 – capex in FY26 expected to increase significantly as land purchases are settled and next stage capacity construction commences

Despite subdued economic environment, contracted utilisation of dedicated data centres was 87%[3]

H1 25 performance on track

- Revenue and EBITDAI growth reflect increased billing of current capacity (22MW) and increased pass through of electricity costs
- Expansion of additional 1MW at Aotea site on target, settlement of land for North Shore data centre targeted for FY26

Longer-term growth strategy progressing

- Increased demand for data centre capacity continues to be driven by ongoing cloud adoption and acceleration of AI
- Spark a significant player in the market, with existing international cloud / content provider contracts and local capability a compelling proposition to customers and complementary to core business
- Remain committed to building out the 118+MW development pipeline, and continuing to target an IRR of c10-15%[2]
- Spark has commenced a process to explore interest from prospective partners in a preferred investment vehicle, to support future investment of $1bn+ and accelerate growth opportunity
- Advanced progress establishing a dedicated data centre business in preparation for external investment
- Intention remains to retain an ownership stake to create long-term shareholder value

[1] Data Centres revenue and costs have been restated in prior periods due to a product mapping change with IT Products and Services categories
[2] Unlevered, post-tax IRR
[3] Includes contracted and reserved racks at dedicated data centres and exchanges

4. Long term value creation

Total planned capacity of ~140 MW with 118+ MW[1] development pipeline in Auckland

Existing operational capacity (MW)[1]

Future potential capacity (MW)[1]

All development land owned or under agreement

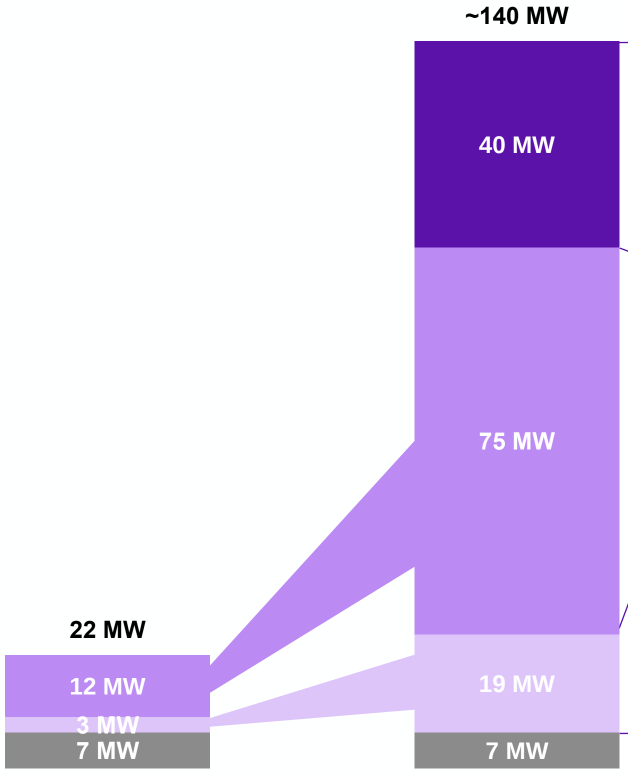
Advanced plans with utility providers for initial power supply at Takanini and North Shore and strategy for long term scaled capacity

Existing sites

Takanini Campus

Aotea Campus

Regional / metro



North Shore Campus (~4 ha)[2]

40 MW development capacity

- New greenfield site. Part of a world first sustainable development
- Resource Consent granted 2024 under NZ Fast Track process

Takanini Campus (~5 ha)[3]

63 MW development capacity

- New builds designed for sustainability
- Provisioned for high density AI

Aotea Campus

1 MW under construction

15 MW development capacity

- Strategically sought after site due to customer ecosystem and location

Regional / metro sites

Potential for future development in other regional / metro locations (e.g. Wellington and Christchurch)

[1] Refers to total power load;

[2] 4.0 ha of development land under unconditional agreement with settlement expected in July 2025

[3] 2.4 ha of existing land owned and ~2.6 ha of development land under agreement with settlement expected in July 2025

Toitū sustainability performance

Continued focus on maturing ESG practices and maintained inclusion in Dow Jones Best-In-Class Index (Australasia)

ECONOMIC TRANSFORMATION

5G connectivity now live in 121 locations across New Zealand

70% increase in 5G traffic over the last 12 months, with 45% of devices on the Spark network now 5G capable

DIGITAL EQUITY

Not-for-profit broadband product, Skinny Jump, now supporting over 33,000 households in need

Tūrama Pathways internship programme launched – to grow participation and progression of under-represented communities in technology

SUSTAINABLE SPARK

Spark awarded the 2024 Deloitte Top 200 Sustainability Leadership award

Renewable Energy Partnership with Genesis commenced on January 1, and will support future scope 2 emissions reductions

Financial summary

H1 25 financial summary

	REPORTED[1] H1 24 $m	REPORTED H1 25 $m	CHANGE	ADJUSTED H1 25 $m	CHANGE
Operating revenues and other gains	1,976	1,939	(1.9%)	1,939	(1.9%)
Operating expenses	(1,446)	(1,520)	(5.1%)	(1,491)	(3.1%)
EBITDAI	530	419	(20.9%)	448	(15.5%)
Finance income	14	15	7.1%	15	7.1%
Finance expense	(63)	(75)	(19.0%)	(75)	(19.0%)
Depreciation and amortisation	(251)	(300)	(19.5%)	(300)	(19.5%)
Net investment income	(3)	-	100.0%	-	100.0%
Net earnings before tax expense	227	59	(74.0%)	88	(61.2%)
Tax expense	(70)	(24)	65.7%	(32)	54.3%
Net earnings after tax expense	157	35	(77.7%)	56	(64.3%)
Capital expenditure	286	252	(11.9%)	252	(11.9%)
Free cash flow	46	77	67.4%	77	67.4%
EBITDAI margin	26.8%	21.6%	(5.2pp)	23.1%	(3.7pp)
Effective tax rate	30.8%	40.7%	9.9pp	36.4%	5.6pp
Capital expenditure to operating revenues and other gains	14.5%	13.0%	(1.5pp)	13.0%	(1.5pp)
Basic earnings per share (cents)	8.6	1.9	(77.9%)	3.1	(64.0%)
Total dividend per share (cents)	13.5	12.5	(7.4%)	12.5	(7.4%)

[1] Both the H1 25 reported and adjusted figures are compared to the H1 24 reported figures as there were no adjustments to the H1 24 financial results

