



14 November 2023

Market Announcements Office  
Australian Securities Exchange  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

**Office of the Company Secretary**  
Level 41, 242 Exhibition Street  
MELBOURNE VIC 3000  
AUSTRALIA

#### **ELECTRONIC LODGEMENT**

- Telstra Group Limited (ACN 650 620 303) - ASX: TLS
- Telstra Corporation Limited (ACN 051 775 556) - ASX: TL1

#### **Telstra Investor Day 2023**

In accordance with the Listing Rules, attached for release to the market by Telstra Group Limited is a presentation to be delivered by the CEO and members of senior management at Telstra's Investor Day being held today.

The Briefing will be held in person, and webcast live from 9.10am (AEDT) which is available at

<https://www.telstra.com.au/aboutus/investors/financial-information/investor-presentations>

A transcript of the event will be lodged with the ASX when available.

The presentation is also provided for the information of Telstra Corporation Limited noteholders.

Release of announcement authorised by:

Sue Laver  
Company Secretary



# Telstra Investor Day

## 14 November 2023

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## Disclaimer



### Forward-looking statements

This presentation includes forward-looking statements. The forward-looking statements are based on assumptions and information known by Telstra as at the date of this presentation, are provided as a general guide only and are not guarantees or predictions of future performance. Telstra believes the expectations reflected in these statements are reasonable as at the date of this presentation, but acknowledges they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause Telstra's actual results, performance and achievements to differ materially from those expressed in, or implied by, the forward-looking statements. These factors include: general economic conditions in Australia; competition in the markets in which Telstra operates; the continuing growth in the markets in which Telstra operates; the inherent regulatory risks in the businesses of Telstra; technological changes taking place in the telecommunications industry; future changes to Telstra's products and services; the risk of cyber and data security issues; the geopolitical environment (including impacts of sanctions and trade controls and broader supply chain impacts); exchange rates; the extent, nature and location of physical impacts of climate change and their impacts on our assets, service continuity and supply chain; electricity grid decarbonisation; and changes to forecast supply chain emissions including but not limited to failure of third parties to achieve contractual environmental targets or milestones that have direct or indirect impact on our environmental modelling.

A number of these risks, uncertainties and other factors are described in the "Chairman & CEO Message", "Our material risks", "Outlook" and the "TCFD Chapter" sections of our 2023 Annual Report and our Operating and Financial Review (OFR). The OFR is set out in Telstra's financial results for the year ended 30 June 2023 and in the 2023 Annual Report which were lodged with the ASX on 17 August 2023 and 1 September 2023 respectively and are available on Telstra's Investor Centre website [www.telstra.com.au/aboutus/investor](http://www.telstra.com.au/aboutus/investor).

In addition, there are particular risks and uncertainties in connection with the implementation of Telstra's T25 strategy (T25). Those risks include the response of customers to changes in products and the way Telstra interacts with customers as Telstra moves to a digital operating model, the risks of disruption from changes Telstra's ways of working, and Telstra's ability to execute and manage the elements of T25 in a sequenced, controlled and effective manner and realise the planned benefits, cost savings and growth opportunities.

Due to the inherent uncertainty and limitations in measuring or quantifying greenhouse gas (GHG) emissions under the calculation methodologies used in the preparation of such data, all GHG emissions data or references to GHG emissions volumes (including ratios or percentages) in this presentation are estimates. The accuracy of Telstra's GHG emissions data and other metrics may be impacted by factors, including inconsistent data availability, a lack of common definitions and standards for reporting climate related information, quality of historical emissions data, reliance on assumptions and changes in market practice. These factors may impact Telstra's ability to meet commitments and targets or cause Telstra's results to differ materially from those expressed or implied in this presentation. There may also be differences in the manner that third parties calculate or report GHG emissions data compared to Telstra, which means that third party data may not be comparable to our data.

In FY23 Telstra finalised the acquisition of Digital Pacific. Telstra is working to determine the necessary actions to incorporate Digital Pacific in its existing climate scenario analysis, climate risk financial quantification, adaptation planning, emissions reduction plans and to gather the relevant activity data to calculate Digital Pacific's scope 1, 2 and 3 emissions profile in line with the GHG Protocol so that Digital Pacific can be integrated into emissions disclosures and targets. The disclosures in this presentation in relation to the matters noted above do not include Digital Pacific unless otherwise stated.

Telstra does not provide financial guidance beyond the current financial year. Telstra's financial ambitions to FY25 and growth ambitions across our portfolio are not guidance and there are greater risks and uncertainties in connection with these ambitions.

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Defined terms are set out on the slide "Glossary".

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### Unaudited information

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### Other information

All amounts are in Australian Dollars unless otherwise stated.

