



27 May 2025

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

### **Connected Future 30 Strategy - Investor Presentation**

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

The briefing will be held in-person, and via webcast live from 10am (AEST) 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.

Release of announcement authorised by:

Craig Emery  
Company Secretary





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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 "Chair's message", "CEO's message", "Our material risks", "Outlook" and "Acting on climate and nature" sections of Telstra's 2024 Annual Report which was lodged with the ASX on 29 August 2024. Further disclosures were made in Telstra's financial results for the half-year ended 31 December 2024 which were lodged with the ASX on 20 February 2025. These documents are 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 Connected Future 30 strategy. Those risks include the response of customers to changes in products and the way Telstra interacts with customers, the risks of disruption from changes in Telstra's ways of working, and Telstra's ability to execute and manage the elements of the strategy in a sequenced, controlled and effective manner and realise the planned benefits, cost savings and growth opportunities.

The accuracy of Telstra's greenhouse gas (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. For further information on Telstra's GHG emissions targets, refer to the forward-looking statement summary disclaimer in the "Acting on climate and nature" section of Telstra's 2024 Annual Report. Telstra does not provide financial guidance beyond the current financial year. Telstra's financial targets and growth ambitions across our portfolio (including the targets to FY30 in connection with the Connected Future 30 strategy) are not guidance and there are greater risks and uncertainties in connection with these targets. The targets to FY30 provided in this presentation are provided to illustrate some of the outcomes management is currently focused on delivering in connection with the Connected Future 30 strategy. Each target is subject to a range of assumptions and contingencies including the factors referred to above.

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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**

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# Today's agenda



- 1 **Connected Future 30** Vicki Brady
- 2 **Customer Engagement** Brad Whitcomb, Amanda Hutton, Oliver Camplin-Warner
- 3 **Network as a Product** Shailin Sehgal, Kim Krogh Andersen
- 4 **Digital Infrastructure** Brendon Riley
- 5 **Financial discipline** Michael Ackland
- 6 *Q&A session*



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# We are at an inflection point



## Demand continues to grow and become more complex



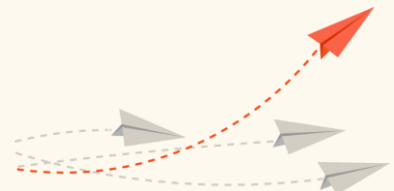
### Customer needs are changing

The connectivity we provide needs to become more sophisticated and flexible



### Demand will only increase

New devices, use cases, and greater digital activity will drive demand



### The competitive environment is changing

Many players see the opportunity, and we need to move fast

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(1) As of H1 FY25; (2) Since FY21; (3) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals; (4) Target baselined from FY25

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# Network as a Product

Goal


to build and operate Australia's leading network and reinvent how we capture value from it

(1) As of H1 FY25; (2) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals



## Network leadership


- Sustain our **best network** and **maintain our mobile coverage lead** by investing to improve capacity and efficiency
- Lead in **new tech** like satellite-to-mobile and 6G, while maintaining a focus on **security and resilience**
- Create an **autonomous network** that runs, heals and ultimately designs itself




## Reinventing how we create and capture value


- Enable new, scalable commercial models and capture **new value** fuelled by automation and programmability
- Productise** sophisticated network capabilities
- Work with **global partners** to capture value


T25 progress<sup>1</sup>

91% 5G mobile population coverage

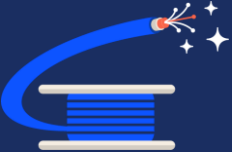
>\$40b invested in capex and spectrum over 10 years

Our key targets<sup>2</sup>

Lift Network Experience Index by 1 point every year

Transform our connectivity platform, with the majority of connectivity revenue enabled by NaaP by FY30

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# Digital Infrastructure

Goal


to be Australia's leading digital infrastructure provider

(1) As of May 2024; (2) As of H1 FY25; (3) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals



## InfraCo


- Deliver **Intercity Fibre** and associated revenue objectives
- Provide **solutions** supporting the new era of AI and connectivity and explore new **growth opportunities** with partners
- Provide a **seamless customer experience** through digital interfaces exposing dynamic inventory
- Modernise our **footprint**
- Redirect capital to **maximise returns**




## Amplitel


- Maintain towers leadership, expand services business and have 90% of all new business transacted digitally


T25 progress

>4,000km Intercity Fibre in the ground!

>Low-single digit growth InfraCo Fixed EBITDAaL<sup>2</sup>

Our key targets<sup>3</sup>

Sustained Cash EBIT growth

Mid-teens IRR on strategic investments & partnerships

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# Our enablers help deliver our strategy

Work as one


Look beyond

Make a difference



## People and culture

driving high performance through investing in new skills and technology, engaging and enabling our people




## Technology leadership

leading AI adoption, modern software practices, resiliency and security, simplification and decoupled architecture



## Sustainability

delivering business value and creating positive impact in ways that support our broader communities and environment




## Financial discipline

driving positive operating leverage through commercial, cost and BAU capex discipline

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# Our value creation is underpinned by levers of growth and cash generation

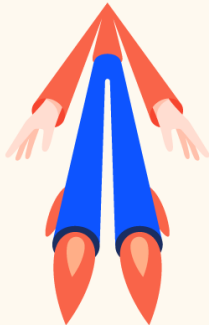


## Growth in core business cashflow

- Growth in **mobile and digital infrastructure**
- Operating leverage with **cost** and **BAU capex** efficiency
- Supports growth in **balance sheet capacity**

