



Connected Future 30



Telstra Investor Day
27 May 2025

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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 28 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.

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.

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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

All amounts are in Australian Dollars unless otherwise stated. The 'Telstra InfraCo' trade mark is a registered trade mark of Telstra Corporation Limited. All other trade marks of the Telstra Group are the property of Telstra Limited. nbn co and other nbn logos and brands are trade marks of nbn co limited and used under licence. Other trade marks are the property of their respective owners.



Vicki Brady
Chief Executive Officer



Acknowledgement of Country

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**



We are at an inflection point



Demand continues to grow and become more complex



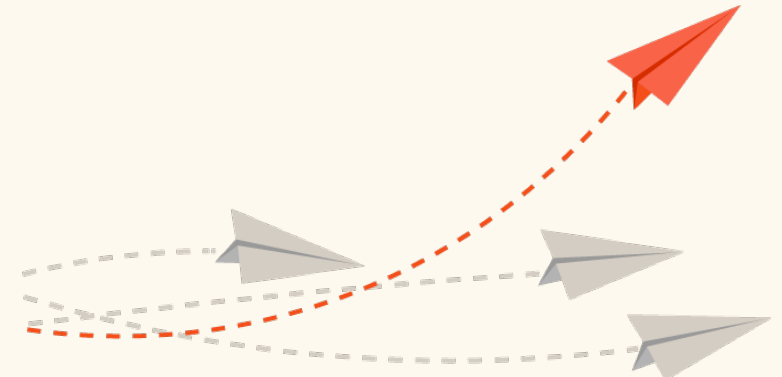
Customer needs are changing

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

Our ambition is **to be the number one choice for connectivity in Australia**

Our three layers and goals



Customer Engagement

To lead in how we anticipate and deliver on the connectivity needs of our customers



Network as a Product

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



Digital Infrastructure

To be Australia's leading digital infrastructure provider

Our four enablers



People & culture



Technology leadership



Sustainability



Financial discipline



Aiming to deliver profitable growth across our segments



Consumer

- Provide a **differentiated connectivity experience**, simply and efficiently, and being a **reliable and safe place** to connect



Business

- Become a **trusted partner** with a **premium experience** by focussing on core connectivity and leveraging local presence



Enterprise

- **Make it simple** to get increasingly sophisticated connectivity, and **transform our customer experience**

T25
progress¹

+47 episode NPS



>66% reduction
in TIO complaints²

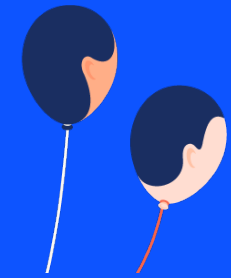


Our key
targets³

Grow strategic NPS by
more than 50% by FY30⁴



Top 10 strongest brand
in Australia



Customer Engagement

Goal

to lead in how we anticipate and deliver on the connectivity needs of our customers

