



12 August 2021

Office of the Company Secretary

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra announces on-market share buy-backs of up to \$1.35 billion

In accordance with the Listing Rules, I attach a copy of a market release, for immediate release to the market.

Authorised for lodgement

Sue Laver
Company Secretary



Telstra announces on-market share buy-back of up to \$1.35 billion

Thursday 12 August 2021 – Telstra today announced it would return approximately 50 per cent, or up to \$1.35 billion, of net proceeds from its InfraCo Towers transaction to shareholders during FY22 via an on-market share buy-back.

CEO Andrew Penn said the transaction reinforced the view that Telstra's infrastructure assets could deliver additional value for shareholders.

"When we launched T22, we committed to establishing a standalone infrastructure business unit for three reasons: to give transparency of those assets, to bring a harder commercial edge to how we operationalise them, and to create optionality with a view to maximising shareholder value," said Mr Penn.

"This share buy-back is a clear demonstration of how we are creating additional long-term value for our shareholders."

In June, Telstra announced a long-term strategic partnership with a consortium comprising the Future Fund, Commonwealth Superannuation Corporation and Sunsuper, who would acquire a 49 per cent interest in Telstra InfraCo Towers. The Towers business is the largest mobile tower infrastructure provider in Australia with approximately 8,200 towers.

The transaction valued Telstra InfraCo Towers at \$5.9 billion, representing an FY21 pro forma EV to EBITDA after leasing multiple of 28x. Net cash proceeds after transaction costs are expected to be \$2.8 billion at completion. The transaction is on track to complete in the first quarter of FY22.

To ensure Telstra can quickly and efficiently return proceeds to shareholders, an on-market buy-back is expected to commence shortly after receipt of proceeds. A purchase of shares is likely to commence after 16 September 2021.

The on-market share buy-back will be conducted in the ordinary course of trading over 12 months. The exact amount and timing of the on-market buy-back will be dependent on market conditions, and Telstra may investigate other forms of return if required. The on-market buy-back will be within the '10/12' limit permitted under the Corporations Act¹.

The remainder of the net proceeds from the InfraCo Towers transaction will be used for debt reduction to ensure Telstra maintains balance sheet strength and flexibility.

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¹ The '10/12' limit for a company proposing a buy-back is 10% of the smallest number, at any time during the last 12 months, of votes attaching to voting shares of the company.