## + Portfolio & investment management

## + Disciplined capital management



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# Our key targets



## Customer Engagement



Grow strategic NPS by more than 50% by FY30<sup>(1)</sup>



Top 10 strongest brand in Australia

## Network as a Product



Lift Network Experience Index by 1 point every year



Transform our connectivity platform, with the majority of connectivity revenue enabled by NaaP by FY30

## Digital Infrastructure



Sustained Cash EBIT growth



Mid-teens IRR on strategic investments and partnerships

## People and culture



Maintain top quartile Employee Engagement

## Technology leadership



Achieve top quartile AI maturity by FY30

## Sustainability



70% reduction in absolute scope 1+2 emissions by 2030<sup>(2)</sup>

50% reduction in absolute scope 3 emissions by 2030<sup>(2)</sup>

## Financial discipline



Cost discipline through positive operating leverage<sup>(3)</sup>

## Our financial goals:

Growing shareholder value



Grow cash earnings by mid-single digit CAGR to FY30



10% underlying ROIC by FY30



Disciplined capital and portfolio management

Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals; (1) Target baselined from FY25; (2) Target baselined from FY19; (3) Positive operating leverage defined as underlying income percentage growth greater than Cash EBIT cost percentage growth

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# Three things give us conviction

## We are positioned for success and growth



### Demand is growing

Global, local, and industry trends all indicate that demand for connectivity will only continue to grow



### Competitive advantages

Our core connectivity business is strong, with a unique set of competitive advantages that mean we are well placed to lead



### Disciplined execution

We have a solid track record of disciplined delivery and have returned the company to sustainable growth

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# Connected Future 30 Video



Video introducing Connected Future 30 strategy



# Customer Engagement





# Customer Q&A

Brad Whitcomb  
Amanda Hutton  
Oliver Camplin-Warner



# Consumer Creating customer value



Brand  
strength 

Safe  
place 

AI  
fuelled 

Premium  
retailer 

Differentiated  
connectivity 





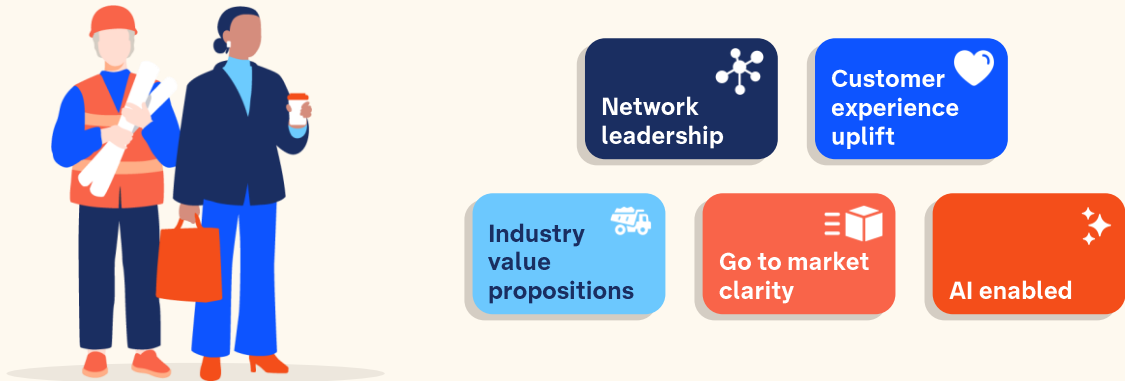
# Business

## Creating customer value



# Enterprise

## Creating customer value





# Network as a Product



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PART 1

with Shailin

## network leadership

PART 2

with Kim

## reinventing how we create & capture value



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# We are continuing our leadership through evolutionary new tech

Our physical assets are **core** to providing connectivity across Australia, with **breadth** that is unrivalled

AI and cloud drives the **next evolution of technology and network differentiation**

AI

Cloud

Telstra Autonomous Network

Uses AI to simplify the network interaction with self-configuring, self-optimising, and self healing properties

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## Continuing our network leadership

(1) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

### Sustain our best network

- Invest & deploy capacity
- Maintain our mobile coverage lead
- 5G Advanced Capabilities

### Capacity to meet evolving needs

and capture increased value

### More efficient networks

Better performance; reduced energy

### Future-ready networks

Ready for ORAN

Target: **Lift Network Experience Index by 1 point every year<sup>1</sup>**

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# As we lead with new technologies

security and resilience remains key to maintaining trust

## Lead in new technologies



- Launch satellite-to-mobile (direct-to-handset)
- Create momentum toward 6G
- Enable world leading optical

## Focus on security and resiliency

- Security by design practices
- Reduce customer impact minutes



# Autonomous networks ambition

A paradigm shift

## today



Customer experience



Security & resilience



Capturing new value

- Static and manual optimisation based on average customer needs
- Manual operations and reactive troubleshooting
- Complex integration & manual service exposure to build products



## our future

- Dynamic, intent-based optimisation to meet real time customer needs
- Predictive monitoring and self-healing to avoid customer impact
- Programmable, intent-driven interfaces to support new modes of value capture



