



16 November 2021

The Manager

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

General Enquiries 03 8647 4838  
Facsimile 03 9650 0989  
[companysecretary@team.telstra.com](mailto:companysecretary@team.telstra.com)

**Investor Relations**

Tel: 1800 880 679  
[investor.relations@team.telstra.com](mailto:investor.relations@team.telstra.com)

**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**T25 - Telstra Investor Day**

In accordance with the Listing Rules, I attach the presentation to be delivered by the CEO and members of senior management, at Telstra's Investor Day today, for release to the market.

The briefing will be held virtually and webcast live from 9:10am (AEDT), which is available at

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

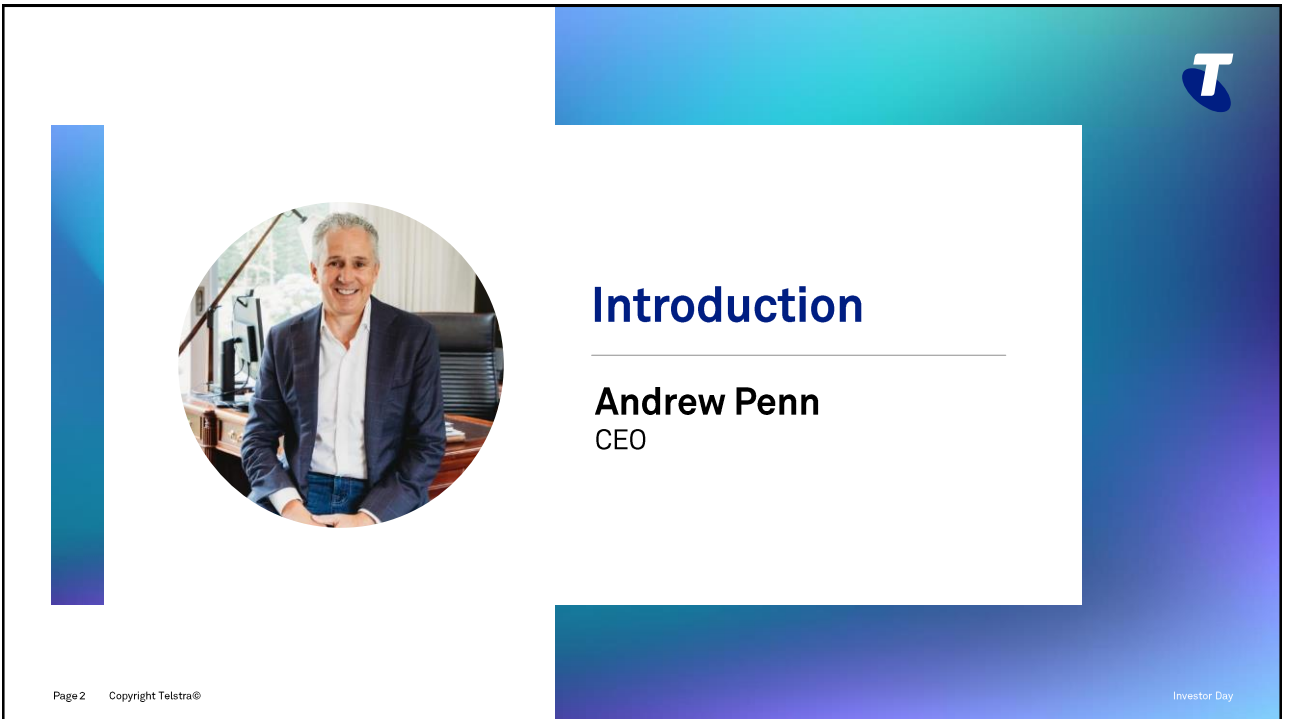
A transcript of the event will be lodged with the ASX when available.

Authorised for lodgement by:

**Sue Laver**  
Company Secretary



1



2

## Agenda

9:00am	<b>Introduction</b>	<b>Andrew Penn</b>
9:15am	<b>Network &amp; technology solutions</b>	<b>Nikos Katinakis</b> <b>Kim Krogh Andersen</b>
9:55am	<b>International incl. Digicel</b>	<b>Oliver Camplin-Warner</b>
10:15am	<b>Q&amp;A</b>	<b>All</b>
10:45am	<i>Break</i>	
10:55am	<b>New Markets: Health</b>	<b>Professor Mary Foley AM</b>
11:15am	<b>New Markets: Energy</b>	<b>Ben Burge</b>
11:30am	<b>Closing comments and Q&amp;A</b>	<b>All</b>

Page 3 Copyright Telstra®

Investor Day

3

## FY22 priorities – finish the job on T22



### Complete digitisation

Complete migration of C&SB customers to the new tech stack



### Group restructure

Complete our Group restructure and deliver value from infrastructure



### 5G leadership

Extend our 5G leadership improving 5G coverage and performance



### Enterprise

Return Enterprise to growth and restore financial momentum



### Grow services

Launch our new energy business and expand Telstra Plus



### Cost reduction

Deliver on our \$2.7b annualised net cost productivity

Page 4 Copyright Telstra®

Investor Day

4

Our purpose and values

To build a connected future so everyone can thrive

We are changemakers

We are better together

We care

We make it simple

Our strategic pillars

An exceptional customer experience you can count on

Leading network & technology solutions that deliver your future

Sustained growth and value for our shareholders

Excelling at new ways of working

The place you want to work

Doing business responsibly

Accelerating digital leadership

Our businesses

Consumer & Small Business

Enterprise

New Markets

International

Infrastructure

Page 5

Copyright Telstra®

Investor Day

5

Our businesses will deliver profitable growth and value by...

Consumer & Small Business

Creating brilliant experiences that enable our customers to work, learn and play

Enterprise

Connecting our customers with Australia's most trusted and secure technology and services

New Markets

Building and scaling our new businesses

International

Leveraging the growing strategic significance of our international network

Infrastructure

Improving access, utilisation and scale of our infrastructure

Page 6

Copyright Telstra®

Investor Day

6

3

# The place you want to work

## Accelerating digital leadership



Lead with a digital first and data-driven mindset

Embed digital ways of working and build digital skills

Deliver outstanding developer experiences and digital partnerships

Deploy decoupled, modular digital architecture

Page 7 Copyright Telstra®



## All key service transactions

with customers capable of being conducted digitally by FY25

**100%**

key business processes enhanced / improved using AI by FY25

## 100% API-first architecture

**~90% of applications** moved to the public cloud

Investor Day

7

# T25 scorecard



## Customer experience

Market leading CX with

- eNPS >40 by FY25
- sNPS uplift of +25 by FY25

Getting it right for customers

- >90% 'Once and Done' by FY25 (C&SB)
- 90% rating in support and engagement by FY25 (TE)

Reduce our complaints

- One-third by FY23, 50% by FY25 (C&SB)
- >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)

Grow Telstra Plus members (#) and engagement (%)

- 5.4m and 70% by FY23
- 6m and 80% by FY25

Grow digitally active users by 2m to 8.5m FY25 (C&SB)

Improve availability of infra. assets for customers, by FY25

- 250 new towers
- 6,000km of fibre deployed



## Network & Technology

Network leadership; by FY25:

- ~95% pop. coverage for 5G
- >80% of traffic on 5G
- 3G closed in FY24

Win majority of key surveys for best fixed/mobile network including

- Coverage, and
- Overall customers speeds for mobile FY23-FY25

Double metro cell sites by FY25 to densify the network

Expand regional coverage

- 100,000km² new coverage by FY25



## Growth and value

Underlying EBITDA

- \$7.5-8.0b by FY23
- Mid-single digit CAGR FY21 to FY25

Underlying ROIC

- ~8% by FY23
- Grow beyond to FY25

Underlying EPS: High-teens CAGR FY21 to FY25

Maximise fully-franked dividend and seek to grow over time

Maintain cost discipline

- \$500m net fixed cost out from FY23 to FY25 while investing for growth
- Maintain leading operating cost metrics for full-service telco

Maximise value from infra.

