



15 February 2024

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 Group Limited – Financial Results for the half-year ended 31 December 2023 – CEO/CFO Analyst Briefing Presentation and Materials**

In accordance with the Listing Rules, attached are the following materials for release to the market by Telstra Group Limited:

1. Half-Year 2024 results presentation;
2. CEO and CFO speeches;
3. Telstra's Half-Year Results and Operations Review; and
4. Financial and statistical tables.

The materials are also provided for the information of Telstra Corporation Limited noteholders.

Telstra will conduct an analyst and media briefing on its 2024 Half-Year results from 9:15am AEDT. The briefings will be webcast live at <https://www.telstra.com.au/aboutus/investors/financial-results>.

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

Release of announcement authorised by:

Sue Laver  
Company Secretary



# Half year 2024 results

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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 the forward-looking 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 implications of 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 Telstra's 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/investors](http://www.telstra.com.au/aboutus/investors). Further risks, uncertainties and other factors for the half year ended 31 December 2023 are described in Telstra's half-year financial results which were lodged with the ASX on 15 February 2024, and are also available on Telstra's Investor Centre website [www.telstra.com.au/aboutus/investors](http://www.telstra.com.au/aboutus/investors).

In addition, there are particular risks and uncertainties in connection with the implementation of Telstra's T25 strategy (T25). These 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 in 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 various 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 for 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

All forward-looking figures and proforma statements in this presentation are unaudited and based on A-IFRS unless otherwise indicated. Certain figures may be subject to rounding differences. All market share information in this presentation is based on management estimates having regard to internally available information unless otherwise indicated.

### Other information

All amounts are in Australian Dollars unless otherwise stated.

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# Half year 2024 results

Vicki Brady – Chief Executive Officer

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## Half year 2024 results



1H24 Total income<sup>1</sup>

**\$11.7b +1.2%**

1H24 Underlying EBITDA<sup>1</sup>

**\$4.0b +3.1%**

1H24 EBITDA

**\$4.0b +3.8%**

1H24 Underlying ROIC<sup>1</sup>

**7.8% +0.3pp**

1H24 ROIC

**7.8% +0.7pp**

Episode NPS

**Improved +3  
last 12 months**

T25 strategy

**On track**

Interim dividend<sup>2</sup>

**9.0cps +5.9%**

1. Refer to definition in the Glossary.

2. Interim dividend of 9.0 cents per share is fully franked.

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# Half year 2024 results



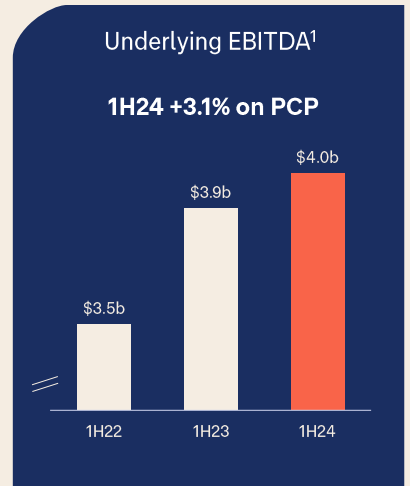
## 1H24 Underlying EBITDA<sup>1</sup>

- **Mobiles:** +\$293m or +13% growth
- **Fixed-C&SB:** +\$55m or +110% growth
- **Infrastructure**
  - **InfraCo Fixed:** +\$27m or +3% growth
  - **Amplitel:** +\$27m or +17% growth
- **Disciplined on costs**
- **Fixed-Enterprise:** DAC performing as expected, challenges in NAS



## FY24 guidance

- Given NAS performance, we are tightening Underlying EBITDA guidance range to \$8.2 to \$8.3b
- FY24 guidance across other measures reaffirmed



1. Refer to definition in the Glossary.



# Half year 2024 results

Michael Ackland – Chief Financial Officer

# Income statement

Continued profitable growth in line with strategy



|  | 1H23          | 1H24          | Change       |
|--|---------------|---------------|--------------|
| Total income <sup>1</sup>                      | \$11.6b       | \$11.7b       | 1.2%         |
| Operating expenses                             | \$7.7b        | \$7.7b        | -0.3%        |
| <b>EBITDA</b>                                  | <b>\$3.9b</b> | <b>\$4.0b</b> | <b>3.8%</b>  |
| <b>Underlying EBITDA<sup>1,2</sup></b>         | <b>\$3.9b</b> | <b>\$4.0b</b> | <b>3.1%</b>  |
| D&A  | \$2.3b        | \$2.2b        | -1.2%        |
| <b>EBIT</b>                                    | <b>\$1.6b</b> | <b>\$1.8b</b> | <b>10.8%</b> |
| Net finance costs <sup>3</sup>                 | \$0.3b        | \$0.3b        | 25.8%        |
| Income tax expense                             | \$0.4b        | \$0.4b        | 0.2%         |
| <b>NPAT</b>                                    | <b>\$0.9b</b> | <b>\$1.0b</b> | <b>11.5%</b> |
| <b>Profit for TLS shareholders<sup>1</sup></b> | <b>\$0.9b</b> | <b>\$1.0b</b> | <b>11.4%</b> |
| EPS (cents)                                    | 7.5           | 8.4           | 12.0%        |
| DPS (cents)                                    | 8.5           | 9.0           | 5.9%         |

- **Underlying EBITDA** growth with strong growth in mobile
- **D&A** down slightly due to timing, outlook for growth due to investments and spectrum
- **Finance costs** increased largely from higher borrowing costs
- **Tax** largely flat. Effective tax rate 28.6%
- **NPAT** growth of 11.5%
- **Earnings per share (EPS)** growth of 12.0%
- **Dividends per share (DPS)** of 9.0c

1. Refer to definition in the Glossary.  
 2. Refer to Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024).  
 3. Net finance costs increased to \$317m from \$252m in PCP, representing a 25.8% increase.

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# EBITDA by product

Growth across Mobile, Fixed-C&SB and Infrastructure offset by other fixed and International



|                                   | 1H23            | 1H24            | Change      | Change \$m |
|-----------------------------------|-----------------|-----------------|-------------|------------|
| Mobile                            | \$2,217m        | \$2,510m        | 13.2%       | 293        |
| Fixed-C&SB                        | \$50m           | \$105m          | 110.0%      | 55         |
| Fixed-Enterprise                  | \$213m          | \$71m           | -66.7%      | -142       |
| Fixed-Active Wholesale            | \$71m           | \$52m           | -26.8%      | -19        |
| International                     | \$375m          | \$344m          | -8.3%       | -31        |
| InfraCo Fixed                     | \$807m          | \$834m          | 3.3%        | 27         |
| Amplitel                          | \$160m          | \$187m          | 16.9%       | 27         |
| Other <sup>1</sup>                | \$2m            | -\$87m          | n/m         | -89        |
| <b>Underlying</b>                 | <b>\$3,895m</b> | <b>\$4,016m</b> | <b>3.1%</b> | <b>121</b> |
| Guidance adjustments <sup>2</sup> | -\$34m          | -\$9m           | 73.5%       | 25         |
| <b>Reported</b>                   | <b>\$3,861m</b> | <b>\$4,007m</b> | <b>3.8%</b> | <b>146</b> |

- **Underlying EBITDA** growth of \$121m or 3.1%
- **Mobile** growth from more customers, ARPU and cost discipline
- **Fixed-C&SB** growth largely reflects productivity
- **Fixed-Enterprise** decline in DAC and calling as expected, and a further deterioration in NAS
- **International** impacted by FX and restructure. Solid trading in Wholesale & Enterprise, Digicel Pacific AUD growth despite PNG operating environment
- **InfraCo Fixed** EBITDAaL growth of 5.1% excluding commercial works and legacy disposals
- **Amplitel** growth from new builds, 5G & customer wins
- **Other** decline driven by corporate adjustments, reporting changes due to corporate restructure, and lower Energy contribution; partly offset by gain from tower access agreements

1. Other includes miscellaneous, Telstra Energy, Telstra Health and internal.  
 2. Refer to Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024).

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# Mobile

Growth with continued recovery in service revenue

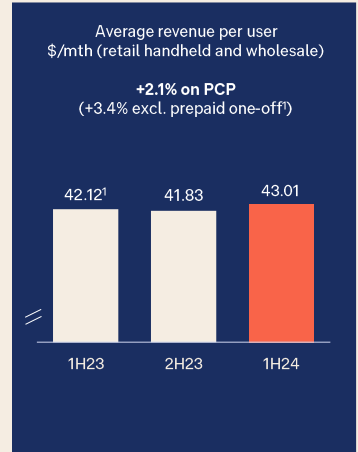
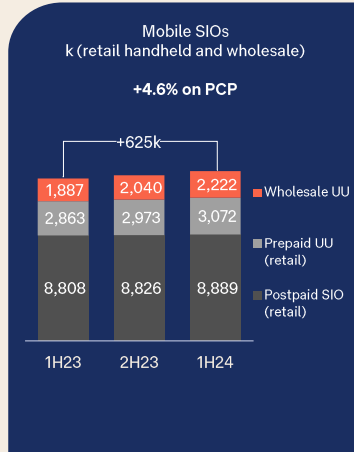
\$5.3b

1H24 Income ▲4%

\$2.5b

1H24 EBITDA ▲13%

- **Mobile service revenue** 6.0% growth supported by handheld SIO growth and proposition changes across postpaid, prepaid and wholesale
- **Mobile SIOs** 4.6% growth, Q2 weighted. Net adds across Consumer & Small Business, Enterprise and Wholesale
- **Average revenue per user** 3.4% growth excl. prepaid one-off from product migration<sup>1</sup>
  - **Postpaid handheld** growth from C&SB price increase and international roaming
  - **Prepaid handheld** growth following plan refresh
  - **Wholesale** growth including plan mix



1. 1H23 Prepaid revenue included \$42m one-off from customer migration to simplified plans.



# Fixed - C&SB

Delivering earnings growth with continued execution of strategy

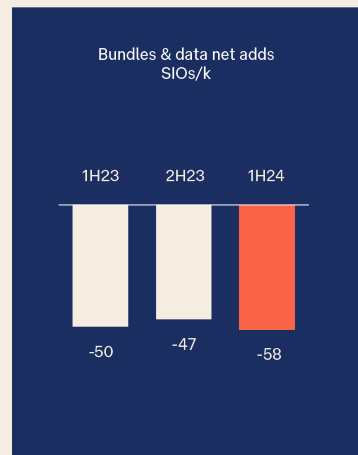
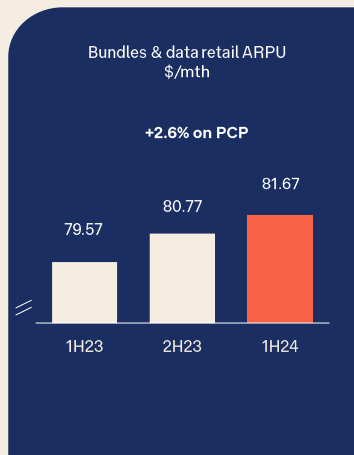
\$2.2b

1H24 Income ▼2%

\$105m

1H24 EBITDA ▲110%

- **Continued EBITDA growth** from ARPU and fixed wireless, improved product mix and productivity
- **Bundles & data ARPU growth** reflects partial benefit of price rise (from November 2023)
- **Bundles and data SIO decline continued** despite growth in fixed wireless net adds
- **nbn reseller EBITDA margin** increased to 10% from 7% in 1H23 through price rise and cost optimisation





# Fixed - Enterprise

Continued decline in connectivity and calling, as expected, and a further deterioration in NAS

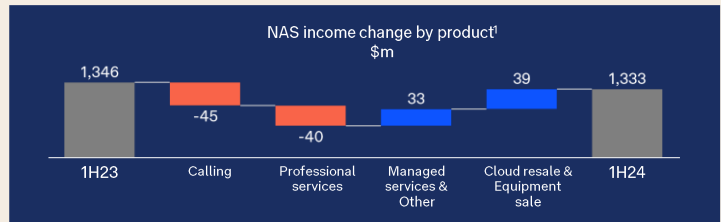
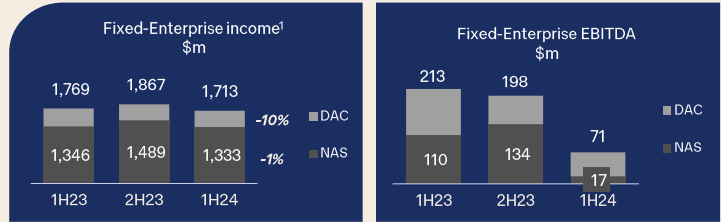
**\$1.7b**

1H24 Income<sup>1</sup> ▼3%

**\$71m**

1H24 EBITDA ▼67%

- **Fixed-Enterprise income** decline with DAC, calling and professional services weakness more than offsetting cloud, equipment and other growth
- **Data and Connectivity (DAC) income and EBITDA** declined but at a slower with ARPU compression and technology change
- **Network Applications & Services (NAS) income** decline in calling as expected and deterioration in conditions for professional services offset by growth in cloud and equipment resale
- **NAS EBITDA** fell with high margin calling decline, professional services weakness coupled with cost overhang and lower resale and equipment margins



1. 1H24 excludes \$15m of revenue from Versent.

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# International

Solid performance in Wholesale & Enterprise, Digicel Pacific growth despite operating environment

**A\$1.3b**

1H24 Ext. Income<sup>1</sup> ▲5%

**A\$344m**

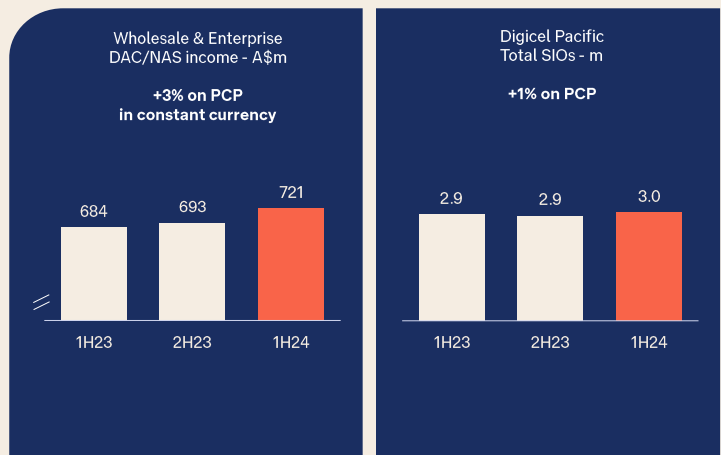
1H24 EBITDA ▼8%

**Wholesale & Enterprise** reported results reflect corporate restructure impacts:

- **External income** 3% growth in constant currency from continued demand for products and services
- **EBITDA** 3% growth in constant currency excl. corporate restructure and one-off impacts

**Digicel Pacific** reported AUD results grew due to FX:

- PNG SIOs grew and ARPU was broadly flat in PNG Kina. Hub markets on track
- A\$100m capex in 1H24 including new sites roll out, fibre backbone and resiliency



1. Excludes internal income; Income growth of 15% including internal income.

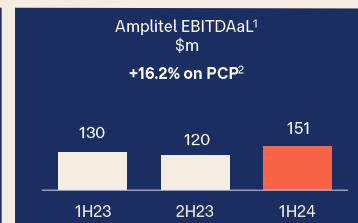
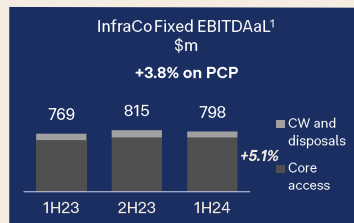
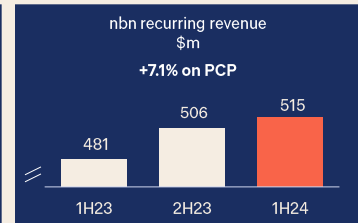
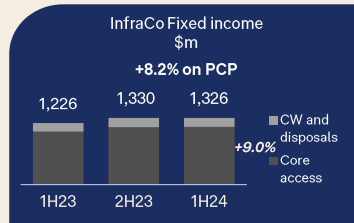
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# Infrastructure

Growth in revenue and earnings with higher infrastructure demand and CPI indexation



- **InfraCo Fixed 5.1% core access EBITDAaL1 growth** (excl. commercial & recoverable works and legacy network disposals) driven by higher core access revenue. 3.8% reported growth reflects modestly lower commercial works and disposals
- **nbn recurring revenue** - average contracted period of 24 years, 5.4% CPI applies from 1 Jan 2024
- **Investment in strategic infrastructure** to support further longer-term growth continues including intercity fibre and Viasat projects
- **Strong demand for Amplitel** new and existing towers (5G expansion)



1. Refer to definition in the Glossary.  
2. Includes \$11m relating to tower upgrade and gains from customer contracts.

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# Costs broadly flat with strong cost discipline



| Operating expenses                   | 1H23            | 1H24            | Change       | Change \$m |
|--------------------------------------|-----------------|-----------------|--------------|------------|
| nbn payments                         | \$1,030m        | \$1,012m        | -1.7%        | -18        |
| Non-nbn sales costs                  | \$2,905m        | \$2,935m        | 1.0%         | 30         |
| Fixed costs - core <sup>1</sup>      | \$3,407m        | \$3,343m        | -1.9%        | -64        |
| Fixed costs - other <sup>2</sup>     | \$301m          | \$384m          | 27.6%        | 83         |
| <b>Underlying</b>                    | <b>\$7,643m</b> | <b>\$7,674m</b> | <b>0.4%</b>  | <b>31</b>  |
| One-off nbn DA                       | \$20m           | -               | n/m          | -20        |
| Restructuring & M&A adj <sup>3</sup> | \$60m           | \$24m           | -60.0%       | -36        |
| <b>Reported</b>                      | <b>\$7,723m</b> | <b>\$7,698m</b> | <b>-0.3%</b> | <b>-25</b> |

- **Total operating expenses** broadly flat with productivity offsetting cost inflation
- **nbn payments** broadly in line with lower SIOs
- **Non-nbn sales costs** increased on enterprise NAS cost of sales partly offset by lower mobile handheld volumes
- **Fixed costs - core** declined as productivity and lower commissions more than offset inflation. Energy costs flat with higher price offset by lower consumption
- **Fixed costs - other** increased primarily due to corporate adjustments

1. Fixed costs - core includes \$258m of commissions in 1H24 (1H23 \$286m).  
2. Fixed costs - other includes Telstra Health, corporate adjustments, and current and prior year acquisitions including Digicel Pacific.  
3. Refer to Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024).

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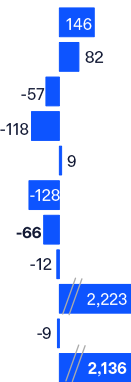


## Free cashflow reflects investing for growth & seasonality



| Free cashflow   | 1H23             | 1H24          | Change       |
|---|------------------|---------------|--------------|
| EBITDA  | \$3,861m         | \$4,007m      | 3.8%         |
| Working capital movement <sup>1</sup>                 | -\$451m          | -\$369m       | 18.2%        |
| Tax paid  | -\$467m          | -\$524m       | -12.2%       |
| Capex (excl. Spectrum) <sup>2</sup>                   | -\$1,747m        | -\$1,865m     | -6.8%        |
| Lease payments  | -\$364m          | -\$355m       | 2.5%         |
| Other incl. non-cash EBITDA <sup>3</sup>              | \$189m           | \$61m         | -67.7%       |
| <b>Free cashflow after lease payments<sup>4</sup></b> | <b>\$1,021m</b>  | <b>\$955m</b> | <b>-6.5%</b> |
| Spectrum  | -\$91m           | -\$103m       | -13.2%       |
| M&A / asset sale                                      | -\$2,594m        | -\$371m       | n/m          |
| Lease payments  | \$364m           | \$355m        | -2.5%        |
| <b>Operating less investing cashflow</b>              | <b>-\$1,300m</b> | <b>\$836m</b> | <b>n/m</b>   |

Change \$m



- Free cashflow after lease payments declined 6.5%. FY24 guidance of \$2.8b to \$3.2b reaffirmed
- Working capital movement of -\$369m due to normal seasonality including increase in inventory. Receivables, days sales outstanding, and aged debt all marginally improved vs PCP
- Capex increase largely due to timing
- Other decline due to lower investing cash flow receipts and payment timing
- Spectrum investment supports growth, improved customer experience and efficient increase in mobile capacity. Expect -\$1.3b in FY24 from committed acquisitions
- M&A includes -\$271m for acquisition of Versent. 1H23 includes -\$2.4b for Digicel Pacific acquisition
- non-controlling interests dividends paid in financing activities (not in table) of \$85m in 1H24 (\$68m 1H23) include to Amplitel and exchange trust minorities

1. Working capital movement from operating activities.  
 2. Represents cash outlay for capital expenditure during the year.  
 3. Includes investing cash flow, proceeds on disposal, finance lease receivables, interest received, and other non-cash EBITDA items not reported in operating activities.  
 4. Refer to definition in the Glossary.

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## Strong capital position and liquidity



| Capital position                           | 1H23          | FY23    | 1H24    |       |
|--|---------------|---------|---------|-------|
| Gross debt                                 | \$15.9b       | \$15.3b | \$16.2b |       |
| Cash and cash equivalents                  | \$1.0b        | \$0.9b  | \$1.0b  |       |
| Net debt                                   | \$14.9b       | \$14.4b | \$15.1b |       |
| Average gross borrowing cost <sup>1</sup>  | 4.4%          | 4.6%    | 5.0%    |       |
| Average debt maturity (years) <sup>1</sup> | 3.7           | 3.9     | 3.6     |       |
| Financial parameters <sup>2</sup>          | Comfort zones |         |         |       |
| Debt servicing                             | 1.5 - 2.0x    | 1.9x    | 1.8x    | 1.9x  |
| Gearing                                    | 50% to 70%    | 46%     | 45%     | 46%   |
| Interest cover                             | >7x           | 13.1    | 12.8    | 11.9  |
| Ratios                                     |               |         |         |       |
| Capex <sup>3</sup> to sales                |               | 14.9%   | 16.1%   | 16.5% |
| ROE <sup>3</sup>                           |               | 11.3%   | 12.5%   | 12.6% |
| ROIC <sup>3</sup>                          |               | 7.1%    | 7.9%    | 7.8%  |
| Underlying ROIC <sup>3</sup>               |               | 7.5%    | 8.1%    | 7.8%  |

- Net debt increased ~\$0.7b in 1H24 largely due to normal seasonality of free cash flow and Versent acquisition funding
- Average gross borrowing cost increased due to higher interest rates including non-recourse Digicel Pacific debt
- Fixed rate debt as % of total debt is >50%, aligned to policy
- Strong liquidity with \$1.0b cash and \$2.2b of unused committed facilities
- Balance sheet strength and flexibility. Financial parameters within or better than comfort zones
- Accrued capex<sup>3</sup> of \$1,845m in 1H24 (guidance basis) included -\$50m of strategic investment and -\$100m for Digicel Pacific
- Underlying ROIC increase vs PCP with higher NOPAT offsetting increased invested capital. 2H24 will include additional invested capital including from spectrum purchases

1. Excludes leases and calculated on average debt on issue over the reporting period.  
 2. Debt servicing calculated as net debt over reported EBITDA. Gearing calculated as net debt over total net debt and equity. Interest cover calculated as reported EBITDA over net interest expense (excluding capitalised interest, revaluation impacts on our borrowings and derivatives and other non-cash accounting impacts).  
 3. Refer to definition in the Glossary.

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## FY24 guidance



|  | FY23    | 1H24    | FY24 guidance <sup>1</sup> |
|--|---------|---------|----------------------------|
| Total income   | \$23.2b | \$11.7b | <b>\$22.8b to \$24.8b</b>  |
| Underlying EBITDA <sup>2</sup>   | \$8.0b  | \$4.0b  | <b>\$8.2b to \$8.3b</b>    |
| Capex <sup>3</sup><br>(includes strategic investment)                                      | \$3.6b  | \$1.8b  | <b>\$3.6b to \$3.7b</b>    |
| Free cashflow after lease payments (FCFaL) <sup>4</sup><br>(includes strategic investment) | \$2.8b  | \$1.0b  | <b>\$2.8b to \$3.2b</b>    |

Underlying EBITDA<sup>2</sup> guidance range tightened – previously \$8.2b to \$8.4b

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.

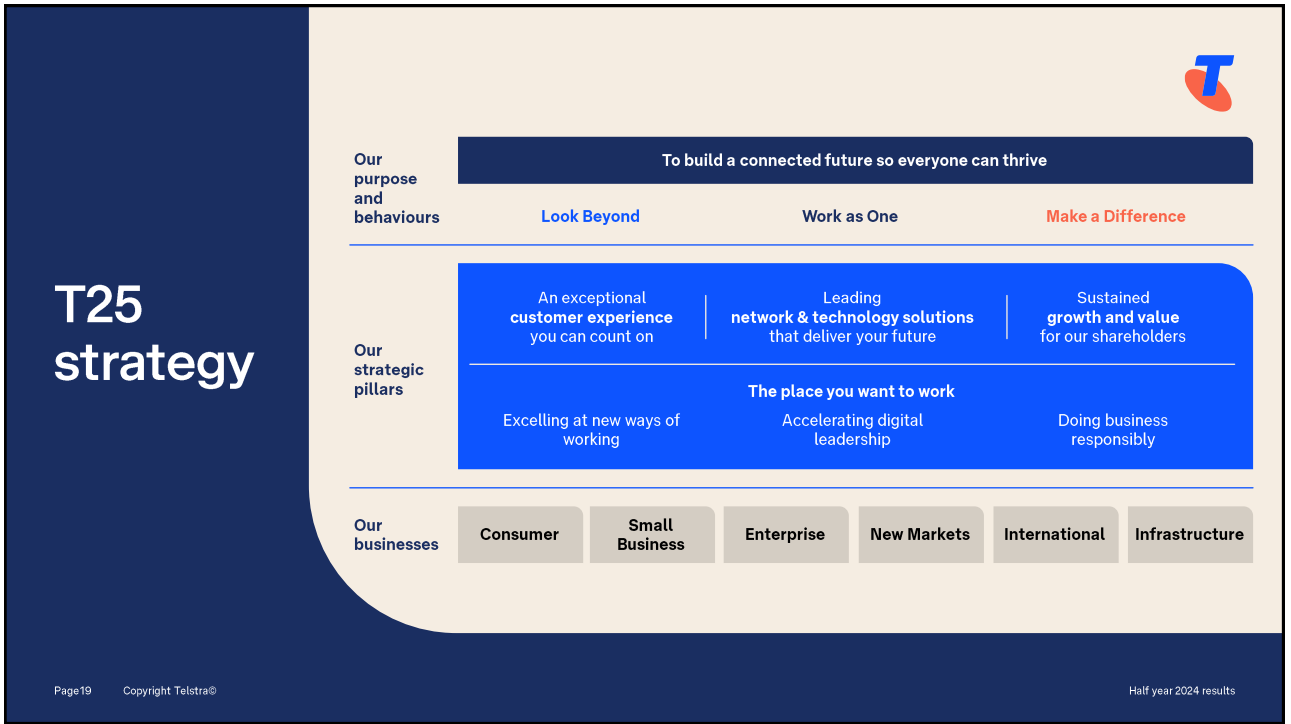
17



## Half year 2024 results

Vicki Brady – Chief Executive Officer

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## Customer experience

Driven by product simplification, onshore call centres, in-house stores and digitisation

### Increased digitisation

- **C&SB: 45% services and 93% sales on new digital stack** – on track for all by FY25
- **71% key service interactions** available digitally
- **7.6m active digital users**
- **5.4m Telstra Plus members** – 76% engagement

### Complaints at record lows and Episode NPS at record highs

- **Episode NPS**
  - improved 3 points last 12 months
  - improved 1 point last 6 months
- **C&SB TIO complaints reduced to record low**
  - 18% lower 1H24 on 2H23
  - More than two-thirds lower than FY21
- **96% Enterprise billing complaints resolved** in one billing cycle in Q2 FY24

### Cyber security important to us and our customers

- **Launched Scam Indicator** in partnership with CBA
- **Cleaner Pipes initiative** blocking on average per month
  - 10m scam calls
  - 11m scam SMS
  - 280m scam and unwanted emails

Page20      Copyright Telstra©      Half year 2024 results



# Network and technology solutions

Driven by network expansion including 5G



## Investment in network leadership and resilience

- **Australia's largest 5G network** with around 87% population coverage
- **48% mobile traffic on 5G** in December 2023
- **Committed \$1.3 billion to mobile spectrum** in FY24
- **Mobile coverage expanded to 2.78 million km<sup>2</sup>** – added 140,000 km<sup>2</sup> since FY21
- **On-track to transition off 3G network** in FY24
- **umlaut – “Best in Test”** (Dec 2023) for 5<sup>th</sup> consecutive year