(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

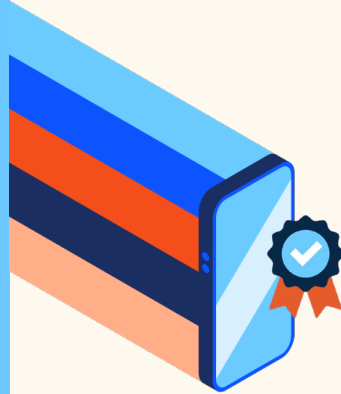


Network as a Product

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
progress¹**

91% 5G mobile population coverage



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



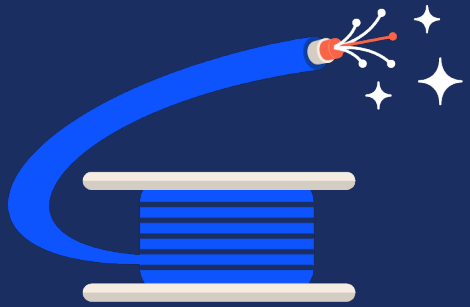
**Our key
targets²**

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

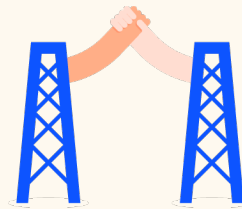
Goal

to be Australia's leading digital infrastructure provider



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 ground¹



>Low-single digit growth
InfraCo Fixed EBITDAaL²



**Our key
targets³**

Sustained Cash EBIT growth



Mid-teens IRR on strategic
investments & partnerships



(1) As of May 2025; (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

Our enablers help deliver our strategy

Work as one

Look
beyond

Make a
difference



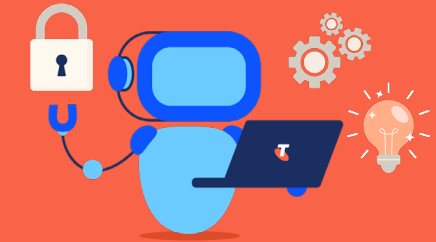
People and culture

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



Sustainability

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



Technology leadership

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



Financial discipline

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

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

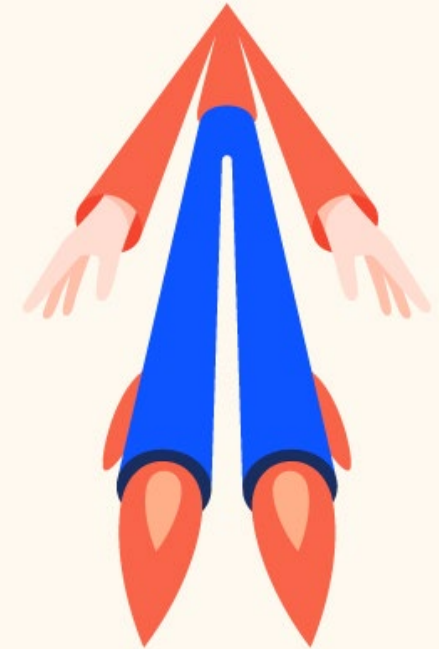


Growth in core business cashflow

- 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



Our key targets





Customer Engagement

 Grow strategic NPS by more than 50% by FY30¹

 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 2030²

50% reduction in absolute scope 3 emissions by 2030²

Financial discipline

 Cost discipline through positive operating leverage³

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

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

Connected Future 30 Video



Video introducing Connected
Future 30 strategy



Customer Engagement



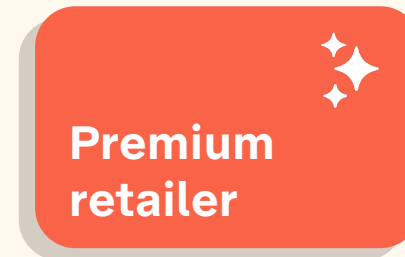
Customer Q&A

Brad Whitcomb
Amanda Hutton
Oliver Camplin-Warner



Consumer

Creating customer value



Business

Creating customer value



**Connectivity
solutions**



**Lasting
relationships**



**Digitising
our business**



**Optimise
costs**



**Growth
mindset**



Enterprise

Creating customer value



**Network
leadership**



**Customer
experience
uplift**



**Industry
value
propositions**



**Go to market
clarity**



AI enabled



Network as a Product



PART 1

with Shailin

network leadership



PART 2

with Kim

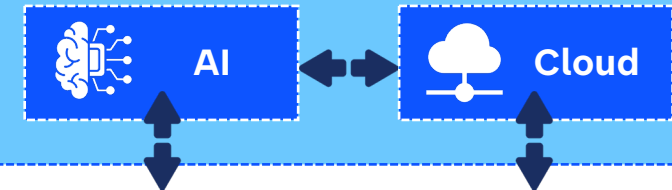
reinventing how we create & capture value

We are continuing our leadership through evolutionary new tech



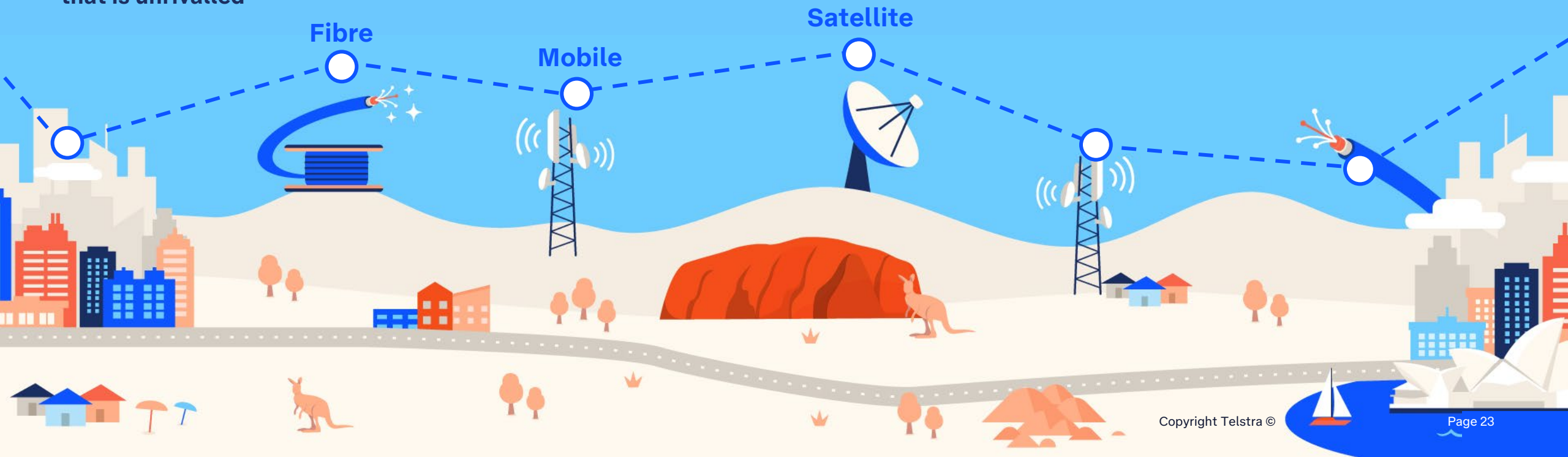
Our **physical assets** are **core** to providing connectivity across Australia, with **breadth** that is unrivalled