- Amplitel EBITDAaL CAGR – low-to-mid single digit
- InfraCo Fixed EBITDAaL CAGR – low-single digit



## New ways of working

Remain at 90th percentile employee engagement (equivalent to high-performance norm)

Improve agile maturity of teams, with 70% scoring above 4 by FY25

Halve our time to market for products and services from FY22 to FY25

50% increase in representation of Data & Analytics workforce by FY25

Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25



## Digital leadership

All key service transactions with customers are capable of being conducted digitally by FY25

100% of key business processes enhanced/ improved using AI by FY25

Reach top 20% in Digital Capability Index by FY25

100% API-first architecture for customer management, product development, and external monetisation

Move ~90% of applications to the public cloud by FY25



## Responsible business

Enable renewable energy generation equivalent to 100% of our consumption by 2025

Reduce absolute emissions from FY19 by at least 50% by 2030

Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25

Help keep 1m customers in vulnerable circumstances connected each year from FY22-25

4-7pt uplift in RepTrak reputation score by FY25

Our commitments and metrics

Page 8 Copyright Telstra® Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

Investor Day

8





## Network & technology solutions

**Nikos Katinakis**

Group Executive, Networks & IT

**Kim Krogh Andersen**

Group Executive, Product & Technology

## Ten key trends shape our future technology strategy



### Virtualisation of the RAN



- Effective resource utilisation & cost efficiency
- Technology acceleration for new use cases & capabilities

### Emergence of satellites and networks from the sky



- Improved performance
- Mobile backhaul & resilience
- Economic regional connectivity

### Move to Cloud, Cloud to Edge



- Multi-cloud edge continuum
- Workload orchestration
- Smaller blast zones

### Dedicated networks for industry verticals



- 5G Standalone, private / dedicated networks
- Orchestration & end to end slicing
- Committed enterprise SLAs

### Energy efficiency



- Optimise cost efficiency
- Deliver on our environmental commitments

### Native digital customer expectations and experiences



- Transform & amplify our data
- AI/ML smarts for our customers & business processes

### Hybrid work @ home shifting demand and app requirements



- Coverage quality & experience
- Access agnostic applications
- Optimise capacity to meet shifting demand profile

### Ecosystem integration and capability exposure



- Ecosystem partnerships (customer, hyperscaler, 3<sup>rd</sup> party)
- APIs & modularity for internal and external reuse

### Cybersecurity, digital identity and data sovereignty



- Trusted AI/ML cybersecurity
- Federated, localised data & ID management for digital economy

### Automation, data, artificial intelligence & machine learning



- 3Cs of data
- Workflow / process automation
- AI everywhere

## Leading network & technology solutions that deliver your future



Page 11 Copyright Telstra®

### The best 5G network for Australia

Largest coverage and best performance across metro, regional, and rural areas

### Technology enabling customer and industry solutions

Dynamic management and automation of capacity, speed, latency, security, and resilience across all network types

### Enhanced resilience for customers

Through smaller impact zones, orchestrated failover for apps and connectivity



~95% 5G population coverage by FY25

>80% traffic on 5G by FY25

Double metro cell sites

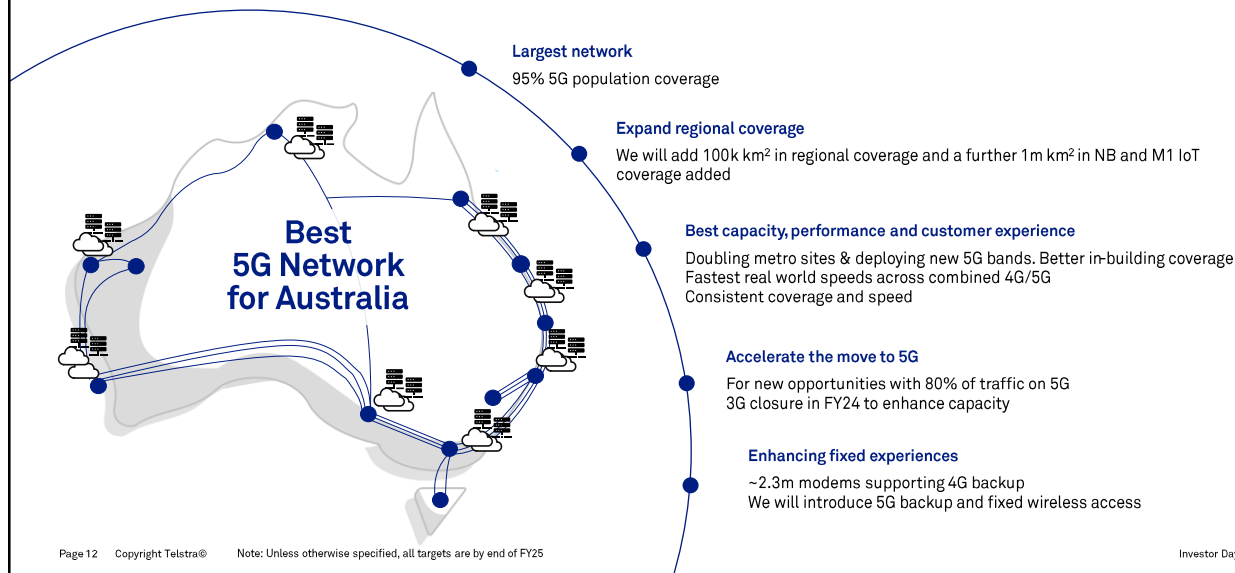
Expand regional coverage by 100,000km<sup>2</sup>



Investor Day

11

## Leading with the best mobile network in Australia with material differentiation for our customers

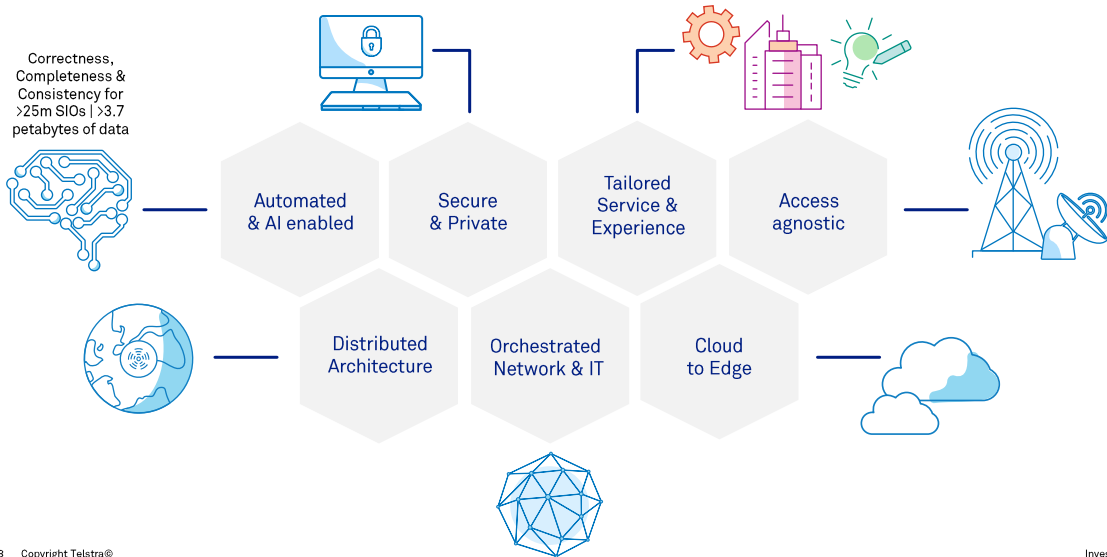


Page 12 Copyright Telstra®

Investor Day

12

# Technology Enablers for continued differentiation

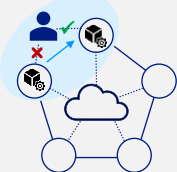


13

# Orchestrated end-to-end resilience



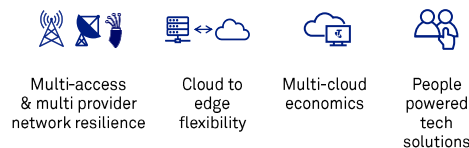
## Enhance resilience & maintain performance



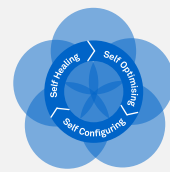
- Orchestrated & automated failover
- Network triggers & reconfiguration
- Maintain data sovereignty
- Edge compute enabled

**Trusted end-to-end resilience & security**

Making the complex simple by orchestrating business critical solutions for enterprise and government



## Smaller impact zones keeping business connected



- Distributed network resilience
- AI enabled predict & prevent
- Closed loop automation
- Local survivability

14

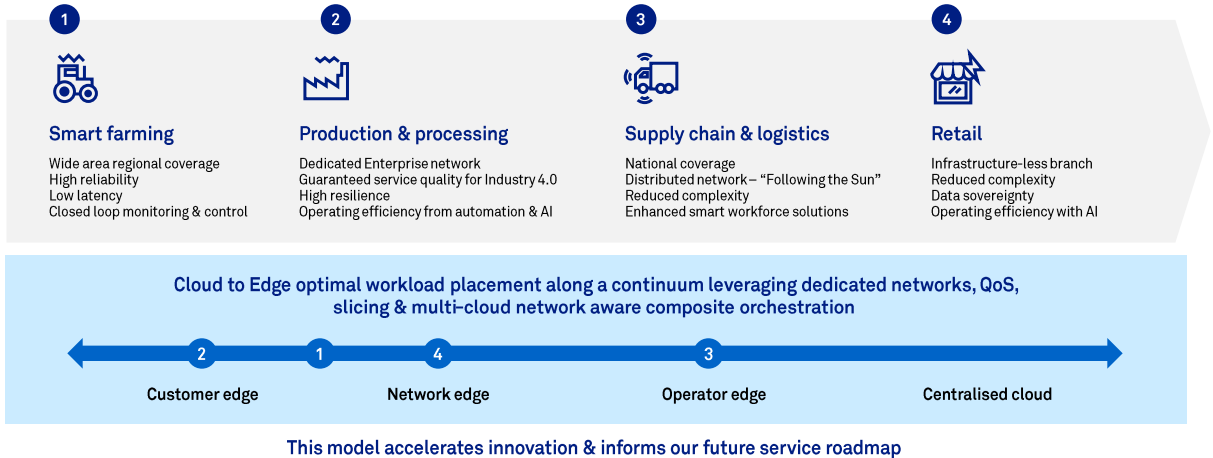




## “Better on Telstra”

Leveraging our leading networks & capabilities to provide tailored services to our customers