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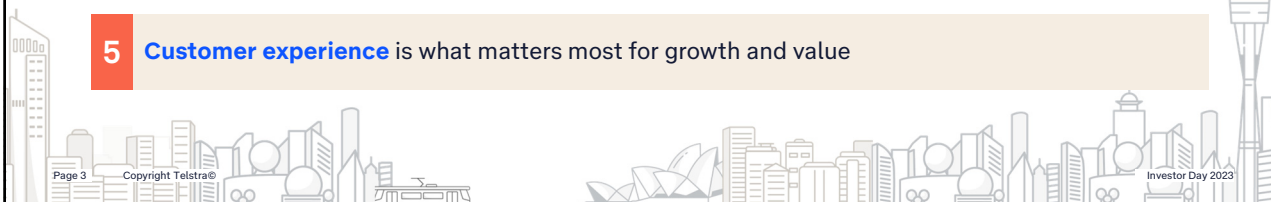
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# Key take-aways



- 1 Our **T25 strategy is on track**
- 2 We are uniquely placed on **network leadership and differentiation**
- 3 We are well positioned to capture demand in **digital infrastructure**
- 4 We have a **strong Balance Sheet**
- 5 **Customer experience** is what matters most for growth and value



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# Agenda



- 1 **Global trends and finishing T25**  
Vicki Brady
- 2 **Network differentiation**  
Channa Seneviratne
- 3 **Digital infrastructure**  
Brendon Riley
- 4 **Financial strategy**  
Michael Ackland
- 5 **Q&A**



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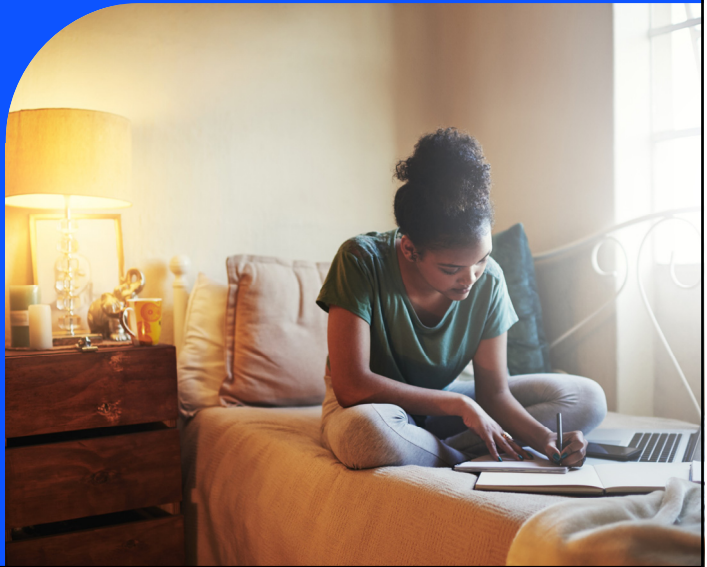
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# Global trends and finishing T25

Vicki Brady  
Chief Executive Officer



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## T25 strategy



Our purpose and values

To build a connected future so everyone can thrive

We are changemakers

We are better together

We care

We make it simple

Our strategic pillars



An exceptional customer experience you can count on



Leading network & technology solutions that deliver your future



Sustained growth and value for our shareholders



Excelling at new ways of working



The place you want to work

Accelerating digital leadership



Doing business responsibly

Our businesses

Consumer

Business

Enterprise

New Markets

International

Infrastructure

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**1** **Connectivity will continue to play a key role in the digital economy**



Data demand on our mobile network is growing at **30%+ p.a.**



**Increasing industry investment** in data centre capacity



Connectivity is a key driver of **productivity growth**

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**2** **Satellite will grow and complement existing networks**



**Satellite rapidly becoming more mainstream**

- Direct-to-handset technology is evolving
- Global data growth via satellite projected at **28% CAGR 2020-30**

**Satellite complementary to existing networks**

- Satellite **does not have the capacity to replace mobile** in the majority of areas
- Mobility and fixed networks remain central



**Continued investment in mobility is critical**



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### 3 Digitisation and AI will enable a new wave of industry innovation



Next wave of **digital innovation** is expected to generate \$10-\$15 trillion globally



We are uniquely placed to help customers **digitise their operations**

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### 4 Trust and sovereign capabilities are important in a world with heightened geopolitical tensions



**Geopolitical tensions** driving demand for new subsea routes



**Onshore infrastructure** that can host data and AI computing will be important to ensure data security and business continuity



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## 5 Security continues to increase in importance



We are operating in a **rapidly evolving threat landscape**

Requires a **co-ordinated response** across industry and government

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# Five core industry trends



- 

**1** Connectivity will continue to play a key role in the digital economy
- 

**2** Satellite will grow and complement existing networks
- 

**3** Digitisation and AI will enable a new wave of industry innovation
- 

**4** Trust and sovereign capabilities are important in a world with heightened geopolitical tensions
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**5** Security continues to increase in importance

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# Finishing T25 – the next 18 months

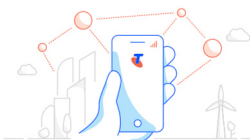


## Customer experience



- Deliver a **premium experience** on our network
- Better security capabilities
- Better support for businesses
- Finish migrating customers to our **new digital stack**

## Network leadership



- **Australia's largest and most reliable mobile network**
- **5G leadership:** 85% population coverage FY23 – targeting 95% by FY25
- **Satellite:** deals in place with Starlink, OneWeb and ViaSat

## Growth and value



- Continued investment in **digital infrastructure** – inside and outside Australia
  - Intercity Fibre network
  - APAC's largest subsea cable network
- Keep our business **simple and efficient** to maximise value

## The place you want to work



- Drive **digital leadership** throughout our organisation
- Attract and retain the best **talent**
- Strengthen **culture** around customer first
- Operate **sustainably** and **responsibly**

# Telstra Investor Day

14 November 2023







# Network differentiation

Channa Seneviratne  
Technology Development  
Innovation Executive



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## Australia's Best, Largest and Most Reliable Mobile Network



### Largest coverage area in Australia

- **2.7 million km<sup>2</sup> mobile coverage in Australia** – around 1 million km<sup>2</sup> more than any other operator (an area near that of NSW and Victoria combined)
- **Largest 5G** with nearly 5,000 5G sites in over 450 major towns and cities reaching 85% of population
- **Largest terrestrial IoT coverage** (>4.4 million km<sup>2</sup> NB IoT) – greater than our mobile coverage