Revenue and opex performance summary

Lower revenue driven by challenging market conditions, while higher operating costs driven by supplier cost inflation, with labour cost benefits to fall predominantly in H2

$1,939m

1.9% decrease vs. H1 24

REVENUE

- Mobile service revenue decreased $19m (3.7%) predominantly due to the cessation of a Spark-owned mobile insurance product in consumer, and reducing mobile fleets and price competition in Enterprise and Government
- Mobile non-service revenue increased $9m (3.8%) due to increased device spend in retail following new product releases
- Broadband revenue decreased $7m (2.3%) due to connection decline as price competition intensified in a subdued spending environment
- Legacy voice revenue declined $16m (17.0%) in line with long-term trend
- IT product revenue growth continued, increasing $3m (1.1%), driven by growing public cloud adoption
- IT services revenue decreased $8m (10.0%) due to reduced project activity within government and business sector
- High tech revenues increased $6m (17.1%) driven mainly by IoT connection growth
- Data centres revenues increased $3m (13.6%) driven mainly by billing increased capacity

$1,491m

3.1% increase vs. H1 24

ADJUSTED OPERATING EXPENSES

- Product costs increased $21m (2.2%), through a combination of cost inflation of sourced products and the mix of products sold
  - Higher IT product costs (+$17m) and IT services costs (+$9m) offset by lower voice product costs (-$7m) and procurement (-$8m)
- Other operating expenses increased $32m (14.3%), driven by supplier cost inflation within computer and network cost lines[1]
- Net labour costs decreased $8m (2.9%) reflecting operating model changes, with significant further benefits to be realised in H2 25

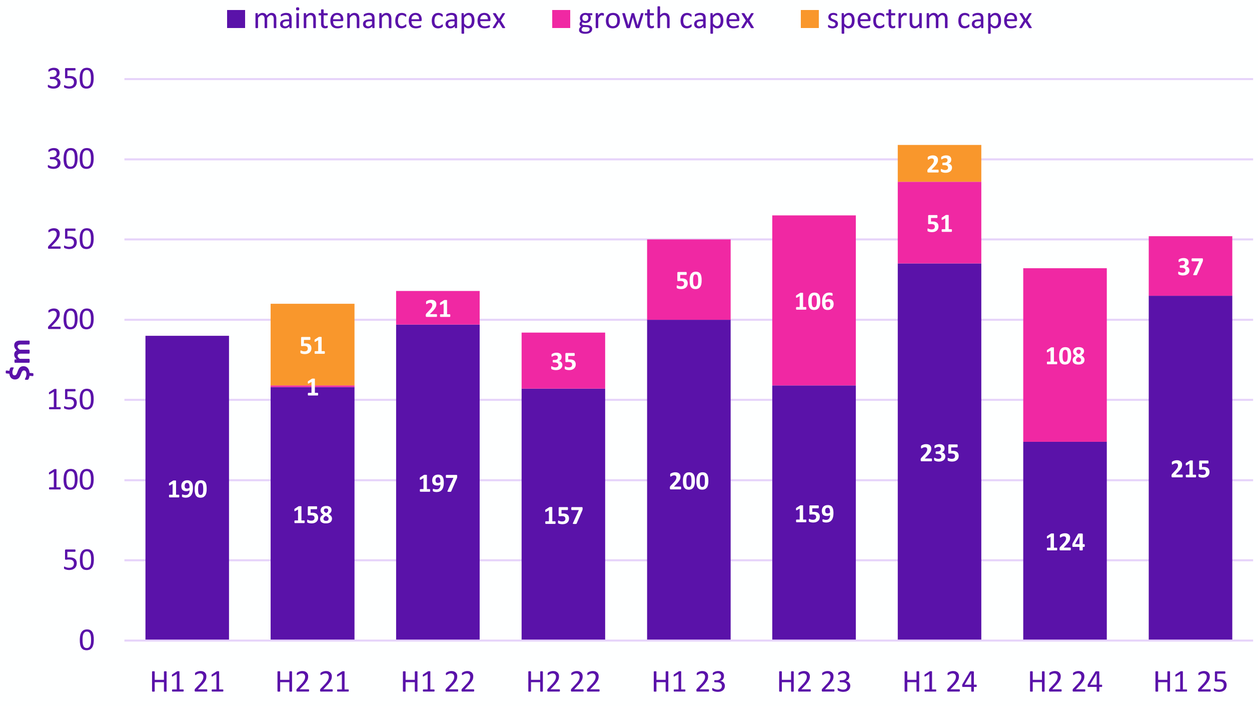
[1] Refer to page 12 for discussion on network partnership work and related benefits

Capital expenditure

Disciplined management of capital expenditure, focussed on telco core and data centre growth strategy

- H1 25 capital investment of $252m, or 13.0% of revenue, reflects a reduction in spend across both maintenance and growth capex projects compared to H1 24 of $286m
- Focus of spend continues to be on digital infrastructure and mobile network to support operational performance and data centre growth strategy
- H2 maintenance capital expenditure is seasonally lower than H1 and underpins capex guidance of ~$415m-$435m[1]

Spark NZ Capex Profile



[1] Subject to no material adverse change in operating outlook

Free cash flow

Significant improvement in H1 25 FCF through disciplined capital expenditure and changes in working capital

- Free cash flow (FCF) increased 67% to $77 million in H1 25 versus H1 24
- FCF including working capital and growth capex increased by $163 million due to:
  - A $97 million release in cash from working capital – some of this is timing of payables around the half year end which will unwind in H2 25
  - Discipline around capital expenditure on both maintenance and growth projects that led to a $127 million improvement in cash flows
- There is still more work that can be done to further improve delivery of free cash flow outside of an improvement in EBITDAI
- FY25 free cash flow aspiration now ~$300m-$340m[1] due to change in EBITDAI guidance

Free cash flow calculation	H1 FY24 ($m)	H1 FY25 ($m)	Change ($m)	Change %
Reported EBITDAI	530	419	(111)	(20.9%)
Less adjusting items and non-cash gains	20	(6)	(26)	(130.0%)
EBITDAI for free cash flow	510	425	(85)	(16.7%)
Less				
Cash paid on maintenance capital expenditure	261	169	(92)	(35.2%)
Cash paid on interest	45	58	13	28.9%
Cash paid on tax payments	101	78	(23)	(22.8%)
Cash paid on leases	57	43	(14)	(24.6%)
Total cash payments on items above	464	348	(116)	(25.0%)
Free cash flow	**46**	**77**	**31**	**67.4%**
Total change in working capital - increase/(decrease)	73	(24)	(97)	NM
Cash paid on growth capital expenditure	92	57	(35)	(38.0%)
Free cash flow (including working capital and growth cash capex)	**(119)**	**44**	**163**	**NM**