Connected Future

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T

PART 2

with Kim

PART 1

with Shailin

network leadership

reinventing

how we create & capture value

lightbulb icon

person with binoculars on arrows

Network as a Product

allows us to reinvent our business model

T

stack of blocks

Industry fundamentals

- Continued growth in demand
- Greater dependency on networks
- Increasingly sophisticated customer needs

Our objectives

scalable business model

automation and programmability

global playbook

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# Potential business models with sophisticated network attributes

## Scalable business models

Pay-as-you-go models

Based directly on usage

Subscription / tiered

Based on predefined inclusions

Dynamic adjustments

Live adjustment of pricing

Revenue sharing

Agreed % of revenue for API provider

Indirect

Emerging indirect models

## with a range of attributes

control

financial

location

observability

quality

resilience

security

... and more

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# We will capture the value of our network through three key channels

End Users

Consumers

Businesses

Enterprise & Govt

Developers/B2B2X

Hyperscalers

Software developers

OEMs & systems integrators

Carriers & MVNOs

Customer Engagement (Retail)

including Consumer, Business, Enterprise and International segments

Traditional MVNO and Wholesale Fixed

Aggregators and emerging indirect models

like Aduna and B2B2X

1

Network as a Product

Sells to (1) retail segments, (2) traditional Wholesale, (3) API-based B2B2X

2

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Third parties

Like nbn, satellite operators and others

Digital Infrastructure

Provides products to NaaP layer

Direct sales

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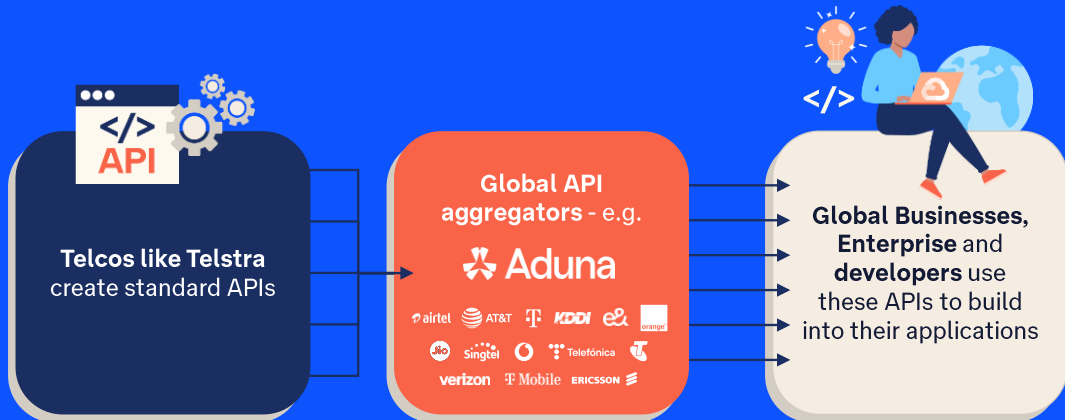
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# Global API aggregators like Aduna

enable us to capture value



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Connected Future 30



# Digital Infrastructure



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# Australia's most extensive portfolio

## International assets

### International network

- 400,000km of cables intra-Asia and connecting Asia to the world
- 30 subsea cable systems including 3 fully owned
- 38 cable landing stations, including 11 owned

### International links

- 3 path diversity / resiliency on all major APAC routes
- The largest subsea capacity in Taiwan, Korea, and Philippines among foreign carriers
- Reaching >60 satellites globally (inc. 3 teleports)

## Domestic assets

### Intercity network

- 370,000km duct length with 7.5m pits and manholes
- ~250,000km fibre which includes the new intercity network
- 111 of 121 nbn Points of Interconnect (POIs) are InfraCo fixed network sites

### Inter-exchange network

- 2 large and 5 small data centres (DCs)
- Connections to 150+ data centres and all 121 nbn POIs
- >7,500 sites with 100+ potential edge sites that have 160MW capacity

### Customer access network

- ~160,000 poles for small cells, IOT, and emergency services
- Amplitel has >8,000 towers, masts & mobile poles
- 150 amplifier sites supporting the next generation fibre network

### Towers and rooftops

Largest terrestrial intercity network in Australia

One of the largest Asia Pacific networks operated by an Australian carrier

Reliable and trusted partner

All data points as of May 2025. "Largest" defined by total route kms of fibre

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# Diverse and growing customer base

## Underpinning strong, stable, long-term cashflows

### nbn, Telstra, carriers & wholesalers

Infrastructure and high capacity backhaul that supports Telstra's leadership, growth of other carrier footprints and underpins the nbn

### Hyperscalers

Bespoke, high-capacity connectivity within and between data centre availability zones

### New growth

Solutions covering connectivity, land and power for satellite operators, and connectivity infrastructure supporting data centres, CDNs, SDNs and OTTs<sup>1</sup>

### Government, industry & major projects

Sovereign, scalable and secure connectivity to support cloud, AI and productivity, and infrastructure services supporting major projects

(1) CDN = Content Delivery Networks; SDN = Software-Defined Network providers; OTTs = Over The Top providers