With Innovation Hubs in Toowoomba, Gold Coast & Melbourne, we developed a partner ecosystem to support Enterprises with leading technology solutions that address their specific industry requirements



## Product & Technology

Our purpose and values

To build a connected future so everyone can thrive

We are changemakers

We are better together

We care

We make it simple

Our ambition

To deliver sustainable growth and value creation by building a balanced product portfolio that delivers exceptional customer experiences and enhances our product economics

Our building blocks



**Mobility** growth through superior 5G connectivity and advanced use cases



**C&SB Fixed** growth through our connected home vision and SMB managed services



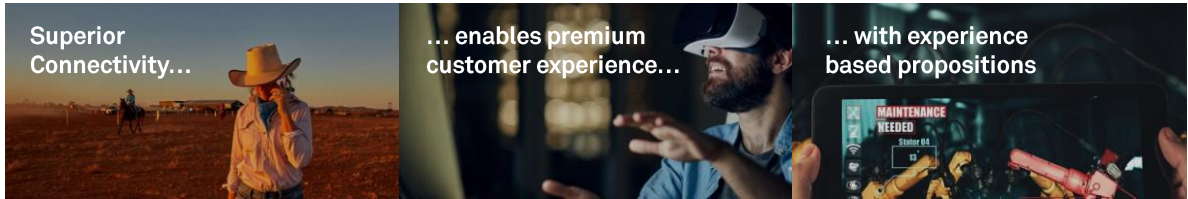
**Enterprise Fixed** growth through adaptive connectivity, industry solutions and services



**Innovation** enabled by strategic partnerships and ecosystems

# Mobility

Growth through leveraging 5G superior connectivity for experience-based propositions



- From 75% to 95% 5G population coverage as well as converged connectivity
- Network Optimised Products

- AI supported and digitally enabled customer interactions
- AR/VR in Entertainment and Enterprise

- 5G connected devices, wearables, companion devices & accessories
- Advanced use cases enabled by Edge and slicing

## Key FY25 outcomes

Network leadership; by FY25: ~95% population coverage for 5G

Deliver mobile services revenue growth

Grow hardware margin and outright device sales

17

# C&SB Fixed - Delivering on our vision for a connected Home

Empower our customers leveraging digital experiences and data



## Multi Use Home

- Superior connectivity
- Proactive assurance

## Digital and Physical Security

- Edge & home network security
- Device security, data and identity protection

## Entertainment

- Aggregated & personalised content – with ad-tech
- AR/VR
- Next Gen Gaming

## Multigenerational needs

- Targeted applications through use of APIs and Telstra Ecosystem

Energy (Electricity & Gas)



## My Telstra

- Optimise your Energy plan
- Security alert, potential virus!
- Connectivity issue - Technician on its way...
- Health monitoring: Pilates on your TTV to loosen up?



Connectivity (5G, Satellite, Fixed Broadband)

## Key FY25 outcomes

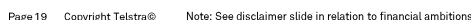
Grow average services per household

Top 5 Energy Retailer

Mid-teens nbn reseller margin by FY23

18

Telstra to become the digital transformation partner of choice in key industry verticals



Investor Day

Targeting the internal and external developer community, APIs enable monetisation of Telstra as an ecosystem



Investor Day

# T25 scorecard



## Customer experience

- Market leading CX with
  - eNPS >40 by FY25
  - sNPS uplift of +25 by FY25
- Getting it right for customers
  - >90% 'Once and Done' by FY25 (C&SB)
  - 90% rating in support and engagement by FY25 (TE)
- Reduce our complaints
  - One-third by FY23, 50% by FY25 (C&SB)
  - >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)
- Grow Telstra Plus members (#) and engagement (%)
  - 5.4m and 70% by FY23
  - 6m and 80% by FY25
- Grow digitally active users by 2m to 8.5m FY25 (C&SB)
- Improve availability of infra. assets for customers, by FY25
  - 250 new towers
  - 6,000km of fibre deployed



## Network & Technology

- Network leadership; by FY25:
  - ~95% pop. coverage for 5G
  - >80% of traffic on 5G
  - 3G closed in FY24
- Win majority of key surveys for best fixed/ mobile network including
  - Coverage, and
  - Overall customers speeds for mobile FY23-FY25
- Double metro cell sites by FY25 to densify the network
- Expand regional coverage
  - 100,000km<sup>2</sup> new coverage by FY25



## Growth and value

- Underlying EBITDA
  - \$7.5-8.0b by FY23
  - Mid-single digit CAGR FY21 to FY25
- Underlying ROIC
  - ~8% by FY23
  - Grow beyond to FY25
- Underlying EPS: High-teens CAGR FY21 to FY25
- Maximise fully-franked dividend and seek to grow over time
- Maintain cost discipline
  - \$500m net fixed cost out from FY23 to FY25 while investing for growth
  - Maintain leading operating cost metrics for full-service telco
- Maximise value from infra.
  - Amplitel EBITDAAAL CAGR - low-to-mid single digit
  - InfraCo Fixed EBITDAAAL CAGR - low-single digit



## New ways of working

- Remain at 90th percentile employee engagement (equivalent to high-performance norm)
- Improve agile maturity of teams, with 70% scoring above 4 by FY25
- Halve our time to market for products and services from FY22 to FY25
- 50% increase in representation of Data & Analytics workforce by FY25
- Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25



## Digital leadership

- All key service transactions with customers are capable of being conducted digitally by FY25
- 100% of key business processes enhanced/ improved using AI by FY25
- Reach top 20% in Digital Capability Index by FY25
- 100% API-first architecture for customer management, product development, and external monetisation
- Move ~90% of applications to the public cloud by FY25



## Responsible business

- Enable renewable energy generation equivalent to 100% of our consumption by 2025
- Reduce absolute emissions from FY19 by at least 50% by 2030
- Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25
- Help keep 1m customers in vulnerable circumstances connected each year from FY22-25
- 4-7pt uplift in RepTrak reputation score by FY25

Our commitments and metrics

Page 21 Copyright Telstra® Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

Investor Day

21



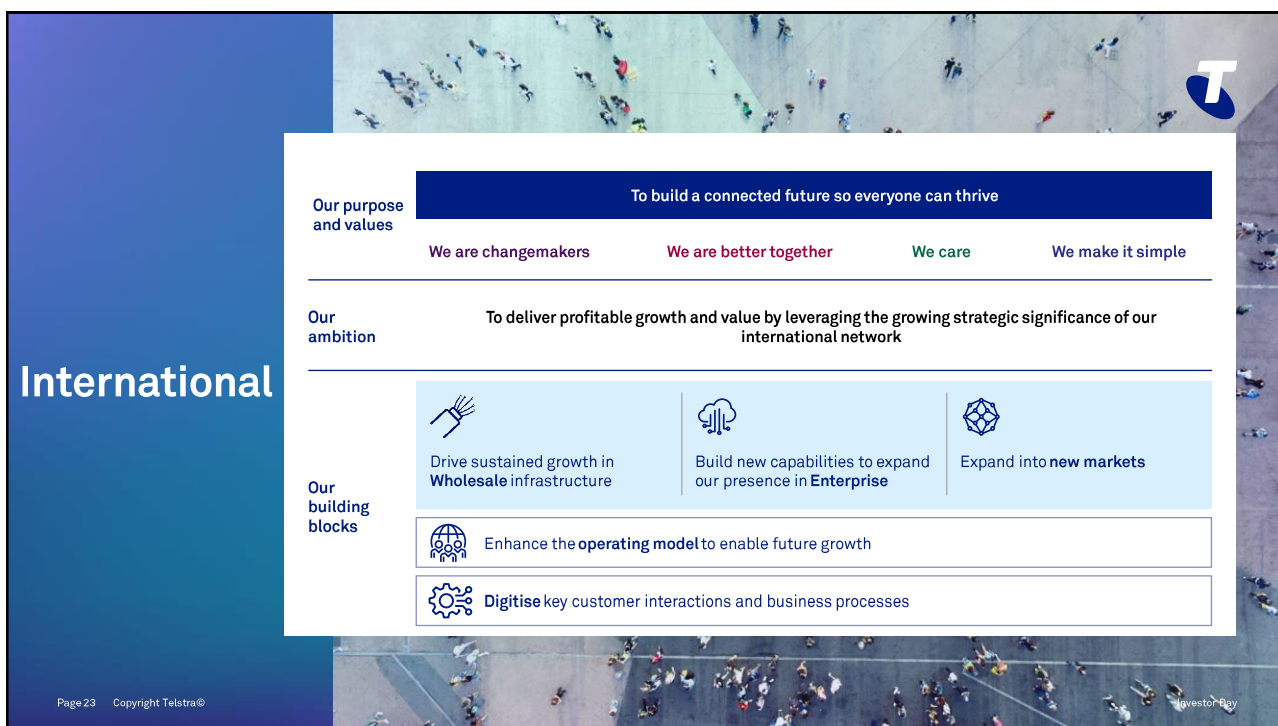
## International incl. Digicel

**Oliver Camplin-Warner**  
CEO, Telstra International

Page 22 Copyright Telstra®

Investor Day

22



# International

**Our purpose and values**


To build a connected future so everyone can thrive

We are changemakers    We are better together    We care    We make it simple


**Our ambition**

To deliver profitable growth and value by leveraging the growing strategic significance of our international network


