

# Telstra Half-Year Results 2026 – Retail Shareholder Video Transcript

## Vicki Brady:

The first half of FY26 was a strong period for Telstra.

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

We also made a positive start to our Connected Future 30 strategy, which will see us double down on connectivity, drive growth and play a critical role in enabling a prosperous digital future for Australia.

In 1H26, reported financial performance compared to the prior period included:

- EBITDAaL up 4.9% to \$4.2 billion
- EBIT up 9.2% to \$2.0 billion
- Profit for the period – or NPAT – up 8.1% to \$1.2 billion
- Earnings per share up 11% to 9.9 cents; and
- Return on Invested Capital (ROIC) up 0.8 percentage points to 8.8%

[Caption: To access more information, including a glossary defining all the terms we use, please visit [www.telstra.com.au/aboutus/investors.financial-results](http://www.telstra.com.au/aboutus/investors.financial-results)]

Our underlying growth more accurately reflects our financial performance compared to the prior period. Underlying financial performance showed:

- Underlying EBITDAaL up 5.5% to \$4.2 billion
- Cash EBIT up 14% to \$2.5 billion
- Cash EPS up 20% to 14.0 cents; and
- Underlying ROIC up 0.9pp to 8.9%.

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On the back of cash earnings growth, the Board resolved to pay an interim dividend of 10.5 cents per share. The interim 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 interim dividend uplift, and the level of franking applied, 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 this half, and our Connected Future 30 ambition remains to deliver mid-single digit growth in cash earnings.

Today, we are also announcing an increase in our current on-market share buy-back from up to \$1 billion to up to \$1.25 billion. This increase is supported by strong progress in completing \$637 million of the buy-back in the half, earnings growth, and the strength of our balance sheet.

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The on-market share buy-back is expected to support earnings and dividend per share growth, and along with the increased interim dividend, reflects the Board and management's confidence in our financial strength and outlook.

Now that we've completed our first half, we are tightening our FY26 underlying EBITDAaL guidance to between \$8.2 billion and \$8.4 billion. Our guidance on other measures are unchanged.

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Turning to our strategy, our ambition is to be the number one choice for connectivity in Australia.

Achieving that in a changing environment means radically innovating in the core of our business.

Connectivity is foundational to supporting national productivity, resilience and security. As reliance on telco networks grows, and service expectations rise, continued investment in digital infrastructure is fundamental to delivering better services to consumers and businesses.

On investing in connectivity, we are driving significant momentum in the build of our Aura network and managing this large, complex project with discipline. This network will be vast – connecting our capital cities with ultra-fast and reliable fibre, and the ability to connect regions too. This week we reached the half-way mark, with 7,000km of fibre in the ground.

We are on track to achieve a 1-point uplift in our Network Experience Index, which brings together network availability and speed across our mobile and fixed networks to measure the real experience our customers receive.

On supporting customers, we have migrated more than 99.9% of our 7.7 million consumer customers to our new digital stack.

We're seeing significant improvements to customer experience from digitisation and AI. 86% of consumer service interactions like billing, order tracking or pre-paid recharge are now completed through our Digital Self Service, instead of customers having to call us.

In November we launched an AI powered Assistant, which customers can access on Telstra.com to get help with simple things like checking their plan, activating a SIM, or how to reset a password. This is our first customer facing generative AI assistant, and it has meant an almost three-fold increase in customers being able to resolve their enquiry using AI. We plan to scale this AI powered assistant across our MyTelstra app over this quarter.

Overall, our investment in digitisation and AI, combined with our ongoing network and capability investment, is helping to drive improvements in customer experience. Over the last 12 months we've seen Strategic NPS increase by 5 points and Episode NPS increase by 2 points.

At the same time, we have been laying the foundations for our Connected Future 30 strategy, innovating in core connectivity, capability, and how we capture value.

Looking ahead, we are focussed on continuing to deliver value for our customers, communities and shareholders as we build momentum behind our Connected Future 30 strategy. This includes through our core business cash flow, active portfolio and investment management, and disciplined capital management.

Our ambition is to be the number one choice for connectivity in Australia, and to continue delivering on our purpose to build a connected future so that everyone can thrive.

[Caption: Thank you for your continued support and investment in Telstra. For more information please visit [telstra.com.au/investor](https://telstra.com.au/investor)]