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# Our plan for growth


Australia's leading digital infrastructure provider

Strategy & investment areas




Maintain & expand our core infrastructure leadership

with a focus on IRR-attractive investments



New and better ways to make our assets accessible


through digitisation, new products and partnerships




Modernise our footprint

to improve operating leverage, support resiliency and unlock new value pools

Targets<sup>1</sup>




Sustained Cash EBIT growth




Mid-teens IRR on strategic investments and partnerships


Supported by



Operating efficiency focus to reduce further cost pools



Accelerated capital recycling to deploy and expand faster



New partnerships and channels to efficiently scale

(1) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

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# Australia's largest terrestrial intercity network

Sydney-Canberra coastal route set to go live on 25 June 2025

Melbourne to Sydney

Standard Ends

Melbourne-Canberra ILAs

Canberra-Sydney ILAs

Canberra bypass

Sydney

Haymarket

Wollongong

Yerriyong

Canberra

Deakin

Monash

Manar

Cooma

Bombala

Melbourne

Clayton

Warragul

Toongabbie

Orbost

Noorinbee Nth

MELBOURNE

CANBERRA

Coastal Route

357 km

MELBOURNE

CANBERRA

Canberra Bypass

1,095 km


MELBOURNE

CANBERRA

Coastal Route

753 km

144 fibre pairs per route with >~60 Tbps capacity per fibre pair<sup>1</sup>



First routes going live servicing the in-demand eastern data corridor:

Largest population centres, which coincide with the major hyperscaler availability zones

~95% of national data centre demand is served by Melbourne, Sydney and Canberra with ~80 operational data centres (another 25+ planned or under construction)<sup>2</sup>

16 subsea cables landing in Sydney and Melbourne with more planned<sup>3</sup>

ICF moves large data sets between data centres, clouds and regions

All data points as of May 2025 unless otherwise stated; "Largest" defined by total route kms of fibre; ILA = In-line Amplifier. (1) Desktop simulation speeds showed ~80 Tbps for Sydney-Melbourne route and ~60 Tbps for Perth-Sydney route, May 2024; (2) Source: Cushman & Wakefield, H2 2024. 80 and 25+ refers to only the DCs within Melbourne, Sydney and Canberra regions; (3) Across all operators. Source: TeleGeography, 2025

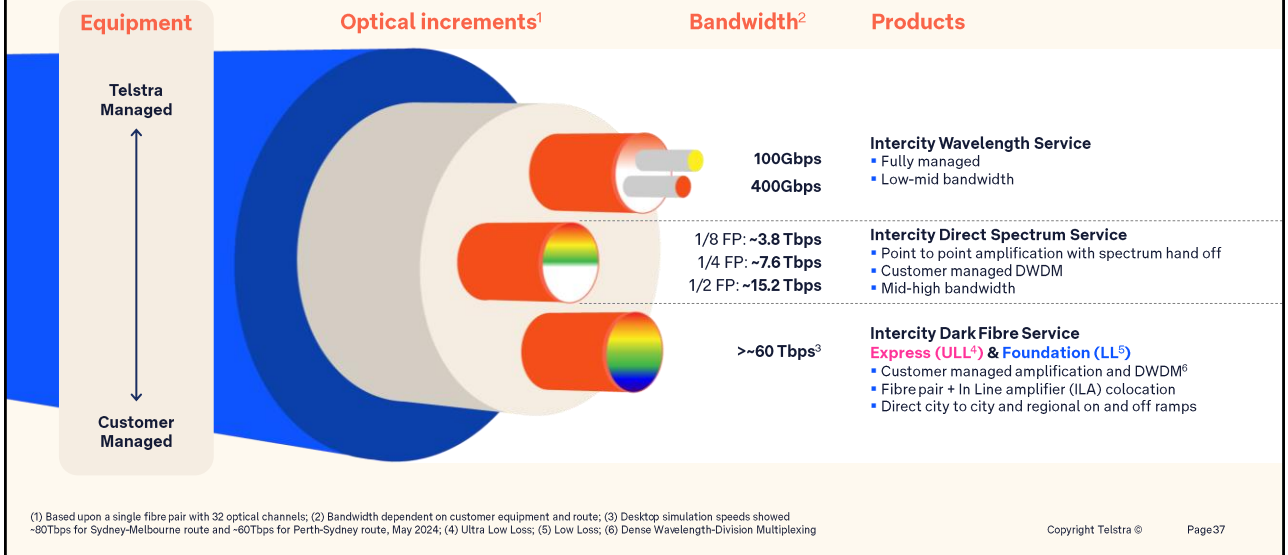
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# Options to suit customer needs



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## Infrastructure Managing costs



**Shifting to preventative management with emergency works <10% of maintenance regimes**



**Applying AI to efficiently predict and manage truck rolls**



**Using automation and AI to streamline critical processes and uplift customer experience**

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# Amplitel

We've built Australia's leading towers business

The **largest digital twin program** in Australia and NZ with 90% of mobile sites digitised<sup>1</sup>

Signed **long term agreements** with all major MNOs

Improved **land tenure** and **ongoing cost efficiencies**

Built **300 new sites** with 400 under development

**Additional tower capacity** and portfolio life unlocked

Processed **5,000 projects for customers** (~1,500 adds moves and changes per annum)

Launched a **customer digital portal**

All data points as of May 2025 and calculated from September 2021; (1) Only for drone flyable mobile sites

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# We have momentum to deliver