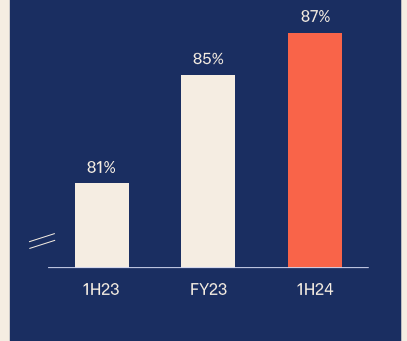


## Satellite and digital infrastructure

- **Starlink** – Enterprise product released. Expect consumer product in March
- First 4G call using **OneWeb** satellite
- Agreement with **Lynk Global** to explore and test direct to handset satellite technology
- Build progressed on **intercity fibre project** – >540km of fibre in the ground – five new routes announced
- We operate **APAC's largest subsea cable network**

## 5G population coverage

1H24 +6pp on PCP



# Growth and value

Driven by earnings growth across mobile, international, infrastructure and Fixed – C&SB



## Growth

- **Underlying EBITDA<sup>1</sup> +3.1% growth on PCP** – on track for mid-single digit CAGR ambition to FY25
- **Underlying EPS<sup>1</sup> +6.3% growth on PCP**. 20% CAGR from FY21 to 1H24 – on track for high-teens CAGR ambition to FY25
- **Underlying ROIC<sup>1</sup> 7.8%** – +0.3pp growth on PCP



## Enterprise/NAS actions

- **Addressing the cost base of Enterprise/NAS business**
- **Full review of products and services** to ensure we meet current and future customer needs – Including how we leverage Versent



## Cost discipline

- **1H24 core fixed costs reduced \$64m** with productivity partly offset by inflation
- Annualised core fixed cost reduced \$105m since FY22

1. Refer to definition in the Glossary.

# The place you want to work

Driven by digital leadership and doing business responsibly



## New ways of working

- **Employee engagement score of 79** – in top quartile globally
- **62% Agile teams at Level 4 Maturity**
- **Recently launched Big Three behaviours and habits** – Look Beyond, Work as One and Make a Difference



## Digital leadership / AI

- **Building reusable AI products** – Built 76% of FY24 target APIs for Adaptive Networks
- **50% key processes improved using AI** – on track for 100% by FY25
- **New AI applications piloted** including Ask Telstra an Open AI based solution with Microsoft



## Doing business responsibly

- **Contracted renewable energy projects worth more than \$1.2b**
- **On track to reduce absolute emissions** from FY19 by at least 50% by 2030
- **We helped around 1m customers in vulnerable circumstances stay connected in the half**
- **Expanded initiatives to help keep Australians connected** during natural disasters

# T25 scorecard

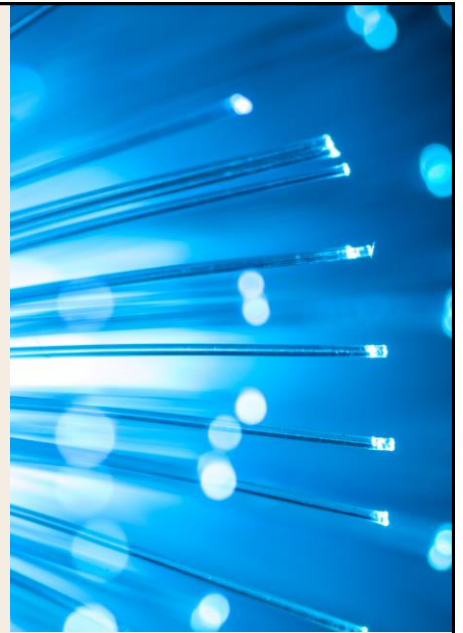


|                             | Customer experience  | Network & Technology  | Growth and value   | New ways of working   | Digital leadership  | Responsible business   |
|-----------------------------|--|---|--|---|---|--|
| Our commitments and metrics | <ul style="list-style-type: none"> <li>Market leading CX with eNPS &gt;40 by FY25</li> <li>sNPS uplift of +25 by FY25</li> <li>Getting it right for customers                             <ul style="list-style-type: none"> <li>&gt;90% 'Once and Done' by FY25 (C&amp;SB)</li> <li>90% rating in support and engagement by FY25 (TE)</li> </ul> </li> <li>Reduce our complaints                             <ul style="list-style-type: none"> <li>One-third by FY23, 50% by FY25 (C&amp;SB)</li> <li>&gt;95% of billing disputes will be resolved in 1 cycle by FY25 (TE)</li> </ul> </li> <li>Grow Telstra Plus members (#) and engagement (%)                             <ul style="list-style-type: none"> <li>5.4m and 70% by FY23</li> <li>6m and 80% by FY25</li> </ul> </li> <li>Grow digitally active users by 2m to 8.5m FY25 (C&amp;SB)</li> <li>Improve availability of infra. assets for customers, by FY25                             <ul style="list-style-type: none"> <li>250 new towers</li> <li>20,000km of fibre deployed<sup>1</sup></li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Network leadership; by FY25:                             <ul style="list-style-type: none"> <li>-95% pop. coverage for 5G</li> <li>&gt;80% of traffic on 5G</li> <li>3G closed in FY24</li> </ul> </li> <li>Win majority of key surveys for best fixed/ mobile network including Coverage, and Overall customers speeds for mobile FY23-FY25</li> <li>Double metro cell sites by FY25 to densify the network<sup>1</sup></li> <li>Expand regional coverage 100,000km<sup>2</sup> new coverage by FY25</li> </ul> | <ul style="list-style-type: none"> <li>Underlying EBITDA \$7.5-8.0b by FY23</li> <li>Mid-single digit CAGR FY21 to FY25</li> <li>Underlying ROIC -8% by FY23</li> <li>Grow beyond to FY25</li> <li>Underlying EPS: High-teens CAGR FY21 to FY25</li> <li>Maximise fully-franked dividend and seek to grow over time</li> <li>Maintain cost discipline                             <ul style="list-style-type: none"> <li>\$500m net fixed cost out from FY23 to FY25 while investing for growth</li> <li>Maintain leading operating cost metrics for full-service telco</li> </ul> </li> <li>Maximise value from infra.                             <ul style="list-style-type: none"> <li>Amplifit EBITDAaL CAGR – low-to-mid single digit</li> <li>InfraCo Fixed EBITDAaL CAGR – low-single digit</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Remain at 90th percentile employee engagement (equivalent to high-performance norm)</li> <li>Improve agile maturity of teams, with 70% scoring above 4 by FY25</li> <li>Halve our time to market for products and services from FY22 to FY25</li> <li>50% increase in representation of Data &amp; Analytics workforce by FY25</li> <li>Direct software engineering workforce delivering -2x the percentage of strategic development work by FY25</li> </ul> | <ul style="list-style-type: none"> <li>All key service transactions with customers are capable of being conducted digitally by FY25</li> <li>100% of key business processes enhanced/ improved using AI by FY25</li> <li>Reach top 20% in Digital Capability Index by FY25</li> <li>100% API-first architecture for customer management, product development, and external monetisation</li> <li>Move -90% of applications to the public cloud by FY25</li> </ul> | <ul style="list-style-type: none"> <li>Enable renewable energy generation equivalent to 100% of our consumption by 2025</li> <li>Reduce absolute emissions from FY19 by at least 50% by 2030</li> <li>Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25</li> <li>Help keep 1m customers in vulnerable circumstances connected each year from FY22-25</li> <li>4-7pt uplift in RepTrak reputation score by FY25</li> </ul> |
|                             |  | <ul style="list-style-type: none"> <li>On track for delivery</li> <li>Completed</li> </ul>  | <ul style="list-style-type: none"> <li>Progress made but below target</li> <li>Completed after due date</li> </ul>   | <ul style="list-style-type: none"> <li>Not on track</li> <li>Target removed</li> </ul>  |   |  |
|                             |  | <ul style="list-style-type: none"> <li>Legend</li> </ul>  |  |   |   |  |
|                             |  |   |  |   |   |  |
|                             |  |   |  |   |   |  |
|                             |  |   |  |   |   |  |

Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions  
 1. Fibre deployed target removed in August 2023 due to our focus on the highest priority routes. Double metro cell side target removed in August 2023 due to technology review

## FY24 focus areas

1. **Continuing to improve the customer experience** – including by finishing the job on migrating our C&SB customers onto our new digital stack
2. **Continuing to grow the business** – including continued growth in mobile, addressing challenges in NAS, and achieving the large majority of our cost out ambition
3. **Strengthening our culture by embedding our new behaviours** as well as attracting, retaining and developing the best talent – including through upskilling our people on data and AI
4. **Setting up the business for long term growth** – including investment in digital infrastructure and active portfolio management



# Thank you

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





# Appendix

## Telstra at a glance

|                                       |                          |  |                      |
|---------------------------------------|--------------------------|--|----------------------|
| <b>Size and scale<sup>1</sup></b><br> | >1m shareholders         | A\$47b market capitalisation                       | Public ASX20 company |
|                                       | FY23 A\$23b total income | A-/A2 investment grade rating from S&P and Moody's |                      |

|                                |  |   |  |
|--------------------------------|--|---|--|
| <b>Network<sup>1</sup></b><br> | Australia's largest mobile network – around 1m square kilometres more coverage than nearest competitor |   |  |
|                                | 250,000km optical fibre network in Australia   | Own or operate 400,000km of subsea cable and 2,000 POPs |  |

|   |                                    |   |  |
|---|------------------------------------|---|--|
| <b>Customers and people<sup>1</sup></b><br> | 23.4m retail mobile services       | 3.3m C&SB bundle and data services                          | 154k Enterprise data and connectivity services |
|   | 2.2m wholesale mobile unique users | Employee engagement score of 79                             |  |
| Around 290 retail stores in Australia       |                                    | Presence in >30 countries and territories outside Australia |  |

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1. As at end of 1H24 unless otherwise noted.
Half year 2024 results



# Capital management framework

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



# Sustainability

|  |  |   |
|--|--|---|
| <b>Creating a better digital world<sup>1</sup></b><br> | Our 5G footprint covers around 87% of the Australian population (as at 1H24) –95% ambition by FY25 | Launched new reporting service to help customers fight SMS and MMS scams  |
|  | Helped around 1m customers in vulnerable circumstances stay connected in 1H24                      | Supported 316k Australians to grow their digital skills since FY21 (as at 1H24)   |
| <b>Sustaining our planet<sup>1</sup></b><br>           | AFR Sustainability Leader for 2023 and category winner in TMT sector                               | 30% reduction in absolute scope 1+2 emissions and 28% reduction in absolute scope 3 emissions, each from FY19 baseline – 50% target reduction by 2030 |
|  | CDP A rating on climate for 2023   | Reused or recycled >600k mobile phones, modems and other devices  |
| <b>Doing business responsibly<sup>1</sup></b><br>      | Year 1 of our 2022-2025 Stretch Reconciliation Action Plan (RAP)                                   | FTSE4Good Index Series membership status  |
|  | Achieved 35% representation of women, exceeding our target of 34%                                  | More than two-thirds reduction in TIO referral complaints since FY21 (as at 1H24)   |

FY23 sustainability disclosures available at [telstra.com.au/sustainability/report](https://telstra.com.au/sustainability/report)





# Supporting customers

Helped around 1 million customers in vulnerable circumstances stay connected in 1H24



## Affordability

- **Access for Everyone** program – ~333,200 customers in FY23
- **Financial assistance** to >500,000 customers in FY23
- **Telstra Safe Connections program** for women experiencing domestic and family violence
- **Top-Up program** expanded to \$160 6-month recharge and 70GB



## Accessibility and digital ability

- Partnering to report and track **Australian Digital Inclusion Index**
- **Building digital capability** for 316,000 people since FY21
- **Tech Savvy Seniors** digital skills partnership with NSW Government
- **Disability Action Plan** 12 actions completed in FY23

**In FY23**

|  |   |
|--|---|
| Free calls on public payphones<br><b>&gt;23m</b> | Free calls to crisis lines<br><b>&gt;228k</b>       |
| Free broadband to<br><b>&gt;1k</b> families      | Contact with SAFE specialist team<br><b>&gt;26k</b> |
| Priority Assistance customers<br><b>&gt;184k</b> | Disaster relief support<br><b>~11.7k</b> customers  |

For more details see FY23 sustainability disclosures available at [telstra.com.au/sustainability/report](https://telstra.com.au/sustainability/report). More information also available at [telstra.com.au/aboutus/support-in-times-of-need](https://telstra.com.au/aboutus/support-in-times-of-need)

# T25 outcomes – progress



| Strategic pillars   | Commitments & metrics  | Progress   |
|---|--|--|
| <b>An exceptional customer experience you can count on</b>  | Market leading CX with <ul style="list-style-type: none"> <li>• eNPS &gt;40 by FY25</li> <li>• sNPS uplift of +25 by FY25</li> </ul>   | <ul style="list-style-type: none"> <li>• Episode NPS improved +1 on FY23 and +3 on PCP</li> <li>• Strategic NPS improved +4 on FY23 and +8 on PCP</li> </ul>   |
|   | Getting it right for customers <ul style="list-style-type: none"> <li>• &gt;90% 'Once and Done' by FY25 (C&amp;SB)</li> <li>• 90% rating in support and engagement by FY25 (TE)</li> </ul>   | <ul style="list-style-type: none"> <li>• C&amp;SB 'Once and Done' improved 7pp on FY23 to 76% (FY23 69%, FY22 63%)</li> <li>• Enterprise support and engagement up 9pp on FY23 to 70% (FY23 61%, FY22 60%)</li> </ul>  |
|   | Reduce our complaints <ul style="list-style-type: none"> <li>• One-third by FY23, 50% by FY25 (C&amp;SB)</li> <li>• &gt;95% of billing disputes will be resolved in 1 cycle by FY25 (TE)</li> </ul>                                  | <ul style="list-style-type: none"> <li>• C&amp;SB TIO referral complaints reduced by 69% on FY21 to lowest on record. Average 2.9 TIO referral complaints per 10k SIOs (FY23 3.6, FY22 5.5, FY21 9.4)</li> <li>• 96% Enterprise billing disputes resolved in 1 cycle in Q2 FY24 (Q4 FY23 98%)</li> </ul> |
|   | Grow Telstra Plus members (#) and engagement (%) <ul style="list-style-type: none"> <li>• 5.4m and 70% by FY23</li> <li>• 6m and 80% by FY25</li> </ul>  | <ul style="list-style-type: none"> <li>• 5.4m Telstra Plus members (FY23 5.1m, FY22 4.5m)</li> <li>• 76% engagement Telstra Plus customers (FY23 69%, FY22 65%)</li> </ul>   |
|   | Grow digitally active users by 2m to 8.5m FY25 (C&SB)  | <ul style="list-style-type: none"> <li>• 7.6m C&amp;SB digitally active users (FY23 7.4m, FY22 7.1m)</li> </ul>  |
| Improve availability of infra. assets for customers, by FY25 <ul style="list-style-type: none"> <li>• 250 new towers</li> <li>• 20,000km of fibre deployed<sup>1</sup></li> </ul> | <ul style="list-style-type: none"> <li>• 209 new towers built since FY21 (FY23 175, FY22 84)</li> <li>• Build progressed on intercity fibre project with multiple routes under construction and five new routes announced</li> </ul> |  |

Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

1. Fibre deployed target removed in August 2023 due to our focus on the highest priority routes. Double metro cell side target removed in August 2023 due to technology review

## T25 outcomes – progress (cont.)



| Strategic pillars   | Commitments & metrics   | Progress  |
|---|---|---|
| Leading network & technology solutions that deliver your future | Network leadership: by FY25: <ul style="list-style-type: none"> <li>~95% pop. coverage for 5G</li> <li>&gt;80% of traffic on 5G</li> <li>3G closed in FY24</li> </ul>                       | <ul style="list-style-type: none"> <li>Australia's largest 5G network with 86.9% population coverage (FY23 85.3%)</li> <li>48% traffic on 5G (FY23 41%, FY22 22%)</li> <li>3G exit on track with 1.0m 3G unique SIOs remaining and 184 3G only sites</li> </ul>   |
|   | Win majority of key surveys for best fixed/ mobile network including <ul style="list-style-type: none"> <li>Coverage, and</li> <li>Overall customers speeds for mobile FY23-FY25</li> </ul> | <ul style="list-style-type: none"> <li>Mobile: 2023 umlaut Best in Test for 5th consecutive year. Also awarded Best for data, Best in voice, Best in reliability and Best in crowdsourced quality (Jun 2023)</li> <li>Fixed: Ranked #1 tier for Netflix ISP Speed Index (Dec 23)</li> <li>Fixed: We continue to meet or exceed our advertised typical busy-period speeds on all nbn plans on a 12-week rolling average basis</li> </ul> |
|   | Double metro cell sites by FY25 to densify the network <sup>1</sup>   | <ul style="list-style-type: none"> <li>Metro mobile cell sites: 5,795 (FY23 5,716, FY22 5,319, FY21 5,133). Double metro cell side target removed in August 2023 due to technology review</li> </ul>  |
|   | Expand regional coverage <ul style="list-style-type: none"> <li>100,000km<sup>2</sup> new coverage by FY25</li> </ul>   | <ul style="list-style-type: none"> <li>140,000km<sup>2</sup> coverage added since FY21 – total mobile coverage 2.78m km<sup>2</sup> (FY23 2.72m km<sup>2</sup>, FY22 2.66m km<sup>2</sup>, FY21 2.64m km<sup>2</sup>)</li> </ul>  |

Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

1. Fibre deployed target removed in August 2023 due to our focus on the highest priority routes. Double metro cell side target removed in August 2023 due to technology review

## T25 outcomes – progress (cont.)



| Strategic pillars                               | Commitments & metrics   | Progress  |
|---|---|---|
| Sustained growth and value for our shareholders | Underlying EBITDA <ul style="list-style-type: none"> <li>\$7.5-8.0b by FY23</li> <li>Mid-single digit CAGR FY21 to FY25</li> </ul>  | <ul style="list-style-type: none"> <li>FY23 Underlying EBITDA \$7.95b</li> <li>1H24 Underlying EBITDA growth of 3.1% on PCP to \$4,016m</li> </ul>  |
|   | Underlying ROIC <ul style="list-style-type: none"> <li>-8% by FY23</li> <li>Grow beyond to FY25</li> </ul>  | <ul style="list-style-type: none"> <li>FY23 Underlying ROIC 8.1%</li> <li>1H24 Underlying ROIC growth of 0.3pp to 7.8% (1H23 7.5%)</li> </ul>   |
|   | Underlying EPS: High-teens CAGR FY21 to FY25  | <ul style="list-style-type: none"> <li>Underlying EPS 20% CAGR FY21 to 1H24 (annualised)</li> <li>Underlying EPS: 1H24 8.4 cents (FY23 17.5, 1H23 7.9 cents, FY22 14.4 cents, FY21 9.7 cents)</li> </ul>  |
|   | Maximise fully-franked dividend and seek to grow over time  | <ul style="list-style-type: none"> <li>1H24 fully franked interim dividend 9.0 cps (FY23 17 cps, 1H23 8.5 cps, 2H23 8.5 cps, FY22 16.5 cps)</li> </ul>  |
|   | Maintain cost discipline <ul style="list-style-type: none"> <li>\$500m net fixed cost out from FY23 to FY25 while investing for growth</li> <li>Maintain leading operating cost metrics for full-service telco</li> </ul> | <ul style="list-style-type: none"> <li>Core fixed costs decreased \$64m on PCP to \$3,343m (Core fixed costs: 1H23 \$3,407m, FY23 \$6,622m, FY22 \$6,663m)</li> <li>Third quartile in FY22 cost benchmarking (next results Dec 2024)</li> </ul>                                 |
|   | Maximise value from infra. <ul style="list-style-type: none"> <li>Amplitel EBITDAaL CAGR – low-to-mid single digit</li> <li>InfraCo Fixed EBITDAaL CAGR – low-single digit</li> </ul>                                     | <ul style="list-style-type: none"> <li>1H24 Amplitel EBITDAaL 10.0% growth excluding \$8m gains from contracts (1H24 \$143m, 1H23 \$130m)</li> <li>1H24 InfraCo Fixed EBITDAaL 5.1% growth excluding commercial &amp; recoverable works and legacy network disposals</li> </ul> |

Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

## T25 outcomes – progress (cont.)



| Strategic pillars  | Commitments & metrics   | Progress   |
|--|---|--|
| <b>The place you want to work – Excelling at new ways of working</b> | Remain at 90th percentile employee engagement (equivalent to high-performance norm)                       | • Employee engagement score 79. Performance equivalent to top quartile of global companies but outside 90th percentile (equivalent to high-performing norm)  |
|  | Improve agile maturity of teams, with 70% scoring above 4 by FY25   | • 62% teams at or above Level 4 Agile Maturity (FY23 67%, FY22 57%)  |
|  | Halve our time to market for products and services from FY22 to FY25                                      | • Time to market for products and services reduced by 30% from FY22  |
|  | 50% increase in representation of Data & Analytics workforce by FY25                                      | • 25% increase in Data and Analytics workforce. Company-wide strategy implemented targeting learning credentials and extension of Data & Analytics workforce |
| <b>The place you want to work – Accelerating digital leadership</b>  | Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25 | • 1H24 n/a - performance updated annually  |
|  | All key service transactions with customers are capable of being conducted digitally by FY25              | • Key service transactions available digitally 71% (C&SB 96%, TE 62%) (FY23 68%, FY22 57%)   |
|  | 100% of key business processes enhanced/ improved using AI by FY25  | • 50% key business processes enhanced / improved using AI (FY23 33%)   |
|  | Reach top 20% in Digital Capability Index by FY25   | • Achieved top 38% in Digital Capability Index for Telcos  |
|  | 100% API-first architecture for customer management, product development, and external monetisation       | • 76% target build of APIs for Adaptive Networks   |
| Move ~90% of applications to the public cloud by FY25                | • Moved 50% of relevant applications to the public cloud  |  |

Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

## T25 outcomes – progress (cont.)



| Strategic pillars  | Commitments & metrics  | Progress  |
|--|--|---|
| <b>The place you want to work – Doing business responsibly</b> | Enable renewable energy generation equivalent to 100% of our consumption by 2025                           | • Contracted renewable energy generation equivalent to 100% of our consumption through supporting renewable energy projects worth more than \$1.2b  |
|  | Reduce absolute emissions from FY19 by at least 50% by 2030  | • On track to reduce absolute emissions from FY19 by at least 50 per cent by 2030<br>• FY23: Reduced our combined absolute scope 1+2 GHG emissions by 30% from FY19 baseline (FY22 14% reduction) |
|  | Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25 | • 316k Australians reached through digital ability programs   |
|  | Help keep 1m customers in vulnerable circumstances connected each year from FY22-25                        | • Helped around 1m customers in vulnerable circumstances stay connected in the half. On track for >1m customers in vulnerable circumstances helped to stay connected in FY24                      |
|  | 4-7pt uplift in RepTrak reputation score by FY25   | • RepTrak reputation score uplift +1.8pt on FY21 (1H24 63.1, FY23 63.5, FY22 62.2, FY21 61.3)   |

Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions



## Detailed financials

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## Underlying earnings<sup>1</sup>



|  | Reported         |                  | Restructuring/<br>other guidance<br>adjustments <sup>2</sup> |               | Net one-off nbn<br>receipts <sup>3</sup> |          | Underlying       |                  |             |
|--|------------------|------------------|--|---------------|--|----------|------------------|------------------|-------------|
|  | 1H23             | 1H24             | 1H23   | 1H24          | 1H23                                     | 1H24     | 1H23             | 1H24             | Change      |
| <b>Total income</b>                      | <b>\$11,583m</b> | <b>\$11,720m</b> | -  | <b>-\$15m</b> | <b>-\$46m</b>                            | -        | <b>\$11,537m</b> | <b>\$11,705m</b> | <b>1.5%</b> |
| Operating expenses                       | \$7,723m         | \$7,698m         | -\$60m   | -\$24m        | -\$20m                                   | -        | \$7,643m         | \$7,674m         | 0.4%        |
| Equity accounted entities                | \$1m             | -\$15m           | -  | -             | -  | -        | \$1m             | -\$15m           | n/m         |
| <b>EBITDA</b>                            | <b>\$3,861m</b>  | <b>\$4,007m</b>  | <b>\$60m</b>   | <b>\$9m</b>   | <b>-\$26m</b>                            | -        | <b>\$3,895m</b>  | <b>\$4,016m</b>  | <b>3.1%</b> |
| D&A                                      | \$2,260m         | \$2,233m         | -  | -             | -  | -        | \$2,260m         | \$2,233m         | -1.2%       |
| <b>EBIT</b>                              | <b>\$1,601m</b>  | <b>\$1,774m</b>  | <b>\$60m</b>   | <b>\$9m</b>   | <b>-\$26m</b>                            | -        | <b>\$1,635m</b>  | <b>\$1,783m</b>  | <b>9.1%</b> |
| Net finance costs                        | \$252m           | \$317m           | -  | -             | -  | -        | \$252m           | \$317m           | 25.8%       |
| Income tax expense                       | \$415m           | \$416m           | -\$10m   | \$3m          | -\$8m                                    | -        | \$397m           | \$419m           | 5.5%        |
| <b>NPAT</b>                              | <b>\$934m</b>    | <b>\$1,041m</b>  | <b>\$70m</b>   | <b>\$6m</b>   | <b>-\$18m</b>                            | -        | <b>\$986m</b>    | <b>\$1,047m</b>  | <b>6.2%</b> |
| Non-controlling interests                | \$69m            | \$77m            | -  | -             | -  | -        | \$69m            | \$77m            | 11.6%       |
| Profit for TLS shareholders <sup>1</sup> | \$865m           | \$964m           | \$70m  | \$6m          | -\$18m                                   | -        | \$917m           | \$970m           | 5.8%        |
| <b>EPS (cents)</b>                       | <b>7.5</b>       | <b>8.4</b>       | <b>0.6</b>   | <b>-</b>      | <b>-0.2</b>                              | <b>-</b> | <b>7.9</b>       | <b>8.4</b>       | <b>6.3%</b> |

1. Refer to definition in the Glossary.

2. Refer to Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024).

3. "Net one-off nbn receipts" is defined as net nbn one-off Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect less tax.

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# Dividends



|  | 1H23 | 2H23 | FY23 | 1H24 | Change vs PCP |
|--|------|------|------|------|---------------|
| <b>Earnings per share</b>                                  |      |      |      |      |               |
| Basic earnings per share (cents)                           | 7.5  | 9.2  | 16.7 | 8.4  | 12.0%         |
| Underlying earnings <sup>1</sup> per share (cents)         | 7.9  | 9.6  | 17.5 | 8.4  | 6.3%          |
| <b>Dividends (fully franked)</b>                           |      |      |      |      |               |
| Ordinary dividend (cents)                                  | 8.5  | 8.5  | 17.0 | 9.0  | 5.9%          |
| <b>Payout Ratios</b>                                       |      |      |      |      |               |
| Ordinary dividend as % of underlying earnings <sup>1</sup> | 108% | 89%  | 97%  | 107% | -1pp          |
| Total dividends as % of earnings per share                 | 113% | 92%  | 102% | 107% | -6pp          |
| Total dividends as % of free cashflow <sup>2</sup>         | 139% | 72%  | 95%  | 191% | +52pp         |

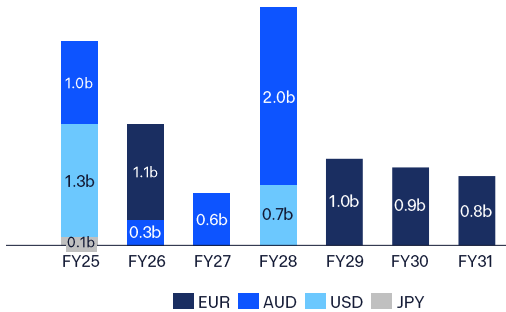
1. Refer to definition in the Glossary.  
 2. Free cash flow after lease payments<sup>1</sup> less other finance costs paid, employee share purchases and dividends to non-controlling interests.