**Our building blocks**




Drive sustained growth in **Wholesale** infrastructure




Build new capabilities to expand our presence in **Enterprise**



Expand into **new markets**



Enhance the **operating model** to enable future growth



**Digitise** key customer interactions and business processes

Page 23    Copyright Telstra®

23



## The global market is fast evolving and customer needs are changing

**Exponential rise in global demand for data**  
Surge in intensity of demand for international connectivity as the world embraces remote working and more digital ways of life

**COVID-19 accelerating and shifting priorities**  
Acceleration of digital transformation priorities including cloud migration, new digital tools and protection against cybersecurity incidents

**Global policy and regulatory shifts**  
Dynamic geopolitical environment driving reconfiguration of global data transport, with Australia increasingly becoming a strategically important geography

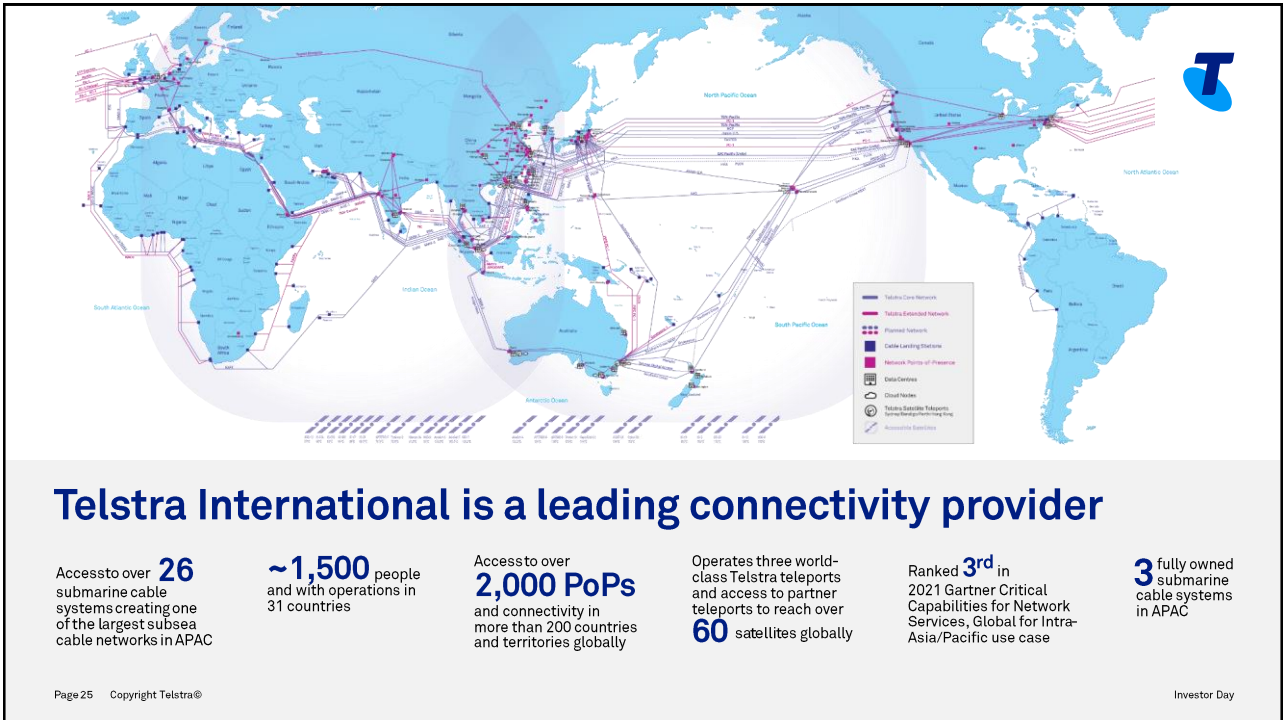
**We have played a role in enabling the global economy and connecting people through the extensive global reach of our networks**

Page 24    Copyright Telstra®

Investor Day

24





25

**We are building on the foundations of T22**

Page 26 Copyright Telstra®

**Our achievements over the last three years**

**Stabilised the business and drove profitable growth**

- Grew underlying EBITDA margin by >3% points since FY18 whilst also reducing capital spend by more than a third
- Focused selling on more profitable products and away from lower profit legacy products
- A\$165m of net cost out expected FY19-22
- Completed divestments of Taiwan Cable Landing Station and Singapore Data Centre

**Focused on simplification and customer experience uplift**

- Uplifted sNPS to +58 in FY21 and close to market-leading
- Launched Telstra Connect, which is actively used by ~35% eligible customers, driving ~25% digital customer service interactions
- Implemented digital transformation initiatives reducing book to bill cycle times by 37% and 72% in the 1<sup>st</sup> and 2<sup>nd</sup> years post implementation

**Set the foundations for future growth**

- Acquired 25% equity stake in Southern Cross Cable Network
- Launched a multi-year program in FY21 to invest towards building Adaptive Networks proposition
- Continuing to build Telstra Purple footprint across Asia, EMEA to drive our services business
- Focused on key strategic partnerships in Asia and EMEA

Page 26 Copyright Telstra® Investor Day

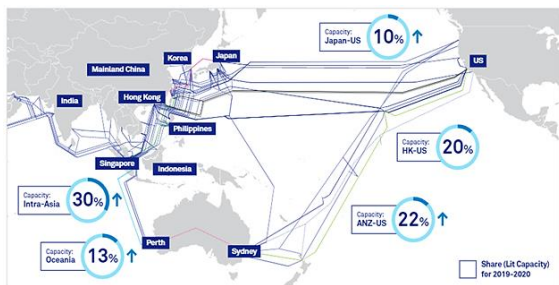
26



## Drive sustained growth in Wholesale infrastructure



We are a Wholesale leader in Asia Pacific connectivity ...



- 'Always On' connectivity for our busiest routes
- Market-leading position in emerging cable hubs like Philippines and Taiwan
- Largest foreign telco in several Asian markets, including South Korea and the Philippines

... and will continue focus on investments to grow the business



Uplift our leading intra-Asian network



Partner to access network capacity on new, high-growth routes



Invest in Australia and APAC terrestrial fibre and satellite



Accelerate network services leveraging our footprint and engineering capability



Invest in new strategic cables and routes

Page 27 Copyright Telstra®

Investor Day

27

## Build new capabilities to grow in Enterprise



**Build market leading capabilities in Adaptive Networks**



- Third party connectivity and branch security
- Proactive network performance monitoring
- SD-WAN co-management at scale



**Accelerate growth in Security on top of existing foundation**



- Scaled security advisory services leveraging Telstra Purple capabilities
- Automated, technology-agnostic managed security services pulled through from professional services



**Expand coverage and increase customer uptake of Modern Workplace**



- Telstra Calling for Microsoft Teams
- Contact Centre solution powered by Genesys Cloud

Page 28 Copyright Telstra®

Investor Day

28

## Expand into new markets

Expanding our capabilities in new and emerging markets to drive future profitable growth



### Deepen capabilities in new and emerging hubs



Meet increasing demand for network diversity and alternative transport hubs for connectivity in/out of Asia