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



Telstra Autonomous Network

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





Continuing our network leadership



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 year¹**

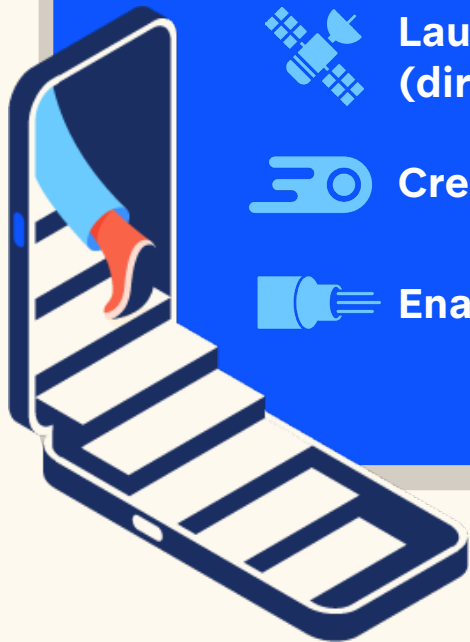
(1) Key targets are annual for FY26 to FY30 unless otherwise stated. See the Disclaimer and Glossary slides in relation to key targets and financial goals

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

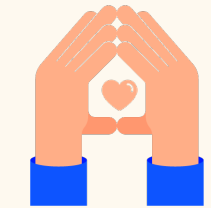


Reduce customer impact minutes



Autonomous networks ambition

A paradigm shift



Customer experience



Security & resilience



Capturing new value

today

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

PART 1

with Shailin

network leadership

PART 2

with Kim

reinventing how we create & capture value



Network as a Product

allows us to reinvent our business model



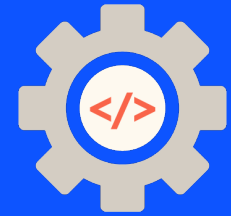
Industry fundamentals

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

Our objectives



scalable business
model



automation and
programmability

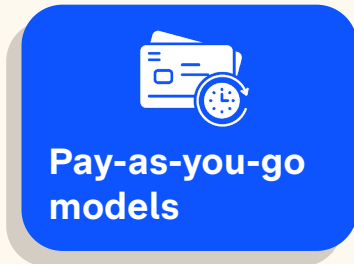


global playbook

Potential business models with sophisticated network attributes



Scalable business models



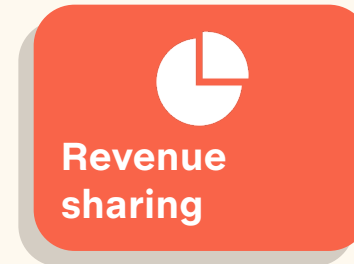
Based directly
on usage



Based on predefined