## InfraCo

Established 2019

~3% EBITDAaL CAGR<sup>1</sup>  
62% EBITDAaL margin<sup>3</sup>

## AMPLITEL

Established 2021

~8% EBITDAaL CAGR<sup>2</sup>  
64% EBITDAaL margin<sup>3</sup>

### Network investments

- New **intercity fibre network** with >4,000 km of fibre laid
- Delivering **metro fibre rings** between data centres for hyperscalers
- Delivering **satellite ground infrastructure** including 300 satellite access nodes

### Innovation

- Achieved a **world first** of 1.6Tb/s through a single optical channel over 700km
- Scaled **standalone power systems** and trialling **next gen batteries**
- Australia's **first terrestrial optical spectrum sharing** product, Direct Spectrum

### Capability and track record

- Major programs for **copper extraction, property divestment** and **commercial works**
- Responded to **29 major incidents** impacting power availability and **4 natural disasters** in FY25 to date
- Stood up the **Power Resilience Taskforce** to develop contemporary industry solutions and uplift resilience

All data points as of May 2025 unless otherwise stated; (1) EBITDAaL excluding commercial works and legacy asset sales CAGR FY21-24; (2) EBITDAaL excluding gain from contract CAGR FY21-24; (3) As of H1 FY25

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# ICF Video



Video focused on the Sydney, Melbourne, Canberra routes



**Michael Ackland**  
Chief Financial Officer



# Our financial goals



Our goal is to deliver consistent growth  
in shareholder value and returns



**Grow cash earnings** by  
mid-single digit CAGR to FY30  
supporting sustainable and  
growing dividends



**10% underlying  
ROIC** by FY30  
demonstrating growth  
and returns



**Disciplined capital and  
portfolio management**  
underpinned by balance sheet  
settings consistent with  
an A band credit rating

Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

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## Disciplined allocation of capital helps enable shareholder value creation



### 1 Growth in core business cashflow

- Growth in **mobile and digital infrastructure**
- Operating leverage with **cost** and **BAU capex** efficiency
- Supports growth in **balance sheet capacity**

### + 2 Portfolio & investment management

- **Strategic capex** investments in infrastructure
- Active **divestment pipeline** of non-core assets
- **Commercial partnership** and **M&A** opportunities

### + 3 Disciplined capital management

- Strong commitment to **A band credit rating**
- Sustainable and growing **dividend**
- Potential for additional **shareholder returns**

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## Key drivers of core business performance



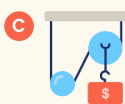
## Strong mobile fundamentals

## Sustainable mobile growth



## Growing demand for digital infrastructure

Delivering high-quality **long-term returns and growth**



## Positive operating leverage

- Commercial excellence** driving growth and returns
- BAU capex discipline** to help drive financial momentum
- Cost reduction and efficiency** supported by AI

Target: **Grow cash earnings** by **mid-single digit** CAGR to FY30<sup>1</sup>

(1) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

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Strong fundamentals and demand underpins sustainable mobile growth

## Demand drivers

## Tripled

data usage on  
mobile network in  
the past 5 years

~1-2% p.a.

population growth  
expected<sup>1</sup>

Low

proportion of household spend

High

### Portfolio that maximises revenue



Main brand  
pre-paid and  
post-paid



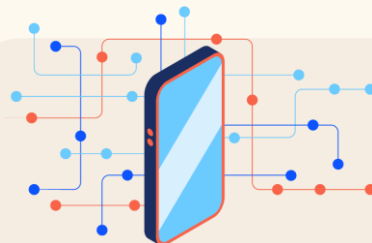
### Sub-brands



MVNOs



## Strategic partners



## Leading branded value proposition

- **Best network**
- Maintain **mobile coverage lead**
- **~270** retail stores Australia-wide<sup>2</sup>
- **>2,500** onshore contact centre FTEs<sup>3</sup>
- **Millions** of scam calls, texts and emails blocked<sup>2</sup>

(1) Source: Federal Budget (2024-25 to 2035-36); (2) As of 1H25; (3) As of April 2025


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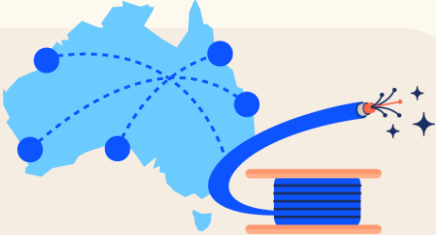
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# Growing demand for digital infrastructure drives infrastructure growth





## Leading value proposition<sup>1</sup>

- **Largest** terrestrial intercity network in Australia
- **~250,000km** fibre across 135 cities and >1,400 regional towns
- **370,000km** duct length with 7.5m pits
- **>8,000** towers, masts and mobile poles
- **>7,500** fixed network sites

## Demand drivers


**>25% p.a.**  
Australian internet backbone traffic growth forecast 2025-29<sup>2</sup>


**Data & tech**  
Gen AI, cloud-based processing and immersive reality


**Valuable**  
includes assets with long-term, CPI-linked contracts

**Satellite**  
LEO satellite activity growing

## Intercity Fibre + Viasat key financial metrics<sup>3</sup>

**\$1.6b**  
Total capex FY23-27

**Mid-teens**  
Expected IRR

**~9 year**  
Cash payback

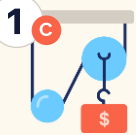
(1) All data points as of May 2025. "Largest" defined by total route kms of fibre; (2) Source: Telegeography, Corning; (3) These are forecasts. See the Disclaimer and Glossary slides for further details