### Award winning and secure

- **Underpinned by high-capacity high-speed fibre cable backbone** stretching over 270,000 kilometres
- **Award winning mobile network** - umlaut Best in Test 2023 and in all test categories – Voice, Data, Quality and Reliability. Best in Test for five consecutive years
- **Security at the heart of our network** and services with government-grade security and threat detection





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## Continued strong customer demand is driving our investment and technology evolution to retain leadership

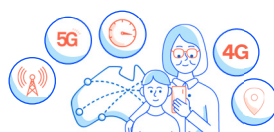
Telstra	FY18-23 traffic growth	June 2023 daily data usage	Annual growth
 <b>Mobile network</b>	<b>4.3x</b>	8.4PB 	Mobile data demand currently growing at ~30% per annum
 <b>Fixed network</b>	<b>2.2x</b>	50PB 	Fixed data demand currently growing at ~10% per annum



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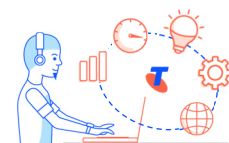


## Investing for demand and sustaining our mobile network leadership



### More advanced coverage sustaining or growing our network leadership

- More mobile coverage +100,000 km<sup>2</sup> by FY25
- More 4G over our entire mobile footprint
- More 5G – expanding to 95% of the population for speed and demand
- More IoT coverage – NB-IoT to around 5 million km<sup>2</sup>
- More market opportunities

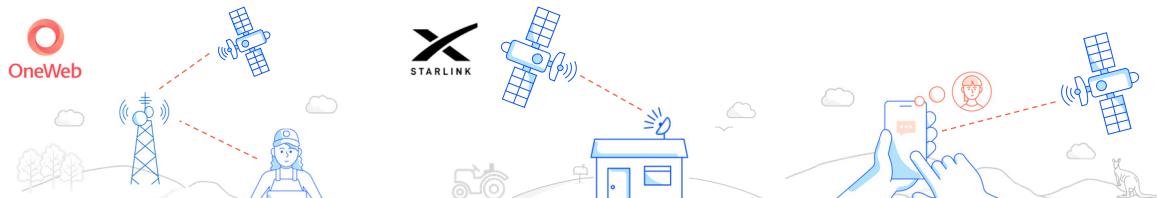


### Innovating for efficiency gains to further secure future leadership

- Mobile network efficiency gains
  - New and repurposed spectrum with more efficient technologies
  - Fostering device ecosystem to make use of these developments
- Capacity and efficiency gains in fibre backbone
- Optical technology advances for massive easily scalable capacity
- 52 mobile technology world firsts

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## New Low-Earth Orbit satellite solutions complement and mitigate costs on our existing terrestrial networks enhancing our leadership



### OneWeb LEO partnership

- LEO enabled backhaul to remote mobile sites will improve the customer experience, improve the economics of further coverage expansion and be a new option for improving reliability in disaster prone areas

### Starlink agreement

- Provides a cost-effective USO compliant solution, with performance and customer experience better than ADSL

### Direct-to-handset

- Will complement terrestrial mobile, initially supporting text and eventually voice and data to smartphones across Australia, albeit outdoor with clear line-of-sight

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## Continued investment in network resilience and security to complement our network leadership

### Network resilience a top priority

- Combination of mobile and satellite backup improves options for diverse backhaul and expanding network resilience
- Distributing our core network to reduce blast zone size
- Innovative approaches to standalone and backup power systems, enhancing network resilience

### Robust security posture underpins customer trust

- Government-grade security and threat intelligence capabilities to help protect our customers' investments and information
- Continued expansion of our Cleaner Pipes Initiative to further reduce scams reaching our customers
- Bringing our customers a comprehensive suite of security products and services backed by a team of security experts



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## Increased resilience and new hybrid public/private networks and satellite reach for Enterprise customers



### Growth in private networks

- ACMA recently noted research forecasting this market will **grow 30% per annum** over next five years

### Critical communications

- Solutions for private radio and/or mobile networks in **mining, oil & gas, rail and emergency services**

### Hybrid networks

- Evolved capability** offering the benefits of private networks plus the reach, speed, resiliency and security of the public mobile network

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## Advanced automation and intelligent network capabilities will be used to help maintain our network leadership



### Delivering consistent and differentiated customer experiences

A



Faster response times to network and security related customer issues and **in-the-moment support leading to reduced customer effort**

B



Far more efficient incident resolution and **reducing customer impacting time to ensure uninterrupted services**

C



**Innovate and accelerate time to market** for new products via APIs and monetise our network attributes

D



Enhanced personalisation to create value differentiated **"Telstra only" customer propositions**

### Leading in the new era of autonomous network – self managing, acting on intent, self-optimising

Resiliency and security by design across all network layers

Real time and autonomous network management

Network services exposed via intent-based APIs, zero manipulation of network

Composability of services and e2e service management

Network and security insights and analytics enhanced by AI/ML and generative AI

Automated generation of network topology

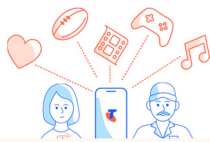
Correct, complete and consistent network data

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## Tailoring coverage and capacity for consistent experience where our customers use the network



**Better customer experience from coverage and capacity uplifts**



Shifting from measuring experience based on network averages and peak speeds **to speed that matters based on how customers use our network**