[1] Subject to no material adverse change in operating outlook

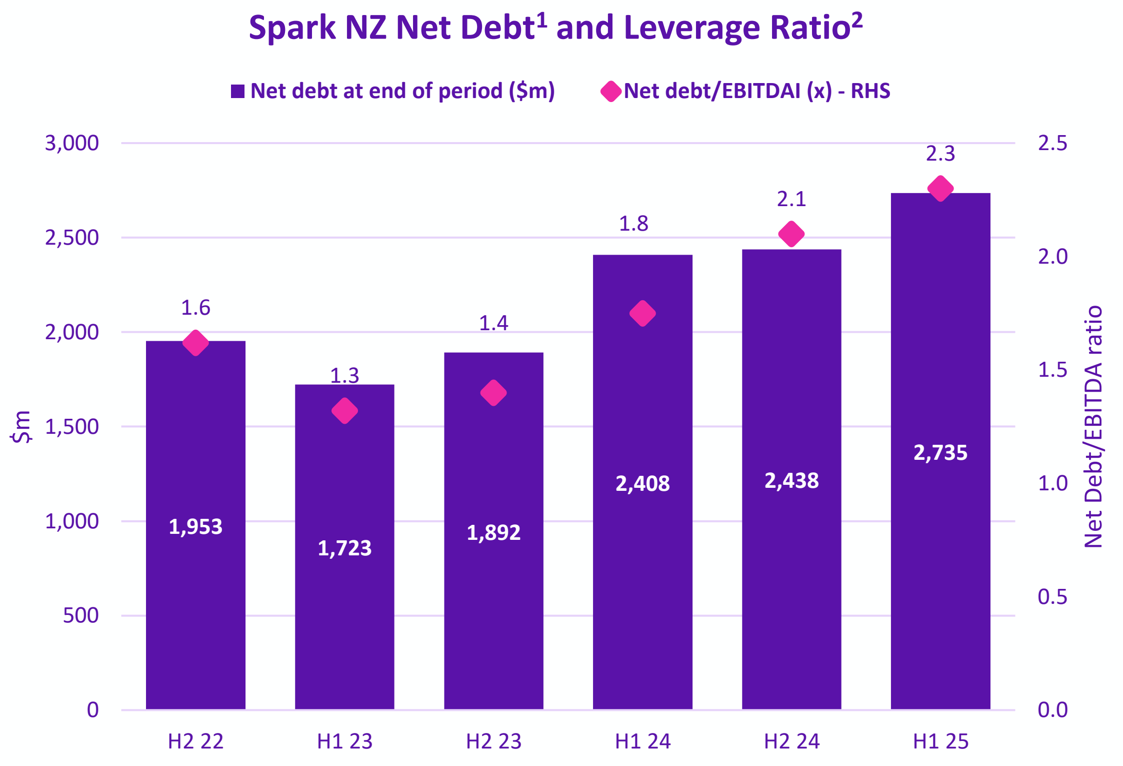
Debt and capital management

Net debt will reduce with progress on sale of non-core assets and improvement in EBITDAI

Net Debt[1] at 31 December increased by $297m to $2,735m

- Net Debt/EBITDAI will improve in the near term by ~0.3x with the completion of the Connexa and Digital Island transactions
- Further improvement in debt metrics expected with continued discipline around capital expenditure and progress on cost reduction programme
- Key driver of increased net debt is the increase in lease liabilities

H1 25 dividend of 12.5 cps[3]



[1]Net debt at hedged rates and including lease liabilities. Prior historical periods restated for the additional leaseback liability on customer leases
[2]Leverage Ratio is calculated to be consistent with S&P Global Ratings analysis
[3]A Dividend Reinvestment Plan will operate for the H1 25 dividend with shares issued at a 2% discount

Outlook

FY25 indicators of success

An update to FY25 KPIs (to June 2025) presented earlier in FY25

Measure	August 2024	October 2024 Trading Update	H1 25 Update[1]
Mobile service revenue growth	~3%	~0%	• Total market mobile service revenues were flat in H1 25 vs IDC forecast of 3% growth in FY25[2] • In Enterprise and Government division, aggressive price competition continues, with business sector spending remaining subdued in H2 • In this context, now expect total mobile service revenue to decline ~1% YoY in FY25 (including a largely flat performance in Consumer and SME, and further declines in Enterprise and Government)
Data centre revenue growth	~15%	~15%	• Remains on track
High-tech revenue growth	~20%-25%	~20%-25%	• Remains on track
SPK-26 Operate Programme:		• On track to deliver net labour cost reduction target in year • Work continues towards net opex target • Intend to expand Operate Programme to deliver materially higher cost reductions over multiple years	• Net labour and opex reduction expected to deliver $80m-$100m in-year • Total benefits of expanded SPK-26 Operate Programme forecast to deliver $110m-$140m of annualised benefits by FY27
Net labour reduction	~$50m		
Net opex reductions	~$30m		
Customer iNPS	+3 points	+3 points	• Remains on track
Lift in employee engagement	+3 points	+3 points	• Expected impact from changes to operating model
Reduce Scope 1 and Scope 2 GHG emissions in line with SBTi reduction target pathway	At or under 28% below FY20 baseline	At or under 28% below FY20 baseline	• Winter energy crisis has driven grid emissions factor higher, meaning we are tracking above our emissions reduction pathway for FY25. Performance is expected to improve in FY26 as Spark benefits from the first full year of its renewable energy partnership

[1] Subject to no material adverse change in operating outlook
[2] Revenue market share data is sourced from IDC as at 31 December 2024

FY25 guidance[1]

The primary driver of the change in EBITDAI guidance is the Enterprise and Government division, which has been impacted by:

- IT spending cuts across corporates and Government entities;
- Changes in product mix; and
- Aggressive price competition in mobile.