inclusions



Live adjustment
of pricing



Agreed % of revenue
for API provider



Emerging indirect
models

with a range of attributes



control



financial



location



observability



quality



resilience

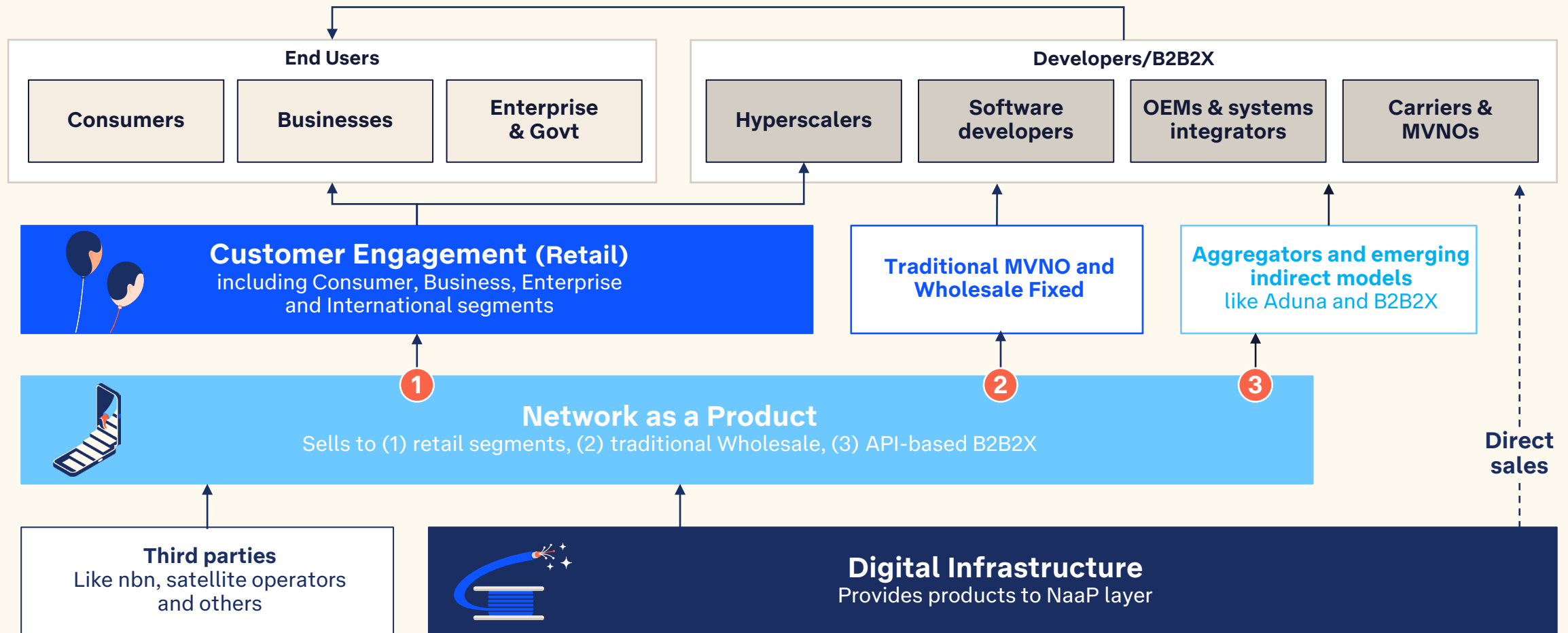


security



... and more

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



Global API aggregators like Aduna

enable us to capture value



Digital Infrastructure





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

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 OTTs¹



Government, industry & major projects

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

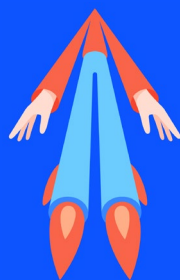
(1) CDN = Content Delivery Networks; SDN = Software-Defined Network providers; OTTs = Over The Top providers

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

Targets¹



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

Australia's largest terrestrial intercity network

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

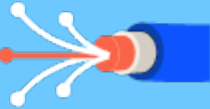


Melbourne to Sydney

- Standard Ends
- Melbourne-Canberra ILAs
- Canberra-Sydney ILAs
- Canberra bypass



144 fibre pairs per route with
>~60 Tbps capacity per fibre pair¹



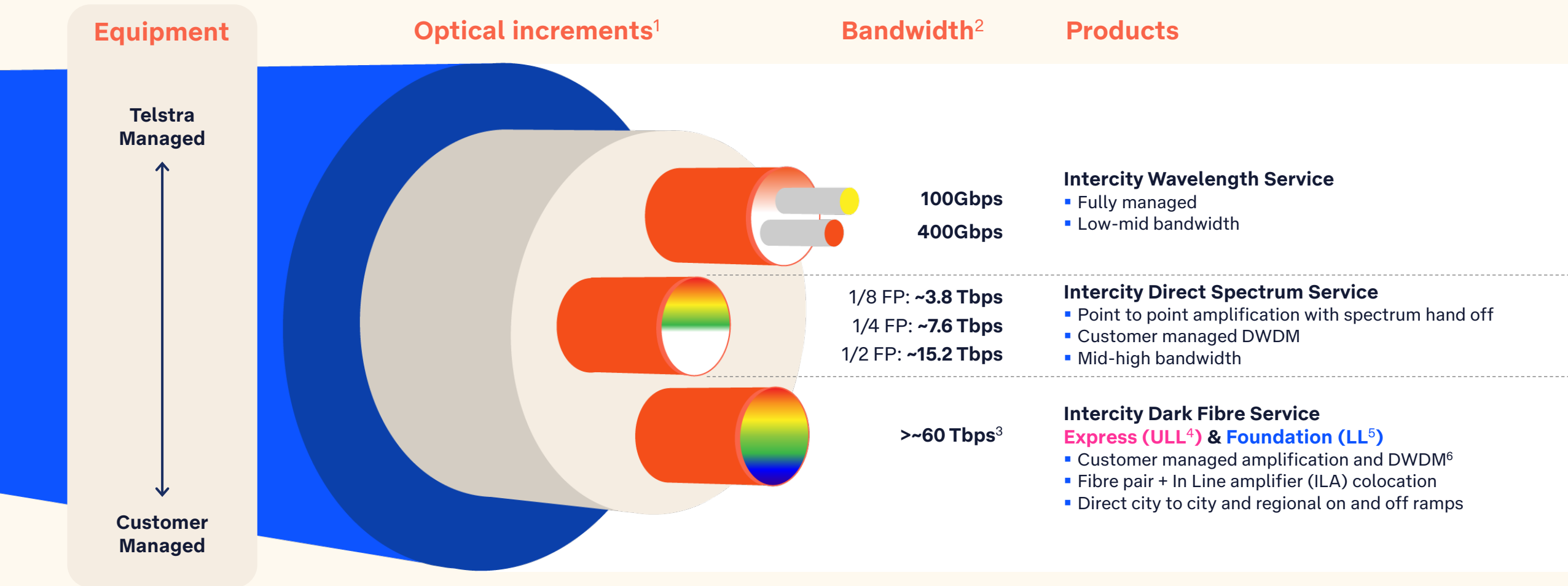
First routes going live servicing the in-demand eastern data corridor:

- **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)²
- **16 subsea cables** landing in Sydney and Melbourne with more planned³

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

Options to suit customer needs



(1) Based upon a single fibre pair with 32 optical channels; (2) Bandwidth dependent on customer equipment and route; (3) Desktop simulation speeds showed ~80Tbps for Sydney-Melbourne route and ~60Tbps for Perth-Sydney route, May 2024; (4) Ultra Low Loss; (5) Low Loss; (6) Dense Wavelength-Division Multiplexing



Infrastructure

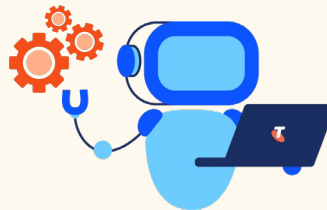
Managing costs



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



The **largest digital twin program** in Australia and NZ with 90% of mobile sites digitised¹



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**


We have momentum to deliver



 **InfraCo**

Established 2019

~3% EBITDAaL CAGR¹
62% EBITDAaL margin³


 **AMPLITEL**


Established 2021

~8% EBITDAaL CAGR²
64% EBITDAaL margin³


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**

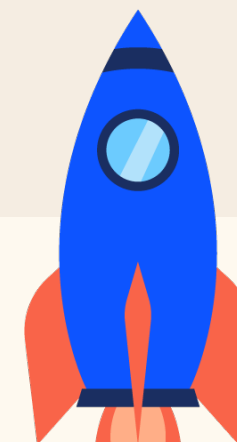
 Australia's **first terrestrial optical spectrum sharing** product, Direct Spectrum

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

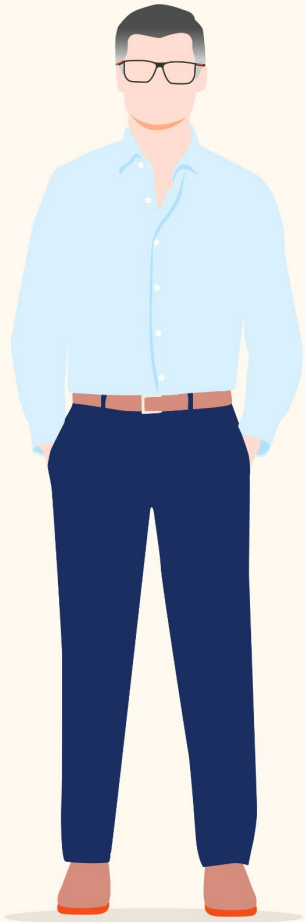


ICF Video



Video focused on the Sydney, Melbourne,
Canberra routes



A graphic of a chain of interlocking rings, alternating between red and grey. Each ring is held by two hands of different skin tones, creating a diagonal line from the bottom left to the top right across the entire image.

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

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**




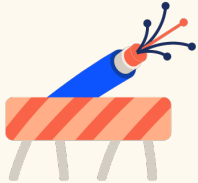



1

Core business performance underpins cash earnings growth

Key drivers of core business performance

- 

A Strong mobile fundamentals
Sustainable **mobile growth**
- 

B Growing demand for digital infrastructure
Delivering high-quality **long-term returns and growth**
- 

C 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 FY30¹

(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



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.

