



15 August 2025

Singapore Exchange Securities Trading Limited
2 Shenton Way
#02-00 SGX Centre 1
Singapore 068804

Office of the Company Secretary
Level 41, 242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

ELECTRONIC LODGEMENT

– Telstra Group Limited (ACN 650 620 303)

Telstra Full-Year Results Presentation, 14 August 2025 - Transcript

In accordance with the Listing Rules, attached for release to the market by Telstra Group Limited, is the transcript from Telstra Group Limited's Full-Year Results Presentation on 14 August 2025.

Release of announcement authorised by:

Craig Emery
Group Company Secretary

Introduction

Nathan Burley: Good morning, and welcome to Telstra's results announcement for the year ending 30 June 2025. I am Nathan Burley, Head of Investor Relations. I'm joining today from the lands of the Gadigal people, and on behalf of Telstra I acknowledge and pay my respects to the traditional custodians of Country throughout Australia, and recognise the continued connection Australia's First Nations people have to land, waters and culture. We pay our respects to Elders past and present.

This morning we will have presentations from our CEO Vicki Brady and our CFO Michael Ackland. We will then open to questions from analysts, investors and the media. I will now hand over to Vicki.

Presentation from Vicki Brady

Vicki Brady: Thank you Nathan, and good morning everyone, and thank you for joining us. I'll make some comments related to Australia's productivity before I reflect on Telstra's overall performance and our outlook for the future. Michael will then cover the details of our financials.

We welcome the national conversation on productivity, and we believe the telco sector has an important role to play. To unlock opportunities from technology we've got to have the right foundation of digital infrastructure. That goes beyond data centres to connectivity, including the high capacity, low latency fibre, and advanced mobile networks needed to support a tech-enabled innovation-led economy.

We need a national digital infrastructure plan for how we will enable Australia's digital future. It is the critical foundation for how we will realise the opportunities we see for individuals, businesses and the country to be more prosperous and competitive. As part of that we need the right policy and regulatory settings to make sure we can roll out large scale digital infrastructure projects more quickly and efficiently.

This comes with having a pro-growth mindset to policy and regulation overall. We need a national spectrum strategy to make sure the country spectrum is being used to deliver the greatest possible economic and social value for all Australians.

Certainty of spectrum is perhaps the biggest opportunity to unlock investment in network infrastructure, and the benefits that come with better mobile services for consumers. The telco sector is ready to play our role, working with government regulators and industry. What we need is a national vision and plan that we can all play our part in delivering on.

Turning now to Telstra's performance for the year. FY25 was a strong year for Telstra as we continued to deliver for customers and shareholders. We celebrated the successful completion of our T25 Strategy, delivered on our commitments to lift customer experience, build our reputation and drive sustainable growth, and announced our Connected Future 30 Strategy, which will see us radically innovate in our core connectivity business.

You can see a summary of our results on this slide. We delivered our fourth consecutive year of underlying growth, reflecting momentum across our business, strong cost control and disciplined capital management. Our reported growth this year is stronger than underlying growth, because of significant one-off net costs totalling \$715 million in the prior year. These costs, discussed last year, were mostly related to impairments and restructuring associated with the reset of our Telstra Enterprise Business.

In 2025 reported financial performance included EBITDA up 14% to \$8.6 billion, profit up 31% to \$2.3 billion, earnings per share up 34% to 18.9 cents, and return on invested capital up 1.7 points to 8.5%. Our underlying growth more accurately reflects our financial performance compared to the prior period.

Excluding significant one-off items and other adjustments, underlying financial performance showed EBITDA up 4.6%, profit up 1.8%, cash earnings per share up 12% to 22.4 cents, and return on invested capital up 0.2 points to 8.5%. On the back of earnings growth, the Board resolved to pay a fully franked final dividend of 9.5 cents per share, bringing total dividends for the year to 19 cents, and representing a 5.6% increase on the prior year.

In June this year we completed our \$750 million on-market share buyback, and today we have announced an additional on-market [share] buyback of up to \$1 billion. This has been enabled by growth in earnings and the strength of our balance sheet. The buybacks support earnings and dividend per share growth over time, and along with increased total dividends, demonstrate the Board and management's confidence in our financial strength and outlook.

Looking now at our results across the business. We grew underlying EBITDA across our Mobile, Fixed Consumer and Small Business, Fixed Enterprise, InfraCo Fixed and Amplitel businesses. It's been a dynamic year in the mobile industry with 3G closure, new satellite technology, pricing changes, and the migration of a significant volume of our customers to our new digital stack.