# Capital management



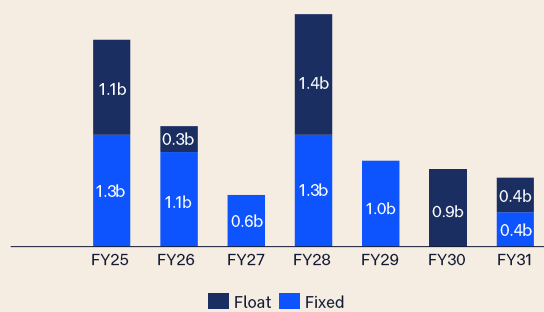
## Debt maturity profile<sup>1</sup>

Average maturity on total borrowings 3.6 years  
 \$AUD



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

>50% fixed rate, in line with policy  
 \$AUD



1. As at 31 December 2023. Based on contractual principal values includes public bonds, bank loans, private placements and revolver drawn (excludes Digicel Pacific). No maturities in 2H24

## Product framework | Income<sup>1</sup>



|  | 1H23             | 2H23             | FY23             | 1H24             | \$ Change vs PCP | % Change vs PCP |
|--|------------------|------------------|------------------|------------------|------------------|-----------------|
| Mobile                                   | \$5,130m         | \$5,128m         | \$10,258m        | \$5,325m         | \$195m           | 3.8%            |
| Fixed-C&SB                               | \$2,264m         | \$2,193m         | \$4,457m         | \$2,211m         | -\$53m           | -2.3%           |
| Fixed-Enterprise <sup>2</sup>            | \$1,769m         | \$1,867m         | \$3,636m         | \$1,713m         | -\$56m           | -3.2%           |
| Fixed-Active Wholesale                   | \$209m           | \$194m           | \$403m           | \$188m           | -\$21m           | -10.0%          |
| International                            | \$1,148m         | \$1,281m         | \$2,429m         | \$1,320m         | \$172m           | 15.0%           |
| InfraCo Fixed                            | \$1,226m         | \$1,330m         | \$2,556m         | \$1,326m         | \$100m           | 8.2%            |
| Amplitel                                 | \$197m           | \$204m           | \$401m           | \$229m           | \$32m            | 16.2%           |
| Other <sup>3</sup>                       | \$436m           | \$640m           | \$1,076m         | \$650m           | \$214m           | 49.1%           |
| Elimination                              | -\$842m          | -\$1,201m        | -\$2,043m        | -\$1,257m        | -\$415m          | -49.3%          |
| <b>Underlying</b>                        | <b>\$11,537m</b> | <b>\$11,636m</b> | <b>\$23,173m</b> | <b>\$11,705m</b> | <b>\$168m</b>    | <b>1.5%</b>     |
| One-off nbn DA & connection <sup>4</sup> | \$46m            | \$26m            | \$72m            | -                | -\$46m           | n/m             |
| Guidance adjustments <sup>5</sup>        | -                | -                | -                | \$15m            | \$15m            | n/m             |
| <b>Reported</b>                          | <b>\$11,583m</b> | <b>\$11,662m</b> | <b>\$23,245m</b> | <b>\$11,720m</b> | <b>\$137m</b>    | <b>1.2%</b>     |

1. Refer to Full year results 2.1.2 Segment results Table A for schedule of product income.

2. 1H24 excludes \$15m revenue from the acquisition of Versent, included in Guidance adjustments.

3. Other includes miscellaneous, Telstra Energy, Telstra Health and internal. 1H24 includes gain of \$47m from recently signed tower access agreements.

4. FY23 includes \$69m (FY22 \$329m) of nbn disconnection fees (Per Subscriber Address Amount (PSAA)) and \$3m (FY22 \$6m) of ISA ownership receipts for assets transferred under the nbn Definitive Agreements.

5. Refer to Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024).

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## Product framework | Operating expenses



|                            | 1H23            | 2H23            | FY23             | 1H24            | \$ Change vs PCP | % Change vs PCP |
|----------------------------|-----------------|-----------------|------------------|-----------------|------------------|-----------------|
| Mobile                     | \$2,913m        | \$2,743m        | \$5,656m         | \$2,815m        | -\$98m           | -3.4%           |
| Fixed-C&SB                 | \$2,214m        | \$2,108m        | \$4,322m         | \$2,106m        | -\$108m          | -4.9%           |
| Fixed-Enterprise           | \$1,556m        | \$1,669m        | \$3,225m         | \$1,642m        | \$86m            | 5.5%            |
| Fixed-Active Wholesale     | \$138m          | \$148m          | \$286m           | \$136m          | -\$2m            | -1.4%           |
| International              | \$773m          | \$939m          | \$1,712m         | \$973m          | \$200m           | 25.9%           |
| InfraCo Fixed              | \$419m          | \$474m          | \$893m           | \$492m          | \$73m            | 17.4%           |
| Amplitel                   | \$37m           | \$46m           | \$83m            | \$42m           | \$5m             | 13.5%           |
| Other <sup>1</sup>         | \$435m          | \$627m          | \$1,062m         | \$725m          | \$290m           | 66.7%           |
| Elimination                | -\$842m         | -\$1,201m       | -\$2,043m        | -\$1,257m       | -\$415m          | 49.3%           |
| <b>Underlying</b>          | <b>\$7,643m</b> | <b>\$7,553m</b> | <b>\$15,196m</b> | <b>\$7,674m</b> | <b>\$31m</b>     | <b>0.4%</b>     |
| One-off nbn DA and nbn C2C | \$20m           | \$15m           | \$35m            | -               | -\$20m           | n/m             |
| Restructuring              | \$44m           | \$47m           | \$91m            | -               | -\$44m           | n/m             |
| Other guidance adjustments | \$16m           | \$18m           | \$34m            | \$24m           | \$8m             | n/m             |
| <b>Reported</b>            | <b>\$7,723m</b> | <b>\$7,633m</b> | <b>\$15,356m</b> | <b>\$7,698m</b> | <b>-\$25m</b>    | <b>-0.3%</b>    |

1. Other includes miscellaneous, Telstra Energy, Telstra Health and internal.

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## Product framework | EBITDA



|   | 1H23            | 2H23            | FY23            | 1H24            | \$ Change vs PCP | % Change vs PCP |
|---|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| Mobile                                  | \$2,217m        | \$2,385m        | \$4,602m        | \$2,510m        | \$293m           | 13.2%           |
| Fixed-C&SB                              | \$50m           | \$85m           | \$135m          | \$105m          | \$55m            | 110.0%          |
| Fixed-Enterprise                        | \$213m          | \$198m          | \$411m          | \$71m           | -\$142m          | -66.7%          |
| Fixed-Active Wholesale                  | \$71m           | \$46m           | \$117m          | \$52m           | -\$19m           | -26.8%          |
| International                           | \$375m          | \$338m          | \$713m          | \$344m          | -\$31m           | -8.3%           |
| InfraCo Fixed                           | \$807m          | \$856m          | \$1,663m        | \$834m          | \$27m            | 3.3%            |
| Amplitel                                | \$160m          | \$158m          | \$318m          | \$187m          | \$27m            | 16.9%           |
| Other <sup>1</sup>                      | \$2m            | -\$11m          | -\$9m           | -\$87m          | -\$89            | n/m             |
| <b>Underlying</b>                       | <b>\$3,895m</b> | <b>\$4,055m</b> | <b>\$7,950m</b> | <b>\$4,016m</b> | <b>\$121m</b>    | <b>3.1%</b>     |
| Net one-off nbn DA                      | \$26m           | \$11m           | \$37m           | -               | -\$26m           | n/m             |
| Restructuring                           | -\$44m          | -\$47m          | -\$91m          | -               | \$44m            | n/m             |
| Other guidance adjustments <sup>2</sup> | -\$16m          | -\$18m          | -\$34m          | -\$9m           | \$7m             | n/m             |
| <b>Reported</b>                         | <b>\$3,861m</b> | <b>\$4,001m</b> | <b>\$7,862m</b> | <b>\$4,007m</b> | <b>\$146m</b>    | <b>3.8%</b>     |

1. Other includes miscellaneous, Telstra Energy, Telstra Health and internal.

2. Refer to Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024).

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## Product performance | Mobile



|  | 1H23                            | 2H23                            | FY23                            | 1H24                            | Change vs PCP                 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|
| <b>Mobile income</b>                               | <b>\$5,130m</b>                 | <b>\$5,128m</b>                 | <b>\$10,258m</b>                | <b>\$5,325m</b>                 | <b>3.8%</b>                   |
| <b>Mobile services<sup>1</sup></b>                 | <b>\$3,867m</b>                 | <b>\$3,918m</b>                 | <b>\$7,785m</b>                 | <b>\$4,098m</b>                 | <b>6.0%</b>                   |
| - Postpaid handheld                                | \$2,657m                        | \$2,734m                        | \$5,391m                        | \$2,826m                        | 6.4%                          |
| - Prepaid handheld                                 | \$556m                          | \$520m                          | \$1,076m                        | \$581m                          | 4.5%                          |
| - Mobile broadband                                 | \$337m                          | \$327m                          | \$664m                          | \$330m                          | -2.1%                         |
| - Internet of Things (IoT)                         | \$139m                          | \$144m                          | \$283m                          | \$142m                          | 2.2%                          |
| - Wholesale  | \$169m                          | \$184m                          | \$353m                          | \$209m                          | 23.7%                         |
| <b>Hardware, intercon. &amp; Other<sup>2</sup></b> | <b>\$1,263m</b>                 | <b>\$1,210m</b>                 | <b>\$2,473m</b>                 | <b>\$1,227m</b>                 | <b>-2.9%</b>                  |
| <b>EBITDA Margin</b>                               | <b>\$2,217m</b><br><b>43.2%</b> | <b>\$2,385m</b><br><b>46.5%</b> | <b>\$4,602m</b><br><b>44.9%</b> | <b>\$2,510m</b><br><b>47.1%</b> | <b>13.2%</b><br><b>+3.9pp</b> |
| Total retail mobile SIOs                           | 21.7m                           | 22.5m                           | 22.5m                           | 23.4m                           | 8.2%                          |
| Postpaid handheld mobile SIOs                      | 8,808k                          | 8,826k                          | 8,826k                          | 8,889k                          | 0.9%                          |
| Internet of things (IoT) SIOs                      | 6,360k                          | 7,124k                          | 7,124k                          | 7,907k                          | 24.3%                         |
| Average revenue per SIO/mth                        | \$42.12                         | \$41.83                         | \$42.02                         | \$43.01                         | 2.1%                          |
| Postpaid handheld ARPU/mth                         | \$50.47                         | \$51.69                         | \$51.15                         | \$53.18                         | 5.4%                          |
| Postpaid handheld churn                            | 11.4%                           | 12.3%                           | 11.6%                           | 11.4%                           | -                             |

1. Mobile services income also includes other income of \$10m in 1H24 (1H23 \$9m, 2H23 \$8m, FY22 \$18m). Roaming income of \$136m in 1H24 (1H23 \$115m, 2H23 \$142m).

2. Other includes media and Telstra Plus loyalty.

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Half year 2024 results

- **Mobile services income** growth driven by handheld price and volume, despite prepaid one-off in 1H23
- **Postpaid handheld** net adds of +63k with growth Q2 weighted. ARPU growth due to price rises and international roaming
- **Prepaid handheld** revenue growth from plan refresh and unique user growth. +13% revenue growth excluding +\$42m one-off in 1H23
- **Mobile broadband** revenue decline due to lower SIOs
- **IoT** volume growth partly offset by lower ARPU
- **Wholesale** growth includes +182k unique user net adds and ARPU growth
- **Hardware** revenue decline due to lower handset sales partially offset by growth in the mix of higher value devices and accessories & wearables growth
- **EBITDA and EBITDA margin** growth from higher service revenue and cost discipline. Absolute hardware margin including the loyalty program improved

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## Product performance | Fixed - C&SB



|  | 1H23            | 2H23            | FY23            | 1H24            | Change vs PCP |
|--|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Fixed - C&amp;SB income<sup>1</sup></b> | <b>\$2,264m</b> | <b>\$2,193m</b> | <b>\$4,457m</b> | <b>\$2,211m</b> | <b>-2.3%</b>  |
| On-net fixed                               | \$179m          | \$152m          | \$331m          | \$179m          | -             |
| Off-net fixed                              | \$1,651m        | \$1,644m        | \$3,295m        | \$1,630m        | -1.3%         |
| Consumer content & services                | \$309m          | \$282m          | \$591m          | \$284m          | -8.1%         |
| Business apps & services                   | \$83m           | \$75m           | \$158m          | \$81m           | -2.4%         |
| Interconnection, E000 & other              | \$42m           | \$40m           | \$82m           | \$37m           | -11.9%        |
| <b>EBITDA Margin</b>                       | <b>\$50m</b>    | <b>\$85m</b>    | <b>\$135m</b>   | <b>\$105m</b>   | <b>110.0%</b> |
|  | <b>2.2%</b>     | <b>3.9%</b>     | <b>3.0%</b>     | <b>4.7%</b>     | <b>+2.5pp</b> |
| C&SB Bundles & data SIOs                   | 3,454k          | 3,407k          | 3,407k          | 3,349k          | -3.0%         |
| C&SB Bundles & data ARPU                   | \$79.57         | \$80.77         | \$80.15         | \$81.67         | 2.6%          |
| C&SB Standalone voice SIOs                 | 345k            | 316k            | 316k            | 291k            | -15.7%        |
| C&SB Standalone voice ARPU                 | \$38.46         | \$35.97         | \$37.17         | \$35.19         | -8.5%         |

- **On-net fixed revenue** decline in legacy products offset by growth in 5G fixed wireless. 5G fixed wireless now 68k SIOs (+108% on PCP)
- **Off-net fixed revenue** reflects decline in SIOs partly offset by ARPU growth
- **Bundles & data net SIO loss** of -58k including -14k Belong in 1H24 and +25k in 5G fixed wireless. 12.8% nbn SIOs on 100Mbps+ (11.5% FY23)
- **Bundles & data ARPU** grew \$2.10 including two months benefit of November price rise; full benefit expected in 2H
- **Standalone voice SIO decline** continued broadly in line with prior periods
- **Consumer content & services revenue** decline due to Foxtel from Telstra partly offset by Fetch inclusion following acquisition
- **EBITDA growth** from productivity, growing 5G fixed wireless contribution and ARPU, partly offset by lower SIOs and legacy decline. Off-net resale margin 10% (1H23 7%, FY23 8%)

1. Includes 1H24 \$104m (1H23 \$106m, 2H23 \$88m) Telstra Universal Service Obligation Performance Agreement (TUSOPA) Income. TUSOPA is run by Department of Infrastructure, Transport, Regional Development, Communications and the Arts and the income is net of the levy paid.

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## Product performance | Fixed - Enterprise



|  | 1H23            | 2H23            | FY23            | 1H24            | Change vs PCP  |
|--|-----------------|-----------------|-----------------|-----------------|----------------|
| <b>DAC income</b>                            | <b>\$423m</b>   | <b>\$378m</b>   | <b>\$801m</b>   | <b>\$380m</b>   | <b>-10.2%</b>  |
| <b>DAC EBITDA Margin</b>                     | <b>\$103m</b>   | <b>\$64m</b>    | <b>\$167m</b>   | <b>\$54m</b>    | <b>-47.6%</b>  |
|  | <b>24.3%</b>    | <b>16.9%</b>    | <b>20.8%</b>    | <b>14.2%</b>    | <b>-10.1pp</b> |
| Data & connectivity SIOs                     | 170k            | 160k            | 160k            | 154k            | -9.4%          |
| <b>NAS income<sup>1</sup></b>                | <b>\$1,346m</b> | <b>\$1,489m</b> | <b>\$2,835m</b> | <b>\$1,333m</b> | <b>-1.0%</b>   |
| Calling applications                         | \$255m          | \$225m          | \$480m          | \$210m          | -17.6%         |
| Managed services                             | \$378m          | \$394m          | \$772m          | \$380m          | 0.5%           |
| Professional services                        | \$266m          | \$276m          | \$542m          | \$226m          | -15.0%         |
| Cloud applications                           | \$156m          | \$155m          | \$311m          | \$177m          | 13.5%          |
| Equipment sales                              | \$147m          | \$265m          | \$412m          | \$165m          | 12.2%          |
| Other <sup>2</sup>                           | \$144m          | \$174m          | \$318m          | \$175m          | 21.5%          |
| <b>NAS EBITDA Margin</b>                     | <b>\$110m</b>   | <b>\$134m</b>   | <b>\$244m</b>   | <b>\$17m</b>    | <b>-84.5%</b>  |
|  | <b>8.2%</b>     | <b>9.0%</b>     | <b>8.6%</b>     | <b>1.3%</b>     | <b>-6.9pp</b>  |
| <b>Fixed - Enterprise income<sup>1</sup></b> | <b>\$1,769m</b> | <b>\$1,867m</b> | <b>\$3,636m</b> | <b>\$1,713m</b> | <b>-3.2%</b>   |
| <b>Fixed - Enterprise EBITDA Margin</b>      | <b>\$213m</b>   | <b>\$198m</b>   | <b>\$411m</b>   | <b>\$71m</b>    | <b>-66.7%</b>  |
|  | <b>12.0%</b>    | <b>10.6%</b>    | <b>11.3%</b>    | <b>4.1%</b>     | <b>-7.9pp</b>  |

- **Data & connectivity (DAC) income** decline continued, but at a slower rate PCP with ARPU compression, renewals at lower rates and technology change
- **DAC SIO** decline largely due to legacy/copper, as fibre continued to stabilise, with improved nbn EE performance
- **DAC EBITDA** decline due to reduced revenue and higher operating costs including infrastructure asset charges
- **NAS income** growth in cloud and security offset by decline in calling and professional services
- **Calling applications** decline continued with fixed network product exits and shift from traditional voice to integrated video and digital solutions
- **Managed services** small increase with growth in security +10% and IT service management
- **Professional services** decline due to market conditions and lumpiness of large deals
- **Cloud** annuity growth from resell of AWS and Microsoft
- **Other** growth from Enterprise Commercial Works, Telstra Broadcast Services and Managed Radio
- **NAS EBITDA** fell with high margin calling decline, professional services weakness coupled with cost overhang and lower resale and equipment margins

1. 1H24 excludes \$15m of revenue from Versent.  
2. 1H24 includes internal revenue of \$9m.

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## Product performance | International



| (AUD unless stated)   | 1H23                          | 2H23                          | FY23                          | 1H24                          | Change vs PCP | Change vs PCP                         |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------|---------------------------------------|
|   |                               |                               |                               |                               |               | Constant currency excl. restructuring |
| <b>Wholesale &amp; Enterprise income</b>                    | <b>\$792m</b>                 | <b>\$918m</b>                 | <b>\$1,710m</b>               | <b>\$949m</b>                 |               |                                       |
| Internal income <sup>1</sup>                                |                               | \$113m                        | \$113m                        | \$114m                        |               |                                       |
| <b>External income<sup>2</sup></b>                          | <b>\$792m</b>                 | <b>\$805m</b>                 | <b>\$1,597m</b>               | <b>\$835m</b>                 | <b>5.4%</b>   | <b>3%</b>                             |
| - DAC/NAS   | \$684m                        | \$693m                        | \$1,377m                      | \$721m                        | 5.4%          | 3%                                    |
| - Legacy voice  | \$108m                        | \$112m                        | \$220m                        | \$114m                        | 5.6%          | 2%                                    |
| <b>Wholesale &amp; Enterprise EBITDA Margin<sup>3</sup></b> | <b>\$212m</b><br><b>26.8%</b> | <b>\$164m</b><br><b>17.9%</b> | <b>\$376m</b><br><b>22.0%</b> | <b>\$178m</b><br><b>18.8%</b> | <b>-16.0%</b> | <b>-2%</b>                            |
| <b>Digicel Pacific income</b>                               | <b>\$356m</b>                 | <b>\$363m</b>                 | <b>\$719m</b>                 | <b>\$371m</b>                 | <b>4.2%</b>   |                                       |
| <b>Digicel Pacific EBITDA Margin</b>                        | <b>\$163m</b><br><b>45.8%</b> | <b>\$174m</b><br><b>47.9%</b> | <b>\$337m</b><br><b>46.9%</b> | <b>\$166m</b><br><b>44.7%</b> | <b>1.8%</b>   |                                       |
| <b>International income - Total</b>                         | <b>\$1,148m</b>               | <b>\$1,281m</b>               | <b>\$2,429m</b>               | <b>\$1,320m</b>               | <b>15.0%</b>  |                                       |
| <b>International EBITDA - Total Margin</b>                  | <b>\$375m</b><br><b>32.7%</b> | <b>\$338m</b><br><b>26.4%</b> | <b>\$713m</b><br><b>29.4%</b> | <b>\$344m</b><br><b>26.1%</b> | <b>-8.3%</b>  |                                       |

International reported results impacted by:

- **Digicel Pacific acquisition** completed on 13 July 2022
- **Telstra's corporate restructure.** Establishment of International as a legal entity group, and new inter-company agreements impact accounting (internal income and costs are fully recognised from 2H23)
- **Foreign exchange rates fluctuations**

**Wholesale & Enterprise income** 3% external growth in constant currency. Growth in DAC/NAS driven by infrastructure investment delivering growth in Ethernet Private Line, Internet Revenue and Professional Services

**Wholesale & Enterprise EBITDA** 2% decline in constant currency excluding corporate restructure impacts. Underlying growth of 3% excluding timing of one-off item with income growth and cost discipline

**Digicel Pacific income** 4.2% growth in AUD. Mobile SIOs broadly flat while PNG ARPU was stable in PNG Kina. Hub markets on track

**Digicel Pacific EBITDA** 1.8% growth in AUD, impacted by PNG operating environment and higher costs

1. Transactions arising from the intercompany agreements are measured based on a 'management view', i.e. some charges earned/incurred are recognised as either income or expenses. Such recognition may differ from the requirements of the Australian Accounting Standards.  
2. Excludes inter-segment income: 1H23 \$105m.  
3. EBITDA margin includes internal income (2H23 onwards).

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## Product performance | InfraCo Fixed



|   | 1H23                          | 2H23                          | FY23                            | 1H24                          | Change vs PCP |
|---|-------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------|
| <b>InfraCo Fixed income<sup>1</sup></b> | <b>\$1,226m</b>               | <b>\$1,330m</b>               | <b>\$2,556m</b>                 | <b>\$1,326m</b>               | <b>8.2%</b>   |
| Commercial & recoverable works          | \$120m                        | \$116m                        | \$236m                          | \$116m                        | -3.3%         |
| nbn recurring                           | \$481m                        | \$506m                        | \$987m                          | \$515m                        | 7.1%          |
| Other external <sup>2</sup>             | \$125m                        | \$141m                        | \$266m                          | \$135m                        | 8.0%          |
| Internal (i.e. Telstra)                 | \$500m                        | \$567m                        | \$1,067m                        | \$560m                        | 12.0%         |
| <b>EBITDA</b>                           | <b>\$807m</b>                 | <b>\$856m</b>                 | <b>\$1,663m</b>                 | <b>\$834m</b>                 | <b>3.3%</b>   |
| Leases                                  | \$38m                         | \$41m                         | \$79m                           | \$36m                         | -5.3%         |
| <b>EBITDAaL<sup>3</sup> Margin</b>      | <b>\$769m</b><br><b>62.7%</b> | <b>\$815m</b><br><b>61.3%</b> | <b>\$1,584m</b><br><b>62.0%</b> | <b>\$798m</b><br><b>60.2%</b> | <b>-2.5pp</b> |

- **Income and EBITDAaL excl. CW and disposals** +9.0% income and +5.1% EBITDAaL respectively. Growth in nbn recurring and internal revenue partly offset by higher internal and operation & maintenance costs
- **Commercial & recoverable works (CW)** up modestly excluding the decline in nbn CW (-34%) as contracts end
- **nbn recurring** income from nbn Co for use of ducts, fibre and fixed networks. This is government backed, recurring and indexed to CPI for the remaining average contracted period of 24 years
- **Other external** growth largely due to higher legacy network disposals of copper assets offset by lower property divestments
- **Internal** income from Telstra group entities for use of fibre, fixed network sites, data centres and recovery of associated power usage along with infrastructure services revenue for the construction of other Telstra owned assets and ancillary charges
- **Capex** of \$303m in 1H24 including ~\$50m strategic investment in intercity fibre and Viasat infrastructure projects (capex to revenue 19% ex-strategic investment)

1. Transactions arising from the intercompany agreements are measured based on a 'management view', i.e. all charges earned/incurred are recognised as either income or expenses. Such recognition may differ from the requirements of the Australian Accounting Standards.  
2. Includes legacy network disposals income of \$60m in 1H24, (\$51m in 1H23, \$71m in 2H23).  
3. Refer to definition in the Glossary.

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## Product performance | Fixed-Active Wholesale



|                                      | 1H23                   | 2H23                   | FY23                    | 1H24                   | Change vs PCP            |
|--------------------------------------|------------------------|------------------------|-------------------------|------------------------|--------------------------|
| <b>Fixed-Active Wholesale income</b> | <b>\$209m</b>          | <b>\$194m</b>          | <b>\$403m</b>           | <b>\$188m</b>          | <b>-10.0%</b>            |
| Data & connectivity                  | \$142m                 | \$134m                 | \$276m                  | \$130m                 | -8.5%                    |
| Legacy calling & fixed               | \$67m                  | \$60m                  | \$127m                  | \$58m                  | -13.4%                   |
| <b>EBITDA Margin</b>                 | <b>\$71m<br/>34.0%</b> | <b>\$46m<br/>23.7%</b> | <b>\$117m<br/>29.0%</b> | <b>\$52m<br/>27.7%</b> | <b>-26.8%<br/>-6.3pp</b> |
| Fixed legacy SIOs                    | 59k                    | 44k                    | 44k                     | 35k                    | -40.7%                   |
| Data & connectivity SIOs             | 27k                    | 26k                    | 26k                     | 23k                    | -14.8%                   |

- **Fixed-Active Wholesale income** decline largely due to legacy products
- **Data & connectivity** revenue decline due to SIO & ARPU decline in wideband access products, SIO loss on legacy copper-based products, partly offset by wavelength growth
- **Legacy calling & fixed** includes legacy copper access, nbn reseller wholesale, interconnect and other fixed products. Revenue decline from continued legacy fixed SIO decline
- **EBITDA** decline due to revenue decline partly offset by lower costs

## Product performance | Amplitel (Towers)



|                                    | 1H23                    | 2H23                    | FY23                    | 1H24                    | Change vs PCP           |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Amplitel income<sup>1</sup></b> | <b>\$197m</b>           | <b>\$204m</b>           | <b>\$401m</b>           | <b>\$229m</b>           | <b>16.2%</b>            |
| External                           | \$31m                   | \$35m                   | \$66m                   | \$51m                   | 64.5%                   |
| Internal                           | \$166m                  | \$169m                  | \$335m                  | \$178m                  | 7.2%                    |
| <b>EBITDA</b>                      | <b>\$160m</b>           | <b>\$158m</b>           | <b>\$318m</b>           | <b>\$187m</b>           | <b>16.9%</b>            |
| Lease expense                      | \$30m                   | \$38m                   | \$68m                   | \$36m                   | 20.0%                   |
| <b>EBITDAaL<sup>2</sup> Margin</b> | <b>\$130m<br/>66.0%</b> | <b>\$120m<br/>58.8%</b> | <b>\$250m<br/>62.3%</b> | <b>\$151m<br/>65.9%</b> | <b>16.2%<br/>-0.1pp</b> |
| Towers (Mobile)                    | 5,787                   | 5,848                   | 5,848                   | 5,884                   | 1.7%                    |
| Tenancies (Mobile)                 | 8,056                   | 8,149                   | 8,149                   | 8,208                   | 1.9%                    |
| Tenancy ratio                      | 1.39                    | 1.39                    | 1.39                    | 1.39                    | -                       |

- **Amplitel income** growth driven by new customer agreements, contractual escalations, new tower builds, 5G upgrades requiring additional area on existing towers and increased services  
External income includes \$11m<sup>3</sup> items relating to tower upgrade and gains from customer contracts
- **EBITDA** growth driven by increased revenue, partly offset by increased service and employment costs
- **Lease expense** increase driven by contractual escalations under existing leases and new site growth requiring new leases, partially offset by savings on lease re-negotiation
- **Towers (Mobile)** increase driven by new builds with total new builds and tower acquisitions at 209 cumulative since Amplitel inception
- **Capex** of \$41m in 1H24 (18% of sales) on new sites, maintenance and life cycle replacements

1. Transactions arising from the intercompany agreements are measured based on a 'management view', i.e. some charges earned/incurred are recognised as either income or expenses. Such recognition may differ from the requirements of the Australian Accounting Standards.