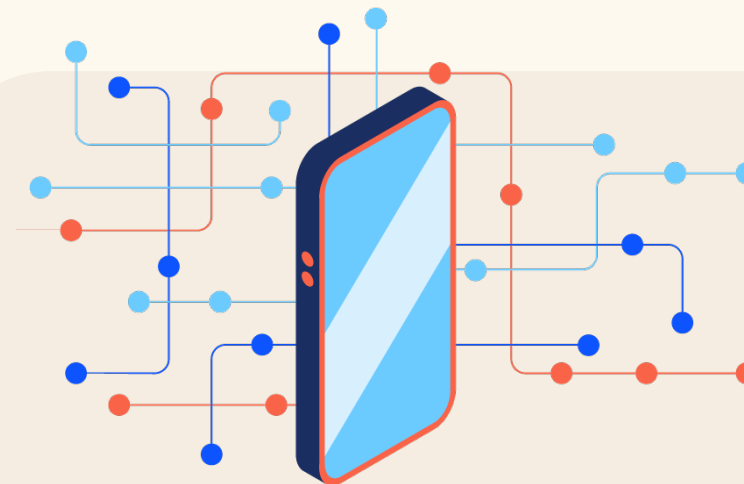
population growth expected¹

Low

proportion of household spend

High

utility, importance of connectivity and growing



Portfolio that maximises revenue



Main brand pre-paid and post-paid



Sub-brands



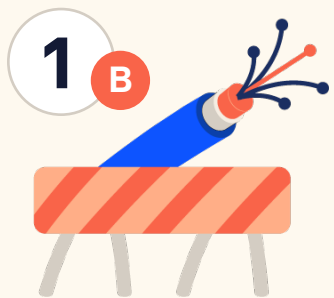
MVNOs



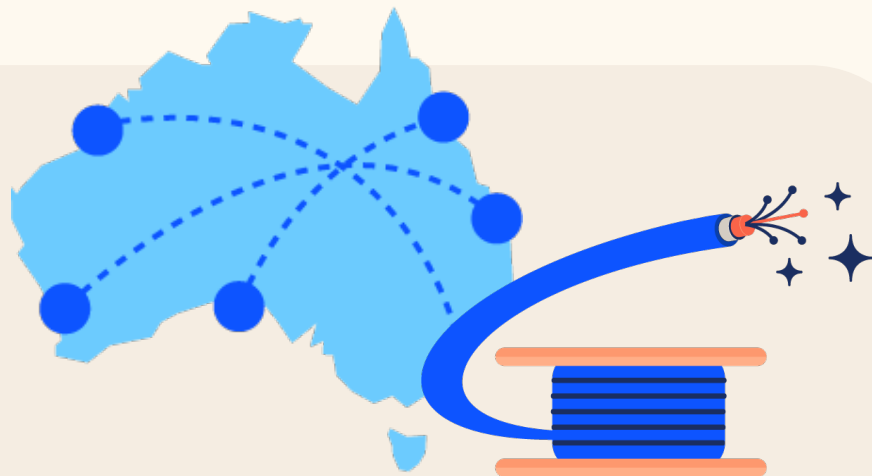
Strategic partners

Leading branded value proposition

- **Best network**
- Maintain **mobile coverage lead**
- **~270** retail stores Australia-wide²
- **>2,500** onshore contact centre FTEs³
- **Millions** of scam calls, texts and emails blocked²



Growing demand for digital infrastructure drives infrastructure growth



Leading value proposition¹

- **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 2025-29²

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 metrics³



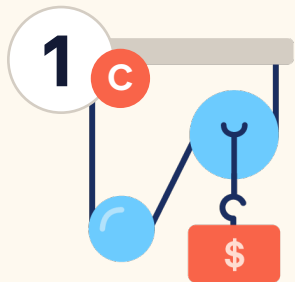
\$1.6b
Total capex
FY23-27



Mid-teens
Expected IRR



~9 year
Cash
payback

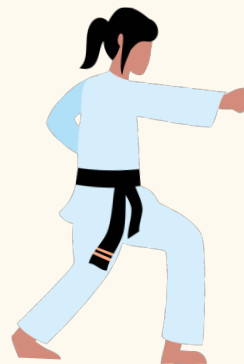


Commercial, cost and capex efficiency drives **positive operating leverage**



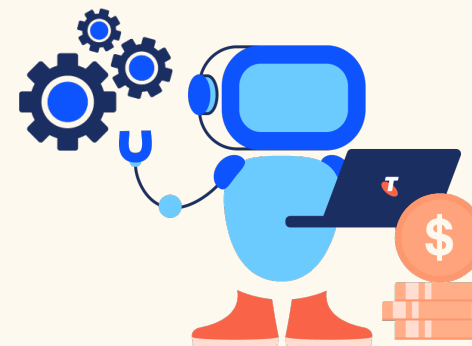
Commercial excellence driving growth and returns

- 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**



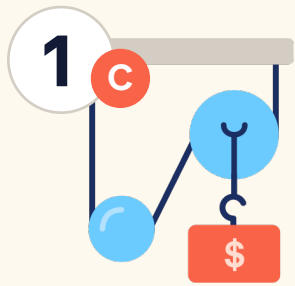
BAU capex discipline to drive financial momentum