In this context our Mobile business has continued to perform well, with EBITDA growth of \$235 million. Mobile's growth was driven by higher ARPU and customers continuing to choose our network and the value it provides. Mobile services revenue grew by 3.5%.

Our Fixed Consumer and Small Business EBITDA grew by \$109 million, reflecting ARPU growth and disciplined cost management. Pleasingly our Fixed Enterprise EBITDA grew by \$103 million, supported by decisive actions taken to reset this business and reduce costs. We remain committed to this reset with further changes announced last month to remove complexity and cost, and set us up to deliver on our Connected Future 30 ambitions.

Today we also announced a strategic partnership with Infosys, a global leader in digital services and consulting, through the sale of a 75% stake in Versent Group. This is aligned with our Connected Future 30 strategy to focus on core connectivity, and consistent with the reset of our Enterprise business.

Our International EBITDA declined by \$96 million, with reductions across Wholesale and Enterprise and Digicel Pacific. As I mentioned briefly at Investor Day, we have completed a strategic review of this business and are now taking action including to reduce costs, double down on connectivity and exit the majority of our NAS products. The Wholesale and Enterprise International results include restructuring costs associated with this. These actions, together with the continued demand for connectivity, mean the business is better positioned for the future.

Our infrastructure businesses continue to grow, reflecting strong customer demand. Across the business we delivered strongly on costs through simplifying our operations, reducing some roles, and improving our productivity, partly offset by cost inflation. Core fixed costs decreased by 4.7% or \$306 million in the year. Cumulatively we reduced our core fixed costs by \$428 million since FY22.

As we close out our T25 strategy, I'm pleased to reflect on the strong momentum and foundation we've built, which comes from continuing to improve and deliver for customers. A detailed summary of our performance by strategic pillar and overall scorecard is available in the appendix slide, so I'll keep it high level here.

We set a high bar across our four T25 pillars; to lift customer experience, extend our network leadership, deliver sustainable growth and value, and to be the place our people want to work. Thanks to the dedication of the Telstra team, we have exceeded the majority of our scorecard metrics, including successfully delivering on our financial growth targets across underlying EBITDA, EPS, ROIC and cost-out.

We achieved our objectives, but not always as expected, as a lot changed over the course of T25, including technology evolution and inflation. For this reason, I am particularly proud of the way our team has adapted and delivered, and the focus and discipline they have shown.

We've continued to invest in our mobile network, digital infrastructure and in bringing the latest technology to our customers. In FY25, we reached three million square kilometres of mobile coverage, now reaching 99.7% of Australia's population.

We also expanded our 5G network to cover 95% of the population. In February, we announced we will invest an additional \$800 million in our mobile network over four years within our business-as-usual CapEx. This is to deliver customers the most advanced, resilient and reliable mobile network in the country. We are building on our existing 5G leadership to deliver 5G Advanced performance, and we're excited to be leading the market with technology innovations like Automated Carrier Aggregation.

But what does that really mean for customers? It means mobile connectivity that will be faster, more reliable and more efficient than the 5G of today. It also simplifies our network operations, and brings us closer to our ambition of creating fully autonomous networks.

At the same time, we're optimising how we use spectrum, and this included the closure of our 3G network in the year, so we could redeploy that spectrum to further

improve 5G services, with flow-on benefits to 4G services. Despite ongoing growth in demand for data, our expansion of 5G and use of additional spectrum has helped to increase the average speeds our mobile customers enjoy by around 11% since the closure of 3G. We established a 3G Helpline to support customers with the transition, and we have provided nearly 19,000 free phones to customers in vulnerable circumstances across Australia who had not yet transitioned to a 4G device.

In June, we reached a significant milestone as we began to switch on our Intercity Fibre Network, which will give Australia a new fibre backbone for industries that rely on high capacity, low latency connectivity. Our Sydney to Canberra coastal route is now live; Canberra to Melbourne coastal will switch on next; and we'll progressively switch on more routes over the next 12 months.

Also in June, we launched Australia's first satellite to mobile text messaging product. This is an important step forward for remote areas, and we're seeing around 90,000 devices connect to our satellite to mobile service on average per day. The service will become available on more handsets in time, and as satellite technology continues to evolve to support voice, data and IoT applications, we will explore how we bring those services to our customers.