2. Refer to definition in the Glossary.

3. Comprises \$3m income from tower upgrade and \$8m relating to gains from customer contracts.

## C&SB, Enterprise & InfraCo fully allocated segment



|                              |                                  | Underlying Income |                  |                 |                 | Underlying EBITDA |                 |                 |               |
|------------------------------|----------------------------------|-------------------|------------------|-----------------|-----------------|-------------------|-----------------|-----------------|---------------|
|                              |                                  | 1H23              | 2H23             | 1H24            | Change vs PCP   | 1H23              | 2H23            | 1H24            | Change vs PCP |
| C&SB                         | Mobile                           | \$4,128m          | \$4,028m         | \$4,248m        | 2.9%            | \$1,722m          | \$1,815m        | \$1,961m        | 13.9%         |
|                              | Fixed-C&SB                       | \$2,264m          | \$2,193m         | \$2,211m        | -2.3%           | \$50m             | \$85m           | \$105m          | 110.0%        |
|                              | Other                            | \$2m              | \$4m             | \$4m            | n/m             | \$2m              | \$3m            | \$3m            | n/m           |
|                              | <b>Total</b>                     | <b>\$6,394m</b>   | <b>\$6,225m</b>  | <b>\$6,463m</b> | <b>1.1%</b>     | <b>\$1,774m</b>   | <b>\$1,903m</b> | <b>\$2,069m</b> | <b>16.6%</b>  |
| Enterprise                   | Mobile                           | \$820m            | \$901m           | \$846m          | 3.2%            | \$365m            | \$417m          | \$381m          | 4.4%          |
|                              | Fixed-Enterprise <sup>1</sup>    | \$1,769m          | \$1,867m         | \$1,713m        | -3.2%           | \$213m            | \$198m          | \$71m           | -66.7%        |
|                              | Other                            | \$9m              | \$29m            | \$5m            | -44.4%          | -                 | \$23m           | \$2m            | n/m           |
|                              | <b>Total Domestic</b>            | <b>\$2,598m</b>   | <b>\$2,797m</b>  | <b>\$2,564m</b> | <b>-1.3%</b>    | <b>\$578m</b>     | <b>\$638m</b>   | <b>\$454m</b>   | <b>-21.5%</b> |
|                              | <b>International<sup>2</sup></b> | <b>\$1,148m</b>   | <b>\$1,281m</b>  | <b>\$1,320m</b> | <b>15.0%</b>    | <b>\$375m</b>     | <b>\$338m</b>   | <b>\$344m</b>   | <b>-8.3%</b>  |
| <b>Total</b>                 | <b>\$3,746m</b>                  | <b>\$4,078m</b>   | <b>\$3,884m</b>  | <b>3.7%</b>     | <b>\$953m</b>   | <b>\$976m</b>     | <b>\$798m</b>   | <b>-16.3%</b>   |               |
| InfraCo (Active and Passive) | Mobile                           | \$183m            | \$198m           | \$231m          | 26.2%           | \$132m            | \$150m          | \$168m          | 27.3%         |
|                              | Fixed-Active wholesale           | \$209m            | \$194m           | \$188m          | -10.0%          | \$71m             | \$46m           | \$52m           | -26.8%        |
|                              | InfraCo Fixed                    | \$1,226m          | \$1,330m         | \$1,326m        | 8.2%            | \$807m            | \$856m          | \$834m          | 3.3%          |
|                              | Amplitel                         | \$197m            | \$204m           | \$229m          | 16.2%           | \$160m            | \$158m          | \$187m          | 16.9%         |
|                              | Other                            | \$3m              | \$31m            | \$71m           | n/m             | -                 | -\$3m           | \$54m           | n/m           |
| <b>Total</b>                 | <b>\$1,818m</b>                  | <b>\$1,957m</b>   | <b>\$2,045m</b>  | <b>12.5%</b>    | <b>\$1,170m</b> | <b>\$1,207m</b>   | <b>\$1,295m</b> | <b>10.7%</b>    |               |
| Other                        | \$421m                           | \$577m            | \$570m           | 35.4%           | -\$2m           | -\$31m            | -\$146m         | n/m             |               |
| Eliminations                 | -\$842m                          | -\$1,201m         | -\$1,257m        | 49.3%           | -               | -                 | -               | -               |               |
| <b>Underlying</b>            | <b>\$11,537m</b>                 | <b>\$11,636m</b>  | <b>\$11,705m</b> | <b>1.5%</b>     | <b>\$3,895m</b> | <b>\$4,055m</b>   | <b>\$4,016m</b> | <b>3.1%</b>     |               |

1. Fixed-Enterprise excludes revenue associated with M&A of \$15m in 1H24 (M&A income excluded from underlying income).

2. International income excludes inter-segment revenue of \$105m in 1H23. Inter-segment revenue included in International post corporate restructure.

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## Glossary



| Term  | Definition (unless separately defined in the slide footnotes)   |
|---|---|
| Capex, Accrued Capex                              | Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases   |
| Free cash flow after lease payments (FCFaL)       | 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities', and excludes spectrum and guidance adjustments  |
| Guidance adjustments                              | 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 Half 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 FY24 (set out in our ASX announcement titled "Financial results for the half-year ended 31 December 2023" lodged with the ASX on 15 February 2024) |
| Net one-off nbn DA less net C2C or one-off nbn DA | Adjustments for net one-off nbn receipts which is defined as net nbn one-off Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retaining) less nbn net cost to connect  |
| n/m   | Not meaningful  |
| ROE   | Calculated as Profit for TLS shareholders as a percentage of equity   |
| ROIC  | Calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital   |
| Total income                                      | Total income excluding finance income   |
| Profit for TLS shareholders                       | Profit for the year attributable to equity holders of Telstra Entity  |
| EBITDAaL  | Earnings Before Interest, Taxes, Depreciation, Amortisation and after Leases  |
| Underlying earnings                               | NPAT excluding net one-off nbn receipts and guidance adjustments (as defined above). See 'Underlying earnings' slide for details  |
| Underlying EBITDA                                 | Underlying EBITDA excludes guidance adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C   |
| Underlying EPS                                    | Profit for TLS shareholders attributable to each share, excluding net one-off nbn receipts and guidance adjustments (as defined above)  |
| Underlying ROIC                                   | NOPAT as a percentage of total capital, excluding net one-off nbn receipts and guidance adjustments (as defined above) less tax   |

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**CEO & CFO SPEECH NOTES**  
**TELSTRA HALF YEAR RESULTS**  
**15 FEBRUARY 2024**

**VICKI BRADY – CEO**

**Slide – Half year 2024 results – Vicki Brady CEO**

Good morning and welcome to Telstra's results announcement for the half year ended 31 December 2023.

I am joining today from the lands of the Gadigal people. On behalf of Telstra, I acknowledge and pay my respects to the Traditional Custodians of Country throughout Australia, and recognise the continued connection Australia's First Nation peoples have to land, waters and culture. We pay our respects to Elders past and present.

I will make some brief comments on our key highlights, Michael will then take you through the financials, after which I will summarise our progress against our T25 strategy and areas of focus for the second half of FY24. We'll then take questions from analysts, investors and media.

Our results for the half show continued growth in reported and underlying earnings, with positive momentum across many of our key indicators.

This momentum is also reflected in the progress we have made in the second year of delivery against our T25 strategy.

**Slide – Half year 2024 results**

Focusing on the key highlights for the half:

- Total income was up 1.2 per cent and EBITDA increased by 3.8 per cent, driven by momentum from our mobiles business.
- Underlying EBITDA increased by \$121 million, or 3.1 per cent, to \$4 billion.
- EBITDA growth flowed through to a 11.5 per cent increase in Net Profit After Tax to \$1.0 billion.
- Earnings Per Share increased 12 per cent to 8.4 cents.
- Underlying ROIC increased to 7.8 per cent and above our cost of capital.
- Our Episode NPS increased by 3 points over the last 12 months to 44.

Overall, our T25 strategy is on track, including our growth ambitions in underlying EBITDA, Earnings Per Share and ROIC.

On the back of continued growth, the Board resolved to pay a fully franked interim dividend of 9.0 cents per share, representing a 5.9 per cent increase compared to last year.

The increase in the interim dividend is consistent with our capital management framework to maximise the fully franked dividend and seek to grow it over time.

At the same time, we continue to invest in our network and infrastructure to deliver connectivity, reliability and security to our customers.

**Slide – Half year 2024 results**

While our overall momentum is good, we have some parts of our business performing well, and others where we see challenges.

Our mobiles business remains central to growth and continues to perform strongly, growing EBITDA almost \$300 million in the half driven by more customers, ARPU growth and cost discipline. Our customers are seeing the benefits from our leading mobile network and the continued execution of our T25 strategy.

Our Consumer & Small Business Fixed business more than doubled EBITDA, largely due to productivity. Our Infrastructure businesses also grew, reflecting continued strong demand for our assets.

We remain disciplined on reducing our costs, particularly considering the external economic environment, which Michael will cover in more detail.

Within our Enterprise Fixed business, Data & Connectivity is performing as expected, but NAS is clearly a long way from where we need it to be.

We have seen negative trends in NAS accelerate, and we have a detailed review of our domestic Enterprise business underway. Michael will cover the first half NAS performance in detail, and I will come back and speak to the immediate and significant actions we are taking to address this, which are both cost and revenue based.

Given the performance in our NAS business, we are tightening our FY24 Underlying EBITDA guidance range to \$8.2 to \$8.3 billion. FY24 guidance across other measures is reaffirmed.

Overall in the half, we achieved continued growth in underlying earnings, and positive momentum across many of our measures. We are focussed on delivering the second half of our strategy, and setting the business up strongly for beyond T25.

I remain very confident about the important role we will play in a more digitised future – underpinned by investment in our networks, infrastructure, and capabilities – and in our ability to continue to deliver sustainable growth into the future.

I will now hand over to Michael to go through our financial performance in detail.

## **MICHAEL ACKLAND – CFO**

### **SLIDE 6 - Half year 2024 results**

Thanks Vicki.

I'm pleased to present Telstra's half year 2024 results.

### **SLIDE 7 - Income statement**

Starting with our Income Statement on Slide 7, which shows our continued growth since last year, in line with our T25 strategy.

Total income for the half was \$11.7 billion, up 1.2% on the prior corresponding period or PCP.

EBITDA was \$4.0 billion, up 3.8%, supported by our strong cost discipline.

Underlying EBITDA was also \$4.0 billion, up 3.1% with strong growth in Mobile.

Depreciation and amortisation decreased slightly in the half. However, it is expected to increase in FY24.

EBIT was \$1.8 billion, up 10.8%.

Net finance costs increased around 26%, mostly reflecting higher borrowing costs from floating rates. More than 50% of our borrowings are fixed.

Tax was broadly flat.

And finally, Earnings Per Share was up 12.0% to 8.4 cents, reflecting higher earnings.

### **SLIDE 8 - EBITDA by product**

Looking at product performance on Slide 8.

We delivered strong earnings growth in Mobile, Fixed-C&SB, InfraCo-Fixed and Amplitel, partly offset by the decline in Fixed - Enterprise, International, and Other.

International's reported result was impacted by FX and changes following our corporate restructure. On an underlying basis, International Wholesale & Enterprise continues to perform well, while Digicel Pacific's performance was impacted by the operating environment in PNG.

The decline in Other reflects corporate adjustments including bond rate changes on employee liabilities, lower energy contribution, and reporting changes due to the corporate restructure. These offset a gain of \$47 million reflecting value uplift from tower access agreements.

### **SLIDE 9 -Mobile**

Turning to Mobile, which you can see on Slide 9, we achieved growth through the disciplined execution of our strategy. This follows the significant investment we've made over several years in our network, brand and customer experience including the insourcing of retail stores and onshoring of our call centres.

Mobile service revenue continued its recovery, up 6.0% on PCP. This is in line with our ambition for mid-single digit growth to FY25.

This result reflects continued growth in customers and average revenue per user.

We also received a small benefit from International roaming recovery which lifted by \$21 million on PCP. International roaming has now normalised.

Retail handheld and wholesale SIO growth of 4.6% was supported by market growth driven by travellers and immigration with net adds across all segments.

We added net 63,000 postpaid handheld services, 99,000 prepaid handheld and 182,000 wholesale unique users during the half. IoT services also continued to scale.

Our multi-brand strategy continues to optimise value across our portfolio. Customers have a broad range of price points, brands and choice, helping make mobile connectivity affordable.

Average revenue per retail handheld and wholesale user was 2.1% higher than PCP, with growth across all categories.

Postpaid handheld ARPU grew 5.4%, driven by Consumer & Small Business price changes, and higher roaming. Prepaid handheld ARPU growth was driven by plan refresh, and wholesale grew on mix.

Finally, we saw growth in accessories & wearables, but lower handset sales. However, absolute hardware margin including our loyalty program improved.

### **SLIDE 10 -Fixed - C&SB**

In Fixed - C&SB, the ongoing execution of our strategy continued to deliver EBITDA growth.

ARPU grew 2.6% to \$81.67 due to price rises that came into effect in November 2023, as well as positive product mix.

We continue to see benefits from our investment in customer experience, and have delivered margin expansion through greater cost efficiency. Nbn reseller margins grew to 10%.

We continue to scale our fixed wireless offering and have seen take up of this product double over the year.

While our EBITDA growth is pleasing, customer growth remains challenged, and we have more work to stabilise this in the medium term.

We aim to continue EBITDA growth by further improving customer experience, optimising across technologies, focusing on cost efficiency and limiting on-net legacy losses.

### **SLIDE 11 -Fixed - Enterprise**

Turning to Fixed - Enterprise on Slide 11, which is made up of Data & Connectivity (or DAC) and Network Applications & Services (or NAS).

DAC continues to be impacted by competition and technology change. Pleasingly, the rate of decline of DAC revenue slowed. It fell 10.2% in the half, driven by ARPU compression as we reprice and pro-actively renew customers. We expect the rate of revenue decline to continue to slow as ARPU declines to FY25.

Connectivity is a cornerstone of our enterprise offering and our focus remains on customer retention, simplifying products and IT platforms, and reducing cost to connect and serve.

Turning to NAS, where, as Vicki mentioned, we have challenges.

Looking at NAS revenue in the bottom chart:

- Calling revenue, which is higher margin, declined approximately 18%, as it continues to be impacted by a shift from traditional voice to cloud applications. This was as expected, and the headwind continues to get smaller.
- Professional services was impacted by lower business confidence and a slower trading environment with customers holding off on projects and lower levels of pull through on other product sales. We also saw a wind down of a number of large infrastructure contracts. Professional services revenue fell 18% sequentially and contrasts to the 33% growth seen in FY23, or 8% excluding acquired businesses. Such a rapid change in trajectory made it difficult to adequately adjust our cost-base which was set up for more growth.
- Finally, in the chart you can see that revenue from cloud resale and equipment grew. These resale businesses are low margin and high variable cost, and margins were lower in the half.

These revenue, cost overhang and margin factors all contributed to lower NAS EBITDA.

Given our pipeline continues to show the impact of the slower trading environment, we have not assumed the typical second half uptick in NAS in FY24.

As Vicki mentioned, we are taking immediate actions to set the business up for success. The medium-term outlook for NAS is positive and we remain confident in our capabilities and market opportunities.

### **SLIDE 12 -International**

Turning to International on Slide 12, which includes our Wholesale & Enterprise business as well as Digicel Pacific, which we acquired last financial year.

You'll recall that the implementation of the corporate restructure introduced internal revenue and costs to reporting not reflected in the prior period. Our reported results reflect this restructure as well as foreign exchange impacts and one-offs, so let me talk you through the underlying performance.

Wholesale & Enterprise continued to perform well with strong demand for our infrastructure, subsea cable capacity and services. We're also continuing to invest for the long-term.

On an underlying basis revenue and EBITDA both grew 3% driven by growth in DAC and NAS.

Digicel Pacific's reported income rose 4.2%, while EBITDA rose 1.8% reflecting higher operating costs.

Results benefited from Australian dollar translation, however on an underlying basis were impacted by the operating environment in Papua New Guinea.

In PNG, mobile SIOs grew, and ARPU remained broadly stable in local currency, while the performance in the hub markets was on track.

### **SLIDE 13-Infrastructure**

Turning to Infrastructure on Slide 13.

Income from InfraCo Fixed grew 8.2% on PCP, which includes commercial works and disposals.

Income from core access grew 9.0% from both internal and nbn recurring growth. The latter grew 7.1%, supported by CPI indexing.

From 1 January this year, a further CPI indexing of 5.4% was applied.

This growth was offset by declines in commercial works and legacy asset sales - which we expect to be higher in the second half.

Overall, reported EBITDAaL grew 3.8% on PCP.

We continue to invest in improving asset quality and efficiency to drive InfraCo growth. These are long-term assets and we are investing for the long term, including through our strategic infrastructure projects. Our confidence in returns from the intercity fibre project continues to grow, and we expect contributions from FY26 as capacity comes online.

Amplitel's results demonstrate the strong demand for our towers and the work of our teams in securing signings. Income grew over 16% from new tenancies, escalations and increased services including 5G upgrades. This included gains from customer contracts of \$11 million.

With the benefit of strong demand and momentum, we continue to anticipate Amplitel EBITDAaL growth at the higher rate of mid-to-high single digit to FY25.

### **SLIDE 14 - Costs broadly flat with strong cost discipline**

Turning to our operating expenses, which you can see on Slide 14.

Total operating costs were broadly flat.

We continue to focus on improving our productivity and reducing fixed costs core. During the half, we achieved \$64 million in absolute cost reduction despite inflation. We expect fixed costs core to reduce further sequentially in the second half, although the comparative period will make further absolute cost reduction difficult.

Energy costs were broadly flat with higher prices offset by consumption savings.



We are committed to setting up the business for continued success and delivering on our growth strategy. We expect to achieve the large majority of our T25 \$500 million reduction ambition, with most of this in FY25.

Given the level of higher ongoing cost pressure, more significant action is going to be required to achieve this than previously expected.

Productivity initiatives include:

- significantly reducing our IT operations spend,
- decommissioning of legacy IT and networks,
- transforming our NAS cost-base, as well as more broadly across Telstra, and
- further process efficiency across customer and corporate back-office functions. This includes the use of AI to provide better customer experience, and further cost optimisation.

### **SLIDE 15 - Free cash flow reflects investing for growth & seasonality**

Turning to free cashflow on Slide 15.

Our free cashflow was \$955 million on a guidance basis.

The decline compared to 1H23 reflects stronger EBITDA and a reduction in working capital investment, offset by capex and Other, largely due to payment timing.

First half cash flow is broadly consistent with usual first half/second half seasonality. Working capital reversal and timing is expected to support free cash flow in the second half.

Outside of guidance, spectrum payments of \$1.3 billion are expected this financial year, including around \$100 million paid in the first half. M&A payments this half included the acquisition of Versent.

### **SLIDE 16 - Strong capital position and liquidity**

Turning to our capital position on Slide 16.

Net debt remains stable at 1.9 times net debt to EBITDA, with the increase in net debt reflecting the seasonality of cash flows and the acquisition of Versent.

We remain within our comfort ranges for all credit metrics.

Our average invested capital increased reflecting the full period's inclusion of Digicel Pacific.

In the second half, net debt will increase with committed spectrum acquisitions, translating into a further increase in invested capital.

We are absolutely focused on capital discipline and active portfolio management. ROIC of 7.8% increased on the PCP.

### **SLIDE 17 - FY24 guidance**

Turning now to guidance for FY24, which can be seen on Slide 17. You can see the ranges along with the conditions upon which we have provided them.

Given the performance in NAS, we are tightening our FY24 Underlying EBITDA guidance range to \$8.2 to \$8.3 billion. FY24 guidance across other measures is reaffirmed.

This Underlying EBITDA guidance range represents sequential growth in the second half from the timing of InfraCo assets sales, cost reduction and further net growth across products.

This guidance excludes material one-offs, such as spectrum payments.

We do not expect any material cash impact in FY24 or FY25 relating to a final price adjustment from the nbn rollout completion as detailed in our accounts.

So, to summarise:

- We continue to grow our business,
- We are focused on delivering our strategy, maintaining cost discipline, and navigating challenges,
- and we remain committed to achieving our T25 financial ambitions.

Finally, I would like to thank the Telstra team for their ongoing efforts in delivering value for customers, the community, and our shareholders.

I will now hand back to Vicki.

## **VICKI BRADY – CEO**

### **Slide – Half year results 2024 – Vicki Brady Telstra CEO**

Thank you, Michael.

So, while there are challenges in parts of our business, we see positive momentum overall – driven by continued growth across mobile, Fixed C&SB and infrastructure – and we are confident in delivering on our T25 strategy.

We also know that the external environment is putting pressure on consumers and businesses. We will continue to invest to deliver connectivity that is reliable, resilient and secure, and offer plans that are simple and deliver the services and choices our customers need, whilst also delivering value for our shareholders.

### **Slide – T25 strategy**

Turning to our T25 strategy.

We're now halfway through T25 – a huge milestone. I'm very proud of what the team has delivered so far.

### **Slide – T25 achievements – Customer experience**

We continue to see the positive impact of product simplification and digitisation on customer experience.

We have 93 per cent of Consumer & Small Business sales on our new digital stack, and overall, we have digitised 71 per cent of our key service transactions.

Across the business, customer complaints continue to be at record lows, and Episode NPS remains at record highs.

Episode NPS improved 3 points over the last 12 months, and 1 point over the last 6 months, with improvements across Consumer & Small Business and Enterprise.

TIO complaints from consumer and small business customers reduced by 18 per cent over the last 6 months, and are more than two thirds lower than FY21.

Cyber security, identity and scam protections remain extremely important to us and our customers.

After a successful pilot, we launched our Scam Indicator in partnership with the Commonwealth Bank, to help protect more Australians from phone scams.

Through our Cleaner Pipes initiative, we are blocking on average more than 10 million scam calls and 11 million scam SMS's from reaching customers each month. We're also blocking almost 280 million scam and unwanted emails reaching our BigPond customers each month. Despite this, our work is never done, and we continue to look for new ways to help protect our customers.

Improving customer experience remains the foundation for our growth ambitions, and while we have further to go, I am proud of this progress.

### **Slide – T25 achievements – network**

We have continued to invest in network leadership and resilience.

As at the end of December, we had around 87 per cent 5G population coverage and 48 per cent of our mobile traffic on 5G.

Our mobile network covers 99.6 per cent of the population and reaches 1 million sq kms more than any other operator.

We committed \$1.3 billion to mobile spectrum in FY24, which means additional capacity to support more data, faster speeds, and a more consistent experience for customers.

We are on track to deliver even better services through 4G and 5G, and we are working towards transitioning our customers off our 3G network by 30 June 2024. More than 98 per cent of our mobile sites already have 4G installed, and we have an absolute commitment to expand our 4G coverage to be equivalent to existing 3G coverage across the country by the end of June.

And we were named 'Best in Test' by industry benchmarking leader umlaut for the fifth consecutive year.

On satellite, we continue to work with a range of LEO satellite providers to enhance our fixed, mobile and voice services for customers.

We have released our Enterprise Internet product, powered by Starlink, and we expect to launch our world first consumer broadband and voice product, powered by Starlink, in March.

Our roll out of satellite-based backhaul for remote mobile sites is progressing well. We achieved a significant milestone, with our first call, on a mobile site using OneWeb LEO satellite backhaul, and we will be migrating hundreds of sites over the next 18 months.

We also signed an agreement with Lynk Global to explore and test direct to handset satellite technology as a potential way to extend mobile connectivity beyond our current footprint.

We are Australia's biggest investor in digital infrastructure, and we continue to invest in areas of structural growth.

On our new Intercity Fibre network, we now have more than 540kms of fibre in the ground, and in November we announced five new routes that will begin construction in 2025, as well as an expansion to our network in the Pilbara.

This brings us to a total of 10 routes and nearly 14,000kms of fibre in planning that will be delivered by the end of FY27, and I am pleased to say that the fibre is being produced locally here in Australia with our partner Prysmian.

Outside of Australia, we operate APAC's largest subsea cable network, and we are responsible for carrying a third of Intra-Asia and a quarter of Trans-Pacific traffic.

Over FY24 we will invest an additional \$100 million in subsea cables and satellite landing stations in Asia and the US to support capacity demand for our customers.

This is absolutely foundational infrastructure for Australia and the region, and means we are uniquely placed to lead in the digital economy, and meet the increasing demand for data being driven by technologies including AI.

### **Slide – T25 achievements – growth and value**

Against the growth and value pillar, we delivered growth in underlying EBITDA, EPS and ROIC.

In the half, we grew our mobiles, Consumer & Small Business Fixed and Infrastructure businesses.

Let me now turn to the actions we are taking to address the performance of our Domestic Enterprise business.

We commenced a review of this part of the business late last year, and implementing the actions from that review will be the focus of Oliver Camplin-Warner, our new Group Executive for Telstra Enterprise.

This includes:

- Addressing the cost base of our Enterprise business, including resetting costs across each function supporting Enterprise, particularly NAS, to optimise end to end delivery for customers.
- A full review of the products and services we provide within our Enterprise business, and particularly our NAS portfolio, to make sure they both meet the current and future needs of our customers, and create shareholder value.
- This includes how we fully leverage Versent to unlock the evolving customer demand for cloud led transformation solutions.

We remain absolutely committed to delivering for our Enterprise customers. We expect professional and infrastructure services growth to return in time, and are confident that we can navigate through this challenging period and set the business up for success.

On cost, we continued to show discipline in the half, delivering \$64 million core fixed cost out. Cumulatively, we've delivered \$105 million since FY22.

Michael mentioned the significant level of cost out required in FY25. I want to reinforce that while we're being challenged by cost pressure, we still expect to achieve the large majority of our cost out ambition by the end of FY25.

We remain absolutely committed to capital discipline, and delivering our T25 underlying EBITDA, EPS and ROIC growth ambitions.

### **Slide – T25 achievements – the place you want to work**

Against the place to work pillar, our employee engagement score was 79.

We are focussed on attracting, retaining and developing the best talent, as well as strengthening our culture by embedding our new behaviours.

On digital leadership, we continue to invest in our digital capabilities to help improve customer experience, uplift our productivity, and help industries and businesses to digitise.

Our ambition is to become an AI-fuelled organisation, helping us unlock better outcomes for our customers, our people and our organisation.

To underpin this, we are simplifying and modernising our tech and data landscape, and building reusable AI products for the whole organisation to accelerate time to value.

Within Telstra, we are now using AI to improve half of our key processes, including to automatically detect and resolve fixed services faults, and to solve customer issues faster.

For example, in the half, we piloted new AI applications including Ask Telstra – an Open AI based solution with Microsoft to help our frontline teams find the information they need to better and more quickly serve our customers.

We're also investing in our people, including through our Data & AI Academy, to upskill them in AI and help them understand how they can use it in their roles.

On doing business responsibly, we are on track to achieve all our sustainability commitments, and we've now supported renewable energy projects worth more than \$1.2 billion. Once these projects are fully up and running, our share of their renewable energy output will be equivalent to 100 per cent of our own electricity consumption.

We helped around 1 million customers in vulnerable circumstances stay connected in the half, and we welcome the new Financial Hardship standard as an important step in providing safeguards for consumers needing financial assistance.

Our customers have faced a number of natural disasters over the last few months including cyclones, storms, floods and fires, and our teams have worked tirelessly to prepare and respond.

We mobilised more than 3,000 of our people to respond on the ground across Queensland, Victoria and Western Australia. Currently, we also have teams responding to the impacts of recent storms in Victoria.

As part of our preparation for future disasters, we successfully tested functionality that could underpin a temporary disaster roaming solution, which would allow people to connect to any available network in a disaster zone.

### **Slide – T25 scorecard**

Turning to our T25 scorecard, we are on track to deliver the majority of our T25 metrics.

In the half, we achieved our Telstra Plus FY23 ambition for 5.4 million customers and 70 per cent engagement.

We achieved our target of an additional 100,000 sq kms of mobile coverage ahead of time, with more than 140,000 sq kms now added since FY21.

We're now also on track to meet our renewable energy generation target, as I mentioned.

### **Slide – FY24 focus areas**

In the second half of FY24 we will continue to prioritise activities that deliver a better customer experience, and invest in the capabilities and infrastructure we need to deliver sustainable growth now and beyond T25.

There are four areas I see as key to maintaining our financial momentum and delivering sustainable growth.

1. First, continuing to improve the customer experience – including by finishing the job on migrating our Consumer & Small Business customers onto our new digital stack.
2. Second, continuing to grow the business – including continued growth in mobile, addressing challenges in NAS, and achieving the large majority of our cost out ambition.
3. Third, strengthening our culture by embedding our new behaviours, as well as attracting, retaining and developing the best talent – including through upskilling our people on data and AI technologies.

4. And finally, setting up the business for long term growth – including investment in digital infrastructure and active portfolio management to maintain the strength of our balance sheet, optimise returns and unlock value.

**Slide – Thank you**

With that let me close out our half year results presentation.

Overall, our strategy is on track, and we are focussed on delivering the second half of T25.

Thank you and congratulations to the Telstra team for everything we have achieved in the half.

I will now hand over to Nathan Burley – Head of Investor Relations – to take us through Q&A.

[END]

# Half year results and operations review

## Financial results

| Summary reported results                                       | 1H24          | 1H23          | Change      |
|--|---------------|---------------|-------------|
|  | \$m           | \$m           | %           |
| Revenue (excluding finance income)                             | 11,425        | 11,306        | 1.1         |
| <b>Total income (excluding finance income)</b>                 | <b>11,720</b> | <b>11,583</b> | <b>1.2</b>  |
| Operating expenses   | 7,698         | 7,723         | (0.3)       |
| Share of net (loss)/profit from equity accounted entities      | (15)          | 1             | n/m         |
| <b>EBITDA</b>  | <b>4,007</b>  | <b>3,861</b>  | <b>3.8</b>  |
| Depreciation and amortisation                                  | 2,233         | 2,260         | (1.2)       |
| <b>EBIT</b>  | <b>1,774</b>  | <b>1,601</b>  | <b>10.8</b> |
| Net finance costs  | 317           | 252           | 25.8        |
| Income tax expense   | 416           | 415           | 0.2         |
| <b>Profit for the period</b>                                   | <b>1,041</b>  | <b>934</b>    | <b>11.5</b> |
| <b>Profit attributable to equity holders of Telstra Entity</b> | <b>964</b>    | <b>865</b>    | <b>11.4</b> |
| Capex <sup>1</sup>   | 1,845         | 1,658         | 11.3        |
| Free cashflow  | 836           | (1,300)       | n/m         |
| Earnings per share (cents)                                     | 8.4           | 7.5           | 12.0        |

<sup>1</sup> Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases.

Telstra delivered 1H24 results showing continued growth in reported and underlying earnings, with positive momentum across many key indicators.