- **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



We have a strong track record in **effectively managing cost**



Cost efficiency will continue to come from



Product simplification



Digitisation

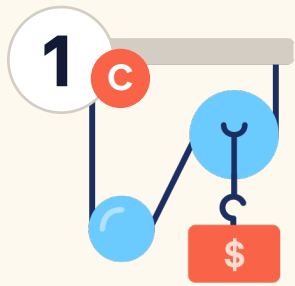


Productivity improvements



Active portfolio management

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



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**

2

Disciplined portfolio and investment management drives returns



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

3

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

3

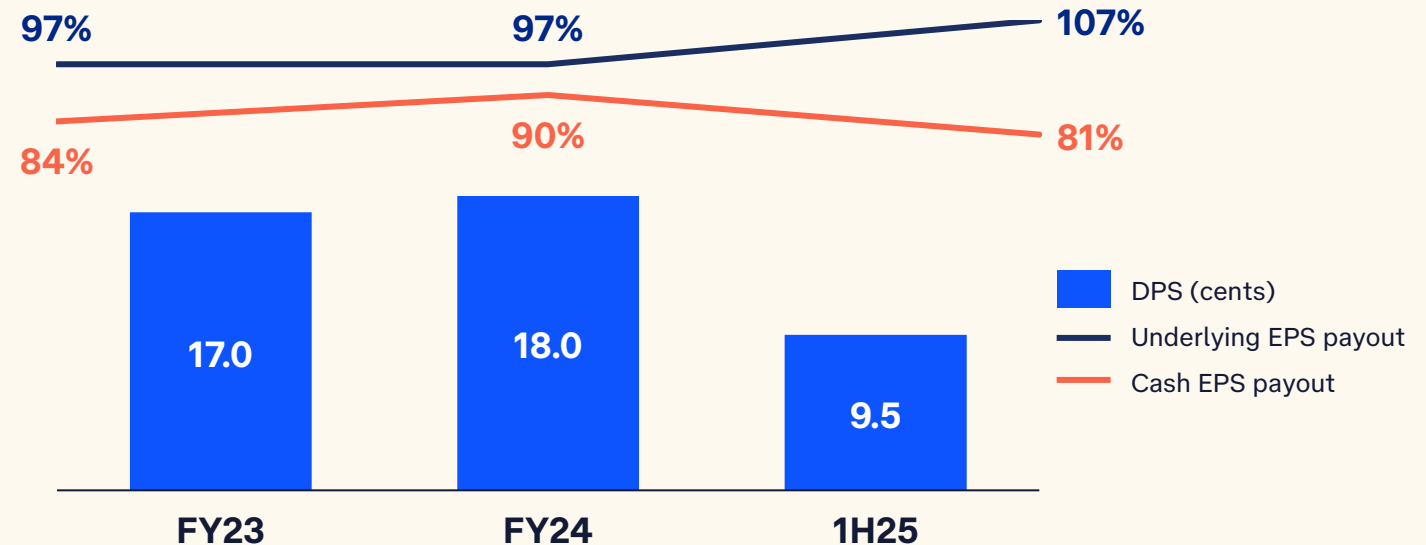
Disciplined capital management drives shareholder value



Illustrative only

Growing returns to shareholders

- Aim to continue delivering a **sustainable and growing dividend**
 - Strong preference to continue to fully frank dividends
 - Efficient distribution of franking credits
 - May consider partially-franked dividends where franking constrained
- Where we have additional capital to return to shareholders, our preference is buy-backs rather than unfranked dividends



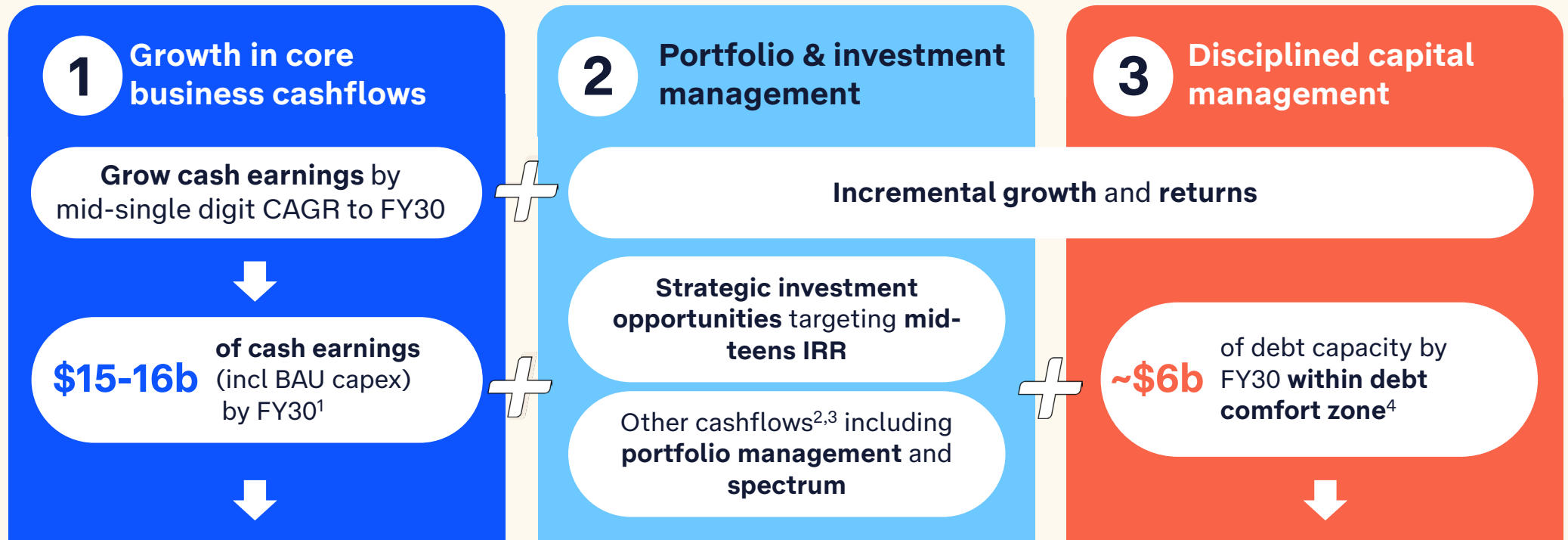
We aim to deliver Growth and shareholder returns