Overall, we recognise that to remain a leader in connectivity, we need to be a leader in AI, and earlier this year we announced a joint venture with Accenture. We stood up the joint venture in April, and we are focused on accelerating our data and AI roadmap to reach our customer experience and network ambitions faster. We're also focused on helping our people build skills and confidence using AI through our Data and AI Academy, and the largest deployment of Copilot for Microsoft 365 licenses in Australia.

For customers, while there is always more to do to improve the experience for them, I'm pleased to say we exceeded our T25 Episode NPS target, achieving a 15-point improvement over the last four years. Digitisation has been a big contributor to this, and to cutting customer complaints by more than 70% since FY21. It has significantly improved the experience for our customers. For example, customers activating a service on our new platform have an NPS up to 50% higher than customers using our legacy technology.

Our journey on digitisation has been long and complex, but we're now within reach of completing the migration of consumer customers to our new digital stack. As you would expect with a complex migration like this, some of the most challenging services come towards the end. We have fully migrated around 98% of our 7.7 million customers, with the remaining 150,000 expected to be migrated by the end of this half.

Over the last 12 months, we've increased the price of some of our products and services, so we continue to improve the network and deliver for our customers similar to the investments and improvements I've already mentioned.

I recognise that cost of living remains a challenge for some people, and Telstra remains committed to offering our customers a range of options at different price points, and flexibility to choose what's best for them. We also provide assistance for

those who need it, and over the last four years, we've helped keep, on average, more than one million customers in vulnerable circumstances connected each year.

We know cyber security remains a concern for our customers, and scammers are evolving fast. We're evolving too, investing in technology and partnerships to help protect our customers, and make the digital world safer. This includes expanding our Scam Indicator partnership with the Commonwealth Bank to include Fraud Indicator, the introduction of Scam Protect to alert mobile customers to suspicious incoming calls, and our Cleaner Pipes work, which continues to block millions of scam calls, texts and emails from reaching our customers.

For Australia, we reached our goal to upgrade more than 1,000 payphones in disaster-prone areas across Australia, with free wi-fi and backup power. We completed a significant program of work to improve the resilience of our assets to power failures. More than 800 sites were upgraded across the country with batteries, solar, generators and improved monitoring and security, meaning our customers can stay connected for longer when power goes out.

We also continue to make strong progress against our climate targets, and we've now supported investments in renewable energy projects worth \$1.6 billion, helping to enable projects across Queensland, Victoria and New South Wales. These investments mean we're on track to enable renewable energy generation, equivalent to 100% of our consumption by the end of 2025.

As I look ahead now to the future, there's a lot that gives me confidence. In addition to our incredible team of passionate people across Telstra, trends indicate that demand for connectivity will only grow. Our core connectivity business is strong, with a unique set of competitive advantages that mean we are well placed to lead through this next period of technological change.

And we have established a strong track record of disciplined delivery through T22 and T25. This has laid the foundation for our Connected Future 30 strategy, which will see us adapt and lead to shape the future of connectivity. We are focused on continuing to deliver value for our shareholders, importantly through our core business cash flow, and also through 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.

I'd like to thank the Telstra team for the discipline and focus they have shown over FY25 and throughout our T25 strategy. We simply can't produce strong results without delivering for customers and continuing to improve customer experience, and our amazing team are fundamental to that.

I'll now hand to Michael to take you through the results in detail.

Presentation from Michael Ackland

Michael Ackland: Thanks, Vicki. I'm pleased to present our financial results now for FY25. As Vicki said, we've had another strong year, with continued growth on both a reported and an underlying basis. Reported net profit was up 31%, and earnings per share up 34%, primarily due to a \$715 million pre-tax one-off of net costs in the previous year. In contrast, our underlying result had a small [net] \$14 million pre-tax adjustment from our reported result this year.

Excluding these items, on an underlying basis our EBITDA of \$8.6 billion was 4.6% higher. Underlying earnings per share of 19.1 cents was up 3.2%, as higher finance costs, tax, and depreciation and amortisation, or D&A, tempered growth. Cash earnings growth was stronger on broadly flat BAU CapEx, demonstrating the cash generation of our operations. Cash EPS of 22.4 cents was up 12%.

As we said at our recent Investor Day, our aim is to deliver sustainable and growing dividends, having regard to cash EPS, and EPS, and balance sheet strength. In line with this, the Board has declared total dividends for FY25 of 19 cents per share, fully franked, up 5.6%. While our strong preference is to continue to fully frank dividends, our franking balance is tight, and we have an ongoing difference between cash and accounting earnings. We may consider partially franked dividends, if growing fully franked dividends is not possible. Where we have additional capital return to shareholders, our preference is buybacks, rather than unfranked dividends. However, we retain the flexibility, depending on value and market circumstances.