### Better experience on Telstra

Better in stadium coverage | Better indoor coverage  
Better in-vehicle coverage

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## Our digital infrastructure opportunity

Brendon Riley  
CEO Telstra InfraCo



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# There is growing demand for digital infrastructure



## Key drivers of growth for digital infrastructure



**Sustained growth in application data requirements**

- Ubiquitous connectivity
- Evermore high bandwidth use cases



**Acceleration in artificial intelligence (AI)**

- AI techniques (Gen-AI, LLM, ML)<sup>1</sup>
- More data for processing, storage



**Growing sovereignty and data security**

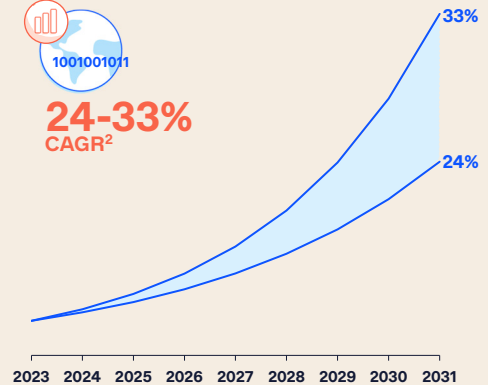
- High security, sovereign ownership
- Duplication/resilience on connectivity

1. Gen-AI refers to generative artificial intelligence, LLM to large language models, and ML to machine learning  
2. Altman Solon, TeleGeography, Ericsson

## Data growth projections



**24-33% CAGR<sup>2</sup>**



# Telstra's combined assets deliver at scale global solutions



## Our capabilities

**Sovereignty & trusted partner**  
Secure networking & data security

**Construction & project delivery**  
Experienced workforce & top tier partners

**Technology solutions for customers**  
through Automation & AI

## Our assets

International assets		Domestic assets			
International network	International links	Intercity network	Inter-exchange network and buildings	Customer access network	Towers
<p><b>400,000km</b> of cables intra-Asia and connecting Asia to the world</p>	<p><b>3 path diversity / resiliency</b> on all major APAC routes</p>	<p><b>370,000km</b> duct length with <b>7.5 million</b> pits and manholes</p>	<p><b>2 large &amp; 7 small</b> data centres (DCs)</p>	<p><b>160,000</b> poles</p>	
<p><b>26 subsea cable systems</b> including 3 fully owned</p>	<p><b>2,000 PoPs</b> and connectivity in 200+ countries and territories</p>	<p><b>250,000km</b> fibre</p>	<p>Connections to <b>133</b> data centres and all <b>121</b> nbn POIs</p>	<p><b>&gt;8,000</b> Towers, masts &amp; mobile poles*</p>	
<p><b>36 cable landing stations</b>, including 11 fully owned</p>	<p>Reaching <b>&gt;60</b> satellites globally (incl. 3 world-class teleports)</p>	<p><b>111 of 121</b> nbn Points of Interconnect (POIs) are InfraCo fixed network sites</p>	<p>Australia's <b>largest fleet</b> of distributed energy resources</p>	<p><b>&gt;7,000</b> fixed network sites including 000s that are grid-connected</p>	

\*Through Amplitel  
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# We have evolved InfraCo to deliver for customers, drive growth and lift efficiency



## Customer preferences are changing...

- Asset-based products to **integrated solutions**
- Passive only to a **mix of passive and active services**
- Ease of interactions and improved CX and **seamless customer journey**
- Simplification and digitisation** of products
- Enhanced security and resiliency**



## ...and we are evolving to better meet the needs of customers

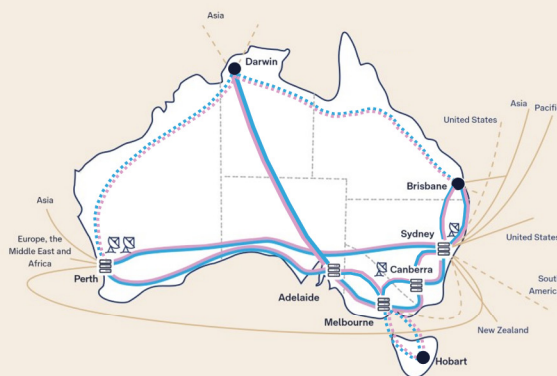
**Ambition** Meeting customer needs through industry-leading solutions and expertise as Australia's leading digital infrastructure provider

**Capabilities** InfraCo Wholesale

- Strategy**
- 1 Exceptional end-to-end solutions and customer experience
  - 2 Maximise utilisation of assets
  - 3 Best-in-class safety
  - 4 Industry-leading operational efficiency
  - 5 Best place to work in digital infrastructure
  - 6 Invest and partner to deliver shareholder value
  - 7 Operate sustainably and responsibly

**Customers** Carriers | Government | Hyperscalers | Enterprises | Satellite Operators

# Intercity Fibre A nation building project



- KEY**
- Satellite ground station sites
  - Data centres
  - Path subject to demand
  - International subsea cables
  - Express path
  - Foundation path

## Our Intercity investment

- Only national project of its type
- Supporting the digital economy with unprecedented levels of connectivity across Australia
- Strong demand from hyperscalers, subsea cable companies, domestic and international carriers, satellite providers, Enterprise & Government
- Construction is underway
- When complete will support more capacity than all other fibre networks combined

## Two separate cables to connect all capital cities

- Express Path Ultra-Fast fibre
- Foundation Path Fast fibre with access points for regional connectivity
- Transmission rates of up to 650Gbps
- Express Path connectivity between capital cities of up to 55Tbps per fibre pair (Infinera tested @ 61.3Tbps)