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# Commercial, cost and capex efficiency drives positive operating leverage





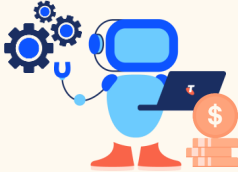
## Commercial excellence driving growth and returns

- Focus on **economics and competitive dynamics in each layer**, to reinvent our commercial models
- Incentivise across the business what matters to **create and capture value**



## BAU capex discipline to drive financial momentum

- **Driving efficient** delivery through BAU capex
- Shifting capital to **higher returning products**; legacy rolling-off



## Cost reduction and efficiency supported by AI

- Strong **track record of cost efficiency** over T22 and T25
- Ongoing **product simplification** and **digitisation** of legacy platforms
- **AI use cases at scale** supporting transformation of network, customer and people experience

Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

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# We have a strong track record in effectively managing cost

## \$3b

### annual core fixed cost

reduction across T22 and T25<sup>(1)</sup>

#### Cost efficiency will continue to come from

Product simplification

Digitisation

Productivity improvements

Active portfolio management

(1) Based on reduction in underlying core fixed costs FY19-FY21 and targeted fixed cost core FY22-FY25

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# Artificial Intelligence will be transformative

## Artificial Intelligence will be transformative

### We are set up to lead...

Investing in getting our fundamental tech and data right

Partnered with global leaders like Accenture and Microsoft

Focus on re-inventing processes and parts of our business

### ... and unlock potentially transformative benefits, for example

Total transformation of customer engagement

Building autonomous, self-healing, highly efficient and resilient networks

Enhancing software development processes

Simplifying and streamlining business processes

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Disciplined portfolio and investment management drives returns



Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals




Portfolio discipline supports ROIC growth



Disciplined on risk-adjusted returns

- Pipeline of non-core asset **divestments**
- Strong **adherence to M&A criteria** to drive value creation

Disciplined on strategic investment




Flexibility to invest or partner for growth


- **Strategic growth investment** opportunities (including digital infrastructure) targeting **mid-teens IRR**
- **Flexibility to partner** to optimise balance sheet and returns

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Disciplined capital management drives shareholder value





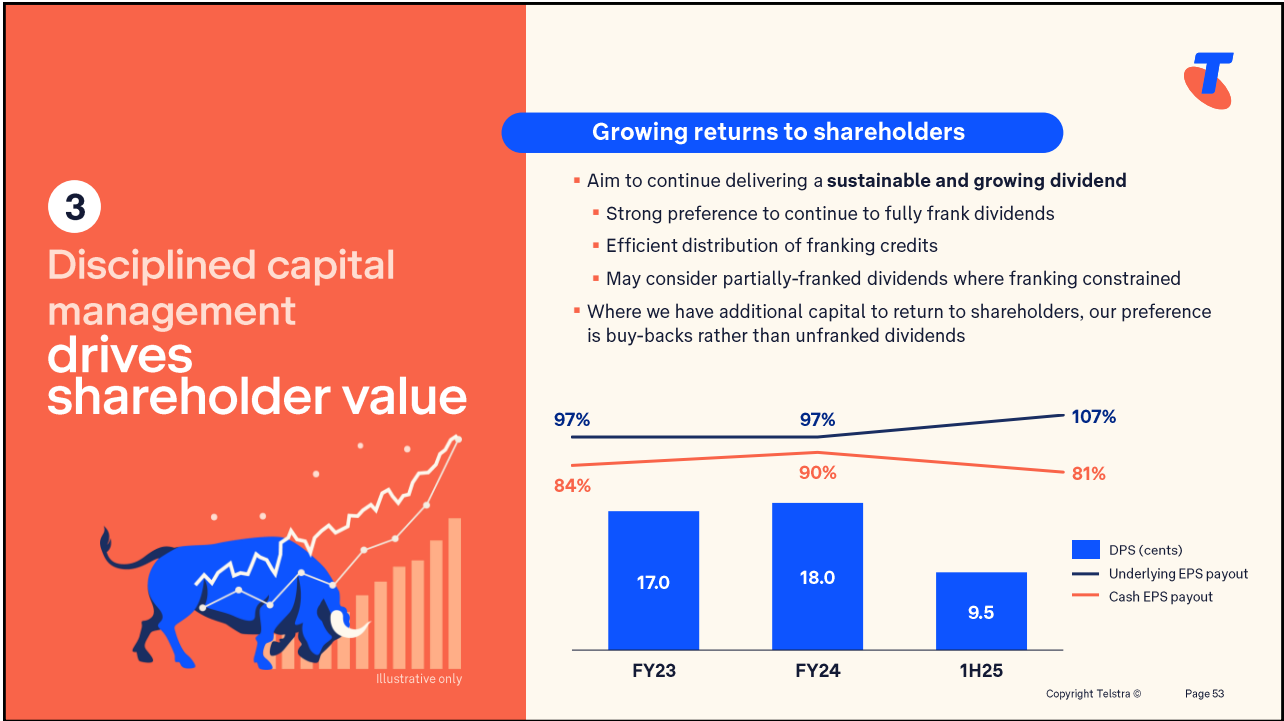
Strong balance sheet

- Committed to settings consistent with an **A band credit rating**
- **Optimise capital structure** between debt and equity with flexibility
- Balance sheet supported by **strength and quality of cashflows**
- **Debt servicing comfort zone updated to 1.75 - 2.25x net debt/EBITDA**
- **Earnings growth** drives additional **capacity** over time