Our goal is to drive enduring shareholder value creation, and accretive buybacks are consistent with this. Accordingly, we also announced today an on-market share buyback of up to \$1 billion, reflecting the strength of our balance sheet. This follows the completion of our previously announced \$750 million buyback in June 2025, and an average share price of \$4.43, reducing shares on issue by 1.5%.

Looking at our underlying results in more detail on slide 13. While total income increased 0.7%, we reduced our operating expenses by double that percentage through an ongoing focus on cost discipline. This delivered underlying EBITDA growth of 4.6%. As previously indicated, D&A expense increased. It was up 4.7%, or over \$200 million, largely reflecting the ongoing shift to shorter life assets. We continue to expect the trend of materially higher D&A to continue in coming years.

Finance cost increased on higher debt levels, and tax expense increased with stronger earnings, and a higher effective tax rate of 28.5%. Pleasingly, we achieved growth across domestic connectivity and infrastructure products, including Mobile, Fixed C&SB, Fixed Enterprise, InfraCo Fixed and Amplitel. However, we saw a decline in International and Fixed Active Wholesale.

Other EBITDA also declined, with a \$34 million reduction in gains related to tower access agreements, and a \$17 million reduction in energy, partly offset by lower corporate adjustments.

Turning to Mobile. Our leading mobile network and customer focus proposition supported 5% EBITDA growth. Mobile service revenue grew 3.5%, driven by

postpaid, prepaid and wholesale handheld, partially offset by a decline in mobile broadband. During the year, we increased prices across much of the portfolio. These actions contributed to a 2.1% increase in average revenue per user, or ARPU, supporting ongoing investments in network performance, differentiation and customer experience.

This includes the launch of our satellite to mobile text messaging service, an Australian first, offering our customers an additional layer of connectivity, while also increasing our cost of goods sold going forward. Postpaid ARPU rose 2.5%, driven by Consumer, while prepaid rose 8.4%, and Wholesale 5%. Overall, our handheld [mobile] user base continued to grow, particularly in Consumer and Wholesale.

Our reported SIOs do reflect a number of one-offs in FY25. There was 162,000 impact to postpaid from 3G closure, reclassification of some services to IoT, and deactivation of unused COVID-era pay-as-you-go SIMs, mainly in Enterprise and mid-market. Excluding these, postpaid SIOs grew by 106,000, mainly in the first half, and driven by Consumer. We delivered this growth in spite of price changes and the disruptions of migrating Consumer customers to our new digital IT stack.

In prepaid, we made deliberate choices on our channel strategy to improve commercial outcomes. ARPU growth overwhelmingly offset the impact of SIOs, and recent trading momentum is pleasing. Overall, we're confident in continuing to deliver growth and value with the benefits of our actions, including recent price changes, flowing through into FY26.

Turning to Fixed Consumer and Small Business, where our focus on profitability and a portfolio of technologies continue to deliver growth. EBITDA grew 43% to \$363 million. Bundles and data ARPU grew 5.7% [from] price rises that came into effect in November 2023 and July 2024, delivering NBN margin expansion despite ongoing customer losses.

Our portfolio of technologies, including 5G fixed wireless, which continue to scale, as well as our satellite home internet product, also supported EBITDA growth, while headwinds from legacy and voice decline continued.

In Fixed Enterprise, we made strong progress in resetting the business. Our actions helped deliver EBITDA growth of 76% to \$239 million, despite continued structural headwinds across parts of the portfolio. Data and connectivity, or DAC, remains impacted by ARPU compression and technology change. Income fell 9% while EBITDA decline was limited to 10% from cost actions.

In Network Applications and Services, or NAS, revenue increased slightly with the contribution of prior year acquisitions, managed services and cloud growth. This was partially offset by fewer lower margin equipment sales, legacy calling and product exit decline in line with strategy. We have improved margin outcomes across much of NAS, including professional services, managed services, security, large deals and cloud. Growth in these areas more than offset ongoing legacy calling and product exit driven decline. This and our actions to reduce operating costs supported NAS EBITDA of \$153 million.

While these results are positive and customers are responding well, there is still more work to do to simplify our portfolio and improve outcomes. To this end, we announced further organisational changes in July and the sale [of 75%] of Versent Group, which includes Versent and parts of our NAS business. Our focus on portfolio management, however, is ongoing.