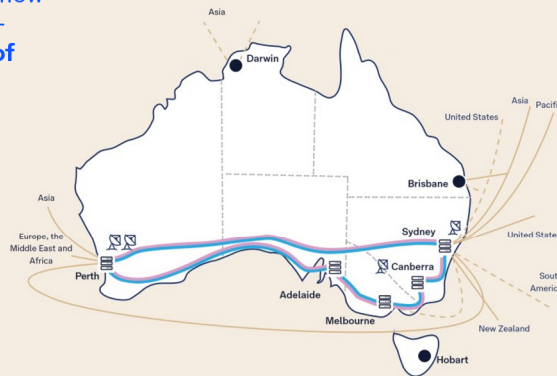


# Intercity Fibre

## Current routes under construction



We are building all new capital city routes – there is **~9,000km of new fibre** under construction



- KEY**
- Satellite ground station sites
  - Data centres
  - International subsea cables
  - Path subject to demand
  - Express path
  - Foundation path
  - Additional foundation and express paths

# Intercity Fibre

## Additional planned investment



We are connecting all mainland capital cities with an additional **~5,000km of new fibre** and building out the Pilbara



- KEY**
- Satellite ground station sites
  - Data centres
  - International subsea cables
  - Path subject to demand
  - Express path
  - Foundation path
  - Additional foundation and express paths



# Intercity Fibre

## Developing and monetising our offering



Equipment	Optical increments <sup>1</sup>	Bandwidth <sup>2</sup>	Products
<p><b>Telstra Managed</b></p>		<p><b>100G</b> <b>400G</b> <b>600G</b></p>	<p><b>Intercity Wavelength Service</b></p> <ul style="list-style-type: none"> <li>Fully managed</li> <li>Low-mid bandwidth</li> </ul>
<p><b>Customer Managed</b></p>		<p>1/8 FP: <b>~3.8 TB</b> 1/4 FP: <b>~7.6 TB</b> 1/2 FP: <b>~15.2 TB</b></p>	<p><b>Intercity Spectrum Service</b></p> <ul style="list-style-type: none"> <li>Point to point amplification with spectrum hand off</li> <li>Customer managed DWDM</li> <li>Mid-high bandwidth</li> </ul>
		<p><b>~60 TB</b></p>	<p><b>Intercity Dark Fibre Service</b> <b>Express (ULL) &amp; Foundation (LL)</b></p> <ul style="list-style-type: none"> <li>Customer managed amplification and DWDM</li> <li>Fibre pair + Inline amplifier (ILA) colocation</li> <li>Direct city to city and regional on and off ramps</li> </ul>

1. Based upon a single fibre pair with 32 optical channels  
2. Bandwidth dependent on customer equipment and route

FP: Fibre pair  
DWDM: Dense wavelength division multiplexing

ULL: Ultra Low Latency  
LL: Low Latency

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# Intercity Fibre

## Project update



### Progress update

- Over 400km of fibre laid towards an end of FY24 target of ~2,000km
- Construction has commenced on initial 5 routes and detailed planning has commenced on an additional 5 routes
- Construction partners with long term arrangements in place to drive cost and delivery certainty
- Constructing our first new micro-edge infrastructure site for dark fibre services
- Heavily engaged with stakeholders including traditional landowners, National Parks and State & Federal agencies

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## Regional Connectivity Pilbara, WA



### There is significant economic growth

- 33% of Australia's national exports are from the Pilbara
- \$180b in planned investments for the region across renewable energy and mining, oil and gas



### We will expand our regional network in the Pilbara

- Starting an additional 165km of new build
- Further augmentation to uplift connectivity and resiliency across the region



### Further leverage Telstra's full capabilities to

- Enable automation and remote operations to improve productivity
- Create safer working environments
- Increase digital connectivity to nearby communities

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## We are responding to market demand and building our capabilities



### FY23 Achievements

Network



Delivered nearly **3,300km** of new fibre for projects



**400km+** of fibre laid as part of Intercity Fibre build



Built **96** new towers



Delivered **500+** fibre links for mobile small cells



**300+** new DC and FNS racks deployed

Initiatives & Solutions



**1,000+** dark fibre services sold since launch



Progressed the **ViaSat** project



**Leading innovation** Infinera speed test



**3,500+** commercial services projects completed



Launched our first **bundled offering**



Launched **400G** wavelength service



Launched the **network building colocation** product



Launched InfraCo **Long Haul** product

Capabilities



**1,800+** Amplitel digital twins created



**IT Roadmap, AI** and automated tools



Launched the InfraCo **Network Operations Centre**



**2022 AIPM State Winner** ICT/Telecom NSW Project Award



**Land Stewardship** capability established



**New customer-led** strategy

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## We see many digital infrastructure opportunities going forward



### Intercity Fibre

Support the nation's digital economy and enable unprecedented levels of connectivity



### Amplitel

Further technology investments to uplift efficiency and engineering 'as a service'



### Data Centres and Edge

Deakin refit for new Zone 4 data centre capacity & 120+ sites assessed for Edge growth



### Energy transition

Activating and augmenting existing energy network assets to unlock growth opportunities



### Regional solutions

Expand our network to support regional connectivity & industry use cases



### Property solutions

Transforming our facilities to create solutions which meet our customers' needs



### Subsea cables

Invest in intra-Asia and mid Trans-Pacific subsea fibre to extend market leadership