	FY24 Actual	FY25 Guidance *October update*	New FY25 Guidance
EBITDAI[2]	\$1,163m	\$1,120m-\$1,180m	\$1,040m-\$1,100m
Capital expenditure[3]	\$518m	~\$415m-\$435m	~\$415m-\$435m
Dividend per share	Total 27.5 cps (100% imputed)	Total 25.0 cps (75% imputed)	Total 25.0 cps (75% imputed)

[1] Subject to no material adverse change in operating outlook
[2] EBITDAI is adjusted for the impact of transformation costs incurred in the implementation of Spark's SPK-26 Operate Programme
[3] Total capital expenditure including growth capex and excluding expenditure on mobile spectrum

Appendix

FY25 net debt metrics

Net debt	H1 FY24 ($m)	FY24 ($m)	H1 FY25 ($m)
Net debt at hedged rates	$1,557	$1,636	$1,796
Net debt at hedged rates including lease liabilities[1]	$2,408	$2,438	$2,735
Debt ratios			
Borrowing costs (annualised)	5.9%	6.1%	5.7%
Weighted average debt maturity (years)	3.2 years	3.7 years	3.1 years
Debt servicing[2]	1.8x	2.1x	2.3x
Gearing	59%	60%	66%
Interest cover	10x	9x	7x

[1] Prior historical periods restated for the additional leaseback liability on customer leases
[2] Debt servicing is calculated as (Net debt at hedge rates including lease liabilities - captive finance adjustments)/(Adjusted EBITDAI - captive finance adjustments) which Spark estimates aligns to S&P's credit rating calculation.

Spark New Zealand

Group result - reported

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Operating revenues and other gains	2,534	1,957	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)
Operating expenses	(1,492)	(1,277)	(1,446)	(1,252)	(1,520)	(1,446)	(1,520)	(74)	(5.1%)
EBITDAI	**1,042**	**680**	**530**	**633**	**419**	**530**	**419**	**(111)**	**(20.9%)**
Finance income	16	16	14	16	15	14	15	1	7.1%
Finance expense	(43)	(56)	(63)	(81)	(75)	(63)	(75)	(12)	(19.0%)
Depreciation and amortisation	(248)	(256)	(251)	(276)	(300)	(251)	(300)	(49)	(19.5%)
Net investment income	(1)	2	(3)	(5)	-	(3)	-	3	100.0%
Net earnings before income tax	**766**	**386**	**227**	**287**	**59**	**227**	**59**	**(168)**	**(74.0%)**
Tax income / (expense)	99	(116)	(70)	(128)	(24)	(70)	(24)	46	65.7%
Net earnings for the period	**865**	**270**	**157**	**159**	**35**	**157**	**35**	**(122)**	**(77.7%)**
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(286)	(252)	34	11.9%
Free cash flows excluding spectrum	115	374	46	284	77	46	77	31	67.4%
Reported EBITDAI margin	41.1%	34.7%	26.8%	33.6%	21.6%	26.8%	21.6%	(5.2pp)	
Reported effective tax rate	(12.9%)	30.1%	30.8%	44.6%	40.7%	30.8%	40.7%	9.9pp	
Capital expenditure to operating revenues and other gains	(9.9%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Reported basic earnings per share (cents)	46.2	14.5	8.6	8.8	1.9	8.6	1.9	(6.7)	(77.9%)
Reported diluted earnings per share (cents)	46.1	14.5	8.5	8.9	1.9	8.5	1.9	(6.6)	(77.6%)

Group result - adjusted

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes significant items (such as gains, expenses, and impairments) individually greater than $25 million. In the 6 months ended 31 December 2024, transformation costs of $29m relating to the SPK-26 Operate Programme were deemed significant items to adjust.

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,446)	(1,491)	(45)	(3.1%)
Adjusted EBITDAI	**510**	**683**	**530**	**633**	**448**	**530**	**448**	**(82)**	**(15.5%)**
Finance income	16	16	14	16	15	14	15	1	7.1%
Finance expense	(43)	(56)	(63)	(81)	(75)	(63)	(75)	(12)	(19.0%)
Depreciation and amortisation	(248)	(256)	(251)	(276)	(300)	(251)	(300)	(49)	(19.5%)
Adjusted net investment income	(1)	(3)	(3)	(5)	-	(3)	-	3	100.0%
Adjusted net earnings before income tax	**234**	**384**	**227**	**287**	**88**	**227**	**88**	**(139)**	**(61.2%)**
Adjusted income tax expense	(69)	(116)	(70)	(102)	(32)	(70)	(32)	38	54.3%
Adjusted net earnings for the period	**165**	**268**	**157**	**185**	**56**	**157**	**56**	**(101)**	**(64.3%)**
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(286)	(252)	34	11.9%
Free cash flows excluding spectrum	115	374	46	284	77	46	77	31	67.4%
Adjusted EBITDAI margin	26.2%	34.9%	26.8%	33.6%	23.1%	26.8%	23.1%	(3.7pp)	
Adjusted effective tax rate	29.5%	30.2%	30.8%	35.5%	36.4%	30.8%	36.4%	5.6pp	
Capital expenditure to adjusted operating revenues and other gains	(12.8%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Adjusted basic earnings per share (cents)	8.8	14.4	8.6	10.1	3.1	8.6	3.1	(5.5)	(64.0%)
Adjusted diluted earnings per share (cents)	8.8	14.3	8.5	10.2	3.1	8.5	3.1	(5.4)	(63.5%)

Gross margin by product

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Mobile	477	507	496	494	488	496	488	(8)	(1.6%)
Voice	71	62	51	48	42	51	42	(9)	(17.6%)
Broadband	149	149	148	140	140	148	140	(8)	(5.4%)
IT products	136	143	139	136	125	139	125	(14)	(10.1%)
IT services[1]	73	80	66	48	49	66	49	(17)	(25.8%)
Procurement and partners	27	40	24	41	25	24	25	1	4.2%
Data Centres[1]	16	14	21	22	23	21	23	2	9.5%
High-Tech	23	23	22	23	22	22	22	-	-%
Other products	25	58	46	45	37	46	37	(9)	(19.6%)
Total product gross margin	997	1,076	1,013	997	951	1,013	951	(62)	(6.1%)
Other gains	588	28	19	83	23	19	23	4	21.1%
Total gross margin	1,585	1,104	1,032	1,080	974	1,032	974	(58)	(5.6%)

[1]Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

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Connections

	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24 000's	%
Mobile connections[1]	2,616	2,707	2,760	2,715	2,650	2,760	2,650	(110)	(4.0%)
Voice connections by type[2]									
POTS and ISDN[2]	112	91	69	59	49	69	49	(20)	(29.0%)
VoIP	60	59	53	51	48	53	48	(5)	(9.4%)
Voice over wireless	14	8	8	6	6	8	6	(2)	(25.0%)
	186	158	130	116	103	130	103	(27)	(20.8%)
Broadband connections by technology									
Copper	79	64	54	43	36	54	36	(18)	(33.3%)
Fibre	423	426	427	428	424	427	424	(3)	(0.7%)
Wireless	202	209	214	216	218	214	218	4	1.9%
	704	699	695	687	678	695	678	(17)	(2.4%)
IoT connections	1,160	1,461	1,799	2,048	2,250	1,799	2,250	451	25.1%

[1]Mobile connections excluding MVNO connections but including legacy machine to machine and SIM based SmartWatch connections.