Turning to International on slide 18. Wholesale and Enterprise revenue continued to benefit from ongoing demand for offshore infrastructure and subsea cable capacity. DAC grew 4.5%, partially offset by continued declines in legacy voice and NAS following our decision to refocus the portfolio. As Vicki mentioned, we've taken decisive action following our strategic review, including the exit of certain NAS products and a reorganisation of our teams.

Accordingly, our results reflect significant restructuring costs, as well as timing benefits in the prior year that did not repeat this year. Wholesale and Enterprise EBITDA fell to \$351 million in Australian dollars, and 11% decline in constant currency. While the exit of products is expected to impact revenue further, these actions put us in a better position for the future.

Digicel Pacific trading performance for the year saw SIO growth offset by a reduction in PNG ARPU. EBITDA was down 3.5% in [constant] currency, excluding the impact of the earnout release in the prior period, with the second half up sequentially in Australian dollars.

Turning to our domestic infrastructure business. InfraCo Fixed results continued to benefit from the demand for dark fibre and ducts for NBN Co and other customers, partially offset by lower commercial works and asset disposals. InfraCo fixed core access EBITDAaL grew 5.1% with stronger operating leverage. Lower overall power consumption contributed to lower internal charges also to InfraCo.

Amplitel continued to benefit from strong demand for towers and new signings. EBITDAaL grew 7.5%, excluding the gains from customer contracts last year.

We continue to make progress with our Intercity Fibre Network, with one route ready for service late in the year. The next route, Canberra to Melbourne coastal, is expected this half, linking Sydney and Melbourne with this world-class technology. We expect more significant contribution to revenue growth from FY27, in line with opening more routes.

We delivered a significant reduction in operating expenses in FY25. Our strong performance was achieved through productivity and lower sales costs, despite inflationary pressures and growth from acquired businesses. This included a \$306 million reduction in fixed cost core this year, and \$428 million across T25. We achieved cost decline this year through reductions in our direct and indirect labour, including those linked to restructuring costs in FY24, lower commissions and power costs with reduced consumption and other productivity more than offsetting salary increases, inflation and higher business-as-usual redundancies.

Our focus on efficiency also extends beyond operating expenses to leases and BAU CapEx. Cash EBIT costs declined, delivering operating leverage of 1.8 percentage

points, including due to the restructuring in the prior period. Consistently growing revenue faster than costs to deliver positive operating leverage is the focus of our cost commitments under Connected Future 30.

Our cash generation is strong. This slide shows the walk from underlying EBITDA to cash EBIT. We are increasingly focused on this measure, and we've provided guidance on this basis for FY26. Cash EBIT grew 9.5% on higher EBITDA, and broadly flat BAU CapEx, leases and spectrum amortisation. Free cash flow after leases, before strategic investment, increased 5.7% to \$3.4 billion, driven by that higher cash EBIT. Working capital and other investment in FY25 reflects our management of receivables and inventory offset by a \$300 million cash flow related to the FY24 restructuring. We also expect around \$250 million working capital outflow in FY26 associated with an NBN true-up payment as we've previously indicated.

This strong cash generation supported shareholder returns and strategic investment. Strategic investment for the Intercity Fibre Network Project was \$325 million, and we also received proceeds from portfolio management, including the \$131 million loan repayment from the sale of Foxtel. In all, this supported dividends and buybacks of \$2.9 billion this year.

In addition, our capital position and liquidity remain strong. Net debt remains well within the comfort zone at 1.9 times, and our average cost of debt remained at 5%. We've also improved our underlying return on invested capital to 8.5% through earnings growth and capital discipline. Our Connected Future 30 target is 10% by 2030.

Turning to guidance for FY26, which is on slide 24. You'll see here that we've reflected the metrics we outlined at our recent Investor Day as we focus on driving cash earnings as part of our strategy to create value. Underlying EBITDA has been replaced by underlying EBITDA after lease amortisation, or EBITDAaL, reflecting a broader measure of costs in our business. For FY25, we reported underlying EBITDA of \$8.62 billion less \$600 million of lease amortisation, giving us \$8.02 billion of EBITDAaL. Our FY26 guidance range is \$8.15 to \$8.45 billion.

We expect lease amortisation to remain broadly the same, around \$600 million in FY26. As I mentioned earlier, we are guiding on cash EBIT in FY26, which is made up of underlying EBITDAaL, business-as-usual CapEx, and spectrum amortisation. Cash EBIT is a close proxy for free cash flow, and drives management focus on all of these costs. We remain focused on free cash flow, and we will continue to report on working capital performance.