### Operational efficiencies

Leading asset management and efficient cost structures

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## Wellington St: Fugro Remote Operations Video

### Fugro case study video overview.

1. Case study in video format (2 mins 35 secs).
2. Filming is happening on Wednesday 25 Oct by Gravity Media. Final video linked below.
3. Fugro are the world's leading geo-data specialists.
  1. They use a range of technologies to help their clients improve safety, resilience and efficiency in industries like energy (eg. renewables) and space exploration (eg. they are engaged in the design of a lunar rover).
  2. Telstra InfraCo also uses their services when building our fibre network.
  3. Fugro lease premises in our Wellington Street fixed network site (in Perth, WA), where they have set up some of their operations - subsea and their upcoming space project.
  4. They also use our dark fibre connectivity and have additional services (eg. mobiles) also with Telstra.
4. This video will include footage of Fugro's control room in Wellington Street, which is used to guide 'uncrewed surface vessels', or USVs (autonomous boats which operate without an onboard crew, used for surveying gas pipelines among other tasks).

[Video link](#)

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# Driving long-term cost and operating efficiency is a key priority



## Examples of our initiatives



### Optimise asset maintenance & vendor partnerships

- 20% remote fibre monitoring coverage to avoid truck rolls and maintenance
- 20% reduction in maintenance supplier overheads (during FY22 & FY23)



### Reduce legacy infrastructure

- Partnering with Telstra to unlock power savings
- 71,315 fluorescent lights replaced with 34,736 LED lights at 251 sites
- 347 fans upgraded to electronically commutated fans



### Modernise our battery assets

- End of life replacement led to 10% reduction in power-related truck rolls
- Activating latent capacity through control upgrades & switching to lithium



### Secure, resilient and safe assets

- Substantial improvement in risk management practices on assets
- Installed 102 automatic transfer units (tracking to 250 FY24 target)



### Further optimise power consumption & energy efficiency

- Targeting further 50GWh pa reduction in FNS over the next 5 years (achieved 89GWh pa reduction FY19-23)
- \$49m invested in energy reduction projects across Telstra Group
- 170 HVAC monitoring and energy efficiency alarming systems installed



### Simplification of our IT landscape and automation

- Reduced fibre feasibility processing costs by 47% in FY23
- Streamlined fibre change request - faster turnaround



### Copper recovery

- Targeting further 50kt of cable extraction to FY26 (28kt recycled during FY22 & FY23)



### Property portfolio management

- 28 site divestments across FY22 & FY23 - targeting more in the next 3 years
- Cost savings by Amplitel through renegotiation of over 280 ground leases in FY23 and an improved property WALE (weighted average lease expiry)

# Infrastructure is an exciting space



- 1 There is huge **demand for digital infrastructure**
- 2 Our **unique, world class assets** position us **to capture this demand**
- 3 We have evolved InfraCo to better meet **customer needs**
- 4 We have many opportunities to deliver growth including expanding our **Intercity Fibre build**
- 5 We are focused on delivering **long-term cost efficiency**



# Financial strategy

Michael Ackland  
Chief Financial Officer

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# Financial strategy



Our purpose and values

To build a connected future so everyone can thrive

We are changemakers

We are better together

We care

We make it simple

Our ambition

To deliver growth and value for shareholders

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Build financial momentum across our portfolio to deliver growth</b>	<b>Deliver net cost reductions - \$500m net fixed cost out from FY23 to FY25 while investing for growth</b>	<b>Focus on cash conversion and generation</b>	<b>Active portfolio management to unlock value and manage our Balance Sheet</b>	<b>Create shareholder value through our capital management framework</b>

Our building blocks

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# 1 Positive financial momentum across portfolio



## Strong growth and margins

- FY23 EBITDA largely delivered from mobile, infrastructure and international
- Growing market demand
- Operating leverage upside
- Strong cash flow generation



## Investing for growth

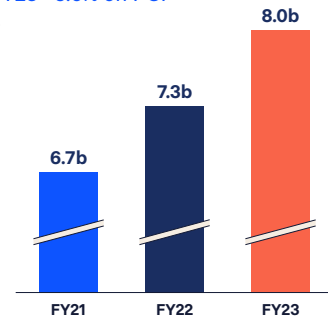
- Re-investment for growth momentum – ~\$3b p.a. ongoing BAU capex ex. spectrum
- Strategic investments driving new future growth
- Rigorous financial discipline and balance sheet strength & flexibility



## Underlying EBITDA<sup>1</sup>

FY23 +9.6% on PCP

\$



1. Underlying EBITDA excludes guidance adjustments including material adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C. For this reason, management views Underlying EBITDA to be more representative of business performance than reported EBITDA. Refer to definition in Glossary.