### Strengthen APAC leadership



Broaden infrastructure footprint and deepen network leadership in Asia Pacific



### Expand reach of global infrastructure

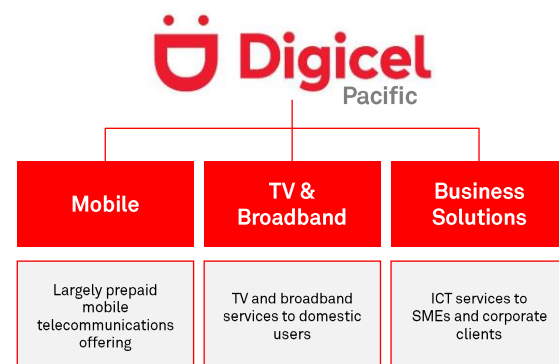


Broaden network reach and capabilities in new countries for Telstra

## Digicel Pacific at a glance



- Leading provider of communications services in **Papua New Guinea, Fiji, Nauru, Samoa, Tonga and Vanuatu**
- **Strong position in the South Pacific region**, holding a number one position in five of these markets
- **Strong earnings growth**, generating revenue of US\$431m and EBITDA of US\$233m in the year to March 31, 2021
- **Over US\$1.2b capital invested** in the network since launch in 2006
- **2.5 million mobile subscribers** across the six markets
- Provides **business ICT solutions** to SMEs, enterprises, government and MNCs
- **TV and Broadband services** in all markets
- **~1,700 employees** across the six markets



## Digicel Pacific has invested significantly in its network in each of its six operating markets



Digicel Pacific has a superior mobile network in PNG that is difficult to replicate:

- >960 cell towers, with ~75% upgraded to 4G LTE
- Challenging terrain and climate – 148 helicopter access sites
- ~80% population coverage for 2G, ~55% for 4G

It also has a well-invested network with high population coverage in all the Hub markets:

- 480 cell sites across Fiji, Samoa, Tonga, Vanuatu and Nauru, with ~80% upgraded to 4G LTE
- Between 87-99% population coverage for 2G, and 69-99% for 4G



31

## The Digicel Foundation in PNG was established in 2008



Completed over **450** education, health and community projects



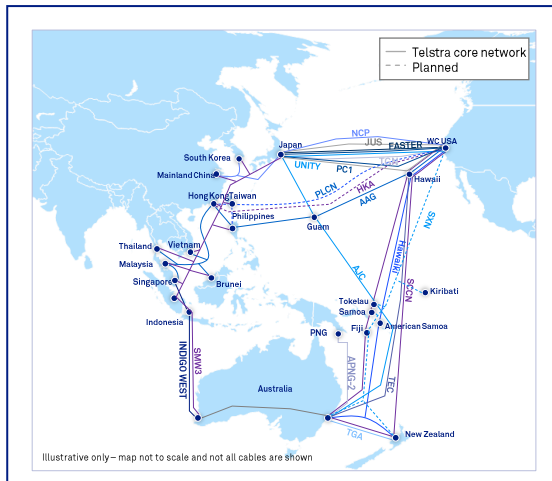
Directly impacting over **900,000** people



Managed and governed through **Foundation Board**

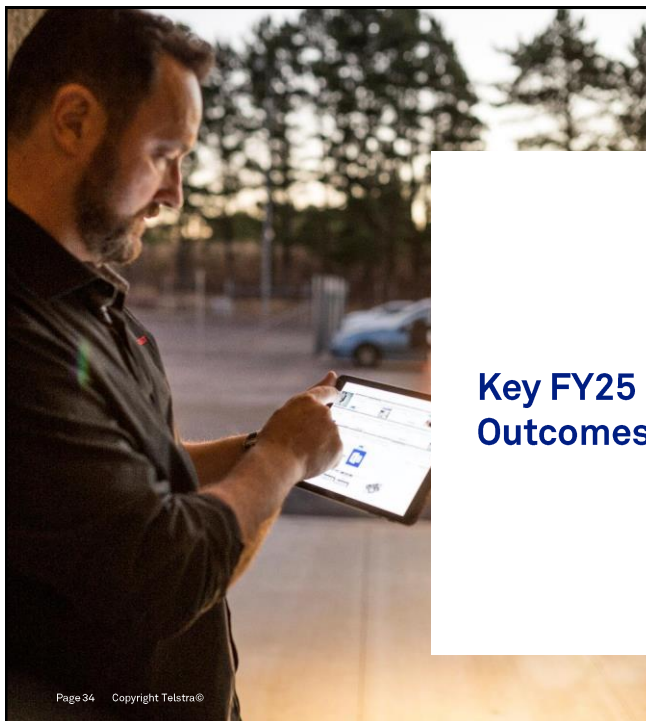
32


# Telstra is a leading provider in South Pacific already and this acquisition will further strengthen our position




- ✓ We are a leading provider of **international voice and data** services in the South Pacific region
- ✓ **Licensed operator** in Papua New Guinea since 2012
- ✓ Acquired **25% equity stake** in the Southern Cross Cable Network
- ✓ **Invested in capacity** on Southern Cross NEXT Cable, connecting Australia, NZ and the US, with branching units linking Fiji, Tokelau, and Kiribati
- ✓ Partnered with the Australian Government to build **the Coral Sea Cable**, connecting PNG, Solomon Islands and Australia
- ✓ Member of the **Pacific Islands Telecommunications Association**

33







## Key FY25 Outcomes




**Strategic NPS of +60**



**Early-20s EBITDA margin for International\***



**Low to mid-single digit revenue CAGR to FY25**



**Partner of choice for majority of Australian HQ'd Enterprise customers**

Note: All financial ambitions exclude Digicel Pacific. See disclaimer slide in relation to financial ambitions

\* Includes corporate overheads

34

# T25 scorecard



Customer experience



Network & Technology



Growth and value



New ways of working



Digital leadership



Responsible business

Our commitments and metrics

## Market leading CX with

- eNPS >4.0 by FY25
- sNPS uplift of +25 by FY25

Getting it right for customers

- >90% 'Once and Done' by FY25 (C&SB)
- 90% rating in support and engagement by FY25 (TE)

## Reduce our complaints

- One-third by FY23, 50% by FY25 (C&SB)
- >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)

Grow Telstra Plus members (#) and engagement (%)

- 5.4m and 70% by FY23
- 6m and 80% by FY25

Grow digitally active users by 2m to 8.5m FY25 (C&SB)

Improve availability of infra. assets for customers, by FY25

- 250 new towers
- 6,000km of fibre deployed

## Network leadership; by FY25:

- ~95% pop. coverage for 5G
- >80% of traffic on 5G
- 3G closed in FY24

Win majority of key surveys for best fixed/ mobile network including

- Coverage, and
- Overall customers speeds for mobile FY23-FY25

Double metro cell sites by FY25 to densify the network

Expand regional coverage

- 100,000km² new coverage by FY25

## Underlying EBITDA

- \$7.5-8.0b by FY23
- Mid-single digit CAGR FY21 to FY25

## Underlying ROIC

- ~8% by FY23
- Grow beyond to FY25

Underlying EPS: High-teens CAGR FY21 to FY25

Maximise fully-franked dividend and seek to grow over time

Maintain cost discipline

- \$500m net fixed cost out from FY23 to FY25 while investing for growth
- Maintain leading operating cost metrics for full-service telco

Maximise value from infra.

- Amplitel EBITDAaL CAGR – low-to-mid single digit
- InfraCo Fixed EBITDAaL CAGR – low-single digit

Remain at 90th percentile employee engagement (equivalent to high-performance norm)

Improve agile maturity of teams, with 70% scoring above 4 by FY25

Halve our time to market for products and services from FY22 to FY25

50% increase in representation of Data & Analytics workforce by FY25

Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25

All key service transactions with customers are capable of being conducted digitally by FY25

100% of key business processes enhanced/ improved using AI by FY25

Reach top 20% in Digital Capability Index by FY25

100% API-first architecture for customer management, product development, and external monetisation

Move ~90% of applications to the public cloud by FY25

Enable renewable energy generation equivalent to 100% of our consumption by 2025

Reduce absolute emissions from FY19 by at least 50% by 2030

Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25

Help keep 1m customers in vulnerable circumstances connected each year from FY22-25

4-7pt uplift in RepTrak reputation score by FY25

Page 35 Copyright Telstra®

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

Investor Day

35

## New Markets: Health

Professor Mary Foley AM  
MD Telstra Health



Page 36 Copyright Telstra®

Investor Day

36



## Telstra Health Purpose and Vision

**Our Purpose** is to realise a connected and improved digital health experience for all

**Our Vision** is to improve lives through digitally-enabled care for our community



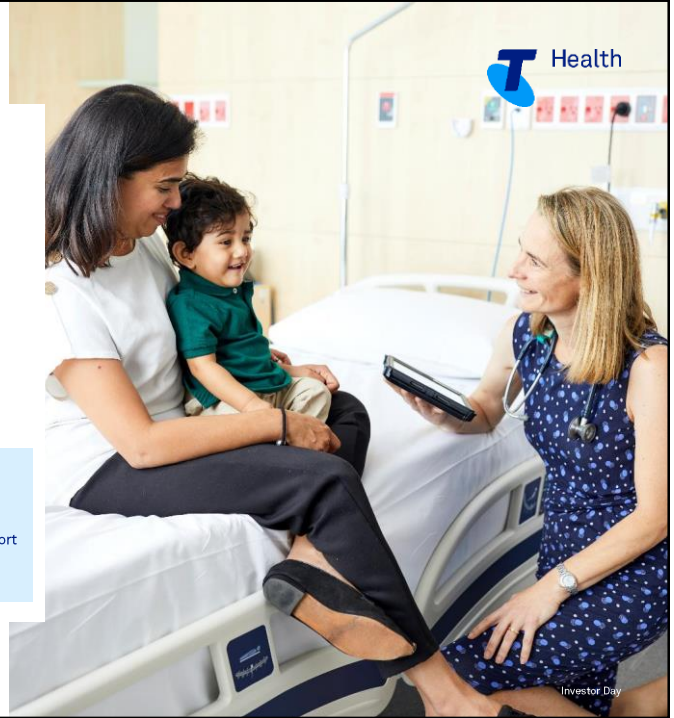
Accelerate the digitisation of health and aged care providers