Financial performance in 1H24 included:

- Total income (excluding finance income) up 1.2 per cent to \$11.7 billion
- EBITDA up 3.8 per cent to \$4.0 billion and Underlying EBITDA<sup>1</sup> up 3.1 per cent to \$4.0 billion
- Profit for the period up 11.5 per cent to \$1.0 billion
- ROIC<sup>2</sup> up 0.7 percentage points to 7.8 per cent and Underlying ROIC<sup>3</sup> up 0.3 percentage points to 7.8 per cent
- Earnings Per Share up 12.0 per cent to 8.4 cents

The Board resolved to pay a fully franked interim dividend of 9.0 cents per share, representing a 5.9 per cent increase compared to last year. This is consistent with our capital management framework to maximise the fully franked dividend and seek to grow it over time.

Telstra's overall momentum was good, driven by continued growth across mobile, Fixed C&SB and infrastructure. Our mobiles business remains central to growth and continues to perform strongly, growing EBITDA almost \$300 million in the half driven by more customers, ARPU growth and cost discipline. Our Consumer & Small Business Fixed business more than doubled EBITDA, largely due to productivity. Our Infrastructure businesses also grew, reflecting continued strong demand for our assets.

Within our Enterprise Fixed business, Data & Connectivity is performing as expected, however NAS is clearly a long way from where we need it to be. We have commenced a detailed review of our domestic Enterprise business and have a clear set immediate and significant actions to address performance, which were both cost and revenue based.

<sup>1</sup> Underlying EBITDA excludes guidance adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C (cost to connect). 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.

<sup>2</sup> ROIC defined as ROIC calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital

<sup>3</sup> Underlying ROIC defined as NOPAT as a percentage of total capital, excluding net one-off nbn receipts and guidance adjustments (as defined above) less tax

Given the performance in our NAS business, we are tightening our FY24 Underlying EBITDA<sup>4</sup> guidance<sup>5</sup> range to \$8.2 to \$8.3 billion. FY24 guidance<sup>4</sup> across other measures is reaffirmed.

We have remained disciplined on reducing our costs, particularly considering the external economic environment. This discipline during the half delivered \$64 million core fixed cost out, and cumulatively we've delivered \$105 million since FY22. We remain absolutely committed to capital discipline, and delivering our T25 Underlying EBITDA<sup>3</sup>, EPS<sup>6</sup> and ROIC<sup>7</sup> growth ambitions. While we're being challenged by cost pressure, we still expect to achieve the large majority of our cost out ambition by the end of FY25.

The positive momentum in the half was reflected in the progress made against Telstra's T25 strategy, which overall is on track. We continue to see the positive impact of product simplification and digitisation on customer experience. We are now using AI to improve half of our key processes, including to automatically detect and resolve fixed services faults, and to solve customer issues faster. Cyber security, identity and scam protections remain extremely important to us and our customers. Through our Cleaner Pipes initiative, we are blocking on average more than 10 million scam calls, 11 million scam SMS's, and almost 280 million scam and unwanted emails reaching our customers each month.

During the half, progress on T25 also included:

- 5G population coverage reached around 87 per cent, with 48 per cent of mobile traffic on 5G.
- The target of an additional 100,000 sq kms of mobile coverage was achieved ahead of time with more than 140,000 sq kms now added since FY21.
- The launch of Telstra's enterprise internet product powered by Starlink, with a world first consumer broadband and voice product powered by Starlink expected to be released in March.
- Progress on the rollout of OneWeb LEO satellite backhaul for remote mobile sites, with hundreds of sites to be migrated over the next 18 months.
- Progress on Telstra's Intercity Fibre network build, with more than 540kms in the ground and five new routes to begin construction in 2025, as well as an expansion to its network in the Pilbara.
- Continued investment in subsea cables and satellite landing stations in Asia and the US to support capacity demand.
- Being on track to achieve all our sustainability targets, including enabling renewable energy output equivalent to 100 per cent of our own electricity consumption by 2025.

| Results on a guidance basis <sup>1</sup>   | 1H24 | FY24 Guidance |
|--|------|---------------|
|  | \$b  | \$b           |
| Total income                               | 11.7 | 22.8 to 24.8  |
| Underlying EBITDA <sup>2</sup>             | 4.0  | 8.2 to 8.3    |
| Capex                                      | 1.8  | 3.6 to 3.7    |
| Free cashflow after lease payments (FCFaL) | 1.0  | 2.8 to 3.2    |

| Guidance basis versus reported results <sup>1</sup> | 1H24<br>Reported<br>results | 1H24<br>Adjustments | 1H24<br>Guidance<br>basis | 1H23<br>Guidance<br>basis |
|---|-----------------------------|---------------------|---------------------------|---------------------------|
|   | \$m                         | \$m                 | \$m                       | \$m                       |
| Total income  | 11,720                      | (15)                | 11,705                    | 11,583                    |
| EBITDA  | 4,007                       | 9                   | 4,016                     | 3,895                     |
| Free cashflow                                       | 836                         | 119                 | 955                       | 1,021                     |

<sup>1</sup> These tables detail adjustments made to the reported results for the current period to reflect the performance of the business on the basis on which we provided guidance to the market, which 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. A detailed reconciliation of our reported results to guidance can be found in the guidance versus reported results schedule. Underlying EBITDA excludes guidance adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C. Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases. 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. Refer to the guidance versus reported results schedule. The adjustments within the tables in this schedule have been reviewed by our auditors.

<sup>2</sup> Underlying EBITDA guidance range tightened – previously \$8.2 billion to \$8.4 billion.

<sup>4</sup> Underlying EBITDA (refer footnote 1)

<sup>5</sup> 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.

<sup>6</sup> Underlying EPS defined as profit for TLS shareholders attributable to each share, excluding net one-off nbn receipts and guidance adjustments (as defined in footnote 1)

<sup>7</sup> Underlying ROIC (refer footnote 2)



## Dividend

On 15 February 2024, the Directors of Telstra Group Limited resolved to pay a fully franked interim dividend of 9.0 cents per share representing a 5.9 per cent increase on the prior corresponding period. Shares will trade excluding entitlement to the interim dividend from 28 February 2024 with payment to be made on 28 March 2024.

The interim dividend represents a 107 per cent payout ratio on 1H24 earnings per share and is consistent with Principle 2 of our capital management framework to maximise fully franked dividend and seek to grow over time.

## Other information

The following commentary is provided for statutory and management financial results. Consistent with information presented for internal management reporting purposes, the result of each reportable segment is measured based on its EBITDA contribution. Refer to Note 2.1.1 in the Half-Year Financial Report for further detail.

First half performance against our FY24 Executive Variable Remuneration Plan (EVP) metrics is included on pages 13-14. For additional details on EVP metrics and targets, refer to pages 77-79 of our 2023 Annual Report available at <https://www.telstra.com.au/aboutus/investors/financial-information/reports>.

## Segment performance

We report segment information on the same basis as our internal management reporting structure as at the reporting date. Segment comparatives reflect organisational changes that have occurred since the prior reporting period to present a like-for-like view.

### Segment total income breakdown (including internal income)



| Total income  | 1H24          | 1H23          | Change     |
|---|---------------|---------------|------------|
|   | \$m           | \$m           | %          |
| Telstra Consumer and Small Business (C&SB) <sup>1</sup> | 6,463         | 6,394         | 1.1        |
| Telstra Enterprise <sup>1</sup>                         | 3,899         | 3,851         | 1.2        |
| Networks, IT and Product <sup>1</sup>                   | 206           | 204           | 1.0        |
| Telstra InfraCo <sup>1</sup>                            | 2,045         | 1,818         | 12.5       |
| All Other <sup>1</sup>                                  | 364           | 158           | n/m        |
| <b>Total management reported income<sup>1</sup></b>     | <b>12,977</b> | <b>12,425</b> | <b>4.4</b> |
| Transactions between segments                           | (1,257)       | (842)         | (49.3)     |
| <b>Total income (excluding finance income)</b>          | <b>11,720</b> | <b>11,583</b> | <b>1.2</b> |

<sup>1</sup> Includes internal income.

Total income (excluding finance income) increased by 1.2 per cent to \$11,720 million including growth across mobile services, International, Telstra InfraCo Fixed and Amplitel. Income growth was partly offset by declines across mobile hardware, Fixed – C&SB, Fixed – Enterprise and Fixed – Active Wholesale.

Total management reported income includes internal income between segments eliminated from Total income. Internal income increased by 49.3 per cent to \$1,257 million including new intercompany agreements post our corporate restructure related to internal charges for infrastructure, power, international capacity and other services. Internal income comprised \$2 million in Telstra C&SB (1H23 nil), \$124 million in Telstra Enterprise (1H23 nil), \$176 million in Networks, IT and Product (1H23 \$130 million),

\$759 million in Telstra InfraCo (1H23 \$666 million) and \$196 million in 'All Other' (1H23 \$46 million).

### **Telstra Consumer and Small Business**

Telstra Consumer and Small Business provides telecommunications, media and technology products and services to consumer and small business customers in Australia using mobile and fixed network technologies. It also operates contact centres, retail stores, a dealership network, digital channels, distribution systems and the Telstra Plus customer loyalty program in Australia.

Income increased by 1.1 per cent to \$6,463 million including 2.9 per cent growth in mobile income. Mobile services revenue increased with growth in Average Revenue Per User (ARPU) and Services In Operation (SIOs) across postpaid handheld and prepaid handheld. Mobile hardware revenue decreased due to lower handset sales volumes, partly offset by growth in sales of wearables, and sales mix of higher value handsets and accessories. Fixed product income declined 2.3 per cent to \$2,211 million including decline in off-net revenue and Foxtel from Telstra revenue.

### **Telstra Enterprise**

Telstra Enterprise provides telecommunication services and advanced technology solutions for government and large enterprise and business customers in Australia and globally. It provides advanced technology solutions through Data and Connectivity (DAC) and Network Applications and Services (NAS) products such as unified communications, cloud, security, industry solutions and integrated services. It provides wholesale services outside of Australia, including voice and data, and provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through Digicel Pacific.

Income increased by 1.2 per cent to \$3,899 million. Domestic mobile income increased by 3.2 per cent including growth from Internet of Things (IoT) value-add applications. Domestic fixed revenue declined 2.3 per cent due mostly to declines in DAC. DAC income declined by 10.2 per cent to \$380 million driven by ARPU compression from competition, renewals and technology change. NAS revenue increased by 0.1 per cent to \$1,348 million including growth in cloud applications, managed services and equipment sales; and \$15 million related to the Versent acquisition. NAS revenue declined across calling applications and professional services.

International income increased by 15.0 per cent to \$1,320 million including internal revenue of \$114 million post corporate restructure (previously eliminated from management reported income), growth in international Wholesale and Enterprise revenue, and growth in Digicel Pacific income.

### **Networks, IT and Product**

Networks, IT and Product consists of two operating segments: Global Networks and Technology (GN&T), and Product and Technology (P&T). GN&T supports the other segments and their respective revenue generating activities by maintaining high level of reliability and security of our global network platforms and cloud infrastructure, maintains our networks, and is accountable for our network intelligence and automation. P&T works with other functions to create and deliver products and solutions for our customers, builds and manages our digital platforms underpinning our customer digital experience, builds and manages software, and provides information technology, data and AI services to all internal functions.

Income increased by 1.0 per cent to \$206 million including internal income.

### **Telstra InfraCo**

Telstra InfraCo provides telecommunication products and services delivered over Telstra's networks to other carriers, carriage service providers and internet service providers, and provides other Telstra functions and wholesale customers with access to network infrastructure within Telstra InfraCo's asset accountabilities. It operates the fixed passive network infrastructure including data centres, exchanges, poles, ducts, pits and pipes and fibre network. It designs and constructs fibre, exchanges and other infrastructure. It provides nbn co with long-term access to certain components of our infrastructure under the Infrastructure Services Agreement and operates the passive and physical mobile tower assets owned or operated by the Amplitel business.

Income increased by 12.5 per cent to \$2,045 million due to growth in recurring nbn Definitive Agreement (DA) receipts in line with CPI, increased internal and external access charges, one-off gains related to tower access agreements and upgrades, and growth in wholesale mobility. This was partly offset by expected revenue declines from Fixed – Active Wholesale legacy products.

### **All Other**

Certain items of income and expense relating to multiple functions are recorded by our corporate areas and included in the 'All Other' category. This category also includes Global Business Services (GBS), Telstra Health and Telstra Energy generation.

Income increased by \$206 million to \$364 million. International 'All Other' income increased by \$105 million due to removal of elimination post our corporate restructure. Other 'All Other' income increased by \$146 million largely due to changes associated with our corporate restructure and inclusion of Telstra Energy generation income. Telstra Health income increased by \$9 million to \$155 million driven by organic growth. One-off nbn DA and connection income decreased by \$46 million with this category no longer reported due to a significant reduction in one-off nbn migrations.

## Product performance

### Product income breakdown (including internal income)



| Product income                                 | 1H24          | 1H23          | Change     |
|--|---------------|---------------|------------|
|  | \$m           | \$m           | %          |
| Mobile   | 5,325         | 5,130         | 3.8        |
| Fixed – C&SB                                   | 2,211         | 2,264         | (2.3)      |
| Fixed – Enterprise                             | 1,728         | 1,769         | (2.3)      |
| Fixed – Active Wholesale                       | 188           | 209           | (10.0)     |
| International                                  | 1,320         | 1,148         | 15.0       |
| InfraCo Fixed                                  | 1,326         | 1,226         | 8.2        |
| Amplitel (Towers)                              | 229           | 197           | 16.2       |
| One-off nbn DA & Connection                    | -             | 46            | (100.0)    |
| Other  | 650           | 436           | 49.1       |
| <b>Total management reported income</b>        | <b>12,977</b> | <b>12,425</b> | <b>4.4</b> |
| Eliminations                                   | (1,257)       | (842)         | (49.3)     |
| <b>Total income (excluding finance income)</b> | <b>11,720</b> | <b>11,583</b> | <b>1.2</b> |

| Product EBITDA margins      | 1H24   | 2H23  | 1H23 | FY23  |
|-----------------------------|--------|-------|------|-------|
|                             | %      | %     | %    | %     |
| Mobile                      | 47.1   | 46.5  | 43.2 | 44.9  |
| Fixed – C&SB                | 4.7    | 3.9   | 2.2  | 3.0   |
| Fixed – Enterprise          | 4.1    | 10.6  | 12.0 | 11.3  |
| Fixed – Active Wholesale    | 27.7   | 23.7  | 34.0 | 29.0  |
| International               | 26.1   | 26.4  | 32.7 | 29.4  |
| InfraCo Fixed               | 62.9   | 64.4  | 65.8 | 65.1  |
| Amplitel (Towers)           | 81.7   | 77.5  | 81.2 | 79.3  |
| One-off nbn DA & Connection | -      | 42.3  | 56.5 | 51.4  |
| Other                       | (13.4) | (1.7) | 0.5  | (0.8) |

## Mobile

Mobile income increased by 3.8 per cent to \$5,325 million including 6.0 per cent services revenue growth partly offset by 4.9 per cent hardware decline. Growth in services revenue was achieved across postpaid handheld, prepaid handheld, Internet of Things (IoT) and wholesale. International roaming revenue increased by \$21 million to \$136 million. Retail mobile SIOs increased by 933,000 in the half to 23.4 million, including 8.9 million postpaid handheld retail SIOs.

Postpaid handheld services revenue increased by 6.4 per cent to \$2,826 million with an 81,000 increase in SIOs (including 63,000 in the half) and a 5.4 per cent ARPU increase from \$50.47 to \$53.18 driven by price rises and higher international roaming.

Prepaid handheld revenue increased by 4.5 per cent to \$581 million with a 209,000 increase in unique users (including 99,000 in the half) and 3.5 per cent ARPU decline. Prepaid handheld ARPU reduced due to \$42 million of one-off revenue in the prior period from product migration. Excluding one-off revenue in the prior period from product migration, prepaid handheld revenue increased by 13 per cent and ARPU increased by 5 per cent.

Mobile broadband revenue decreased by 2.1 per cent to \$330 million due to 4.9 per cent decline in SIOs partly offset by 2.2 per cent uplift in ARPU to \$19.00. IoT revenue increased by 2.2 per cent to \$142 million with SIOs increasing by 1.5 million (including 783,000 in the half) to 7.9 million.

Wholesale revenue increased by 23.7 per cent to \$209 million driven by Wholesale ARPU growth and 335,000 increase in unique users (including 182,000 in the half). Wholesale unique users include postpaid SIOs and prepaid unique users. Wholesale unique users increased to 2.2 million from the continued popularity of Mobile Virtual Network Operator's (MVNO) plans on the Telstra Wholesale mobile network.

Hardware, interconnect and other revenue decreased by 2.9 per cent to \$1,227 million largely due to lower hardware revenue. Hardware revenue decreased by 4.9 per cent to \$1,143 million due to lower handset sales volumes, partly offset by growth in sales of wearables, and mix of higher value handsets and accessories.

Mobile EBITDA margin increased by 3.9 percentage points to 47.1 per cent due to increased high-margin service revenue and cost-out.

## Fixed – Consumer and Small Business (C&SB)

Fixed – C&SB income decreased by 2.3 per cent to \$2,211 million. Off-net fixed revenue, which is revenue from services for which we are a reseller, decreased by 1.3 per cent to \$1,630 million due to 4.2 per cent decline in C&SB nbn SIOs partly offset by ARPU growth. On-net fixed revenue, which is revenue from services on the Telstra network, was unchanged at \$179 million including growth in fixed wireless offset by decline in legacy SIOs. C&SB bundles and standalone data ARPU increased by 2.6 per cent to \$81.67 and SIOs declined by 105,000 (including 58,000 in the half) to 3.3 million.

Consumer content and services revenue decreased by 8.1 per cent to \$284 million including a 11.6 per cent decline in Foxtel from Telstra SIOs, partly offset by revenue growth from our acquisition of a majority stake in Fetch TV in August 2022.

Fixed – C&SB EBITDA margin increased by 2.5 percentage points to 4.7 per cent due to cost-out and growing contribution from fixed wireless. Off-net nbn resale EBITDA contribution margin increased by 3 percentage points to 10 per cent.

## Fixed – Enterprise

Fixed – Enterprise income declined by 2.3 per cent to \$1,728 million due mostly to DAC declines. DAC income declined by 10.2 per cent to \$380 million driven by ARPU compression from competition, renewals and technology change. DAC SIOs reduced by 9.4 per cent or 16,000 (including 6,000 in the half) mostly in legacy. Our T-Fibre and nbn Enterprise Ethernet customer base was broadly flat in the half.

NAS income increased by 0.1 per cent to \$1,348 million including growth in cloud applications, managed services and equipment sales; and \$15 million related to the Versent acquisition. Cloud applications revenue increased by 16.0 per cent to \$181 million from growth in demand for partner cloud products including Amazon Web Services and Microsoft Azure. Managed services and maintenance revenue increased by 1.6 per cent to \$384 million due to an increase in customers attaching cyber security services and service management. Equipment sales revenue increased by 12.2 per cent to \$165 million including on large strategic contracts.

NAS revenue declined across calling applications and professional services. NAS calling applications decreased by 17.6 per cent to \$210 million due to fixed product exits, including ISDN, and market shift from traditional voice to integrated video and digital solutions. NAS professional services decreased by 12.4 per cent to \$233 million due to slower trading environment and large contracts in the prior period not repeating this half.

Fixed – Enterprise EBITDA margin declined by 7.9 percentage points to 4.1 per cent due to DAC and NAS EBITDA margin declines, and an increased mix of lower margin NAS income. DAC EBITDA margin declined by 10.1 percentage points to 14.2 per cent due to revenue reduction and increased costs. NAS EBITDA margin declined by 6.9 percentage points to 1.3 per cent due mostly to decline in calling applications and professional services.

### Fixed – Active Wholesale

Fixed – Active Wholesale income declined by 10.0 per cent to \$188 million largely due to legacy product decline. Data and Connectivity revenue decreased by 8.5 per cent to \$130 million reflecting decline in wideband products partly offset by growth in Telstra Wholesale Internet. Legacy calling and fixed revenue declined by 13.4 per cent to \$58 million from continued legacy fixed product decline.

Fixed – Active Wholesale EBITDA margin decreased by 6.3 percentage points to 27.7 per cent due to continued legacy and nbn revenue decline offset partly by cost-out. The margin improved sequentially in the half due to lower costs.

### International

International income increased by 15.0 per cent to \$1,320 million including foreign exchange impacts and inclusion of internal revenue post corporate restructure (previously eliminated from management reported income). Digicel Pacific income increased by 4.2 per cent to \$371 million due mostly to positive USD foreign exchange impacts. In Papua New Guinea (PNG), mobile SIOs increased by 1.6 per cent and ARPU was broadly flat in Papua New Guinean Kina (PGK) but decreased in AUD. In markets outside PNG, mobile SIOs decreased by 0.7 per cent and ARPU grew in USD and AUD.

Excluding Digicel Pacific, International income increased by 19.8 per cent to \$949 million due to inclusion of internal revenue of \$114 million post corporate restructure (previously eliminated from management reported income); and growth in Wholesale and Enterprise revenue of 5.4 per cent to \$835 million including positive foreign exchange impacts and growth in Ethernet Private Line, internet and professional services.

International EBITDA margin decreased by 6.6 percentage points to 26.1 per cent due to foreign exchange impacts and inclusion of internal revenue and cost post corporate restructure. Excluding Digicel Pacific, internal revenue and cost post restructure, and other one-off impacts, Wholesale and Enterprise EBITDA contribution increased by 3 per cent in constant currency due to growth in Ethernet Private Line, Internet and professional services.

### InfraCo Fixed

InfraCo Fixed income increased by 8.2 per cent to \$1,326 million. Recurring nbn DA income increased by 7.1 per cent to \$515 million reflecting CPI linked price increases. Recurring nbn DA income includes infrastructure services across ducts, racks and fibre provided to nbn co. External infrastructure revenue increased by 8.0 per cent to \$135 million including \$60m from disposal of legacy network assets (1H23 \$51 million). Internal infrastructure access revenue increased by 12.0 per cent to \$560 million. Commercial and recoverable works revenue declined by 3.3 per cent due to decline in nbn commercial works as contracts end.

InfraCo Fixed income grew 9.0 per cent excluding commercial and recoverable works and legacy network disposals.

InfraCo Fixed EBITDA margin reduced by 2.9 percentage points to 62.9 per cent reflecting increased internal costs, and increased investment in asset maintenance; partly offset by growth in recurring nbn DA and internal income. InfraCo Fixed EBITDA after leases (EBITDAaL) reduced by 2.6 percentage points to 60.1 per cent.

### Amplitel (Towers)

Amplitel income grew by 16.2 per cent to \$229 million due to contracted growth, continued demand for new tower builds and 5G upgrades. Amplitel external revenue grew by 64.5 per cent to \$51 million including contracted growth, continued demand and one-off gains of \$11 million related to tower access agreements and upgrades. Amplitel internal revenue grew by 7.2 per cent to \$178 million.

Amplitel EBITDA margin increased by 0.5 percentage points to 81.7 per cent due to higher income, partly offset by increased service and employment costs. Amplitel EBITDAaL reduced 0.1 percentage points to 65.9 per cent.

### One-off nbn DA & connection

One-off nbn DA & connection income in prior period included receipts from nbn co for disconnecting customers from our legacy network, and one-off income from customers to connect to the nbn network. Income decreased by \$46 million with this category no longer reported due to a significant reduction in one-off nbn migrations.

### Other

Other income increased by 49.1 per cent to \$650 million including internal and external income (including Telstra Energy, Telstra Health and corporate adjustments). 'Other' internal income increased by \$220 million to \$396 million post our corporate restructure. 'Other' external income decreased by 2.3 per cent to \$254 million including \$48 million reduction in Telstra Energy income due to lower energy generation revenue and fair value gains on energy firming derivatives in the prior period not repeating this half. Telstra Health income increased by \$9 million to \$155 million driven by organic growth. 'Other' external income included one-off gain of \$47 million related to tower access agreements.

Other EBITDA margin reduced by 13.9 percentage points including impact of bond rate changes on employee liabilities, other corporate adjustments and reduction in Telstra Energy EBITDA contribution; partly offset by one-off gain related to tower access agreements and increased Telstra Health EBITDA contribution.

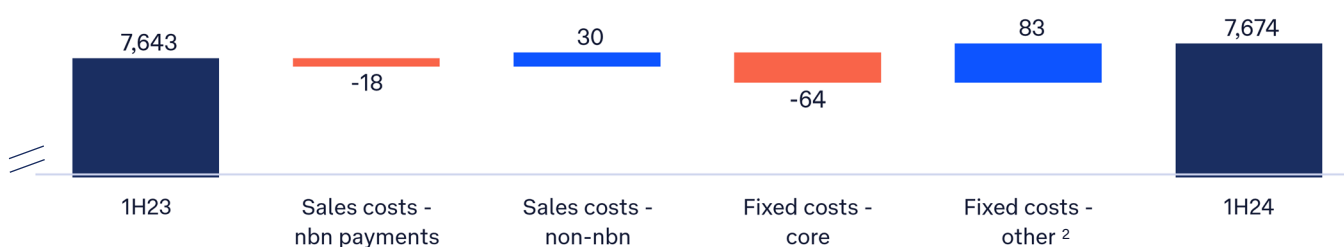
### Eliminations

Eliminations for internal income increased to \$1,257 million comprising \$560 million in InfraCo Fixed, \$178 million in Amplitel, \$114 million in International, \$9 million in Fixed - Enterprise NAS and \$396 million in Other.

## Expense performance

| Operating expenses                     | 1H24         | 1H23         | Change      |              |
|--|--------------|--------------|-------------|--------------|
|  | \$m          | \$m          | \$m         | %            |
| nbn payments                           | 1,012        | 1,030        | (18)        | (1.7)        |
| Non-nbn                                | 2,935        | 2,905        | 30          | 1.0          |
| <b>Sales costs</b>                     | <b>3,947</b> | <b>3,935</b> | <b>12</b>   | <b>0.3</b>   |
| Core <sup>1</sup>                      | 3,343        | 3,407        | (64)        | (1.9)        |
| Other <sup>2</sup>                     | 384          | 301          | 83          | 27.6         |
| <b>Fixed costs</b>                     | <b>3,727</b> | <b>3,708</b> | <b>19</b>   | <b>0.5</b>   |
| <b>Underlying</b>                      | <b>7,674</b> | <b>7,643</b> | <b>31</b>   | <b>0.4</b>   |
| One-off nbn DA and nbn cost to connect | -            | 20           | (20)        | (100.0)      |
| Guidance adjustments <sup>3</sup>      | 24           | 60           | (36)        | (60.0)       |
| <b>Total</b>                           | <b>7,698</b> | <b>7,723</b> | <b>(25)</b> | <b>(0.3)</b> |

## Underlying operating expenses \$m



<sup>1</sup> Core fixed costs include commissions.

<sup>2</sup> Other fixed costs include Telstra Health, corporate adjustments, and current and prior year acquisitions including Digicel Pacific.

<sup>3</sup> 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.

Total operating expenses decreased by \$25 million to \$7,698 million. Adjusted for one-off nbn costs and guidance adjustments, underlying operating expenses increased by \$31 million or 0.4 per cent due to higher sales and fixed costs.

Sales costs, which are direct costs associated with revenue and customer growth, increased by 0.3 per cent to \$3,947 million. This included a \$30 million increase in non-nbn sales costs associated with higher NAS cloud applications, managed security and equipment sales, partly offset by lower mobile hardware sales volumes. Payments to nbn reduced by \$18 million due to decline in C&SB nbn SIOs.

Core fixed costs decreased by 1.9 per cent or \$64 million with productivity gains and lower commissions partly offset by cost inflation (labour and non-labour including energy). Productivity gains included process simplification and improvement across back of house and support functions.

Other fixed costs increased by \$83 million due to impact of bond rate changes on employee liabilities and other corporate adjustments.

One-off nbn DA and nbn cost to connect declined by \$20 million with these costs now included in underlying operating expenses due to a significant reduction in one-off nbn migrations. Guidance adjustments for operating expenses decreased by \$36 million due to prior period transaction costs of \$44 million relating to our corporate restructure not repeating this half; partly offset by \$8 million higher M&A adjustment this half including for our Versent acquisition.

#### Operating expenses on a statutory reported basis

Our progress on achieving our productivity target is reported through the above operating expenses table. The detail below provides commentary on operating expenses as disclosed in our statutory accounts.

| Operating expenses on a statutory reported basis | 1H24         | 1H23         | Change       |
|--|--------------|--------------|--------------|
|  | \$m          | \$m          | %            |
| Labour   | 2,054        | 2,046        | 0.4          |
| Goods and services purchased                     | 4,209        | 4,221        | (0.3)        |
| Net impairment losses on financial assets        | 53           | 38           | 39.5         |
| Other expenses                                   | 1,382        | 1,418        | (2.5)        |
| <b>Total</b>                                     | <b>7,698</b> | <b>7,723</b> | <b>(0.3)</b> |

### Labour

Total labour expenses increased by 0.4 per cent or \$8 million to \$2,054 million including due to increased total direct full time staff equivalents (FTE) and wages as agreed in our Enterprise Agreement. Total direct FTE increased by 3.0 per cent or 945 to 32,579 including Versent acquisition, and growth across Telstra Business and software engineering.