[2]Voice connections include all voice technology types, including POTS, ISDN, VoIP and wireless voice. Voice connections exclude connections where Spark also provide a bundled broadband service, but include all wholesale voice connections (including those where the underlying customer has a bundled broadband service).

Group FTEs

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
FTE permanent	4,976	5,189	5,356	5,072	4,456	5,356	4,456	(900)	(16.8%)
FTE contractors	182	143	97	70	94	97	94	(3)	(3.1%)
Total FTE	5,158	5,332	5,453	5,142	4,550	5,453	4,550	(903)	(16.6%)

Declared Dividends

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
Ordinary dividends (cents per share)	13.50	13.50	13.50	14.00	12.50	13.50	12.50	(1.00)	(7.4%)
Total dividend (cents per share)	13.50	13.50	13.50	14.00	12.50	13.50	12.50	(1.00)	(7.4%)

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Group operating revenues and other gains

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Telco									
Mobile									
Service revenue	480	500	510	500	491	510	491	(19)	(3.7%)
Non-service revenue	252	238	239	225	248	239	248	9	3.8%
Mobile	732	738	749	725	739	749	739	(10)	(1.3%)
Voice	122	109	94	86	78	94	78	(16)	(17.0%)
Broadband[1]	313	313	309	304	302	309	302	(7)	(2.3%)
Total Telco	1,167	1,160	1,152	1,115	1,119	1,152	1,119	(33)	(2.9%)
IT Revenue									
IT Products									
Cloud[2]	105	103	109	116	118	109	118	9	8.3%
Managed data and networks	110	112	112	111	102	112	102	(10)	(8.9%)
Collaboration	39	40	40	40	44	40	44	4	10.0%
IT Products	254	255	261	267	264	261	264	3	1.1%
IT Services[2]	87	99	80	76	72	80	72	(8)	(10.0%)
Total IT revenue	341	354	341	343	336	341	336	(5)	(1.5%)
Procurement and partners	319	265	339	209	332	339	332	(7)	(2.1%)
Data centres[2]	17	15	22	23	25	22	25	3	13.6%
High-Tech	31	34	35	44	41	35	41	6	17.1%
Other products	71	101	68	68	63	68	63	(5)	(7.4%)
Total operating revenues	1,946	1,929	1,957	1,802	1,916	1,957	1,916	(41)	(2.1%)
Other gains	4	29	19	83	23	19	23	4	21.1%
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)
Net gain on sale of Connexa	584	(1)	-	-	-	-	-	-	NM
Total operating revenues and other gains	2,534	1,957	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)

[1]Wireless broadband revenues and connections are included in broadband revenues and connections.
[2]Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

Operating revenues and other gains by customer segment

Operating revenues and other gains	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Consumer	797	782	780	757	765	780	765	(15)	(1.9%)
Business	1,019	976	1,037	922	987	1,037	987	(50)	(4.8%)
Wholesale and other	718	199	159	206	187	159	187	28	17.6%
	2,534	1,957	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)

Finance income

Finance income	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Finance lease interest income	4	4	4	4	4	4	4	-	-%
Other interest income	12	12	10	12	11	10	11	1	10.0%
	16	16	14	16	15	14	15	1	7.1%

Net investment income

Net investment income	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Share of associates' and joint ventures' net losses	(3)	(9)	(8)	(9)	(6)	(8)	(6)	2	25.0%
Interest income on loans receivable from associates and joint ventures	2	6	6	6	6	6	6	-	-%
Impairment of investments	-	-	-	(2)	-	-	-	-	NM
Net disposal and remeasurement of equity accounted investments	-	-	(1)	-	-	(1)	-	1	100.0%
Adjusted net investment income	(1)	(3)	(3)	(5)	-	(3)	-	3	100.0%
Net gain on dilution of the investment in the Connexa group	-	5	-	-	-	-	-	-	NM
Reported net investment income	(1)	2	(3)	(5)	-	(3)	-	3	100.0%

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Group operating expenses

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Product costs									
Mobile	(255)	(231)	(253)	(231)	(251)	(253)	(251)	2	0.8%
Voice	(51)	(47)	(43)	(38)	(36)	(43)	(36)	7	16.3%
Broadband	(164)	(164)	(161)	(164)	(162)	(161)	(162)	(1)	(0.6%)
IT products[1]	(118)	(112)	(122)	(131)	(139)	(122)	(139)	(17)	(13.9%)
IT services[1]	(14)	(19)	(14)	(28)	(23)	(14)	(23)	(9)	(64.3%)
Procurement and partners	(292)	(225)	(315)	(168)	(307)	(315)	(307)	8	2.5%
Data centres	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(1)	(100.0%)
High-Tech	(8)	(11)	(13)	(21)	(19)	(13)	(19)	(6)	(46.2%)
Other product costs	(46)	(43)	(22)	(23)	(26)	(22)	(26)	(4)	(18.2%)
	(949)	(853)	(944)	(805)	(965)	(944)	(965)	(21)	(2.2%)
Labour	(269)	(242)	(279)	(233)	(271)	(279)	(271)	8	2.9%
Other operating expenses									
Network support costs	(45)	(20)	(40)	(33)	(52)	(40)	(52)	(12)	(30.0%)
Computer costs	(57)	(52)	(52)	(63)	(74)	(52)	(74)	(22)	(42.3%)
Accommodation costs	(23)	(26)	(29)	(29)	(29)	(29)	(29)	-	-%
Electricity - data centres[2]	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(1)	(50.0%)
Electricity - non data centres	(15)	(15)	(17)	(17)	(16)	(17)	(16)	1	5.9%
Advertising, promotions and communication	(33)	(23)	(33)	(21)	(31)	(33)	(31)	2	6.1%
Bad debts	(4)	(5)	(7)	(8)	(10)	(7)	(10)	(3)	(42.9%)
Other	(43)	(37)	(43)	(41)	(40)	(43)	(40)	3	7.0%
	(222)	(180)	(223)	(214)	(255)	(223)	(255)	(32)	(14.3%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,446)	(1,491)	(45)	(3.1%)
Spark Sport provision	(52)	(2)	-	-	-	-	-	-	NM
Transformation costs	-	-	-	-	(29)	-	(29)	(29)	NM
Total operating expenses	(1,492)	(1,277)	(1,446)	(1,252)	(1,520)	(1,446)	(1,520)	(74)	(5.1%)

[1]Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

[2]Estimated electricity costs to run Spark Group's dedicated data centres.