Expand our business in international healthcare markets



Combine our capabilities to support connected health platforms



Page 37 Copyright Telstra®

37

## Telstra Health is Australia's largest and most comprehensive health software and technology company with a growing global footprint



Across Australia and the UK  
– and expanding across North America, Asia, the Middle East and Europe



**1,400+**  
staff



**15**  
locations

**Our customers** include public health systems in Hong Kong, Canada, the Middle East and Australia, state and territory governments, public and private hospital groups, Aboriginal health services, pharmacies, general medical practices and others

**Strategic acquisitions and joint ventures during FY21/22**



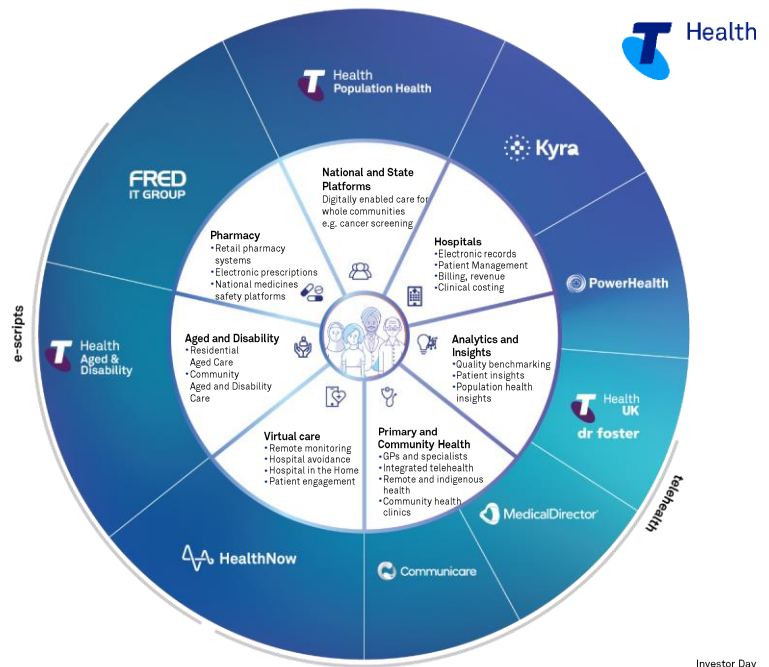
Page 38 Copyright Telstra®

Investor Day

38



Telstra Health has built a unique footprint and capability across the entire continuum of care in health and aged care



Page 39 Copyright Telstra®

39

## Telstra Health has strong verticals in each market segment



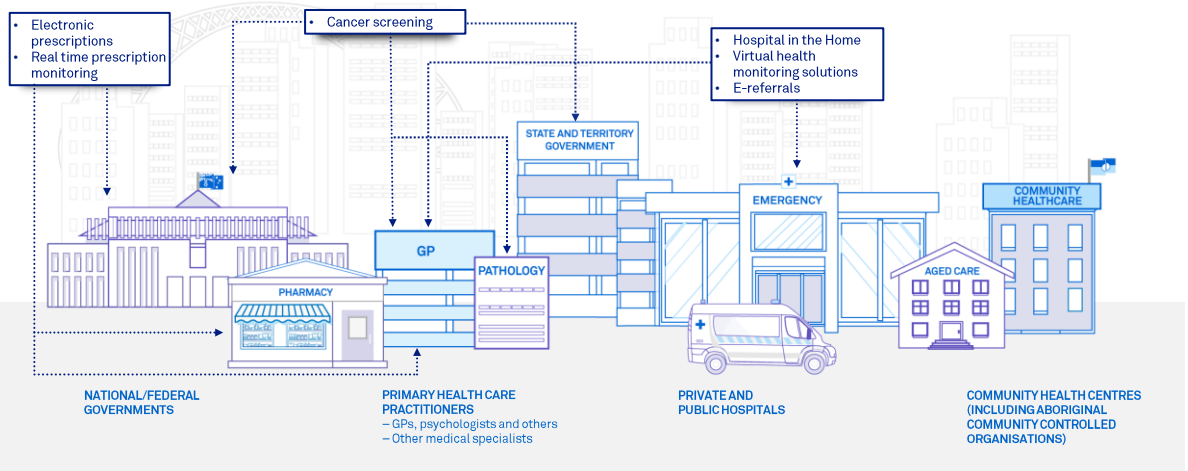
Aged & Disability	Hospitals & Connected Health	Pharmacy (FRED IT)	Population Health
<b>Supporting:</b> <b>62k</b> Residential aged care beds  <b>250+</b> Largest Australian provider of residential aged care and disability support provider digital systems, with 250+ customers	Our Kyra product is the only full Electronic Medical Record developed in Australia and available in the domestic market  Secure Messaging supporting 5,000+ healthcare organisations  <b>540</b> Hospitals in Australia use our software solutions	<b>333m+</b> Prescriptions dispensed through Rx per year  <b>2.6k</b> Community pharmacies in Australia use FRED's clinical systems  All states and territories are contracted and will be live using Real Time Prescription Monitoring solution by early 2022	<b>360k</b> Calls per year answered from screening participants, health professionals and laboratories  <b>3m+</b> Bowel screening kits issued to screening participants  <b>16m</b> Unique cancer screening record for Australian citizens
Virtual Care Solutions	Telstra Health UK (Dr Foster)	Primary Health (GPs)	Community Health
Hospital in the Home implementations for hospital providers  Virtual care solutions supporting international travellers in hotel quarantine during the COVID-19 pandemic	<b>Supporting:</b> <b>71</b> Data and analytics solutions for NHS Hospital Trusts  <b>Clinical Coding &amp; Hospital Billing</b>  <b>1k+</b> Public and private hospitals worldwide use PowerHealth's solutions	<b>23k+</b> Clinicians use MedicalDirector's software  <b>80m+</b> Clinical consultations processed on MedicalDirector's software platforms p.a.	<b>8k+</b> Healthcare professionals working in Aboriginal Community Controlled Health Organisations (ACCHOs) use Communicare  It is the leading multi-disciplinary electronic health system in Community Health

Page 40 Copyright Telstra®

Investor Day

40

## Telstra Health's unique set of offerings also enable interoperable solutions that span the health ecosystem



## Health systems globally are looking to digital solutions to solve the challenges they are grappling with



Growing health spend as a share of GDP, currently at **~10% in OECD countries**



Movement towards **new models of care** including integrated and more value-based care models




**Rising pressures** on healthcare provider capacity and budgets



**Growing prevalence of chronic disease** and an ageing population - Australians aged 65 and over predicted to double by 2060

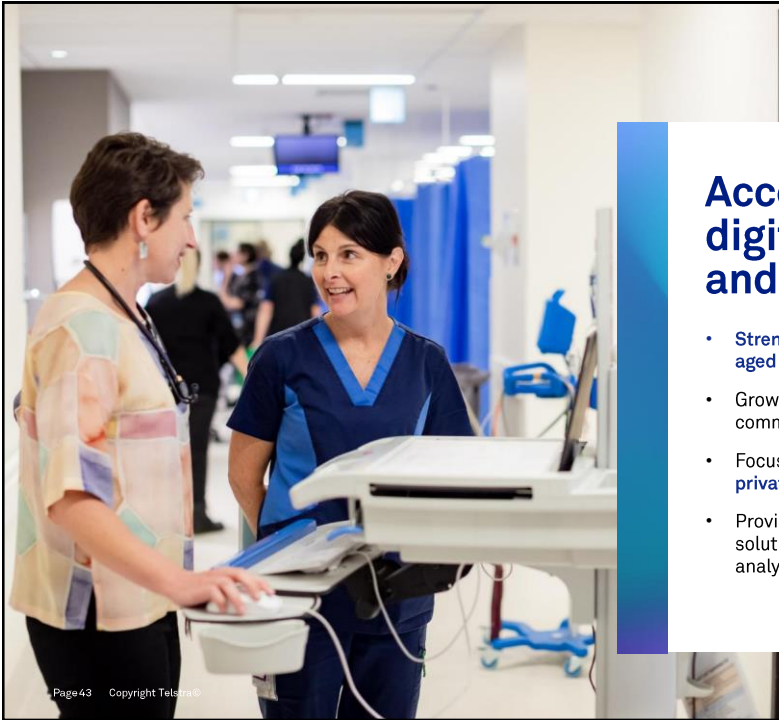


**Acceleration of digitisation** (emphasised through COVID-19) and data analytics improving patient engagement and delivery of care by providers




