Telstra Full-Year Results 2026 – Retail Shareholder Video Transcript

Vicki Brady:

FY26 was a strong year as we continued to deliver for customers and shareholders.

We increased investment in our network and delivered ongoing earnings growth, reflecting momentum across our business and disciplined cost control and capital management.

Reported financial performance compared to the prior period included EBITDAaL up 3% to $8.2 billion, net profit after tax up 2.7% to $2.4 billion and earnings per share up 5.3% to 19.9 cents.

Our underlying results provide a clearer view of financial performance. Our underlying EBITDAaL was up 4% to $8.3 billion, cash EPS up 14% to 25.5 cents, and underlying return on invested capital up 0.5 percentage points to 9%.

On the back of cash earnings growth, the Board resolved to pay a final dividend of 10.5 cents per share, bringing the total dividend for the year to 21 cents per share and representing a 10.5% increase on the prior year on a cash basis.

The final dividend is 90.5% franked, with a franked amount of 9.5 cents per share and an unfranked amount of 1 cent per share.

The final dividend is consistent with our capital management framework, and our aim to deliver a sustainable and growing dividend. Our dividend is supported by strong cash earnings, and our Connected Future 30 ambition remains to deliver mid-single digit growth in cash earnings.

In June this year, we completed our $1.25 billion on-market share buyback. And today, we have announced a further on-market share buyback of up to $1 billion. Importantly, these buybacks are alongside increased capex and strategic investment.

Turning to our Connected Future 30 strategy. Over FY26, we laid important foundations for its delivery.

Customer engagement is becoming a stronger commercial advantage for Telstra. Over the last year, we've focused on making interactions easier, more personal and more valuable for customers.

We now have more customer support available across more hours and channels, including 24/7 fault support. We have continued to add new functionality to our AI-powered digital assistant and digital self-service tools, and more customers are choosing these tools and having their inquiry resolved.

We also introduced generative AI-powered search across telstra.com and the My Telstra app, as well as translation into 37 languages. For customers who prefer to call us, our average call wait times have reduced to two minutes.

We completed the migration of our consumer customers to the new digital stack and decommissioned the old system last month. These improvements are translating into better experiences and more customers choosing us and staying with us.

In FY26, Strategic NPS increased to positive 20 and Episode NPS to positive 49, the highest year-end results since we started measuring NPS.

Under our Network as a Product layer, we continued to invest to deliver Australia's leading mobile network.

Over the last five years, we have invested more than $9.5 billion in our mobile network nationally, with $3.8 billion of this in regional Australia. In total, we have invested more than $19 billion in overall capex and spectrum in the last five years.

As our profit has grown, so too has our investment in our networks and digital infrastructure.

Over FY26, we upgraded nearly 1,200 mobile sites with 5G Advanced capability and built more than 150 new mobile sites to continue to improve the experience on our mobile network. We also upgraded more than 1,800 network sites with backup power.

Overall, these improvements and others are translating into more consistent experiences for customers. In FY26, we lifted our Network Experience Index by 1.6 points, which is our measure of network reliability and performance.

We also brought new services and value to customers. We chose to invest in satellite messaging, and we recently expanded this to include select satellite applications like maps, weather and internet messaging.

Under Digital Infrastructure, we are seeing very strong demand signals for our digital infrastructure assets and we are turning those into contracted value.

Some of the world's largest cloud and AI companies have signed long-term contracts across our Aura Network, subsea cable or long-haul fibre assets, including Google, AWS, Firmus and Microsoft as our foundational partner on our Aura Network.

We are over halfway through the build of our Aura Network, with more than 8,500 kilometres of fibre in the ground and six routes ready for service.

Our Aura sales pipeline has increased significantly over the last six months. This strengthens our confidence in the project's returns, including an expected mid-teens IRR and cash payback period of around nine years.

Looking ahead, we are focused on continuing to deliver value for our customers, communities and shareholders, including through delivering on our Connected Future 30 targets around cash earnings growth, underlying ROIC and operating leverage.

Over FY27 there are five things I would like to call out.

One, we are accelerating our mobile transformation to further improve the experience on our network.

Two, we will continue to evolve our Network as a Product offerings.

Three, we will continue to help our people build data and AI capability and transform our business and customer experience with AI.

Four, we will focus on driving revenue from our digital infrastructure assets, including our Aura Network. Our network and digital infrastructure leadership built over decades means we are uniquely positioned to deliver Australia's digital future, both under Connected Future 30 and beyond.

And five, we will also remain disciplined on costs, capital allocation and creating shareholder value.

[Caption: For further details including our FY27 guidance, watch the FY26 Results webcast or visit www.telstra.com.au/investor. Thank you for your continued support and investment in Telstra.]

[Footnote: This video contains forward looking statements which are based on assumptions and information known by Telstra as at 13 August 2026. Refer to the disclaimer set out in slide 2 of the CEO/CFO Analyst Briefing Presentation and Materials lodged with the ASX on 13 August 2026. FY27 guidance current as at date of release. Any updates to FY27 guidance will be announced to the ASX as required.]