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# 1 High-quality mobile business well positioned for long-term growth



## Strong demand drivers

- ~1%-2% p.a. Structural growth**  
Population growth 2023-27
- ~30% p.a. Utility and usage**  
Mobile data demand on network
- ~3x New products, services and devices** -3x increase in IoT connections in the past 5 years

## Uniquely positioned

- #1 Network leadership**  
5G population coverage
- New stack Digital leadership**  
Migration to new digital IT system
- ~280m Security for customers**  
Blocked scam messages monthly
- Simplified Mobile plan contracts**  
No backbook, month-to-month

## Driving growth and value

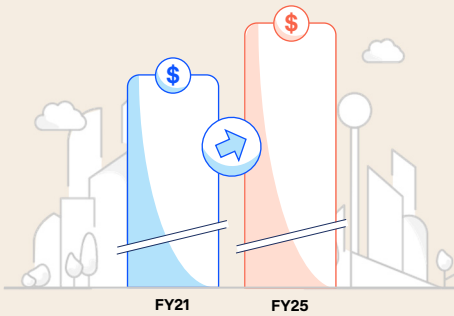
- Annual price review**  
Option to review with CPI  
Driving ARPU growth
- Multi-Brand and channel**  
Addressing the market
- Mid-single digit Service revenue growth**  
FY21-FY25 annual growth
- Operating leverage On mobile infrastructure**  
With ongoing cost discipline

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# 1 Driving growth and value from digital infrastructure in InfraCo and International



## InfraCo Fixed Underlying EBITDAaL<sup>1</sup> Low-single digit CAGR



1. Refer to definition in Glossary, Page 43 Copyright Telstra®

- 1 Strong demand growth for digital infrastructure
- 2 Unique, irreplaceable assets delivers high-quality return profile and ability to capture growth
- 3 Strong alignment across Telstra to meet customer needs
- 4 Delivering growth opportunities including Intercity Fibre and international sub-sea
- 5 Focused on delivering long-term cost efficiency

# 1 Investing for growth through our strategic investments



## Intercity & ViaSat financials

**\$1.6b**  
Total capex FY23-FY27  
\$300m FY23; \$300m FY24; remainder FY25-FY27

**Mid-teens+**  
Expected IRR

**~9 year**  
Cash payback

**~\$200m p.a.**  
Incremental run rate income<sup>1</sup>  
As routes become ready for service

## Strong growth fundamentals<sup>2</sup>

**~\$1.7b p.a.**  
Total Addressable Market in FY33  
Australian Intercity Fibre

**24-33% p.a.**  
Data growth

**~5% CAGR**  
Expected market income growth

1. With respect to the timing of revenue recognition, IRUs are assumed to be treated as operating leases.  
2. Refers to management's view of Intercity Fibre market in Australia.

## 2 Track record of delivering on cost reduction

### Outcomes

- **\$2.7b net fixed cost out** achieved from FY16 to FY22
- In addition, **\$500m net fixed cost core reduction ambition from FY23 to FY25** while investing for growth
  - Ambition set in Sep-2021
  - Expect to achieve large majority by FY25

### Areas of productivity

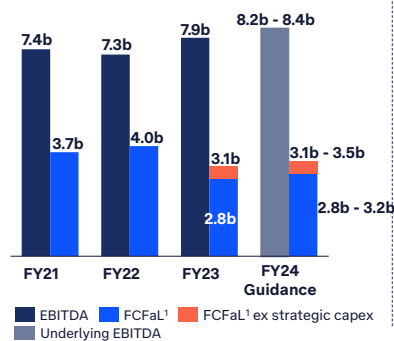
- **Migrating customers off legacy** platforms, exiting products and further automation and digitisation
- Efficiency in **IT software costs**
- **Decommissioning legacy** infrastructure
- Further **benefits from AI**



## 3 Strong cash flow conversion and generation

### Strong cash flow generation and conversion of EBITDA to cash

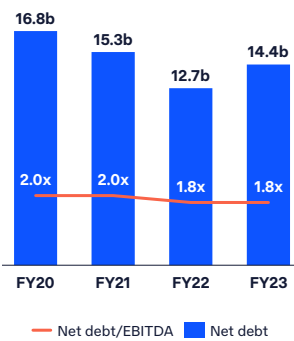
\$AUD



1. FCFaL is Free cash flow after lease payments. Refer to definition in Glossary.  
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### Balance sheet capacity further supported by EBITDA growth

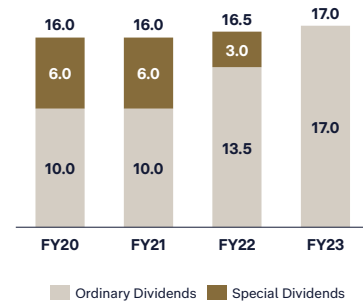
\$AUD



### Supporting flexibility to grow dividends and invest

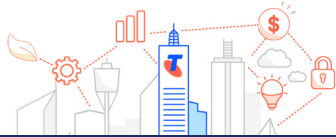
Including in spectrum, M&A and strategic growth

Cents per share





## 4 Active portfolio management to support growth and unlock value



### A strong track record

- >\$2b of asset sales in T22
- Sale of 49% stake in Amplitel
- InfraCo Fixed optionality in the longer term
- Ongoing discipline to invest or exit investments



### Criteria for growth and M&A

- Organic opportunities:
  - NPV positive
  - Appropriate risk analysis
- M&A opportunities:
  - EPS accretive (year 2)
  - ROI above WACC (year 3)
  - More accretive than share buy-back
- Preserve discretion for strategic opportunities



### Partnership considerations

- Maintaining balance sheet strength and flexibility while seeking to grow dividends
- Ability to accelerate growth
- Access to funding options and optimising cost of capital
- Shared risk and access to specialist capability

## 5 Capital management framework

	Fiscal discipline		
Objectives	Maximise returns for shareholders	Maintain financial strength	Retain financial flexibility
Principles	<ol style="list-style-type: none"> <li>1 Committed to balance sheet settings consistent with an <b>A band credit rating</b></li> <li>2 <b>Maximise fully-franked dividend</b> and seek to grow over time<sup>1</sup></li> <li>3 Ongoing <b>business-as-usual capex of ~\$3b p.a.</b> excluding spectrum<sup>2</sup></li> <li>4 Invest for growth and <b>return excess cash</b> to shareholders</li> </ol>		