# Accelerate the digitisation of health and aged care providers

- Strengthen our core business of digitising health and aged care domestically and internationally
- Grow our market leading positions in primary and community health, aged care and pharmacies
- Focus on supporting the digitisation of public and private hospital clinical records and processes
- Provide a full range of digital support across products, solutions, platforms, system integration, data and analytics and advisory services




Page43 Copyright Telstra®

Investor Day



# Expand our business into international healthcare markets

- Grow our comprehensive set of solutions into similar markets and markets where we already have a presence such as in the UK
- Leverage the strong international presence of PowerHealth and realise the synergies of our joint venture as well as our acquisition of MedicalDirector to further develop our global footprint



Page44 Copyright Telstra®

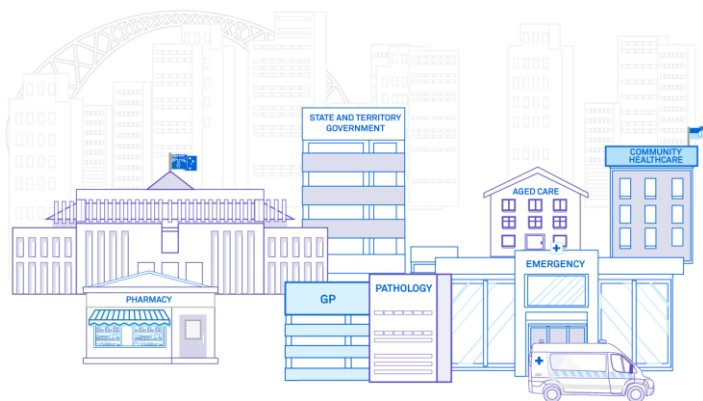
Investor Day

## Combine our capabilities to support connected health platforms



Leverage our strong footprint and capabilities across the healthcare system to support whole of nation platforms such as:

- Health Information Exchanges
- Population Health Management
- Rural and remote health solutions
- Virtual care solutions
- Data, analytics & AI

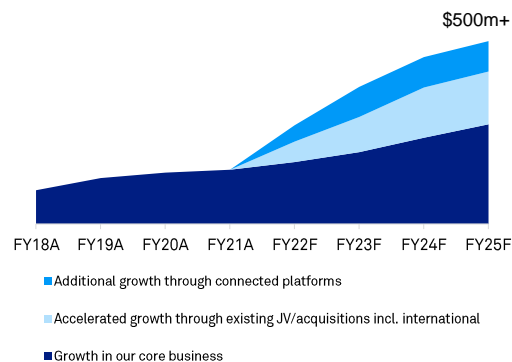


45

## Our growth and investments to date put us in a strong position to deliver our strategy and financial ambition



### Telstra Health Revenue Growth



Telstra Health is expected to achieve annual revenue \$500m+ during FY25 through ensuring:



#### Strong growth in our core business

Our core underlying business has achieved revenue growth of 17% CAGR over the past four years  
Currently, more than 80% of our revenue is recurring  
We also expect to achieve high-teens organic CAGR



#### Successful integration of our recent joint venture and acquisition to augment our capabilities including opportunities to accelerate international growth

Broadening our footprint and enhancing our offerings e.g. in data & analytics with PowerHealth and MedicalDirector



#### Realisation of untapped value by creating interoperable solutions in a growing market

Investing in solutions and platforms that connect fragmented systems to create value

46

# T25 scorecard



Customer experience

Market leading CX with

- eNPS >40 by FY25
- sNPS uplift of +25 by FY25

Getting it right for customers

- >90% 'Once and Done' by FY25 (C&SB)
- 90% rating in support and engagement by FY25 (TE)

Reduce our complaints

- One-third by FY23, 50% by FY25 (C&SB)
- >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)

Grow Telstra Plus members (#) and engagement (%)

- 5.4m and 70% by FY23
- 6m and 80% by FY25

Grow digitally active users by 2m to 8.5m FY25 (C&SB)

Improve availability of infra. assets for customers, by FY25

- 250 new towers
- 6,000km of fibre deployed



Network & Technology

Network leadership; by FY25:

- ~95% pop. coverage for 5G
- >80% of traffic on 5G
- 3G closed in FY24

Win majority of key surveys for best fixed/ mobile network including

- Coverage, and
- Overall customers speeds for mobile FY23-FY25

Double metro cell sites by FY25 to densify the network

Expand regional coverage

- 100,000km2 new coverage by FY25



Growth and value

Underlying EBITDA

- \$7.5-8.0b by FY23
- Mid-single digit CAGR FY21 to FY25

Underlying ROIC

- ~8% by FY23
- Grow beyond to FY25

Underlying EPS: High-teens CAGR FY21 to FY25

Maximise fully-franked dividend and seek to grow over time

Maintain cost discipline

- \$500m net fixed cost out from FY23 to FY25 while investing for growth
- Maintain leading operating cost metrics for full-service telco

Maximise value from infra.

- Amplitel EBITDAaL CAGR – low-to-mid single digit
- InfraCo Fixed EBITDAaL CAGR – low-single digit



New ways of working

Remain at 90th percentile employee engagement (equivalent to high-performance norm)

Improve agile maturity of teams, with 70% scoring above 4 by FY25

Halve our time to market for products and services from FY22 to FY25

50% increase in representation of Data & Analytics workforce by FY25

Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25



Digital leadership

All key service transactions with customers are capable of being conducted digitally by FY25

100% of key business processes enhanced/ improved using AI by FY25

Reach top 20% in Digital Capability Index by FY25

100% API-first architecture for customer management, product development, and external monetisation

Move ~90% of applications to the public cloud by FY25



Responsible business

Enable renewable energy generation equivalent to 100% of our consumption by 2025

Reduce absolute emissions from FY19 by at least 50% by 2030

Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25

Help keep 1m customers in vulnerable circumstances connected each year from FY22-25

4-7pt uplift in RepTrak reputation score by FY25

Our commitments and metrics

Page 47 Copyright Telstra® Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

Investor Day

47



## New Markets: Energy

**Ben Burge**  
Telstra Energy

Page 48 Copyright Telstra®

Investor Day

48



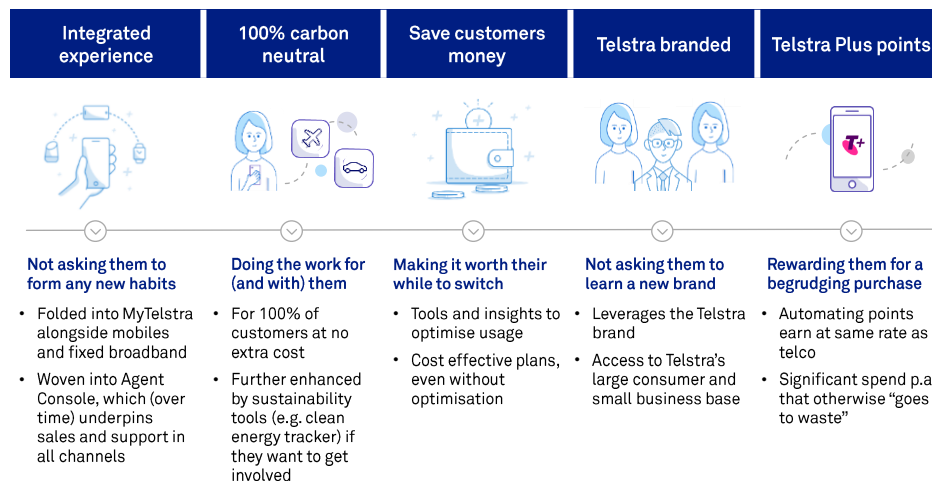






## Our Telstra Energy proposition

A simple and sustainable proposition



Page 51 Copyright Telstra®



Investor Day

51



## Our existing channels, relationships and interactions pave the road to scale



Scale

- Relationships with 5.4m Australian households and ~0.9m SMB customers
- 3.5m Telstra Plus members and 6.5m active digital users
- Target 1.7m household "moves" p.a. with a high proportion already with Telstra
- Focus on acquiring energy switchers; trials confirm cost-to-acquire advantage



Channel & Marketing

- Leverage Telstra Plus with exclusive offers
- Digital launch on the new stack; then scale in stores and contact centres
- Ramping up marketing from FY23 (incl to non-Telstra customers)



Risk Management

- Capital-light organic investment
- Activation of standby assets to enhance peak energy risk management
- Mitigate energy costs with structured positions (e.g. Murra Warra wind farm)