Finance expense

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Finance expense									
Finance expense on debt	(22)	(28)	(33)	(42)	(41)	(33)	(41)	(8)	(24.2%)
Other interest and finance expenses	(7)	(5)	(8)	(15)	(10)	(8)	(10)	(2)	(25.0%)
Lease interest expense	(15)	(24)	(24)	(24)	(25)	(24)	(25)	(1)	(4.2%)
Leased customer equipment interest expense	(4)	(3)	(4)	(4)	(3)	(4)	(3)	1	25.0%
	(48)	(60)	(69)	(85)	(79)	(69)	(79)	(10)	(14.5%)
Capitalised interest	5	4	6	4	4	6	4	(2)	(33.3%)
	(43)	(56)	(63)	(81)	(75)	(63)	(75)	(12)	(19.0%)

Depreciation and amortisation expense

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Depreciation and amortisation expense									
Depreciation - property, plant and equipment	(114)	(113)	(112)	(123)	(147)	(112)	(147)	(35)	(31.3%)
Depreciation - right-of-use assets	(36)	(39)	(42)	(47)	(50)	(42)	(50)	(8)	(19.0%)
Depreciation - leased customer equipment assets	(19)	(17)	(17)	(16)	(13)	(17)	(13)	4	23.5%
Amortisation - intangible assets	(79)	(87)	(80)	(90)	(90)	(80)	(90)	(10)	(12.5%)
	(248)	(256)	(251)	(276)	(300)	(251)	(300)	(49)	(19.5%)

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Analysis & KPIs - Mobile

Mobile revenue by type (Consumer and Business)	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Mobile service revenue	472	489	500	489	479	500	479	(21)	(4.2%)
Mobile non-service revenue[1]	231	218	219	199	217	219	217	(2)	(0.9%)
	703	707	719	688	696	719	696	(23)	(3.2%)
Wholesale and other customer segment mobile revenue[2]	29	31	30	37	43	30	43	13	43.3%
Total mobile revenue	732	738	749	725	739	749	739	(10)	(1.3%)
Mobile product costs[3]	(255)	(231)	(253)	(231)	(251)	(253)	(251)	2	0.8%
Mobile gross margin	477	507	496	494	488	496	488	(8)	(1.6%)
Mobile gross margin %	65.2%	68.7%	66.2%	68.1%	66.0%	66.2%	66.0%	(0.2pp)	

Total mobile revenue by customer segment	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Consumer	486	486	499	480	489	499	489	(10)	(2.0%)
Business	217	221	220	208	207	220	207	(13)	(5.9%)
Wholesale and other	29	31	30	37	43	30	43	13	43.3%
	732	738	749	725	739	749	739	(10)	(1.3%)

Average revenue per user (ARPU) - 6 month active (Consumer and Business)	H1 FY23 $ per month	H2 FY23 $ per month	H1 FY24 $ per month	H2 FY24 $ per month	H1 FY25 $ per month	H1 FY24 $ per month	H1 FY25 $ per month	H1 FY25 vs H1 FY24 $ per month	%
Total ARPU	31.30	30.78	30.66	30.03	30.17	30.66	30.17	(0.49)	(1.6%)
Pay-monthly ARPU	41.59	41.48	42.14	41.12	40.52	42.14	40.52	(1.62)	(3.8%)
Prepaid ARPU	17.26	16.91	16.09	15.88	16.21	16.09	16.21	0.12	0.7%

Number of mobile connections at period end - 6 month active (Consumer and Business)[4]	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24 000's	%
Pay-monthly connections	1,471	1,509	1,525	1,517	1,519	1,525	1,519	(6)	(0.4%)
Prepaid connections	1,118	1,173	1,210	1,173	1,106	1,210	1,106	(104)	(8.6%)
Internal connections	4	4	4	4	4	4	4	-	-%
Total mobile connections	2,593	2,686	2,739	2,694	2,629	2,739	2,629	(110)	(4.0%)

[1]Mobile non-service revenue includes handset sales and mobile interconnect.
[2]Includes MVNO revenue.
[3]Includes handset, interconnect and cellphone tower access costs.
[4]Excludes MVNO connections and legacy machine to machine, but includes SIM based SmartWatch connections.

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Analysis & KPIs - Voice

Revenue by type	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Access	45	37	33	29	25	33	25	(8)	(24.2%)
Calling	59	54	48	44	41	48	41	(7)	(14.6%)
Other voice revenue	18	18	13	13	12	13	12	(1)	(7.7%)
Total voice revenue	122	109	94	86	78	94	78	(16)	(17.0%)
Voice product costs[1]	(51)	(47)	(43)	(38)	(36)	(43)	(36)	7	16.3%
Voice gross margin	71	62	51	48	42	51	42	(9)	(17.6%)
Voice gross margin %	58.2%	56.9%	54.3%	55.8%	53.8%	54.3%	53.8%	(0.5pp)	

Voice connections by type	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24 000's	%
POTS and ISDN	112	91	69	59	49	69	49	(20)	(29.0%)
VoIP	60	59	53	51	48	53	48	(5)	(9.4%)
Voice over wireless	14	8	8	6	6	8	6	(2)	(25.0%)
Total voice connections	186	158	130	116	103	130	103	(27)	(20.8%)

Voice connections by customer segment	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24 000's	%
Consumer	46	32	28	24	20	28	20	(8)	(28.6%)
Business	111	104	90	82	74	90	74	(16)	(17.8%)
Wholesale and other	29	22	12	10	9	12	9	(3)	(25.0%)
Total voice connections	186	158	130	116	103	130	103	(27)	(20.8%)

[1]Includes voice access (baseband), interconnect, and international calling costs.