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## FY25 guidance



	FY24	1H25	FY25 guidance <sup>1</sup>
Underlying EBITDA <sup>2</sup>	\$8.2b	\$4.2b	<b>\$8.5b to \$8.7b</b>
Business-as-usual capex <sup>3</sup>	\$3.4b	\$1.6b	<b>\$3.2b to \$3.4b</b>
Strategic investment <sup>5</sup>	\$0.3b	\$0.1b	<b>\$0.3b to \$0.5b</b>
Free cashflow after lease payments (FCFaL) <sup>4</sup> before strategic investment <sup>5</sup>	\$3.2b	\$1.1b	<b>\$3.0b to \$3.4b</b>

1. This guidance excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management.

2. Underlying EBITDA excludes guidance adjustments.

3. BAU capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, 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. FY25 FCFaL guidance includes around \$300m cash outflow related to FY24 restructuring costs.

5. Strategic investment capex is measured on an accrued basis and relates to the intercity fibre network and Viasat projects.

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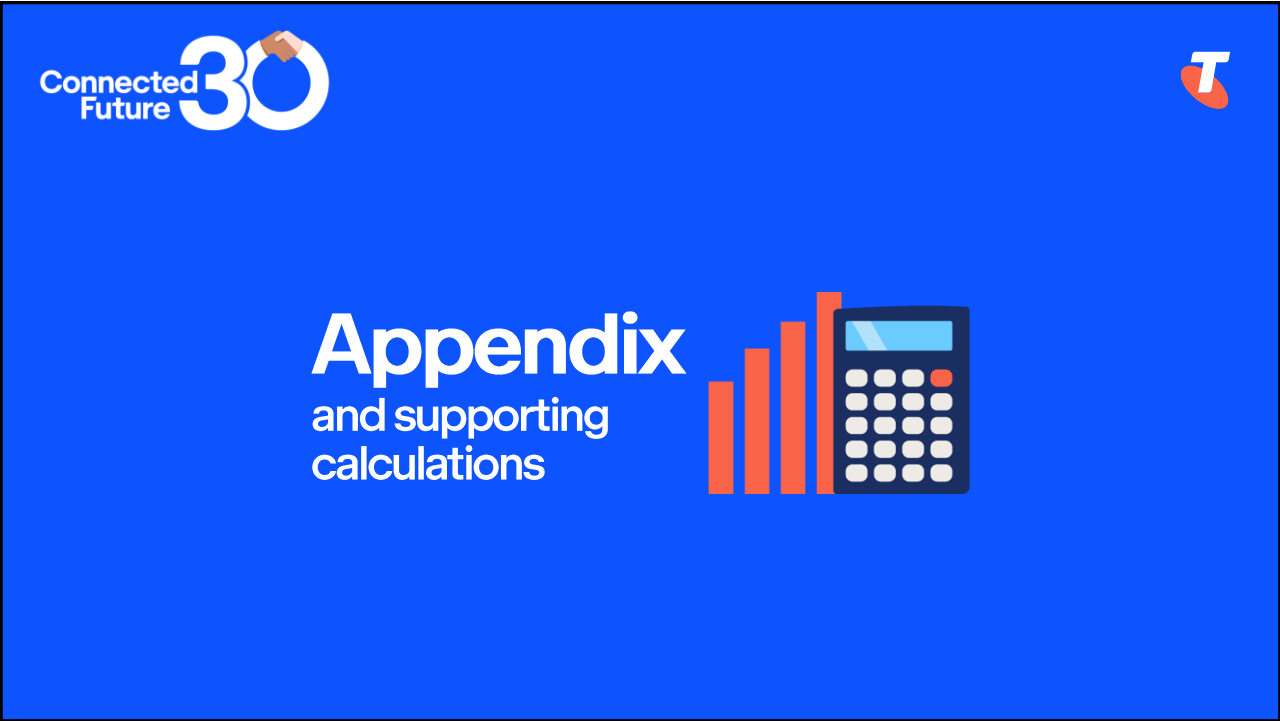


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# Our capital management framework



## Fiscal discipline

### Objectives



**Maximise returns for shareholders**



**Maintain financial strength**



**Retain financial flexibility**

### Principles

- 1 Committed to balance sheet settings consistent with an **A band credit rating**
- 2 Disciplined **BAU capex** to support core business growth
- 3 **Sustainable and growing dividend** (prefer fully-franked)
- 4 Disciplined **portfolio management** and **strategic investment**
- 5 Use balance sheet capacity for additional **shareholder returns**