### Goods and services purchased

Total goods and services purchased decreased by 0.3 per cent or \$12 million to \$4,209 million. Cost of goods sold, which includes mobile handsets and accessories, tablets, mobile broadband hardware, modems and other fixed hardware, decreased by 3.0 per cent or \$42 million mostly due to lower postpaid mobile hardware volumes. Commissions decreased by 9.8 per cent due to insourcing of Telstra branded retail stores. Network payments decreased by 1.4 per cent or \$23 million mostly due to decline in nbn payments. Other goods and services increased by 9.1 per cent or \$81 million due to higher NAS cloud applications, managed security and equipment sales.

### Other expenses

Total other expenses decreased by 2.5 per cent or \$36 million to \$1,382 million. Impairment losses (excluding net losses on financial assets) decreased by \$14 million including lower deferred commissions due to insourcing of our retail channel. Excluding impairment, other expenses decreased by \$22 million due to cost reduction initiatives.

### Depreciation and amortisation

Depreciation and amortisation decreased by 1.2 per cent or \$27 million to \$2,233 million. Amortisation of intangible assets decreased by 6.6 per cent or \$50 million including net reduction from assessment of software useful lives and surrender of 900MHz spectrum licence in December 2022. Depreciation of right-of-use assets increased by \$24 million due to new PC leases and insourcing of Telstra branded retail stores.

### Net finance costs

Net finance costs increased by 25.8 per cent or \$65 million to \$317 million due to a \$46 million increase in interest on borrowings and \$25 million net increase in other financing items (as set out in note 4.2.4 in the Half Year Financial Report); partly offset by \$6 million increase in finance income. Interest on borrowings increased due to higher interest rates and higher average gross debt. Our average gross borrowing rate increased from 4.4 per cent to 5.0 per cent reflecting higher market interest rates. Our borrowing portfolio is more than 50 per cent fixed.

### Cash flows

| Summary statement of cash flows                               | 1H24         | 1H23           | Change       |
|---|--------------|----------------|--------------|
|   | \$m          | \$m            | %            |
| Net cash provided by operating activities                     | 3,033        | 2,866          | 5.8          |
| Net cash used in investing activities                         | (2,197)      | (4,166)        | 47.3         |
| - Capital expenditure (before investments)                    | (1,968)      | (1,862)        | (5.7)        |
| - Other investing cash flows                                  | (229)        | (2,304)        | 90.1         |
| <b>Free cashflow</b>  | <b>836</b>   | <b>(1,300)</b> | <b>n/m</b>   |
| Net cash (used in)/provided by financing activities           | (744)        | 1,298          | n/m          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>92</b>    | <b>(2)</b>     | <b>n/m</b>   |
| Cash and cash equivalents at the beginning of the period      | 932          | 1,040          | (10.4)       |
| Effects of exchange rate changes on cash and cash equivalents | (8)          | 4              | n/m          |
| <b>Cash and cash equivalents at the end of the period</b>     | <b>1,016</b> | <b>1,042</b>   | <b>(2.5)</b> |

Free cashflow used in operating and investing activities was \$836 million representing an increase of \$2,136 million due to increase in net cash provided by operating activities and decrease in net cash used in investing activities. Significant acquisitions included Digicel Pacific in the prior period and Versent in this period.

Net cash provided by operating activities increased by \$167 million to \$3,033 million mainly due to a \$310 million decrease in payments to suppliers and employees, partly offset by a \$110 million decrease in receipts from customers. The increase in net cash provided by operating activities included higher reported EBITDA and working capital benefit; partly offset by higher tax paid in this period.

Net cash used in investing activities decreased by \$1,969 million to \$2,197 million. This included a \$2,117 million decrease in payments for shares in controlled entities mostly due to the acquisition of Digicel Pacific in the prior period, partly offset by the acquisition of Versent in this period. Capital expenditure (before investments) increased by \$106 million including due to higher payments for intangible assets of \$85 million mostly associated with increased spend on software.

Accrued capital expenditure on a guidance basis was \$1,845 million or 16.5 per cent of sales revenue. This included around \$100 million for Digicel Pacific and around \$50 million of strategic investment for the inter-city fibre and Viasat infrastructure projects.

Net cash used in financing activities increased by \$2,042 million to \$744 million. This included an increase in repayments of borrowings of \$899 million, decrease in proceeds from borrowings of \$166 million, and decrease in proceeds from the issue of equity-like securities of \$900 million including due to the prior period including the issue of equity-like securities to Export Finance Australia as part funding for the Digicel Pacific acquisition. Finance costs paid increased by \$83 million including due to higher interest rates and higher average gross debt.

On a guidance basis, free cashflow after operating lease payments was \$955 million. Free cashflow after operating lease payments on a guidance basis excludes mergers and acquisitions (\$371 million including Versent) and spectrum payments (\$103 million); and includes lease payments (\$355 million).

## Debt position

| Debt issuance                     | 1H24         | Debt repayments             | 1H24         |
|-----------------------------------|--------------|-----------------------------|--------------|
|                                   | \$m          |                             | \$m          |
| Revolving bank facilities (net)   | 1,189        | Euro bond                   | 1,268        |
| Commercial paper (net)            | 1,174        | Euro/AUD private placements | 148          |
| Non-recourse borrowing facilities | 46           | Other loans                 | 15           |
| <b>Total</b>                      | <b>2,409</b> | <b>Total</b>                | <b>1,431</b> |

Our gross debt position was \$16,153 million comprising borrowings of \$13,100 million, lease liabilities of \$3,120 million, partly offset by \$67 million in net derivative assets. Gross debt increased by 5.2 per cent or \$803 million reflecting debt issuance of \$2,409 million and non-cash decrease of \$128 million; partly offset by debt repayments (including other loans) of \$1,431 million and \$303 million in lease liability payments.

Net debt increased by 5.0 per cent or \$719 million to \$15,137 million reflecting the increase in gross debt, partly offset by \$84 million increase in cash holdings.

| Financial settings          | 1H24 | Comfort zone |
|-----------------------------|------|--------------|
| Debt servicing <sup>1</sup> | 1.9x | 1.5x to 2.0x |
| Gearing <sup>2</sup>        | 46%  | 50% to 70%   |
| Interest cover <sup>3</sup> | 11.9 | >7x          |

<sup>1</sup> Debt servicing ratio is calculated as net debt/EBITDA.

<sup>2</sup> Gearing ratio is calculated as net debt/total net debt plus equity.

<sup>3</sup> Interest cover is calculated as EBITDA/net interest on debt (excluding capitalised interest and non-cash accounting impacts within net finance costs).

We remain within our comfort zones, or better, for our credit metrics. Our debt servicing is 1.9 times, gearing ratio is 46 per cent and interest cover is 11.9 times.



## Financial position

| Summary statement of financial position | 1H24          | FY23          | Change       |
|---|---------------|---------------|--------------|
|   | \$m           | \$m           | %            |
| Current assets                          | 6,561         | 6,733         | (2.6)        |
| Non-current assets                      | 38,977        | 38,296        | 1.8          |
| <b>Total assets</b>                     | <b>45,538</b> | <b>45,029</b> | <b>1.1</b>   |
| Current liabilities                     | 9,953         | 10,092        | (1.4)        |
| Non-current liabilities                 | 17,866        | 17,121        | 4.4          |
| <b>Total liabilities</b>                | <b>27,819</b> | <b>27,213</b> | <b>2.2</b>   |
| <b>Net assets</b>                       | <b>17,719</b> | <b>17,816</b> | <b>(0.5)</b> |
| <b>Total equity</b>                     | <b>17,719</b> | <b>17,816</b> | <b>(0.5)</b> |
| Return on invested capital (%)          | 7.8           | 7.9           | (0.1pp)      |
| Return on average equity (%)            | 12.6          | 12.5          | 0.1pp        |

Our balance sheet is in a strong position with net assets of \$17,719 million. Current assets decreased by 2.6 per cent to \$6,561 million. Derivative financial assets decreased by \$400 million due to maturities. Inventories increased by \$140 million due to higher network inventory to support major project activity and mitigate supply chain issues. Cash and cash equivalent increased by \$84 million.

Non-current assets increased by 1.8 per cent to \$38,977 million. Intangible assets increased by \$781 million due to \$273 million related to acquisition of Versent and additions (including for software and spectrum) exceeding amortisation expenses. Refer to Note 5.1.1 in the Half Year Financial Report for further detail on Versent. Trade and other receivables and contract assets increased by \$85 million including \$38 million increase in trade receivables from contracts with customers and \$51 million increase in finance lease receivables; partly offset by \$15 million reduction in contract assets. Trade and other receivables and contract assets increased by \$43 million related to acquisition of Versent. Property, plant and equipment decreased by \$76 million due to depreciation expenses exceeding additions and foreign currency impact.

Current liabilities decreased by 1.4 per cent to \$9,953 million. Borrowings decreased by \$505 million due to maturity of Euro and AUD bonds, partly offset commercial paper used to support working capital and short-term liquidity. Trade and other payables increased by \$376 million including \$546 million relating to capitalisation of mid band spectrum licence, increased accruals for capex and increased GST payable; partly offset by reduced employee incentives.

Non-current liabilities increased by 4.4 per cent to \$17,866 million. The increase was primarily due to borrowings increasing by \$930 million including revolving bank facilities entered in the half. Deferred tax liabilities decreased by \$70 million primarily due to over provision in prior period. Other payables decreased by \$99 million mostly due to deferred payments for Digicel Pacific.

## Guidance versus reported results

This schedule details adjustments made to the reported results for the current and comparative periods to reflect the performance of the business on the basis on which we provided guidance to the market, which 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. Underlying EBITDA excludes guidance adjustments, and in FY23 and prior years also excludes net one-off nbn DA receipts less nbn net C2C. Free cashflow after lease payments (FCFaL) defined as 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities', and excludes spectrum and guidance adjustments.

The following adjustments provide a detailed reconciliation from reported to guidance results for each guidance measure:

|                                       | Total Income  |               |                                       | Underlying EBITDA |              |                                       | Free Cashflow  |            |
|---------------------------------------|---------------|---------------|---------------------------------------|-------------------|--------------|---------------------------------------|----------------|------------|
|                                       | 1H23          | 1H24          |                                       | 1H23              | 1H24         |                                       | 1H23           | 1H24       |
|                                       | \$m           | \$m           |                                       | \$m               | \$m          |                                       | \$m            | \$m        |
| <b>Reported Total Income</b>          | <b>11,583</b> | <b>11,720</b> | <b>Reported EBITDA</b>                | <b>3,861</b>      | <b>4,007</b> | <b>Reported Free Cashflow</b>         | <b>(1,300)</b> | <b>836</b> |
| <i>Adjustments</i>                    |               |               |                                       |                   |              |                                       |                |            |
| M&A adjustment <sup>1</sup>           | 0             | (15)          | M&A adjustment <sup>1</sup>           | 16                | 9            | M&A adjustment <sup>1</sup>           | 2,594          | 371        |
| Restructuring costs <sup>2</sup>      | n/a           | n/a           | Restructuring costs <sup>2</sup>      | 44                | 0            | Restructuring costs <sup>2</sup>      | n/a            | n/a        |
| Net one-off NBN receipts <sup>3</sup> | n/a           | n/a           | Net one-off NBN receipts <sup>3</sup> | (26)              | 0            | Net one-off NBN receipts <sup>3</sup> | n/a            | n/a        |
| Spectrum payments <sup>4</sup>        | n/a           | n/a           | Spectrum payments <sup>4</sup>        | n/a               | n/a          | Spectrum payments <sup>4</sup>        | 91             | 103        |
| Lease <sup>5</sup>                    | n/a           | n/a           | Lease <sup>5</sup>                    | n/a               | n/a          | Lease <sup>5</sup>                    | (364)          | (355)      |
| <b>Guidance Total Income</b>          | <b>11,583</b> | <b>11,705</b> | <b>Guidance Underlying EBITDA</b>     | <b>3,895</b>      | <b>4,016</b> | <b>Guidance Free Cashflow</b>         | <b>1,021</b>   | <b>955</b> |

The adjustments set out in the above tables have been reviewed by our auditor for consistency with the guidance basis as set out on this page.

### Note:

1 Adjustments relating to acquisitions and disposals of controlled entities, joint ventures, associates and other investments and any associated net gains or losses, and contingent consideration. 1H24 also adjusted for Versent trading performance.

During 1H23 we paid stamp duty relating to Amplitel Pty Ltd (Amplitel) and acquired:

- Digicel Pacific Limited and its subsidiaries (Digicel Pacific);
- Media Innovations Holdings Pty Ltd and its subsidiaries (Fetch TV).

During 1H24 we:

- acquired Versent Pty Ltd and its subsidiaries (Versent).
- contributed additional equity to Silicon Quantum Computing Pty Ltd.
- paid for multiple individually immaterial Telstra Business Technology Centres.
- paid ~\$90m for FY23 Digicel Pacific earn-out.

2 1H23 adjustments include costs for Telstra's legal restructure including legal and IT costs.

3 1H23 Adjustments for net one-off nbn receipts which is defined as net nbn one off Definitive Agreement receipts (consisting of PSAA and Infrastructure Ownership) less nbn net cost to connect.

4 Adjustment relating to the impact on free cashflow associated with our spectrum purchases and renewals for 1H24 including:

- \$56m for renewal of our national spectrum licence in the 26 GHz band
- \$42m payment to Dense Air Networks Australia to acquire 2 x 10 MHz of 2600 MHz spectrum to supplement Telstra's existing spectrum holdings in that band
- \$5m for renewal of our national spectrum licence in the 3.6 GHz band and payments for spectrum and apparatus licences in various spectrum bands.

5 Adjustment to Free Cashflow for payment of lease liabilities and interest.

n/a Adjustment is not relevant to the respective guidance measure.

## Executive Variable Remuneration Plan (EVP) Metric Additional Detail

### First half performance against FY24 EVP Performance Measures and Targets

All of the following measures have been selected on the basis that they are directly linked to our T25 strategy.

| FY24 EVP Performance Measures and Targets |                                       |   |                     |  |   |   |  |                                   |
|---|---------------------------------------|---|---------------------|--|---|---|--|-----------------------------------|
| Performance measure                       | Metric                                | Weighting   | FY23                | FY24   |   |   | 1H24                                   |                                   |
|   |                                       |   | Actual <sup>^</sup> | Threshold  | Target  | Max                                     | Actual <sup>^^</sup>                   |                                   |
| Financial 60% of total weighting          | Total Income                          | Telstra Income (excluding finance income)   | 15%                 | \$23,245m  | Aligned to bottom end of Market Guidance*                             | Aligned to Midpoint of Market Guidance* | Aligned to top end of Market Guidance* | \$11,705m                         |
|   | Underlying EBITDA                     | Underlying EBITDA is Earnings Before Interest, Tax, Depreciation & Amortisation, and excludes guidance adjustments  | 15%                 | \$7,950m   |   |   |  | \$4,016m                          |
|   | Free Cash Flow                        | 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 | 15%                 | \$2,784m   |   |   |  | \$955m                            |
|   | Underlying Return On Invested Capital | Underlying ROIC is Total NOPAT less guidance adjustments after tax, divided by Average Invested Capital   | 15%                 | 8.1%   |   |   |  | 7.8%                              |
| Customer 25% of total weighting           | Episode NPS                           | Measures our customer experience from their feedback on each transaction using a Net Promoter Score   | 15%                 | +43  | +43   | +44                                     | +45                                    | +44                               |
|   | RepTrak                               | Measures our reputation score on the RepTrak index  | 10%                 | 63.5   | 63.5  | 64.2                                    | 64.9                                   | 63.1                              |
| Strategic 15% of total weighting          | Responsible Business                  | Our % reduction in absolute scope 1 + 2 greenhouse gas emissions and % reduction in absolute scope 3 greenhouse gas emissions, both from our FY19 baseline (excluding Digicel Pacific)  | 5%                  | 30% reduction in scope 1 + 2 emissions<br>28% reduction in scope 3 emissions | 32%**   | 33%**                                   | 34%**                                  | n/a                               |
|   | Digital Leadership                    | Launching Application Programming Interface (API)-first products  | 5%                  | 89% of FY23 target build achieved  | Build 100% of the APIs required to launch our first API first product | Release 2 API-first products            | Release 3 API-first products           | 76% of FY24 target build achieved |
|   | People Engagement                     | Maintain employee engagement in the high performing norm (90 <sup>th</sup> percentile)  | 5%                  | 80   | 80  | 81                                      | 82                                     | 79                                |

<sup>^</sup> For metrics continuing from FY23, the FY23 EVP Actual refers to the FY23 EVP performance outcomes as outlined in Section 2.2 of the 2023 Remuneration Report. For Underlying EBITDA and Underlying ROIC refer to section 2.1 of the 2023 Remuneration Report for the FY23 definitions. For Responsible Business the FY23 EVP Actual refers to the actual performance outcomes for the reduction in scope 1, 2 and 3 greenhouse gas emissions in FY23. For metrics that are new in FY24, the FY23 EVP Actual (where available) is our current internal measurement

to the end of June 2023 where this provides relevant context to the determination of Threshold, Target and Maximum for FY24.

^^ For the financial metrics only, the 1H24 actuals are calculated on a guidance basis.

\* Market Guidance means guidance for FY24 as set out in Telstra's ASX announcement dated 17 August 2023. Threshold, Target and Maximum levels for Underlying ROIC align to the corresponding Threshold, Target and Maximum for Underlying EBITDA (which align to Market Guidance as described above).

\*\* Calculation of Blended Responsible Business Metric for FY24:

| Performance measure  | Metric  | Weighting   | FY23    | FY24       |            |            |
|----------------------|---|-------------|---------|------------|------------|------------|
|                      |   |             | Actual^ | Threshold  | Target     | Max        |
| Responsible Business | Scope 1 + 2   | 50%         | 30%     | 32%        | 33%        | 35%        |
|                      | Scope 3   | 50%         | 28%     | 31%        | 32%        | 33%        |
|                      | <b>Blended targets (rounded to nearest whole %)</b> | <b>100%</b> |         | <b>32%</b> | <b>33%</b> | <b>34%</b> |

## Results of operations

|   | Half-year ended 31 December |               |                         |                     |
|---|-----------------------------|---------------|-------------------------|---------------------|
|   | 2023<br>\$M                 | 2022<br>\$M   | Change<br>\$M           | Change<br>%         |
| Revenue (excluding finance income)  | 11,425                      | 11,306        | 119                     | 1.1                 |
| Other income (i)  | 295                         | 277           | 18                      | 6.5                 |
| <b>Total income (excluding finance income)</b>  | <b>11,720</b>               | <b>11,583</b> | <b>137</b>              | <b>1.2</b>          |
| Labour  | 2,054                       | 2,046         | 8                       | 0.4                 |
| Goods and services purchased  | 4,209                       | 4,221         | (12)                    | (0.3)               |
| Net impairment losses on financial assets   | 53                          | 38            | 15                      | 39.5                |
| Other expenses  | 1,382                       | 1,418         | (36)                    | (2.5)               |
| Operating expenses  | 7,698                       | 7,723         | (25)                    | (0.3)               |
| Share of net (loss)/profit from joint ventures and associated entities                      | (15)                        | 1             | (16)                    | n/m                 |
|   | 7,713                       | 7,722         | (9)                     | (0.1)               |
| <b>Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)</b> | <b>4,007</b>                | <b>3,861</b>  | <b>146</b>              | <b>3.8</b>          |
| Depreciation and amortisation   | 2,233                       | 2,260         | (27)                    | (1.2)               |
| <b>Earnings before interest and income tax expense (EBIT)</b>                               | <b>1,774</b>                | <b>1,601</b>  | <b>173</b>              | <b>10.8</b>         |
| Finance income  | 54                          | 48            | 6                       | 12.5                |
| Finance costs   | 371                         | 300           | 71                      | 23.7                |
| Net finance costs   | 317                         | 252           | 65                      | 25.8                |
| <b>Profit before income tax expense</b>   | <b>1,457</b>                | <b>1,349</b>  | <b>108</b>              | <b>8.0</b>          |
| Income tax expense  | 416                         | 415           | 1                       | 0.2                 |
| <b>Profit for the period</b>  | <b>1,041</b>                | <b>934</b>    | <b>107</b>              | <b>11.5</b>         |
| <b>Attributable to:</b>   |                             |               |                         |                     |
| Equity holders of Telstra Entity  | 964                         | 865           | 99                      | 11.4                |
| Non-controlling interests   | 77                          | 69            | 8                       | 11.6                |
|   | 1,041                       | 934           | 107                     | 11.5                |
| Effective tax rate on operations  | 28.6%                       | 30.8%         |                         | (2.2) pp            |
| EBITDA margin on revenue  | 35.1%                       | 34.2%         |                         | 0.9 pp              |
| EBIT margin on revenue  | 15.5%                       | 14.2%         |                         | 1.3 pp              |
|   | <b>cents</b>                | <b>cents</b>  | <b>Change<br/>cents</b> | <b>Change<br/>%</b> |
| <b>Earnings per share (cents per share)</b>   |                             |               |                         |                     |
| Basic   | 8.4                         | 7.5           | 0.9                     | 12.0                |
| Diluted   | 8.3                         | 7.5           | 0.8                     | 10.7                |

(i) Other income includes gains and losses on asset and investment sales (including assets transferred under the nbn Definitive Agreements), income from government grants under the Telstra Universal Service Obligation Performance Agreement, Mobile Blackspot Government program and other miscellaneous items.

n/m = not meaningful

**Total income**

|   | Half-year ended 31 December |               |               |                |
|---|-----------------------------|---------------|---------------|----------------|
|   | 2023<br>\$M                 | 2022<br>\$M   | Change<br>\$M | Change<br>%    |
| <b>Mobile</b>                           |                             |               |               |                |
| Postpaid handheld                       | 2,826                       | 2,657         | 169           | 6.4            |
| Prepaid handheld                        | 581                         | 556           | 25            | 4.5            |
| Mobile broadband                        | 330                         | 337           | (7)           | (2.1)          |
| Internet of Things (IoT)                | 142                         | 139           | 3             | 2.2            |
| Mobile wholesale                        | 209                         | 169           | 40            | 23.7           |
| Other                                   | 10                          | 9             | 1             | 11.1           |
| <b>Total mobile services</b>            | <b>4,098</b>                | <b>3,867</b>  | <b>231</b>    | <b>6.0</b>     |
| Hardware                                | 1,143                       | 1,202         | (59)          | (4.9)          |
| Mobile interconnect                     | 108                         | 112           | (4)           | (3.6)          |
| Media, Telstra Plus & other             | (24)                        | (51)          | 27            | 52.9           |
| <b>Total Mobile</b>                     | <b>5,325</b>                | <b>5,130</b>  | <b>195</b>    | <b>3.8</b>     |
| <b>Fixed - C&amp;SB</b>                 |                             |               |               |                |
| On-net fixed (ii)                       | 179                         | 179           | -             | -              |
| Off-net fixed (ii)                      | 1,630                       | 1,651         | (21)          | (1.3)          |
| Consumer content & services             | 284                         | 309           | (25)          | (8.1)          |
| Business applications & services        | 81                          | 83            | (2)           | (2.4)          |
| Interconnect, payphones & E000          | 37                          | 42            | (5)           | (11.9)         |
| <b>Total Fixed - C&amp;SB</b>           | <b>2,211</b>                | <b>2,264</b>  | <b>(53)</b>   | <b>(2.3)</b>   |
| <b>Fixed - Enterprise</b>               |                             |               |               |                |
| <b>Data &amp; connectivity</b>          | <b>380</b>                  | <b>423</b>    | <b>(43)</b>   | <b>(10.2)</b>  |
| Calling applications                    | 210                         | 255           | (45)          | (17.6)         |
| Managed services & maintenance          | 384                         | 378           | 6             | 1.6            |
| Professional services                   | 233                         | 266           | (33)          | (12.4)         |
| Cloud applications                      | 181                         | 156           | 25            | 16.0           |
| Equipment sales                         | 165                         | 147           | 18            | 12.2           |
| Other                                   | 166                         | 144           | 22            | 15.3           |
| Internal                                | 9                           | 0             | 9             | n/m            |
| <b>Total NAS</b>                        | <b>1,348</b>                | <b>1,346</b>  | <b>2</b>      | <b>0.1</b>     |
| <b>Total Fixed - Enterprise</b>         | <b>1,728</b>                | <b>1,769</b>  | <b>(41)</b>   | <b>(2.3)</b>   |
| <b>Fixed - Active Wholesale</b>         |                             |               |               |                |
| Data & connectivity                     | 130                         | 142           | (12)          | (8.5)          |
| Legacy calling & fixed                  | 58                          | 67            | (9)           | (13.4)         |
| <b>Total Fixed - Active Wholesale</b>   | <b>188</b>                  | <b>209</b>    | <b>(21)</b>   | <b>(10.0)</b>  |
| <b>International</b>                    |                             |               |               |                |
| Wholesale & Enterprise                  | 835                         | 792           | 43            | 5.4            |
| Internal                                | 114                         | 0             | 114           | n/m            |
| Digicel Pacific                         | 371                         | 356           | 15            | 4.2            |
| <b>Total International</b>              | <b>1,320</b>                | <b>1,148</b>  | <b>172</b>    | <b>15.0</b>    |
| <b>InfraCo - Fixed</b>                  |                             |               |               |                |
| Commercial & recoverable works          | 116                         | 120           | (4)           | (3.3)          |
| NBN recurring                           | 515                         | 481           | 34            | 7.1            |
| Other external & passive                | 135                         | 125           | 10            | 8.0            |
| Internal                                | 560                         | 500           | 60            | 12.0           |
| <b>Total InfraCo - Fixed</b>            | <b>1,326</b>                | <b>1,226</b>  | <b>100</b>    | <b>8.2</b>     |
| <b>InfraCo - Tower / Amplitel</b>       |                             |               |               |                |
| External                                | 51                          | 31            | 20            | 64.5           |
| Internal                                | 178                         | 166           | 12            | 7.2            |
| <b>Total InfraCo - Tower / Amplitel</b> | <b>229</b>                  | <b>197</b>    | <b>32</b>     | <b>16.2</b>    |
| <b>One-off nbn DA &amp; Connection</b>  | <b>0</b>                    | <b>46</b>     | <b>(46)</b>   | <b>(100.0)</b> |
| <b>Other Product Income</b>             |                             |               |               |                |
| External (iii)                          | 254                         | 260           | (6)           | (2.3)          |
| Internal                                | 396                         | 176           | 220           | n/m            |
| <b>Total Other Product Income</b>       | <b>650</b>                  | <b>436</b>    | <b>214</b>    | <b>49.1</b>    |
| <b>Elimination</b>                      | <b>(1,257)</b>              | <b>(842)</b>  | <b>(415)</b>  | <b>(49.3)</b>  |
| <b>Total income</b>                     | <b>11,720</b>               | <b>11,583</b> | <b>137</b>    | <b>1.2</b>     |

**Total expenses**

|  | Half-year ended 31 December |              |             |              |
|--|-----------------------------|--------------|-------------|--------------|
|  | 2023                        | 2022         | Change      | Change       |
|  | \$M                         | \$M          | \$M         | %            |
| Salary, associated costs, labour substitution & other        | 1,982                       | 1,975        | 7           | 0.4          |
| Employee redundancy  | 72                          | 71           | 1           | 1.4          |
| <b>Total labour</b>  | <b>2,054</b>                | <b>2,046</b> | <b>8</b>    | <b>0.4</b>   |
| Commissions  | 258                         | 286          | (28)        | (9.8)        |
| Cost of goods sold   | 1,366                       | 1,408        | (42)        | (3.0)        |
| Network payments   | 1,613                       | 1,636        | (23)        | (1.4)        |
| Other  | 972                         | 891          | 81          | 9.1          |
| <b>Total goods and services purchased</b>                    | <b>4,209</b>                | <b>4,221</b> | <b>(12)</b> | <b>(0.3)</b> |
| <b>Net impairment losses on financial assets</b>             | <b>53</b>                   | <b>38</b>    | <b>15</b>   | <b>39.5</b>  |
| Impairment losses (excluding net losses on financial assets) | 43                          | 57           | (14)        | (24.6)       |
| Service contracts, agreements and other                      | 1,339                       | 1,361        | (22)        | (1.6)        |
| <b>Total other expenses</b>                                  | <b>1,382</b>                | <b>1,418</b> | <b>(36)</b> | <b>(2.5)</b> |
| <b>Total operating expenses</b>                              | <b>7,698</b>                | <b>7,723</b> | <b>(25)</b> | <b>(0.3)</b> |
| Property Plant & Equipment                                   | 1,221                       | 1,222        | (1)         | (0.1)        |
| Right of Use assets  | 303                         | 279          | 24          | 8.6          |
| <b>Depreciation</b>  | <b>1,524</b>                | <b>1,501</b> | <b>23</b>   | <b>1.5</b>   |
| Amortisation of intangible assets                            | 709                         | 759          | (50)        | (6.6)        |
| <b>Total depreciation and amortisation</b>                   | <b>2,233</b>                | <b>2,260</b> | <b>(27)</b> | <b>(1.2)</b> |