Key FY25 Outcomes

Top 5 Energy Retailer by FY25

0.5m+ customers

Page 52 Copyright Telstra®



Investor Day

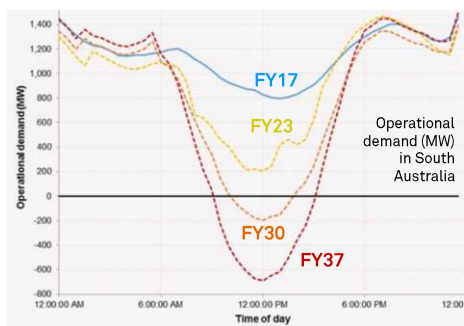
52



## Embracing energy volatility

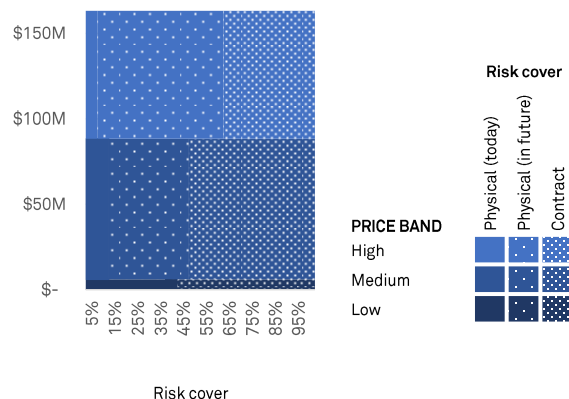
Risk management in the age of high-fidelity price signals and flexible assets

The changing profile of demand: yesterday's advantage becomes tomorrow's disadvantage



Source: AEMO, taken from AEMC Reliability Panel, 'Annual Market Performance Review 2018'

Conceptual representation of exposure at 0.5m customers



## Energy retail is a natural category extension for Telstra

- Telstra is already an active participant in Australia's energy markets and energy retail is a natural extension
- Our energy proposition will be simple & sustainable and will deliver value for customers
- Our existing channels, relationships and assets will help us scale effectively to meet our growth ambitions
- Telstra Energy complements both our core business and our ambitious renewable energy commitments

## T25 scorecard



Customer  
experience

**Market leading CX with**  
• eNPS > 40 by FY25  
• sNPS uplift of +25 by FY25

Getting it right for customers  
• >90% 'Once and Done' by FY25 (C&SB)  
• 90% rating in support and engagement by FY25 (TE)

Reduce our complaints  
• One-third by FY23, 50% by FY25 (C&SB)  
• >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)

Grow Telstra Plus members (#) and engagement (%)  
• 5.4m and 70% by FY23  
• 6m and 80% by FY25

Grow digitally active users by 2m to 8.5m FY25 (C&SB)

Improve availability of infra. assets for customers, by FY25  
• 250 new towers  
• 6,000km of fibre deployed



Network &  
Technology

Network leadership; by FY25:  
• ~95% pop. coverage for 5G  
• >80% of traffic on 5G  
• 3G closed in FY24

Win majority of key surveys for best fixed/ mobile network including  
• Coverage, and  
• Overall customers speeds for mobile FY23-FY25

Double metro cell sites by FY25 to densify the network

Expand regional coverage  
• 100,000km<sup>2</sup> new coverage by FY25



Growth  
and value

**Underlying EBITDA**  
• \$7.5-8.0b by FY23  
• Mid-single digit CAGR FY21 to FY25

**Underlying ROIC**  
• ~8% by FY23  
• Grow beyond to FY25

**Underlying EPS: High-teens CAGR FY21 to FY25**

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

Maintain cost discipline  
• \$500m net fixed cost out from FY23 to FY25 while investing for growth  
• Maintain leading operating cost metrics for full-service telco

Maximise value from infra.  
• Amplitel EBITDAaL CAGR – low-to-mid single digit  
• InfraCo Fixed EBITDAaL CAGR – low-single digit



New ways  
of working

**Remain at 90th percentile employee engagement (equivalent to high-performance norm)**

Improve agile maturity of teams, with 70% scoring above 4 by FY25

Halve our time to market for products and services from FY22 to FY25

50% increase in representation of Data & Analytics workforce by FY25

Direct software engineering workforce delivering ~ 2x the percentage of strategic development work by FY25



Digital  
leadership

All key service transactions with customers are capable of being conducted digitally by FY25

100% of key business processes enhanced/ improved using AI by FY25

Reach top 20% in Digital Capability Index by FY25

100% API-first architecture for customer management, product development, and external monetisation

Move ~90% of applications to the public cloud by FY25



Responsible  
business

**Enable renewable energy generation equivalent to 100% of our consumption by 2025**

**Reduce absolute emissions from FY19 by at least 50% by 2030**

Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25

Help keep 1m customers in vulnerable circumstances connected each year from FY22-25

4-7pt uplift in RepTrak reputation score by FY25

Our commitments and metrics

Page 55 Copyright Telstra®

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

Investor Day

55

## Appendix



56

# Glossary



Term	Definition (unless separately defined in the slide footnotes)
<b>CAGR</b>	Compound Annual Growth Rate
<b>Capex</b>	Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases
<b>EBITDAaL</b>	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and after leases
<b>Guidance adjustments</b>	Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management
<b>net one-off nbn receipts</b>	Net one-off nbn Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect (C2C)
<b>Reported lease adjusted</b>	FY21 'reported lease adjusted' includes all mobile handset leases as operating expenses, and all rent/other leases below EBITDA
<b>ROIC</b>	Calculated as Net Operating Profit after Tax (NOPAT) as a percentage of total capital
<b>Underlying earnings</b>	Profit after Tax and Minority Interests (PATMI) from continuing operations excluding net one-off nbn receipts and guidance adjustments
<b>Underlying EPS</b>	Underlying Earnings Per Share (EPS)
<b>Underlying EBITDA</b>	EBITDA excluding net one-off nbn receipts and guidance adjustments. FY21 underlying EBITDA also includes depreciation of mobile lease right-of-use assets
<b>Underlying ROIC</b>	Calculated as NOPAT excluding net one-off nbn receipts and guidance adjustments, less tax, as a percentage of total capital

# Disclaimer



These presentations include certain forward-looking statements. The forward-looking statements are based on certain assumptions and information known by Telstra, and on Telstra's reporting framework, as at the date of these presentations.

The forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond 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; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; the ongoing impacts of the COVID-19 pandemic; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these risks, uncertainties and other factors are described in the "Chairman & CEO Message", "Our material risks" and "Outlook" sections of our Operating and Financial Review (OFR). The OFR is set out in Telstra's financial results for the year ended 30 June 2021 and in Telstra's 2021 Annual Report which were lodged with the ASX on 12 August 2021 and 27 August 2021 respectively, and are available on Telstra's Investor Centre website [www.telstra.com.au/aboutus/investor](http://www.telstra.com.au/aboutus/investor).

In addition, there are particular risks and uncertainties in connection with the implementation of the Telstra2025 strategy (T25), including the response of customers to changes in products and the way we interact with them as we move to a digital operating model; the risks of disruption from changes to the ways we work; that detailed business plans have not been developed for the entirety of the strategy and the full scope and cost of T25 may vary as plans are developed; Telstra's ability to execute and manage the elements of T25 in a sequenced, controlled and effective manner and realise the planned operational synergies, cost savings and revenue benefits. There are also risks and uncertainties in connection with the proposed legal restructure announced on 22 March 2021.

Telstra does not provide financial guidance beyond the current financial year. Telstra's financial ambitions to FY25 (in particular for its Underlying EBITDA and Underlying ROIC by FY23) and FY25 outcomes are not guidance and there are greater risks and uncertainties in connection with these ambitions. The indicators provided in this presentation of FY25 outcomes and FY25 financial ambitions, are provided to illustrate some of the outcomes which management is currently focused on delivering across the short to medium term. Each item and action is subject to a range of assumptions and contingencies, including the actions of third parties.

Investors should not place undue reliance on the forward-looking statements. To the maximum extent permitted by law, Telstra gives no representation, warranty or other assurance in connection with, and disclaims all responsibility for, the accuracy and completeness of the forward-looking statements, whether as a result of new information, future events or otherwise.

These presentations are not intended to (nor do they) constitute an offer or invitation by or on behalf of Telstra, its subsidiaries, or any other person to subscribe for, purchase or otherwise deal in any equity, debt instrument or other securities, nor are they intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any equity, debt instruments or other securities.

All forward-looking figures and proforma statements in these presentations are unaudited and based on A-IFRS unless otherwise indicated. Certain figures may be subject to rounding differences.

All market share information in these presentations is based on management estimates having regard to internally available information unless otherwise indicated.

All amounts are in Australian Dollars unless otherwise stated.

nbn™, nbn co and other nbn™ logos and brands are trademarks of nbn co limited and used under licence.