Value
creation

Deliver
growth

Create
financial
capacity



>\$20b financial capacity by FY30

through growth in cash earnings and disciplined capital management, before portfolio & investment management

Illustrative calculations based on key targets and financial goals. 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 and for further details. (1) \$15-16b calculated based on mid-single digit CAGR in cash earnings to FY30; (2) While subject to consultation and further change, the ACMA's preliminary views (April 2025) on the pricing for the renewal of our expiring spectrum licences indicate we could be facing a potential cash outflow of \$0.6-0.8b in FY28, \$0.8-1.0b in FY30, \$0.3-0.4b in FY31 and \$0.1-0.2b in FY33, assuming full prices are to be paid upfront at the expiry of the current licences; (3) In FY26 we expect an around \$250 million nbn true-up payment relating to the final price adjustment from the nbn rollout completion, see Telstra Annual Report 2024 section 2.2; (4) ~\$6b calculated at top-end of 1.75 to 2.25x net debt/EBITDA debt servicing comfort zone based on mid-single digit CAGR in cash earnings to FY30. Assumes no other changes in debt and before portfolio & investment management

FY25 guidance



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

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



Q&A



Appendix

and supporting
calculations



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**

Cash earnings



Cash earnings	FY23	1H24	2H24	FY24	1H25
Underlying EBITDA ¹	\$7,950m	\$4,016m	\$4,227m	\$8,243m	\$4,248m
Lease amortisation	\$574m	\$303m	\$316m	\$619m	\$282m
Underlying EBITDAaL ¹	\$7,376m	\$3,713m	\$3,911m	\$7,624m	\$3,966m
BAU capex ¹	\$3,297m	\$1,795m	\$1,610m	\$3,405m	\$1,631m
Spectrum amortisation	\$296m	\$136m	\$145m	\$281m	\$161m
Cash EBIT ¹	\$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

Operating leverage



Operating leverage	FY23	1H24	2H24	FY24	1H25	% Change vs PCP
Underlying income ¹	\$23,173m	\$11,705m	\$11,696m	\$23,401m	\$11,823m	A
Underlying operating expenses ¹	\$15,196m	\$7,674m	\$7,468m	\$15,142m	\$7,561m	
Lease amortisation	\$574m	\$303m	\$316m	\$619m	\$282m	
BAU capex ¹	\$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

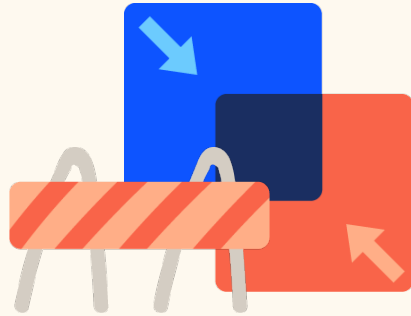


Positive operating leverage¹ =

A
 underlying income % growth
 >
B
 Cash EBIT cost % growth

FY26 to FY30

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

Glossary



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

Glossary cont.



Term	Definition
Financial terms cont.	
IFRS	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
IRR	Internal Rate of Return
Operating leverage	Underlying income % growth greater than cash EBIT cost % growth (including operating costs, BAU capex, and lease and spectrum amortisation)
ROIC	Return on Invested Capital. Calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital
Strategic investment	Strategic investment capex is measured on an accrued basis and currently relates to intercity fibre network and Viasat
Total income	Total income excluding finance income
Underlying EBITDA	EBITDA excluding guidance adjustments
Underlying EBITDAaL	EBITDAaL excluding guidance adjustments
Underlying EPS	Profit for TLS shareholders attributable to each share, excluding guidance adjustments
Underlying income	Total income excluding guidance adjustments
Underlying operating expenses	Total operating expenses excluding guidance adjustments
Underlying ROIC	Calculated as NOPAT as a percentage of total capital, excluding guidance adjustments less tax