**Statement of Cash Flows**

|   | Half-year ended 31 December |                |                |              |
|---|-----------------------------|----------------|----------------|--------------|
|   | 2023<br>\$M                 | 2022<br>\$M    | Change<br>\$M  | Change<br>%  |
| <b>Cash flows from operating activities</b>                         |                             |                |                |              |
| Receipts from customers (inclusive of goods and services tax (GST)) | 12,489                      | 12,599         | (110)          | (0.9)        |
| Payments to suppliers and employees (inclusive of GST)              | (9,117)                     | (9,427)        | 310            | 3.3          |
| Government grants received for operating activities                 | 185                         | 161            | 24             | 14.9         |
| <b>Net cash generated from operations</b>                           | <b>3,557</b>                | <b>3,333</b>   | <b>224</b>     | <b>6.7</b>   |
| Income taxes paid   | (524)                       | (467)          | (57)           | (12.2)       |
| <b>Net cash provided by operating activities</b>                    | <b>3,033</b>                | <b>2,866</b>   | <b>167</b>     | <b>5.8</b>   |
| <b>Cash flows from investing activities</b>                         |                             |                |                |              |
| Payments for property, plant and equipment                          | (1,155)                     | (1,134)        | (21)           | (1.9)        |
| Payments for intangible assets                                      | (813)                       | (728)          | (85)           | (11.7)       |
| <b>Capital expenditure (before investments)</b>                     | <b>(1,968)</b>              | <b>(1,862)</b> | <b>(106)</b>   | <b>(5.7)</b> |
| Payments for shares in controlled entities (net of cash acquired)   | (369)                       | (2,486)        | 2,117          | 85.2         |
| Payments for equity accounted investments                           | (41)                        | (46)           | 5              | 10.9         |
| Payments for other investments                                      | -                           | (4)            | 4              | n/m          |
| <b>Total capital expenditure (including investments)</b>            | <b>(2,378)</b>              | <b>(4,398)</b> | <b>2,020</b>   | <b>45.9</b>  |
| Proceeds from sale of property, plant and equipment                 | 73                          | 78             | (5)            | (6.4)        |
| Proceeds from sale of equity accounted and other investments        | -                           | 52             | (52)           | n/m          |
| Distributions received from equity accounted investments            | 28                          | 28             | -              | -            |
| Receipts of the principal portion of finance lease receivables      | 40                          | 54             | (14)           | (25.9)       |
| Government grants received for investing activities                 | 17                          | 21             | (4)            | (19.0)       |
| Interest received   | 30                          | 13             | 17             | n/m          |
| Settlement of hedges of net investments                             | (16)                        | (17)           | 1              | 5.9          |
| Other   | 9                           | 3              | 6              | n/m          |
| <b>Net cash used in investing activities</b>                        | <b>(2,197)</b>              | <b>(4,166)</b> | <b>1,969</b>   | <b>47.3</b>  |
| <b>Operating cash flows less investing cash flows</b>               | <b>836</b>                  | <b>(1,300)</b> | <b>2,136</b>   | <b>n/m</b>   |
| <b>Cash flows from financing activities</b>                         |                             |                |                |              |
| Proceeds from borrowings  | 4,844                       | 5,010          | (166)          | (3.3)        |
| Repayment of borrowings   | (3,866)                     | (2,967)        | (899)          | (30.3)       |
| Payments of principal portion of lease liabilities                  | (303)                       | (322)          | 19             | 5.9          |
| Purchase of shares for employee share plans                         | (19)                        | (21)           | 2              | 9.5          |
| Finance costs paid  | (358)                       | (275)          | (83)           | (30.2)       |
| Dividends/distributions paid to non-controlling interests           | (85)                        | (68)           | (17)           | (25.0)       |
| Dividends paid to equity holders of Telstra Entity                  | (982)                       | (982)          | -              | -            |
| Proceeds from issuance of equity-like instrument                    | 23                          | 923            | (900)          | (97.5)       |
| Proceeds from sale of non-controlling interests                     | 2                           | -              | 2              | n/m          |
| <b>Net cash (used in)/provided by financing activities</b>          | <b>(744)</b>                | <b>1,298</b>   | <b>(2,042)</b> | <b>n/m</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>92</b>                   | <b>(2)</b>     | <b>94</b>      | <b>n/m</b>   |
| Cash and cash equivalents at the beginning of the period            | 932                         | 1,040          | (108)          | (10.4)       |
| Effects of exchange rate changes on cash and cash equivalents       | (8)                         | 4              | (12)           | n/m          |
| <b>Cash and cash equivalents at the end of the period</b>           | <b>1,016</b>                | <b>1,042</b>   | <b>(26)</b>    | <b>(2.5)</b> |

n/m = not meaningful



**Statement of Financial Position**

|  | As at         |               |              |              |
|--|---------------|---------------|--------------|--------------|
|  | 31 Dec 23     | 30 Jun 23     | Change       | Change       |
|  | \$M           | \$M           | \$M          | %            |
| <b>Current assets</b>                                      |               |               |              |              |
| Cash and cash equivalents                                  | 1,016         | 932           | 84           | 9.0          |
| Trade and other receivables and contract assets            | 4,205         | 4,216         | (11)         | (0.3)        |
| Deferred contract costs                                    | 151           | 114           | 37           | 32.5         |
| Inventories  | 686           | 546           | 140          | 25.6         |
| Derivative financial assets                                | 45            | 445           | (400)        | (89.9)       |
| Current tax receivables                                    | 152           | 152           | -            | -            |
| Prepayments  | 306           | 328           | (22)         | (6.7)        |
| <b>Total current assets</b>                                | <b>6,561</b>  | <b>6,733</b>  | <b>(172)</b> | <b>(2.6)</b> |
| <b>Non-current assets</b>                                  |               |               |              |              |
| Trade and other receivables and contract assets            | 1,102         | 1,017         | 85           | 8.4          |
| Deferred contract costs                                    | 1,062         | 1,088         | (26)         | (2.4)        |
| Inventories  | 107           | 36            | 71           | n/m          |
| Investments - accounted for using the equity method        | 655           | 686           | (31)         | (4.5)        |
| Investments - other  | 32            | 22            | 10           | 45.5         |
| Property, plant and equipment                              | 20,893        | 20,969        | (76)         | (0.4)        |
| Right-of-use assets  | 2,777         | 2,825         | (48)         | (1.7)        |
| Intangible assets  | 11,770        | 10,989        | 781          | 7.1          |
| Derivative financial assets                                | 277           | 333           | (56)         | (16.8)       |
| Deferred tax assets  | 60            | 46            | 14           | 30.4         |
| Defined benefit asset                                      | 242           | 285           | (43)         | (15.1)       |
| <b>Total non-current assets</b>                            | <b>38,977</b> | <b>38,296</b> | <b>681</b>   | <b>1.8</b>   |
| <b>Total assets</b>  | <b>45,538</b> | <b>45,029</b> | <b>509</b>   | <b>1.1</b>   |
| <b>Current liabilities</b>                                 |               |               |              |              |
| Trade and other payables                                   | 4,741         | 4,365         | 376          | 8.6          |
| Employee benefits  | 714           | 684           | 30           | 4.4          |
| Other provisions   | 319           | 327           | (8)          | (2.4)        |
| Lease liabilities  | 438           | 448           | (10)         | (2.2)        |
| Borrowings   | 2,157         | 2,662         | (505)        | (19.0)       |
| Derivative financial liabilities                           | 107           | 73            | 34           | 46.6         |
| Current tax payables                                       | 4             | 38            | (34)         | (89.5)       |
| Contract liabilities and other revenue received in advance | 1,473         | 1,495         | (22)         | (1.5)        |
| <b>Total current liabilities</b>                           | <b>9,953</b>  | <b>10,092</b> | <b>(139)</b> | <b>(1.4)</b> |
| <b>Non-current liabilities</b>                             |               |               |              |              |
| Other payables   | 109           | 208           | (99)         | (47.6)       |
| Employee benefits  | 134           | 125           | 9            | 7.2          |
| Other provisions   | 220           | 186           | 34           | 18.3         |
| Lease liabilities  | 2,682         | 2,743         | (61)         | (2.2)        |
| Borrowings   | 10,943        | 10,013        | 930          | 9.3          |
| Derivative financial liabilities                           | 148           | 189           | (41)         | (21.7)       |
| Deferred tax liabilities                                   | 2,042         | 2,112         | (70)         | (3.3)        |
| Defined benefit liability                                  | 12            | 11            | 1            | 9.1          |
| Contract liabilities and other revenue received in advance | 1,576         | 1,534         | 42           | 2.7          |
| <b>Total non-current liabilities</b>                       | <b>17,866</b> | <b>17,121</b> | <b>745</b>   | <b>4.4</b>   |
| <b>Total liabilities</b>                                   | <b>27,819</b> | <b>27,213</b> | <b>606</b>   | <b>2.2</b>   |
| <b>Net assets</b>  | <b>17,719</b> | <b>17,816</b> | <b>(97)</b>  | <b>(0.5)</b> |
| <b>Equity</b>  |               |               |              |              |
| Share capital  | 3,085         | 3,095         | (10)         | (0.3)        |
| Reserves   | 2,131         | 2,196         | (65)         | (3.0)        |
| Retained profits   | 10,076        | 10,116        | (40)         | (0.4)        |
| <b>Equity available to Telstra Entity shareholders</b>     | <b>15,292</b> | <b>15,407</b> | <b>(115)</b> | <b>(0.7)</b> |
| Non-controlling interests                                  | 2,427         | 2,409         | 18           | 0.7          |
|  | -             | -             | -            | n/m          |
| <b>Total equity</b>  | <b>17,719</b> | <b>17,816</b> | <b>(97)</b>  | <b>(0.5)</b> |
| Gross debt   | 16,153        | 15,350        | 803          | 5.2          |
| Net debt   | 15,137        | 14,418        | 719          | 5.0          |
| EBITDA interest cover (times) (i)                          | 11.9          | 12.8          | (1)          | (7.0)        |
| Net debt to EBITDA   | 1.9           | 1.8           | 0            | 5.6          |
| ROA - Return on average assets                             | 8.0%          | 8.0%          |              | -            |
| ROE - Return on average equity                             | 12.6%         | 12.5%         |              | 0.1 pp       |
| ROI - Return on average investment                         | 10.9%         | 11.0%         |              | (0.1) pp     |
| ROIC - Return on invested capital                          | 7.8%          | 7.9%          |              | (0.1) pp     |
| Gearing ratio (net debt to capitalisation)                 | 46.1%         | 44.7%         |              | 1.4 pp       |

(i) EBITDA interest cover equals EBITDA to net interest.

n/m = not meaningful

### Average Revenue per Unit (ARPU) (\$)

|                                 | Half-year ended |          |          | Dec 23 vs Dec 22 |        | Dec 23 vs Jun 23 |        |
|---------------------------------|-----------------|----------|----------|------------------|--------|------------------|--------|
|                                 | Dec 2023        | Jun 2023 | Dec 2022 | Change           | Change | Change           | Change |
|                                 | \$              | \$       | \$       | \$               | %      | \$               | %      |
| <b>Mobile</b>                   |                 |          |          |                  |        |                  |        |
| Postpaid handheld               | 53.18           | 51.69    | 50.47    | 2.71             | 5.4    | 1.49             | 2.9    |
| Prepaid handheld                | 26.44           | 24.68    | 27.40    | (0.96)           | (3.5)  | 1.77             | 7.2    |
| Mobile broadband                | 19.00           | 18.30    | 18.60    | 0.40             | 2.2    | 0.70             | 3.8    |
| <b>Fixed - C&amp;SB</b>         |                 |          |          |                  |        |                  |        |
| C&SB bundle and standalone data | 81.67           | 80.77    | 79.57    | 2.10             | 2.6    | 0.90             | 1.1    |
| C&SB standalone fixed voice     | 35.19           | 35.97    | 38.46    | (3.27)           | (8.5)  | (0.77)           | (2.1)  |
| <b>Fixed - Enterprise</b>       |                 |          |          |                  |        |                  |        |
| Data & connectivity             | 403.40          | 381.82   | 404.01   | (0.61)           | (0.2)  | 21.58            | 5.7    |

Note: Statistical data represents management's best estimates.

### Services in operation (000s)

|                                      | Half-year ended |          |          | Dec 23 vs Dec 22 |        | Dec 23 vs Jun 23 |        |
|--------------------------------------|-----------------|----------|----------|------------------|--------|------------------|--------|
|                                      | Dec 2023        | Jun 2023 | Dec 2022 | Change           | Change | Change           | Change |
|                                      | 000s            | 000s     | 000s     | 000s             | %      | 000s             | %      |
| <b>Mobile</b>                        |                 |          |          |                  |        |                  |        |
| Postpaid handheld retail             | 8,889           | 8,826    | 8,808    | 81               | 0.9    | 63               | 0.7    |
| Prepaid handheld retail              | 3,739           | 3,582    | 3,451    | 288              | 8.3    | 157              | 4.4    |
| Mobile broadband (data cards)        | 2,863           | 2,935    | 3,011    | (148)            | (4.9)  | (72)             | (2.5)  |
| Internet of Things (IoT)             | 7,907           | 7,124    | 6,360    | 1,547            | 24.3   | 784              | 11.0   |
| Satellite                            | 34              | 32       | 32       | 2                | 6.3    | 2                | 6.3    |
| Total retail mobile                  | 23,432          | 22,499   | 21,662   | 1,770            | 8.2    | 934              | 4.1    |
| Wholesale unique users               | 2,222           | 2,040    | 1,887    | 335              | 17.8   | 182              | 8.9    |
| Prepaid handheld retail unique users | 3,072           | 2,973    | 2,863    | 209              | 7.3    | 99               | 3.3    |
| <b>Fixed - C&amp;SB</b>              |                 |          |          |                  |        |                  |        |
| C&SB bundles and standalone data     | 3,349           | 3,407    | 3,454    | (105)            | (3.0)  | (58)             | (1.7)  |
| C&SB standalone voice                | 291             | 316      | 345      | (54)             | (15.7) | (25)             | (7.9)  |
| Foxtel from Telstra                  | 372             | 395      | 421      | (49)             | (11.6) | (23)             | (5.8)  |
| <b>Fixed - Enterprise</b>            |                 |          |          |                  |        |                  |        |
| Data & connectivity                  | 154             | 160      | 170      | (16)             | (9.4)  | (6)              | (3.8)  |
| <b>Fixed - Wholesale</b>             |                 |          |          |                  |        |                  |        |
| Fixed legacy                         | 35              | 44       | 59       | (24)             | (40.7) | (9)              | (20.5) |
| Data & connectivity                  | 23              | 26       | 27       | (4)              | (14.8) | (3)              | (11.5) |

Note: Statistical data represents management's best estimates. Wholesale unique users excludes IoT and Market Extender.

### Workforce

|  | Half-year ended |          |          | Dec 23 vs Dec 22 |        | Dec 23 vs Jun 23 |        |
|--|-----------------|----------|----------|------------------|--------|------------------|--------|
|  | Dec 2023        | Jun 2023 | Dec 2022 | Change           | Change | Change           | Change |
|  | 000s            | 000s     | 000s     | 000s             | %      | 000s             | %      |
| <b>Employee data</b>                                       |                 |          |          |                  |        |                  |        |
| Full time staff equivalents incl. contractor/agency labour | 32,579          | 31,761   | 31,634   | 945              | 3.0    | 818              | 2.6    |

Note: Statistical data represents management's best estimates.

**Segment information from operations**

|                                     | Total income                |        |        | EBITDA contribution         |         |        |
|-------------------------------------|-----------------------------|--------|--------|-----------------------------|---------|--------|
|                                     | Half-year ended 31 December |        |        | Half-year ended 31 December |         |        |
|                                     | 2023                        | 2022   | Change | 2023                        | 2022    | Change |
|                                     | \$M                         | \$M    | %      | \$M                         | \$M     | %      |
| Telstra Consumer and Small Business | 6,463                       | 6,394  | 1.1    | 3,062                       | 2,838   | 7.9    |
| Telstra Enterprise                  | 3,899                       | 3,851  | 1.2    | 1,452                       | 1,615   | (10.1) |
| Network, IT and Product             | 206                         | 204    | 1.0    | (1,271)                     | (1,251) | (1.6)  |
| All Other                           | 364                         | 158    | n/m    | (668)                       | (626)   | (6.7)  |
| Telstra excluding Telstra InfraCo   | 10,932                      | 10,607 | 3.1    | 2,575                       | 2,576   | (0.0)  |
| Telstra InfraCo                     | 2,045                       | 1,818  | 12.5   | 1,432                       | 1,285   | 11.4   |
| Internal access charges             | (1,257)                     | (842)  | (49.3) | -                           | -       | n/m    |
| Total Telstra segments              | 11,720                      | 11,583 | 1.2    | 4,007                       | 3,861   | 3.8    |

**C&SB, Enterprise and Wholesale underlying income and fully allocated EBITDA**

|                                     | Total income                |        |        | EBITDA contribution         |       |        |
|-------------------------------------|-----------------------------|--------|--------|-----------------------------|-------|--------|
|                                     | Half-year ended 31 December |        |        | Half-year ended 31 December |       |        |
|                                     | 2023                        | 2022   | Change | 2023                        | 2022  | Change |
|                                     | \$M                         | \$M    | %      | \$M                         | \$M   | %      |
| Mobile                              | 4,248                       | 4,128  | 2.9    | 1,961                       | 1,722 | 13.9   |
| Fixed - C&SB                        | 2,211                       | 2,264  | (2.3)  | 105                         | 50    | n/m    |
| Other                               | 4                           | 2      | 100.0  | 3                           | 2     | 50.0   |
| Telstra Consumer and Small Business | 6,463                       | 6,394  | 1.1    | 2,069                       | 1,774 | 16.6   |
| Mobile                              | 846                         | 820    | 3.2    | 381                         | 365   | 4.4    |
| Fixed - Enterprise                  | 1,713                       | 1,769  | (3.2)  | 71                          | 213   | (66.7) |
| Other                               | 5                           | 9      | (44.4) | 2                           | -     | n/m    |
| Telstra Enterprise                  | 2,564                       | 2,598  | (1.3)  | 454                         | 578   | (21.5) |
| International                       | 1,320                       | 1,148  | 15.0   | 344                         | 375   | (8.3)  |
| Mobile                              | 231                         | 183    | 26.2   | 168                         | 132   | 27.3   |
| Fixed - Active Wholesale            | 188                         | 209    | (10.0) | 52                          | 71    | (26.8) |
| InfraCo - Fixed                     | 1,326                       | 1,226  | 8.2    | 834                         | 807   | 3.3    |
| InfraCo - Tower / Amplitel          | 229                         | 197    | 16.2   | 187                         | 160   | 16.9   |
| Other                               | 71                          | 3      | n/m    | 54                          | -     | n/m    |
| InfraCo (Active and Passive)        | 2,045                       | 1,818  | 12.5   | 1,295                       | 1,170 | 10.7   |
| Other                               | 570                         | 421    | 35.4   | (146)                       | (2)   | n/m    |
| Elimination                         | (1,257)                     | (842)  | (49.3) | -                           | -     | n/m    |
| Underlying                          | 11,705                      | 11,537 | 1.5    | 4,016                       | 3,895 | 3.1    |
| One-off nbn DA & Connection         | -                           | 46     | n/m    | -                           | 26    | n/m    |
| Guidance adjustments                | 15                          | -      | n/m    | (9)                         | (60)  | 85.0   |
| Reported                            | 11,720                      | 11,583 | 1.2    | 4,007                       | 3,861 | 3.8    |

Fixed - Enterprise excludes revenue associated with M&A of \$15m in 1H24 (M&A income excluding from underlying income).

International income excludes inter-segment revenue of \$105m in 1H23. Inter-segment revenue included in International post corporate restructure.

**Product profitability - EBITDA (\$M)**

|                                     | Half-year ended 31 December |       |          |
|-------------------------------------|-----------------------------|-------|----------|
|                                     | 2023                        | 2022  | Change % |
| Mobile                              | 2,510                       | 2,217 | 13.2     |
| Fixed - C&SB                        | 105                         | 50    | n/m      |
| - Data & connectivity               | 54                          | 103   | (47.6)   |
| - NAS                               | 17                          | 110   | (84.5)   |
| Fixed - Enterprise                  | 71                          | 213   | (66.7)   |
| Fixed - Active Wholesale            | 52                          | 71    | (26.8)   |
| International                       | 344                         | 375   | (8.3)    |
| InfraCo - Fixed                     | 834                         | 807   | 3.3      |
| InfraCo - Tower / Amplitel          | 187                         | 160   | 16.9     |
| Other                               | (87)                        | 2     | n/m      |
| Underlying                          | 4,016                       | 3,895 | 3.1      |
| Net one-off nbn DA less nbn net C2C | -                           | 26    | n/m      |
| Restructuring                       | -                           | (44)  | n/m      |
| Other guidance adjustments          | (9)                         | (16)  | 43.8     |
| Reported                            | 4,007                       | 3,861 | 3.8      |

**Product profitability - EBITDA margins %**

|                                     | Half-year ended 31 December |       |           |
|-------------------------------------|-----------------------------|-------|-----------|
|                                     | 2023                        | 2022  | Change    |
| Mobile                              | 47.1%                       | 43.2% | 3.9 pp    |
| Fixed - C&SB                        | 4.7%                        | 2.2%  | 2.5 pp    |
| - Data & connectivity               | 14.2%                       | 24.3% | (10.1) pp |
| - NAS                               | 1.3%                        | 8.2%  | (6.9) pp  |
| Fixed - Enterprise                  | 4.1%                        | 12.0% | (7.9) pp  |
| Fixed - Active Wholesale            | 27.7%                       | 34.0% | (6.3) pp  |
| International                       | 26.1%                       | 32.7% | (6.6) pp  |
| InfraCo - Fixed                     | 62.9%                       | 65.8% | (2.9) pp  |
| InfraCo - Tower / Amplitel          | 81.7%                       | 81.2% | 0.5 pp    |
| Other                               | (13.4%)                     | 0.5%  | (13.9) pp |
| Underlying                          | 34.3%                       | 33.8% | 0.5 pp    |
| Net one-off nbn DA less nbn net C2C | -                           | 56.5% | (56.5) pp |
| Restructuring                       | -                           | -     | -         |
| Other guidance adjustments          | -                           | -     | -         |
| Reported                            | 34.2%                       | 33.3% | 0.9 pp    |

Telstra Group Limited  
Half-year comparison - Reported lease adjusted (i)  
Half-year ended 31 December 2023

Summary management reported half-yearly data

(\$ Millions)

**Total income**

**Mobile**

|                              | Half 1<br>Dec-18 | Half 2<br>Jun-19 | Full year<br>Jun-19 | Half 1<br>Dec-19 | PCP<br>Growth | Half 2<br>Jun-20 | PCP<br>Growth | Full year<br>Jun-20 | PCP<br>Growth | Half 1<br>Dec-20 | PCP<br>Growth  | Half 2<br>Jun-21 | PCP<br>Growth | Full year<br>Jun-21 | PCP<br>Growth | Half 1<br>Dec-21 | PCP<br>Growth | Half 2<br>Jun-22 | PCP<br>Growth | Full year<br>Jun-22 | PCP<br>Growth | Half 1<br>Dec-22 | PCP<br>Growth | Half 2<br>Jun-23 | PCP<br>Growth | Full year<br>Jun-23 | PCP<br>Growth | Half 1<br>Dec-23 | PCP<br>Growth |
|------------------------------|------------------|------------------|---------------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|----------------|------------------|---------------|---------------------|---------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|
| Postpaid handheld            | 2,615            | 2,567            | 5,182               | 2,508            | (4.1%)        | 2,405            | (6.3%)        | 4,913               | (5.2%)        | 2,352            | (6.2%)         | 2,478            | 3.0%          | 4,830               | (1.7%)        | 2,500            | 6.3%          | 2,545            | 2.7%          | 5,045               | 4.5%          | 2,657            | 6.3%          | 2,734            | 7.4%          | 5,391               | 6.9%          | 2,826            | 6.4%          |
| Prepaid handheld             | 448              | 381              | 829                 | 388              | (13.4%)       | 385              | 1.0%          | 773                 | (6.8%)        | 404              | 4.1%           | 405              | 5.2%          | 809                 | 4.7%          | 432              | 6.9%          | 492              | 21.5%         | 924                 | 14.2%         | 556              | 28.7%         | 520              | 5.7%          | 1,076               | 16.5%         | 581              | 4.5%          |
| Mobile broadband             | 350              | 323              | 673                 | 325              | (7.1%)        | 315              | (2.5%)        | 640                 | (4.9%)        | 316              | (2.8%)         | 296              | (6.0%)        | 612                 | (4.4%)        | 319              | 0.9%          | 336              | 13.5%         | 655                 | 7.0%          | 337              | 5.6%          | 327              | (2.7%)        | 664                 | 1.4%          | 330              | (2.1%)        |
| Internet of Things (IoT)     | 106              | 118              | 224                 | 116              | 9.4%          | 127              | 7.6%          | 243                 | 8.5%          | 118              | 1.7%           | 128              | 0.8%          | 246                 | 1.2%          | 129              | 9.3%          | 139              | 8.6%          | 268                 | 8.9%          | 139              | 7.8%          | 144              | 3.6%          | 283                 | 5.6%          | 142              | 2.2%          |
| Mobile wholesale             | 99               | 102              | 201                 | 104              | 5.1%          | 117              | 14.7%         | 221                 | 10.0%         | 127              | 22.1%          | 140              | 19.7%         | 267                 | 20.8%         | 148              | 16.5%         | 160              | 14.3%         | 308                 | 15.4%         | 169              | 14.2%         | 184              | 15.0%         | 353                 | 14.6%         | 209              | 23.7%         |
| Other                        | 7                | 8                | 15                  | 8                | 14.3%         | (16)             | n/m           | (8)                 | n/m           | 9                | 12.5%          | 8                | n/m           | 17                  | n/m           | 9                | -             | 9                | 12.5%         | 18                  | 5.9%          | 9                | -             | 9                | -             | 18                  | -             | 10               | 11.1%         |
| <b>Total mobile services</b> | <b>3,625</b>     | <b>3,499</b>     | <b>7,124</b>        | <b>3,449</b>     | <b>(4.9%)</b> | <b>3,333</b>     | <b>(4.7%)</b> | <b>6,782</b>        | <b>(4.8%)</b> | <b>3,326</b>     | <b>(3.6%)</b>  | <b>3,455</b>     | <b>3.7%</b>   | <b>6,781</b>        | <b>(0.0%)</b> | <b>3,537</b>     | <b>6.3%</b>   | <b>3,681</b>     | <b>6.5%</b>   | <b>7,218</b>        | <b>6.4%</b>   | <b>3,867</b>     | <b>9.3%</b>   | <b>3,918</b>     | <b>6.4%</b>   | <b>7,785</b>        | <b>7.9%</b>   | <b>4,098</b>     | <b>6.0%</b>   |
| Hardware                     | 1,531            | 1,621            | 3,152               | 1,741            | 13.7%         | 1,313            | (19.0%)       | 3,054               | (3.1%)        | 1,242            | (28.7%)        | 1,064            | (19.0%)       | 2,306               | (24.5%)       | 1,071            | (13.8%)       | 1,029            | (3.3%)        | 2,100               | (8.9%)        | 1,202            | 12.2%         | 1,153            | 12.1%         | 2,355               | 12.1%         | 1,143            | (4.9%)        |
| Mobile interconnect          | 112              | 112              | 224                 | 120              | 7.1%          | 137              | 22.3%         | 257                 | 14.7%         | 150              | 25.0%          | 114              | (16.8%)       | 264                 | 2.7%          | 129              | (14.0%)       | 121              | 6.1%          | 250                 | (5.3%)        | 112              | (13.2%)       | 111              | (8.3%)        | 223                 | (10.8%)       | 108              | (3.6%)        |
| Media, Telstra Plus & other  | 80               | 69               | 149                 | 45               | (43.8%)       | (8)              | n/m           | 37                  | (75.2%)       | (8)              | n/m            | (33)             | n/m           | (41)                | n/m           | (54)             | n/m           | (44)             | (33.3%)       | (98)                | n/m           | (51)             | (22.7%)       | (54)             | (22.7%)       | (105)               | (7.1%)        | (24)             | 52.9%         |
| <b>Total Mobile</b>          | <b>5,348</b>     | <b>5,301</b>     | <b>10,649</b>       | <b>5,355</b>     | <b>0.1%</b>   | <b>4,775</b>     | <b>(9.9%)</b> | <b>10,130</b>       | <b>(4.9%)</b> | <b>4,710</b>     | <b>(12.0%)</b> | <b>4,600</b>     | <b>(3.7%)</b> | <b>9,310</b>        | <b>(8.1%)</b> | <b>4,683</b>     | <b>(0.6%)</b> | <b>4,787</b>     | <b>4.1%</b>   | <b>9,470</b>        | <b>1.7%</b>   | <b>5,130</b>     | <b>9.5%</b>   | <b>5,128</b>     | <b>7.1%</b>   | <b>10,258</b>       | <b>8.3%</b>   | <b>5,325</b>     | <b>3.8%</b>   |