Analysis & KPIs - Broadband

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Total broadband revenue	313	313	309	304	302	309	302	(7)	(2.3%)
Broadband product costs[2]	(164)	(164)	(161)	(164)	(162)	(161)	(162)	(1)	(0.6%)
Broadband gross margin	149	149	148	140	140	148	140	(8)	(5.4%)
Broadband gross margin %	47.6%	47.6%	47.9%	46.1%	46.4%	47.9%	46.4%	(1.5pp)	

Broadband connections by technology	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24 000's	%
Copper	79	64	54	43	36	54	36	(18)	(33.3%)
Fibre	423	426	427	428	424	427	424	(3)	(0.7%)
Wireless	202	209	214	216	218	214	218	4	1.9%
Total broadband connections	704	699	695	687	678	695	678	(17)	(2.4%)

Broadband connections by customer segment	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24 000's	%
Consumer	594	589	584	580	570	584	570	(14)	(2.4%)
Business	104	102	102	100	98	102	98	(4)	(3.9%)
Wholesale and other	6	8	9	7	10	9	10	1	11.1%
Total broadband connections	704	699	695	687	678	695	678	(17)	(2.4%)

[2]Includes broadband access (UBA/UCLL/Fibre) and modem costs.

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Analysis & KPIs - Data centres

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	%
Data centre revenue[1]	17	15	22	23	25	22	25	3	13.6%
Data centre product cost	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(1)	(100.0%)
Data centre gross margin	16	14	21	22	23	21	23	2	9.5%
Data centre gross margin%	94.1%	93.3%	95.5%	95.7%	92.0%	95.5%	92.0%	(3.5pp)	

Data centre KPIs	**H1 FY23**	**H2 FY23**	**H1 FY24**	**H2 FY24**	**H1 FY25**	**H1 FY24**	**H1 FY25**	**H1 FY25 vs H1 FY24**	
Data centre capacity built (in MW)	11	11	22	22	22	22	22	-	-%
Data centre capacity under construction (in MW)	11	11	1	1	1	1	1	-	-%
Data centre development pipeline (in MW)	19	19	70	70	118	70	118	48	68.6%
Total capacity (in MW)	41	41	93	93	141	93	141	48	51.6%
Weighted average lease term with options (WALE)	16.6	16.6	16.5	16.5	16.7	16.5	16.7	0.2	1.2%
Contracted utilisation dedicated data centres[2]	84%	84%	88%	88%	87%	88%	87%	(1.0pp)	
Target power usage effectiveness (PUE)	N/A	N/A	1.2	1.2	1.2	1.2	1.2	-	-%
PUE - Legacy data centre assets	1.54	1.56	1.57	1.57	1.60	1.57	1.60	(0.03)	(1.9%)

[1]Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

[2]Includes contracted and reserved racks at dedicated data centres and exchanges.

Analysis & KPIs - IT products

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	%
Cloud revenue[1]	105	103	109	116	118	109	118	9	8.3%
Cloud product costs[1]	(39)	(33)	(38)	(47)	(61)	(38)	(61)	(23)	(60.5%)
Cloud gross margin	66	70	71	69	57	71	57	(14)	(19.7%)
Cloud gross margin%	62.9%	68.0%	65.1%	59.5%	48.3%	65.1%	48.3%	(16.8pp)	
Managed data and networks revenue	110	112	112	111	102	112	102	(10)	(8.9%)
Managed data and networks product costs[3]	(64)	(64)	(67)	(66)	(59)	(67)	(59)	8	11.9%
Managed data and networks gross margin	46	48	45	45	43	45	43	(2)	(4.4%)
Managed data and networks gross margin %	41.8%	42.9%	40.2%	40.5%	42.2%	40.2%	42.2%	2.0pp	
Collaboration revenue	39	40	40	40	44	40	44	4	10.0%
Collaboration product costs	(15)	(15)	(17)	(18)	(19)	(17)	(19)	(2)	(11.8%)
Collaboration gross margin	24	25	23	22	25	23	25	2	8.7%
Collaboration gross margin %	61.5%	62.5%	57.5%	55.0%	56.8%	57.5%	56.8%	(0.7pp)	

[1]Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

[3]Includes wide area network access, international data, network backhaul and videoconferencing platform costs.

Analysis & KPIs - IT services

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	%
Service management revenue[1]	76	79	68	64	61	68	61	(7)	(10.3%)
Security revenue	11	20	12	12	11	12	11	(1)	(8.3%)
Service management and security revenue	87	99	80	76	72	80	72	(8)	(10.0%)
Service management and security product costs	(14)	(19)	(14)	(28)	(23)	(14)	(23)	(9)	(64.3%)
Service management and security gross margin	73	80	66	48	49	66	49	(17)	(25.8%)
Service management and security gross margin %	83.9%	80.8%	82.5%	63.2%	68.1%	82.5%	68.1%	(14.4pp)	

[1]Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

Analysis & KPIs - Procurement and partners

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	%
Procurement and partners revenue	319	265	339	209	332	339	332	(7)	(2.1%)
Procurement and partners product costs	(292)	(225)	(315)	(168)	(307)	(315)	(307)	8	2.5%
Procurement and partners gross margin	27	40	24	41	25	24	25	1	4.2%
Procurement and partners gross margin %	8.5%	15.1%	7.1%	19.6%	7.5%	7.1%	7.5%	0.4pp	

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Statement of cash flows

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	%
Cash flows from operating activities									
Receipts from customers	1,975	1,815	1,972	1,739	1,977	1,972	1,977	5	0.3%
Receipts from interest	16	13	13	15	15	13	15	2	15.4%
Payments to suppliers and employees	(1,460)	(1,270)	(1,519)	(1,134)	(1,566)	(1,519)	(1,566)	(47)	(3.1%)
Payments for income tax	(120)	(70)	(101)	(88)	(78)	(101)	(78)	23	22.8%
Payments for interest on debt	(23)	(32)	(31)	(49)	(46)	(31)	(46)	(15)	(48.4%)
Payments for interest on leases	(15)	(22)	(23)	(23)	(24)	(23)	(24)	(1)	(4.3%)
Payments for interest on leased customer equipment assets	(4)	(3)	(4)	(3)	(3)	(4)	(3)	1	25.0%
Net cash flows from operating activities	369	431	307	457	275	307	275	(32)	(10.4%)
Cash flows from investing activities									
Proceeds from sale of property, plant and equipment	1	10	14	20	2	14	2	(12)	(85.7%)
Proceeds from sale of business	894	(1)	-	4	-	-	-	-	NM
Proceeds from long-term investments	-	-	-	7	-	-	-	-	NM
Receipts from finance leases	1	2	1	-	-	1	-	(1)	(100.0%)
Receipts from loans receivable	-	11	10	-	3	10	3	(7)	(70.0%)
Payments for purchase of business, net of cash acquired	-	-	(2)	(3)	(2)	(2)	(2)	-	-%
Payments for, and advances to, long-term investments	(2)	(1)	(1)	-	-	(1)	-	1	100.0%
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(246)	(229)	(347)	(235)	(228)	(347)	(228)	119	34.3%
Payments for spectrum intangible assets	-	(6)	-	(8)	-	-	-	-	NM
Payments for capitalised interest	(5)	(4)	(6)	(4)	(4)	(6)	(4)	2	33.3%
Net cash flows from investing activities	643	(218)	(331)	(219)	(229)	(331)	(229)	102	30.8%
Cash flows from financing activities									
Net proceeds from/(repayments of) debt	(517)	54	489	21	190	489	190	(299)	(61.1%)
Payments for dividends	(234)	(252)	(249)	(245)	(160)	(249)	(160)	89	35.7%
Payments for share buy-back	-	(146)	(159)	-	-	(159)	-	159	100.0%
Payments for leases	(31)	(33)	(38)	(40)	(44)	(38)	(44)	(6)	(15.8%)
Receipts from lease incentive	-	-	-	-	22	-	22	22	NM
Payments for leased customer equipment assets	(15)	(22)	(20)	(14)	(11)	(20)	(11)	9	45.0%
Net cash flows from financing activities	(797)	(399)	23	(278)	(3)	23	(3)	(26)	NM
Net cash flows	215	(186)	(1)	(40)	43	(1)	43	44	NM
Opening cash position	71	286	100	99	59	100	59	(41)	(41.0%)
Closing cash position[1]	286	100	99	59	102	99	102	3	3.0%