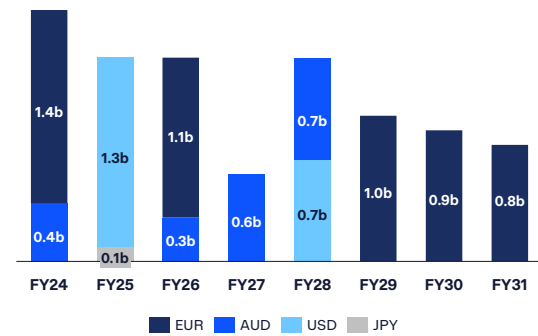
1. The dividend is subject to no unexpected material events and is subject to Board discretion having regard to financial and market conditions, business needs and maintenance of financial strength and flexibility consistent with Telstra's capital management framework.  
 2. Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases.

## 5 Strong debt profile and hedging



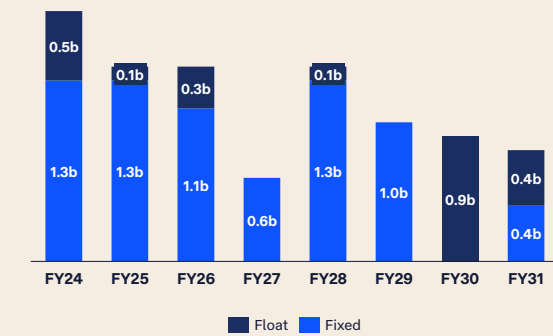
### Diversified debt maturity profile<sup>1</sup>

Average maturity on total borrowings ~4 years  
\$AUD



### Gross debt hedging<sup>1</sup> profile provides certainty

Policy of >50% fixed  
\$AUD



1. As at 30 June 2023. Based on contractual principal values includes public bonds, bank loans and private placements (excludes Digicel Pacific).

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## Our financial ambitions to FY25



### Underlying EBITDA<sup>1</sup>

- \$8.2–8.4b in FY24
- Mid-single digit CAGR FY21 to FY25



### Underlying ROIC<sup>1</sup>

- ~8% in FY23
- Grow beyond to FY25



### Underlying EPS<sup>1</sup>

- High-teens CAGR FY21 to FY25



### Dividend

- Maximise fully-franked dividend and seek to grow over time



### Excess cashflow

- Invest for growth and return excess cash to shareholders

1. Refer to definition in Glossary and see disclaimer slide in relation to these financial ambitions.

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## FY24 guidance



	FY23	FY24 guidance <sup>1</sup>
Total income	\$23.2b	<b>\$22.8b to \$24.8b</b>
Underlying EBITDA <sup>2</sup>	\$8.0b	<b>\$8.2b to \$8.4b</b>
Capex <sup>3</sup> (includes strategic investment)	\$3.6b	<b>\$3.6b to \$3.7b</b>
Free cashflow after lease payments (FCFaL) <sup>4</sup> (includes strategic investment)	\$2.8b	<b>\$2.8b to \$3.2b</b>

1. This guidance excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management.
2. Underlying EBITDA excludes guidance adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C.
3. Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases.
4. Free cashflow after lease payments defined as 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities' and excludes spectrum and guidance adjustments.

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## Key take-aways



- 1 Our **T25 strategy is on track**
- 2 We are uniquely placed on **network leadership and differentiation**
- 3 We are well positioned to capture demand in **digital infrastructure**
- 4 We have a **strong Balance Sheet**
- 5 **Customer experience** is what matters most for growth and value

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# Q&A Session

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# Thank you

For more investor information refer to:  
[www.telstra.com.au/aboutus/investors](http://www.telstra.com.au/aboutus/investors)

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# Glossary



Term	Definition (unless separately defined in the slide footnotes)
<b>Capex, Accrued Capex</b>	Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases
<b>Free cash flow after lease payments (FCFaL)</b>	'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities', and excludes spectrum and guidance adjustments
<b>Guidance adjustments</b>	Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. Refer to Full year results and operations review - guidance vs reported results reconciliation which details the adjustments made for the current and comparative period to reflect performance on the basis on which we provided guidance to the market for FY23 (set out in our ASX announcement titled "Financial results for the Full year ended 30 June 2023" lodged with the ASX on 17 August 2023)
<b>Net one-off nbn DA less net C2C or one-off nbn DA</b>	Adjustments for net one-off nbn receipts which is defined as net nbn one-off Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect
<b>n/m</b>	Not meaningful
<b>ROE</b>	Calculated as Profit for TLS shareholders as a percentage of equity
<b>ROIC</b>	Calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital
<b>Total income</b>	Total income excluding finance income
<b>Profit for TLS shareholders</b>	Profit for the year attributable to equity holders of Telstra Entity
<b>EBITDAaL</b>	Earnings Before Interest, Taxes, Depreciation, Amortisation and after Leases
<b>Underlying earnings</b>	NPAT excluding net one-off nbn receipts and guidance adjustments (as defined above). See 'Underlying earnings' slide for details
<b>Underlying EBITDA</b>	Underlying EBITDA excludes guidance adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C
<b>Underlying EPS</b>	Profit for TLS shareholders attributable to each share, excluding net one-off nbn receipts and guidance adjustments (as defined above)
<b>Underlying ROIC</b>	NOPAT as a percentage of total capital, excluding net one-off nbn receipts and guidance adjustments (as defined above) less tax