**Fixed - C&SB**

|                                  |              |              |              |              |               |              |               |              |               |              |               |              |               |              |               |              |               |              |               |              |               |              |             |              |               |              |               |              |               |
|----------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|-------------|--------------|---------------|--------------|---------------|--------------|---------------|
| On-net fixed (ii)                | 1,264        | 1,062        | 2,326        | 837          | (33.8%)       | 616          | (42.0%)       | 1,453        | (37.5%)       | 462          | (44.8%)       | 322          | (47.7%)       | 784          | (46.0%)       | 259          | (43.9%)       | 210          | (34.8%)       | 469          | (40.2%)       | 179          | (30.9%)     | 152          | (27.6%)       | 331          | (29.4%)       | 179          | -             |
| Off-net fixed (ii)               | 972          | 1,092        | 2,064        | 1,244        | 28.0%         | 1,351        | 23.7%         | 2,595        | 25.7%         | 1,470        | 18.2%         | 1,531        | 13.3%         | 3,001        | 15.6%         | 1,554        | 5.7%          | 1,596        | 4.2%          | 3,150        | 5.0%          | 1,651        | 6.2%        | 1,644        | 3.0%          | 3,295        | 4.6%          | 1,630        | (1.3%)        |
| Consumer content & services      | 390          | 375          | 765          | 381          | (2.3%)        | 346          | (7.7%)        | 727          | (5.0%)        | 342          | (10.2%)       | 319          | (7.8%)        | 661          | (9.1%)        | 306          | (10.5%)       | 294          | (7.8%)        | 600          | (9.2%)        | 309          | 1.0%        | 282          | (4.1%)        | 591          | (1.5%)        | 284          | (8.1%)        |
| Business applications & services | 90           | 93           | 183          | 99           | 10.0%         | 94           | 1.1%          | 193          | 5.5%          | 94           | (5.1%)        | 89           | (5.3%)        | 183          | (5.2%)        | 86           | (8.5%)        | 82           | (7.9%)        | 168          | (8.2%)        | 83           | (3.5%)      | 75           | (8.5%)        | 158          | (6.0%)        | 81           | (2.4%)        |
| Interconnect, payphones & E000   | 78           | 69           | 147          | 62           | (20.5%)       | 53           | (23.2%)       | 115          | (21.8%)       | 58           | (6.5%)        | 49           | (7.5%)        | 107          | (7.0%)        | 55           | (5.2%)        | 44           | (10.2%)       | 99           | (7.5%)        | 42           | (23.6%)     | 40           | (9.1%)        | 82           | (17.2%)       | 37           | (11.9%)       |
| <b>Total Fixed - C&amp;SB</b>    | <b>2,794</b> | <b>2,691</b> | <b>5,485</b> | <b>2,623</b> | <b>(6.1%)</b> | <b>2,460</b> | <b>(8.6%)</b> | <b>5,083</b> | <b>(7.3%)</b> | <b>2,426</b> | <b>(7.5%)</b> | <b>2,310</b> | <b>(6.1%)</b> | <b>4,736</b> | <b>(6.8%)</b> | <b>2,260</b> | <b>(6.8%)</b> | <b>2,226</b> | <b>(3.6%)</b> | <b>4,486</b> | <b>(5.3%)</b> | <b>2,264</b> | <b>0.2%</b> | <b>2,193</b> | <b>(1.5%)</b> | <b>4,457</b> | <b>(0.6%)</b> | <b>2,211</b> | <b>(2.3%)</b> |

**Fixed - Enterprise**

|                                 |              |              |              |              |               |              |               |              |               |              |               |              |                |              |                |              |                |              |                |              |                |              |                |              |                |              |                |              |                |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| <b>Data &amp; connectivity</b>  | <b>656</b>   | <b>625</b>   | <b>1,281</b> | <b>607</b>   | <b>(7.5%)</b> | <b>586</b>   | <b>(6.2%)</b> | <b>1,193</b> | <b>(6.9%)</b> | <b>563</b>   | <b>(7.2%)</b> | <b>540</b>   | <b>(7.8%)</b>  | <b>1,103</b> | <b>(7.5%)</b>  | <b>494</b>   | <b>(12.3%)</b> | <b>462</b>   | <b>(14.4%)</b> | <b>956</b>   | <b>(13.3%)</b> | <b>423</b>   | <b>(14.4%)</b> | <b>378</b>   | <b>(18.2%)</b> | <b>801</b>   | <b>(16.2%)</b> | <b>380</b>   | <b>(10.2%)</b> |
| Calling applications            | 485          | 461          | 946          | 426          | (12.2%)       | 402          | (12.8%)       | 828          | (12.5%)       | 366          | (14.1%)       | 342          | (14.9%)        | 708          | (14.5%)        | 342          | (6.6%)         | 295          | (13.7%)        | 637          | (10.0%)        | 255          | (25.4%)        | 225          | (23.7%)        | 480          | (24.6%)        | 210          | (17.6%)        |
| Managed services & maintenance  | 305          | 331          | 636          | 308          | 1.0%          | 326          | (1.5%)        | 634          | (0.3%)        | 328          | 6.5%          | 343          | 5.2%           | 671          | 5.8%           | 357          | 8.8%           | 381          | 11.1%          | 738          | 10.8%          | 378          | 5.9%           | 394          | 3.4%           | 772          | 4.6%           | 384          | 1.6%           |
| Professional services           | 218          | 275          | 493          | 191          | (12.4%)       | 236          | (14.2%)       | 427          | (13.4%)       | 181          | (5.2%)        | 195          | (17.4%)        | 376          | (11.9%)        | 185          | 2.2%           | 254          | 30.3%          | 439          | 16.8%          | 266          | 43.8%          | 276          | 5.4%           | 542          | 23.5%          | 233          | (12.4%)        |
| Cloud applications              | 94           | 111          | 205          | 119          | 26.6%         | 127          | 14.4%         | 246          | 20.0%         | 127          | 6.7%          | 130          | 2.4%           | 257          | 4.5%           | 135          | 6.3%           | 144          | 10.8%          | 279          | 8.6%           | 156          | 15.6%          | 155          | 7.6%           | 311          | 11.5%          | 161          | 16.0%          |
| Equipment sales                 | 226          | 356          | 582          | 194          | (14.2%)       | 306          | (14.0%)       | 500          | (14.1%)       | 157          | (19.1%)       | 186          | (39.2%)        | 343          | (31.4%)        | 177          | 12.7%          | 220          | 18.3%          | 397          | 15.7%          | 147          | (16.9%)        | 265          | 20.5%          | 412          | 3.8%           | 185          | 12.2%          |
| Other                           | 124          | 138          | 262          | 133          | 7.3%          | 145          | 5.1%          | 278          | 6.1%          | 130          | (2.3%)        | 136          | (6.2%)         | 266          | (4.3%)         | 124          | (4.6%)         | 159          | 16.9%          | 283          | 6.4%           | 144          | 16.1%          | 174          | 9.4%           | 318          | 12.4%          | 166          | 15.3%          |
| Internal                        | 0            | 0            | 0            | 0            | n/m           | 0            | n/m           | 0            | n/m           | 0            | n/m           | 0            | n/m            | 0            | n/m            | 0            | n/m            | 0            | n/m            | 0            | n/m            | 0            | n/m            | 0            | n/m            | 0            | n/m            | 9            | n/m            |
| <b>Total NAS</b>                | <b>1,452</b> | <b>1,672</b> | <b>3,124</b> | <b>1,371</b> | <b>(5.6%)</b> | <b>1,542</b> | <b>(7.8%)</b> | <b>2,913</b> | <b>(6.8%)</b> | <b>1,289</b> | <b>(6.0%)</b> | <b>1,332</b> | <b>(13.6%)</b> | <b>2,621</b> | <b>(10.0%)</b> | <b>1,320</b> | <b>2.4%</b>    | <b>1,453</b> | <b>9.1%</b>    | <b>2,773</b> | <b>5.8%</b>    | <b>1,346</b> | <b>2.0%</b>    | <b>1,489</b> | <b>2.5%</b>    | <b>2,835</b> | <b>2.2%</b>    | <b>1,348</b> | <b>0.1%</b>    |
| <b>Total Fixed - Enterprise</b> | <b>2,108</b> | <b>2,297</b> | <b>4,405</b> | <b>1,978</b> | <b>(6.2%)</b> | <b>2,128</b> | <b>(7.4%)</b> | <b>4,106</b> | <b>(6.8%)</b> | <b>1,852</b> | <b>(6.4%)</b> | <b>1,872</b> | <b>(12.0%)</b> | <b>3,724</b> | <b>(9.3%)</b>  | <b>1,814</b> | <b>(2.1%)</b>  | <b>1,915</b> | <b>2.3%</b>    | <b>3,729</b> | <b>0.1%</b>    | <b>1,769</b> | <b>(2.5%)</b>  | <b>1,867</b> | <b>(2.5%)</b>  | <b>3,636</b> | <b>(2.5%)</b>  | <b>1,728</b> | <b>(2.3%)</b>  |

**Fixed - Active Wholesale**

|                                       |            |            |              |            |                |            |                |            |                |            |                |            |                |            |                |            |                |            |                |            |                |            |                |            |                |            |                |            |                |
|---------------------------------------|------------|------------|--------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|
| Data & connectivity                   | 198        | 200        | 398          | 187        | (5.6%)         | 178        | (11.0%)        | 365        | (8.3%)         | 175        | (6.4%)         | 166        | (6.7%)         | 341        | (6.6%)         | 158        | (9.7%)         | 145        | (12.7%)        | 303        | (11.1%)        | 142        | (10.1%)        | 134        | (7.6%)         | 276        | (8.9%)         | 130        | (8.5%)         |
| Legacy calling & fixed                | 371        | 316        | 687          | 252        | (32.1%)        | 196        | (38.0%)        | 448        | (34.8%)        | 144        | (42.9%)        | 106        | (45.9%)        | 250        | (44.2%)        | 94         | (34.7%)        | 80         | (24.5%)        | 174        | (30.4%)        | 67         | (28.7%)        | 60         | (25.0%)        | 127        | (27.0%)        | 58         | (13.4%)        |
| <b>Total Fixed - Active Wholesale</b> | <b>569</b> | <b>516</b> | <b>1,085</b> | <b>439</b> | <b>(22.8%)</b> | <b>374</b> | <b>(27.5%)</b> | <b>813</b> | <b>(25.1%)</b> | <b>319</b> | <b>(27.3%)</b> | <b>272</b> | <b>(27.3%)</b> | <b>591</b> | <b>(27.3%)</b> | <b>252</b> | <b>(21.0%)</b> | <b>225</b> | <b>(17.3%)</b> | <b>477</b> | <b>(19.3%)</b> | <b>209</b> | <b>(17.1%)</b> | <b>194</b> | <b>(13.8%)</b> | <b>403</b> | <b>(15.5%)</b> | <b>188</b> | <b>(10.0%)</b> |

**International**

|                            |            |            |              |            |             |            |               |              |             |            |                |            |                |              |                |            |             |            |             |              |             |              |              |              |              |              |              |              |              |
|----------------------------|------------|------------|--------------|------------|-------------|------------|---------------|--------------|-------------|------------|----------------|------------|----------------|--------------|----------------|------------|-------------|------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Wholesale & Enterprise     | 803        | 902        | 1,705        | 846        | 5.4%        | 879        | (2.5%)        | 1,725        | 1.2%        | 755        | (10.8%)        | 741        | (15.7%)        | 1,496        | (13.3%)        | 758        | 0.4%        | 743        | 0.3%        | 1,501        | 0.3%        | 792          | 4.5%         | 805          | 8.3%         | 1,597        | 6.4%         | 835          | 5.4%         |
| Internal                   | 0          | 0          | 0            | 0          | n/m         | 0          | n/m           | 0            | n/m         | 0          | n/m            | 0          | n/m            | 0            | n/m            | 0          | n/m         | 0          | n/m         | 0            | n/m         | 0            | n/m          | 113          | n/m          | 113          | n/m          | 114          | n/m          |
| Digital Pacific            | 0          | 0          | 0            | 0          | n/m         | 0          | n/m           | 0            | n/m         | 0          | n/m            | 0          | n/m            | 0            | n/m            | 0          | n/m         | 0          | n/m         | 356          | n/m         | 356          | n/m          | 363          | n/m          | 719          | n/m          | 371          | 4.2%         |
| <b>Total International</b> | <b>803</b> | <b>902</b> | <b>1,705</b> | <b>846</b> | <b>5.4%</b> | <b>879</b> | <b>(2.5%)</b> | <b>1,725</b> | <b>1.2%</b> | <b>755</b> | <b>(10.8%)</b> | <b>741</b> | <b>(15.7%)</b> | <b>1,496</b> | <b>(13.3%)</b> | <b>758</b> | <b>0.4%</b> | <b>743</b> | <b>0.3%</b> | <b>1,501</b> | <b>0.3%</b> | <b>1,148</b> | <b>51.5%</b> | <b>1,281</b> | <b>72.4%</b> | <b>2,429</b> | <b>61.8%</b> | <b>1,320</b> | <b>15.0%</b> |

**InfraCo - Fixed**

|                                |     |     |       |     |         |     |        |     |         |     |         |     |         |     |         |     |         |     |         |     |         |     |         |     |         |     |         |     |        |
|--------------------------------|-----|-----|-------|-----|---------|-----|--------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|--------|
| Commercial & recoverable works | 535 | 499 | 1,034 | 413 | (22.8%) | 450 | (9.8%) | 863 | (16.5%) | 360 | (12.8%) | 224 | (50.2%) | 584 | (32.3%) | 152 | (57.8%) | 142 | (36.6%) | 294 | (49.7%) | 120 | (21.1%) | 116 | (18.3%) | 236 | (19.7%) | 116 | (3.3%) |
| NBN recurring                  | 367 | 400 | 767   | 428 | 16.6%   | 439 | 9.8%   | 867 | 13.0%   | 449 | 4.9     |     |         |     |         |     |         |     |         |     |         |     |         |     |         |     |         |     |        |

Telstra Group Limited  
Half-year comparison  
Half-year ended 31 December 2023

Summary management reported half-yearly data

|  | Half 1<br>Dec-18 | Half 2<br>Jun-19 | Full year<br>Jun-19 | Half 1<br>Dec-19 | PCP<br>Growth | Half 2<br>Jun-20 | PCP<br>Growth | Full year<br>Jun-20 | PCP<br>Growth | Half 1<br>Dec-20 | PCP<br>Growth | Half 2<br>Jun-21 | PCP<br>Growth | Full year<br>Jun-21 | PCP<br>Growth | Half 1<br>Dec-21 | PCP<br>Growth | Half 2<br>Jun-22 | PCP<br>Growth | Full year<br>Jun-22 | PCP<br>Growth | Half 1<br>Dec-22 | PCP<br>Growth | Half 2<br>Jun-23 | PCP<br>Growth | Full year<br>Jun-23 | PCP<br>Growth | Half 1<br>Dec-23 | PCP<br>Growth |  |  |
|--|------------------|------------------|---------------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|------------------|---------------|---------------------|---------------|------------------|---------------|--|--|
| <b>Selected statistical data</b>   |                  |                  |                     |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |  |  |
| <b>Mobile</b>  |                  |                  |                     |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |  |  |
| Total retail mobile SIOs (thousands)   | 17,956           | 18,338           | 18,338              | 18,497           | 3.0%          | 18,775           | 2.4%          | 18,775              | 2.4%          | 19,029           | 2.9%          | 19,471           | 3.7%          | 19,471              | 3.7%          | 20,049           | 5.4%          | 20,814           | 6.9%          | 20,814              | 6.9%          | 21,662           | 8.0%          | 22,499           | 8.1%          | 22,499              | 8.1%          | 23,432           | 8.2%          |  |  |
| Postpaid handheld mobile SIOs (thousands)                                    | 8,105            | 8,244            | 8,244               | 8,381            | 3.4%          | 8,484            | 2.9%          | 8,484               | 2.9%          | 8,564            | 2.2%          | 8,585            | 1.2%          | 8,585               | 1.2%          | 8,669            | 1.2%          | 8,740            | 1.8%          | 8,740               | 1.8%          | 8,808            | 1.6%          | 8,826            | 1.0%          | 8,826               | 1.0%          | 8,889            | 0.9%          |  |  |
| Belong postpaid handheld mobile SIOs (thousands) (i)                         | 182              | 248              | 248                 | 339              | 86.3%         | 402              | 62.1%         | 402                 | 62.1%         | 424              | 25.1%         | 436              | 8.5%          | 436                 | 8.5%          | 458              | 8.0%          | 470              | 7.8%          | 470                 | 7.8%          | 494              | 7.9%          | 514              | 9.4%          | 514                 | 9.4%          | 543              | 9.9%          |  |  |
| Mobile broadband (data cards) SIOs (thousands)                               | 3,723            | 3,627            | 3,627               | 3,180            | (14.6%)       | 3,158            | (12.9%)       | 3,158               | (12.9%)       | 3,061            | (3.7%)        | 3,023            | (4.3%)        | 3,023               | (4.3%)        | 3,033            | (0.9%)        | 3,035            | 0.4%          | 3,035               | 0.4%          | 3,011            | (0.7%)        | 2,935            | (3.3%)        | 2,935               | (3.3%)        | 2,863            | (4.9%)        |  |  |
| Prepaid mobile handheld unique users (thousands) (ii)                        | 2,234            | 2,245            | 2,245               | 2,380            | 6.5%          | 2,416            | 7.6%          | 2,416               | 7.6%          | 2,462            | 3.4%          | 2,511            | 3.9%          | 2,511               | 3.9%          | 2,578            | 4.7%          | 2,726            | 8.6%          | 2,726               | 8.6%          | 2,863            | 11.1%         | 2,973            | 9.1%          | 2,973               | 9.1%          | 3,072            | 7.3%          |  |  |
| Internet of Things (IoT) SIOs (thousands)                                    | 2,832            | 3,132            | 3,132               | 3,482            | 23.0%         | 3,784            | 20.8%         | 3,784               | 20.8%         | 4,240            | 21.8%         | 4,676            | 23.6%         | 4,676               | 23.6%         | 5,128            | 20.9%         | 5,700            | 21.9%         | 5,700               | 21.9%         | 6,360            | 24.0%         | 7,124            | 25.0%         | 7,124               | 25.0%         | 7,907            | 24.3%         |  |  |
| Wholesale unique users (thousands) (iii)                                     | 939              | 1,045            | 1,045               | 1,148            | 22.3%         | 1,289            | 23.3%         | 1,289               | 23.3%         | 1,449            | 26.2%         | 1,552            | 20.4%         | 1,552               | 20.4%         | 1,648            | 13.8%         | 1,742            | 12.2%         | 1,742               | 12.2%         | 1,887            | 14.5%         | 2,040            | 17.1%         | 2,040               | 17.1%         | 2,222            | 17.8%         |  |  |
| Postpaid handheld chum   | 12.0%            | 11.9%            | 11.8%               | 12.3%            |               | 11.2%            |               | 11.5%               |               | 10.7%            |               | 11.9%            |               | 11.0%               |               | 10.8%            |               | 11.2%            |               | 10.8%               |               | 11.4%            |               | 12.3%            |               | 11.6%               |               | 11.4%            |               |  |  |
| Average postpaid handheld revenue per user per month (\$)                    | 54.58            | 52.34            | 53.61               | 50.31            | (7.8%)        | 47.53            | (9.2%)        | 48.96               | (8.7%)        | 45.99            | (8.6%)        | 48.16            | 1.3%          | 47.16               | (3.7%)        | 48.29            | 5.0%          | 48.74            | 1.2%          | 48.53               | 2.9%          | 50.47            | 4.5%          | 51.69            | 6.1%          | 51.15               | 5.4%          | 53.18            | 5.4%          |  |  |
| Average prepaid handheld revenue per user per month (\$)                     | 22.54            | 19.38            | 20.76               | 19.20            | (14.8%)       | 19.05            | (1.7%)        | 19.46               | (6.3%)        | 20.89            | 8.8%          | 21.46            | 12.7%         | 20.83               | 7.0%          | 22.70            | 8.7%          | 25.22            | 17.5%         | 23.81               | 14.3%         | 27.40            | 20.7%         | 24.68            | (2.1%)        | 26.04               | 9.4%          | 26.44            | (3.5%)        |  |  |
| Average mobile broadband revenue per user per month (\$)                     | 15.32            | 14.65            | 14.92               | 16.81            | 9.7%          | 16.58            | 13.2%         | 16.62               | 11.4%         | 16.93            | 0.7%          | 16.20            | (2.3%)        | 16.49               | (0.8%)        | 17.58            | 3.8%          | 18.46            | 14.0%         | 18.03               | 9.3%          | 18.60            | 5.8%          | 18.30            | (0.9%)        | 18.53               | 2.8%          | 19.00            | 2.2%          |  |  |
| Average mobile (retail handheld + wholesale) revenue per user per month (\$) |                  |                  |                     | 42.60            | n/m           | 40.07            | n/m           | 41.42               | n/m           | 38.83            | (8.8%)        | 39.96            | (0.3%)        | 39.48               | (4.7%)        | 40.12            | 3.3%          | 40.82            | 2.1%          | 40.38               | 2.3%          | 42.12            | 5.0%          | 41.83            | 2.5%          | 42.02               | 4.2%          | 43.01            | 2.1%          |  |  |
| <b>Fixed - C&amp;SB</b>  |                  |                  |                     |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |  |  |
| C&SB bundles and standalone data SIOs (thousands)                            | 3,523            | 3,554            | 3,554               | 3,592            | 2.0%          | 3,666            | 3.2%          | 3,666               | 3.2%          | 3,604            | 0.3%          | 3,591            | (2.0%)        | 3,591               | (2.0%)        | 3,546            | (1.6%)        | 3,504            | (2.4%)        | 3,504               | (2.4%)        | 3,454            | (2.6%)        | 3,407            | (2.8%)        | 3,407               | (2.8%)        | 3,349            | (3.0%)        |  |  |
| Belong fixed data SIOs (thousands) (iv)                                      | 225              | 254              | 254                 | 298              | 32.4%         | 333              | 31.1%         | 333                 | 31.1%         | 344              | 15.4%         | 343              | 3.0%          | 343                 | 3.0%          | 346              | 0.6%          | 347              | 1.2%          | 347                 | 1.2%          | 333              | (3.8%)        | 320              | (7.8%)        | 320                 | (7.8%)        | 307              | (7.8%)        |  |  |
| C&SB standalone voice SIOs (thousands)                                       | 1,280            | 1,093            | 1,093               | 921              | (28.0%)       | 755              | (30.9%)       | 755                 | (30.9%)       | 619              | (32.8%)       | 478              | (36.7%)       | 478                 | (36.7%)       | 430              | (30.5%)       | 376              | (21.3%)       | 376                 | (21.3%)       | 345              | (19.8%)       | 316              | (16.0%)       | 316                 | (16.0%)       | 291              | (15.7%)       |  |  |
| C&SB NBN SIOs (thousands)  | 2,214            | 2,568            | 2,568               | 2,935            | 32.6%         | 3,208            | 24.9%         | 3,208               | 24.9%         | 3,421            | 16.6%         | 3,487            | 8.7%          | 3,487               | 8.7%          | 3,514            | 2.7%          | 3,506            | 0.5%          | 3,506               | 0.5%          | 3,437            | (2.2%)        | 3,370            | (3.9%)        | 3,370               | (3.9%)        | 3,292            | (4.2%)        |  |  |
| NBN bundles and standalone data SIOs (thousands)                             | 1,948            | 2,291            | 2,291               | 2,643            | 35.7%         | 2,959            | 29.2%         | 2,959               | 29.2%         | 3,167            | 19.8%         | 3,287            | 11.1%         | 3,287               | 11.1%         | 3,312            | 4.6%          | 3,313            | 0.8%          | 3,313               | 0.8%          | 3,271            | (1.2%)        | 3,231            | (2.5%)        | 3,231               | (2.5%)        | 3,162            | (3.3%)        |  |  |
| NBN standalone voice SIOs (thousands)  | 266              | 277              | 277                 | 292              | 9.8%          | 249              | (10.1%)       | 249                 | (10.1%)       | 254              | (13.0%)       | 200              | (19.7%)       | 200                 | (19.7%)       | 202              | (20.5%)       | 193              | (3.5%)        | 193                 | (3.5%)        | 166              | (17.8%)       | 139              | (28.0%)       | 139                 | (28.0%)       | 130              | (21.7%)       |  |  |
| Foxtel from Telstra (thousands)  | 772              | 730              | 730                 | 678              | (12.2%)       | 632              | (13.4%)       | 632                 | (13.4%)       | 579              | (14.6%)       | 528              | (16.5%)       | 528                 | (16.5%)       | 492              | (15.0%)       | 457              | (13.4%)       | 457                 | (13.4%)       | 421              | (14.4%)       | 395              | (13.6%)       | 395                 | (13.6%)       | 372              | (11.6%)       |  |  |
| Average C&SB bundle and standalone data revenue per user per month (\$)      | 80.92            | 78.16            | 79.71               | 78.18            | (3.4%)        | 76.47            | (2.2%)        | 77.12               | (3.2%)        | 76.39            | (2.3%)        | 75.18            | (1.7%)        | 75.53               | (2.1%)        | 76.76            | 0.5%          | 78.04            | 3.8%          | 77.37               | 2.4%          | 79.57            | 3.7%          | 80.77            | 3.5%          | 80.15               | 3.6%          | 81.67            | 2.6%          |  |  |
| Average C&SB standalone fixed voice revenue per user per month (\$)          | 51.59            | 51.21            | 51.29               | 49.47            | (4.1%)        | 45.64            | (10.9%)       | 47.65               | (7.1%)        | 41.53            | (16.1%)       | 38.34            | (16.0%)       | 40.20               | (15.6%)       | 33.16            | (20.2%)       | 36.33            | (5.2%)        | 34.75               | (13.6%)       | 38.46            | 16.0%         | 35.97            | (1.0%)        | 37.17               | 7.0%          | 35.19            | (8.5%)        |  |  |
| <b>Fixed - Enterprise</b>  |                  |                  |                     |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |  |  |
| Data & connectivity SIOs (thousands)   |                  |                  |                     | 208              | n/m           | 202              | n/m           | 202                 | n/m           | 194              | (6.7%)        | 187              | (7.4%)        | 187                 | (7.4%)        | 183              | (5.7%)        | 179              | (4.3%)        | 179                 | (4.3%)        | 170              | (7.1%)        | 160              | (10.6%)       | 160                 | (10.6%)       | 154              | (9.4%)        |  |  |
| Average data & connectivity revenue per user per month (\$)                  |                  |                  |                     | 484.05           | n/m           | 476.42           | n/m           | 482.61              | n/m           | 473.91           | (2.1%)        | 472.44           | (0.8%)        | 472.58              | (2.1%)        | 445.05           | (6.1%)        | 425.41           | (10.0%)       | 435.34              | (7.9%)        | 404.01           | (9.2%)        | 381.82           | (10.2%)       | 393.81              | (9.5%)        | 403.40           | (0.2%)        |  |  |
| <b>Fixed - Wholesale</b>   |                  |                  |                     |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |  |  |
| Fixed legacy SIOs (thousands)  | 2,221            | 1,671            | 1,671               | 1,168            | (47.4%)       | 719              | (57.0%)       | 719                 | (57.0%)       | 393              | (66.4%)       | 248              | (65.5%)       | 248                 | (65.5%)       | 158              | (59.8%)       | 93               | (62.5%)       | 93                  | (62.5%)       | 59               | (62.7%)       | 44               | (52.7%)       | 44                  | (52.7%)       | 35               | (40.7%)       |  |  |
| Data & connectivity SIOs (thousands)   | 39               | 38               | 38                  | 37               | (5.1%)        | 35               | (7.9%)        | 35                  | (7.9%)        | 33               | (10.8%)       | 31               | (11.4%)       | 31                  | (11.4%)       | 29               | (12.1%)       | 28               | (9.7%)        | 28                  | (9.7%)        | 27               | (6.9%)        | 26               | (7.1%)        | 26                  | (7.1%)        | 23               | (14.8%)       |  |  |
| <b>Labour</b>  |                  |                  |                     |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |                  |               |                     |               |                  |               |  |  |
| Telstra FTEs incl contractor/agency  | 31,419           | 29,769           | 29,769              | 28,270           | (10.0%)       | 28,959           | (2.7%)        | 28,959              | (2.7%)        | 28,637           | 1.3%          | 27,015           | (6.7%)        | 27,015              | (6.7%)        | 26,728           | (6.7%)        | 28,889           | 6.9%          | 28,889              | 6.9%          | 31,634           | 18.4%         | 31,761           | 9.9%          | 31,761              | 9.9%          | 32,579           | 3.0%          |  |  |

(i) Included in postpaid handheld mobile SIOs.

(ii) Defined as the three month rolling average of monthly active prepaid users.

(iii) Excludes IoT and Market Extender and includes postpaid services in operation and prepaid unique users.

(iv) Included in C&SB bundles and standalone data SIOs.

n/m = not meaningful