[1] H1 FY25 closing cash position includes cash of $100m and cash classified as assets held for sale of $2m.

Analysis & KPIs - Free cash flows and movement in working capital

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	%
Reported EBITDAI	1,042	680	530	633	419	530	419	(111)	(20.9%)
Less									
Adjusting items and non cash other gains	536	11	20	58	(6)	20	(6)	(26)	NM
EBITDAI for free cash flow	506	669	510	575	425	510	425	(85)	(16.7%)
Less									
Cash paid on maintenance capital expenditure	(200)	(128)	(261)	(89)	(169)	(261)	(169)	92	35.2%
Cash paid on interest	(26)	(44)	(45)	(60)	(58)	(45)	(58)	(13)	(28.9%)
Cash paid on tax payments	(120)	(70)	(101)	(88)	(78)	(101)	(78)	23	22.8%
Cash paid on leases	(45)	(53)	(57)	(54)	(43)	(57)	(43)	14	24.6%
Total cash payments on items above	(391)	(295)	(464)	(291)	(348)	(464)	(348)	116	25.0%
Free cash flow	115	374	46	284	77	46	77	31	67.4%
Change in working capital									
Change in receivables	59	(126)	27	(78)	80	27	80	53	NM
Change in payables	(3)	53	(20)	65	41	(20)	41	61	NM
Change in inventory	(1)	28	(27)	18	(25)	(27)	(25)	2	7.4%
Change in contract assets	(3)	(30)	(8)	12	(6)	(8)	(6)	2	25.0%
Change in prepayments (excluding CAPEX)	(22)	31	(45)	36	(66)	(45)	(66)	(21)	(46.7%)
Total change in working capital - (increase)/decrease	30	(44)	(73)	53	24	(73)	24	97	NM
Cash paid on growth capital expenditure	(51)	(105)	(92)	(140)	(57)	(92)	(57)	35	38.0%
Free cash flow including working capital and growth cash capex	94	225	(119)	197	44	(119)	44	163	NM

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Group capital expenditure

Maintenance Capex	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Cloud	(11)	(8)	(24)	(13)	(9)	(24)	(9)	15	62.5%
Fixed network & International cable capacity	(35)	(58)	(55)	(10)	(37)	(55)	(37)	18	32.7%
IT systems	(62)	(54)	(80)	(67)	(73)	(80)	(73)	7	8.8%
Mobile network	(77)	(21)	(65)	(24)	(91)	(65)	(91)	(26)	(40.0%)
Property	(11)	(12)	(7)	(4)	(4)	(7)	(4)	3	42.9%
Other	(4)	(6)	(4)	(6)	(1)	(4)	(1)	3	75.0%
Total maintenance capital expenditure excluding spectrum	(200)	(159)	(235)	(124)	(215)	(235)	(215)	20	8.5%
Growth Capex									
5G Acceleration & SA Readiness	-	(42)	(32)	(74)	(23)	(32)	(23)	9	28.1%
Data centres	(50)	(64)	(19)	(22)	(14)	(19)	(14)	5	26.3%
Converged Tech	-	-	-	(12)	-	-	-	-	NM
Total growth capital expenditure excluding spectrum	(50)	(106)	(51)	(108)	(37)	(51)	(37)	14	27.5%
Total capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(286)	(252)	34	11.9%
Total capital expenditure excluding spectrum to operating revenue and other gains	(9.9%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Total capital expenditure excluding spectrum to adjusted operating revenue and other gains	(12.8%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Mobile spectrum	-	-	(23)	-	-	(23)	-	23	100.0%
Total capital expenditure including spectrum	(250)	(265)	(309)	(232)	(252)	(309)	(252)	57	18.4%
Cash Capex									
Growth	(51)	(105)	(92)	(140)	(57)	(92)	(57)	35	38.0%
Maintenance	(200)	(128)	(261)	(89)	(169)	(261)	(169)	92	35.2%
Total cash capital expenditure excluding spectrum	(251)	(233)	(353)	(229)	(226)	(353)	(226)	127	36.0%

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront.

Analysis & KPI's - Capital expenditure depreciation and amortisation

On adoption of NZ IFRS 16 *Leases,* assets associated with capacity arrangements which were previously recognised within intangible assets have been reclassified to right-of-use assets. Payments for capacity purchases remain within Spark's definition of capital expenditure. Total depreciation on property, plant and equipment, depreciation on capacity right-of-use assets and amortisation of intangible assets is reconciled below:

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H1 FY24 $m	H1 FY25 $m	H1 FY25 vs H1 FY24 $m	%
Depreciation - property, plant and equipment	(114)	(113)	(112)	(123)	(147)	(112)	(147)	(35)	31.3%
Depreciation - right-of-use assets[1]	(11)	(11)	(12)	(12)	(12)	(12)	(12)	-	-%
Amortisation - intangible assets	(79)	(87)	(80)	(90)	(90)	(80)	(90)	(10)	(12.5%)
Total capital expenditure depreciation and amortisation	(204)	(211)	(204)	(225)	(249)	(204)	(249)	(45)	(22.1%)

[1]Includes depreciation on capacity right-of-use assets only as these are included within Spark's definition of capital expenditure.