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# Cash earnings



Cash earnings	FY23	1H24	2H24	FY24	1H25
Underlying EBITDA <sup>1</sup>	\$7,950m	\$4,016m	\$4,227m	\$8,243m	\$4,248m
Lease amortisation	\$574m	\$303m	\$316m	\$619m	\$282m
Underlying EBITDAaL <sup>1</sup>	\$7,376m	\$3,713m	\$3,911m	\$7,624m	\$3,966m
BAU capex <sup>1</sup>	\$3,297m	\$1,795m	\$1,610m	\$3,405m	\$1,631m
Spectrum amortisation	\$296m	\$136m	\$145m	\$281m	\$161m
Cash EBIT <sup>1</sup>	\$3,783m	\$1,782m	\$2,156m	\$3,938m	\$2,174m
Net finance costs	\$529m	\$317m	\$267m	\$584m	\$316m
Underlying Income tax expense	\$805m	\$419m	\$455m	\$874m	\$415m
Minorities	\$123m	\$77m	\$89m	\$166m	\$88m
Cash earnings	\$2,326m	\$969m	\$1,345m	\$2,314m	\$1,355m
Cash EPS (cents)	20.2	8.4	11.7	20.0	11.7

**Grow cash earnings from FY25** by mid-single digit CAGR to FY30

**Support additional per share growth** through portfolio & investment management and disciplined capital management

**D&A higher than cash equivalent** due to:

- Accelerated D&A on certain assets
- Legacy and historic higher capex in D&A
- Shorter lived assets such as software forming a higher proportion of our capex

Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals; (1) Refer to definition in the Glossary

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# Operating leverage

Operating leverage	FY23	1H24	2H24	FY24	1H25	% Change vs PCP
Underlying income <sup>1</sup>	\$23,173m	\$11,705m	\$11,696m	\$23,401m	\$11,823m	A
Underlying operating expenses <sup>1</sup>	\$15,196m	\$7,674m	\$7,468m	\$15,142m	\$7,561m	
Lease amortisation	\$574m	\$303m	\$316m	\$619m	\$282m	
BAU capex <sup>1</sup>	\$3,297m	\$1,795m	\$1,610m	\$3,405m	\$1,631m	
Spectrum amortisation	\$296m	\$136m	\$145m	\$281m	\$161m	
Cash EBIT costs	\$19,363m	\$9,908m	\$9,539m	\$19,447m	\$9,635m	B



Positive operating leverage<sup>1</sup> =

$$\begin{matrix} \text{A} \\ \text{underlying income} \\ \% \text{ growth} \end{matrix} > \begin{matrix} \text{B} \\ \text{Cash EBIT cost} \\ \% \text{ growth} \end{matrix}$$

FY26 to FY30

Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals; (1) Refer to definition in the Glossary

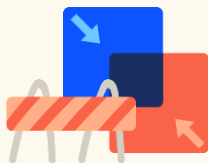
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# Investment criteria



## Clear guardrails for mergers and acquisitions

- EPS accretive (Year 2)
- Cash earnings accretive (Year 2)
- ROI above WACC (Year 3)
- More accretive than a buy-back



## Potential to partner with external and private capital

- Shared risk
- Access to specialist capability
- Investment size or access to special pools of capital



## Strategic investment opportunities

- Targeting mid-teens IRR

Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

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# Glossary

Term	Definition
<b>Key targets – non-financial</b>	
<b>AI maturity</b>	Refers to external AI maturity measure against global enterprises
<b>“enabled by NaaP”</b>	Refers to connectivity products that monetise a sophisticated network feature
<b>Network Experience Index</b>	Refers to an internal composite metric based on the availability and speed of mobile and fixed services
<b>Strongest brand</b>	Refers to external Brand Strength Index (BSI)
<b>Financial terms</b>	
<b>BAU capex</b>	Business-as-usual (BAU) capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, externally funded capex and capitalised leases
<b>Cash earnings</b>	Underlying EBITDAaL less BAU capex, spectrum amortisation, finance costs, tax and minorities. Refer to reconciliation in “Cash earnings” slide
<b>Cash EBIT</b>	Underlying EBITDAaL less BAU capex and spectrum amortisation
<b>Cash EPS (cents)</b>	Cash earnings per share
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortisation
<b>EBITDAaL</b>	Earnings Before Interest, Taxes, Depreciation and Amortisation, and after Lease amortisation
<b>Free cashflow after lease payments</b>	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
<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



# Glossary cont.

Term	Definition
<b>Financial terms cont.</b>	
<b>IFRS</b>	International Financial Reporting Standards issued by the IASB. When ‘IFRS’ is used to describe an item of information, that item should be taken to be prepared in accordance with IFRS
<b>IRR</b>	Internal Rate of Return
<b>Operating leverage</b>	Underlying income % growth greater than cash EBIT cost % growth (including operating costs, BAU capex, and lease and spectrum amortisation)
<b>ROIC</b>	Return on Invested Capital. Calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital
<b>Strategic investment</b>	Strategic investment capex is measured on an accrued basis and currently relates to intercity fibre network and Viasat
<b>Total income</b>	Total income excluding finance income
<b>Underlying EBITDA</b>	EBITDA excluding guidance adjustments
<b>Underlying EBITDAaL</b>	EBITDAaL excluding guidance adjustments
<b>Underlying EPS</b>	Profit for TLS shareholders attributable to each share, excluding guidance adjustments
<b>Underlying income</b>	Total income excluding guidance adjustments
<b>Underlying operating expenses</b>	Total operating expenses excluding guidance adjustments
<b>Underlying ROIC</b>	Calculated as NOPAT as a percentage of total capital, excluding guidance adjustments less tax