Our FY26 cash EBIT is expected to be between \$4.55 and \$4.75 billion. This is equivalent to growth of between 5.5 and 10% on FY25, demonstrating the cash generation of our operating business. BAU CapEx of \$3.2 to \$3.5 billion further demonstrates our disciplined approach to CapEx. Strategic investment is expected to be between \$0.3 and \$0.5 billion in FY26, reflecting the continued rollout of our Intercity Fibre Network Project.

Our results and FY26 guidance for strong cash EBIT growth is a clear demonstration

of our shareholder value creation under Connected [Future] 30. One; growth of our core [business] cash flow led by mobiles and digital infrastructure coupled with cost and BAU CapEx efficiency delivering positive operating leverage. Two; portfolio and investment management to optimise returns, and three; disciplined capital management as we maintain balance sheet strength and deliver flexibility and deliver a strong and growing dividend, and reduce shares on issue with accretive buybacks.

Finally, I would like to thank the Telstra team for their ongoing efforts in delivering for our customers, the community and our shareholders. I'll now hand back to Nathan for Q&A. Thank you.

Investor and Analyst Q&A

Nathan Burley: Thank you, Michael. We'll now begin a question and answer session, beginning with investors and analysts. Vicki and Michael are on stage. Also present in the room today are Brad Whitcomb, Head of Consumer, Oliver Camplin-Warner, Head of Enterprise, Amanda Hutton, Head of Business, and Brendon Riley, CEO of InfraCo. We'll begin with our first question, which comes from Eric Choi from Barrenjoey. Go ahead, Eric.

Eric Choi: Hi. Thanks, Nathan. Hey, Vicki. Hi, Michael. Hi, team. Could I please ask three questions, one on FY26 guidance, one on mobile subs, and then one on cash EBIT and capital management. Nathan, do you want me to go all at once?

Nathan Burley: Yes, let's go through them, give us all the questions, Eric, and then we'll answer them.

Eric Choi: OK. Sorry. First one on FY26 guidance. You're still implying about \$300 million of nominal EBITDA growth in FY26 versus FY25, and that's without a major cost-out round like you had in FY25. I think that's right in line with your Investor Day guidance, which implicitly had around \$300 million of EBITDA growth every year to FY30. So that's my first question; is FY26 guidance basically in line with the T30 targets you set at Investor Day?

And given you're doing \$300 million of EBITDA growth without major headcount changes, is there potential for lumpier EBITDA growth above \$300 million as well in future years, given Telstra could do AI efficiencies like global peers, and you've still got ICF earnings to come in at some stage?

Second question is on mobile subs. I think the subscriber performance probably needs to be viewed in the context of competitor price increases. So Vodafone did these later than usual this year. They did it in June and July. Usually they go in January and March. So my question, or my second question is, has subscriber momentum improved since both Vodafone and Optus lifted pricing? And the sub question is, given Vodafone's lifting pricing, does that still suggest to you the market remains broadly rational, i.e. players are still prioritising ROIC and service revenue, rather than just pure subscriber growth?

And then the third question on cash EBIT, and implications for capital management. Thanks for the disclosure. So it looks like there was a 3 cents gap, i.e. cash EPS was

3 cents higher than accounting EPS in 2025. You can do the math and work out cash EPS will be 5 cents or higher than accounting EPS in FY26, and then that will continue to grow over time. And obviously that's important, because in dollar terms, that's an extra \$500 million every year of capital firepower above your accounting EPS. And that's before asset sales and before moving your gearing up higher as well.

So my third question is, you're using that capital firepower for \$1 billion of capital management in FY26. Do we take that, given that cash EPS and accounting EPS gap is likely to persist and grow, does that mean that capital management, both as a feature and as a quantum, that seems like more of an ongoing feature, if you like, rather than a one-off? Thanks very much.

Vicki Brady: Excellent. Well, thanks, Eric, and good to have you on. A good set of questions there, quite a lot in them. What I thought I'd do, why don't I make some brief comments on the first one, and as we get to mobile subs, I will get Brad Whitcomb to jump up and comment as well, because I think the big thing in there is really what's trading momentum looking like. So we'll come back to that.

And then on capital management, that's probably one for Michael to talk through. But if I start with your first question, Eric, which is all around FY26 guidance, how does it sit relative to our Connected Future 30 financial ambitions? I think as you have very correctly analysed, it's very much in line with those ambitions. And it is deliberately a longer strategy out to 2030. So we have set those big, broad ambitions.

And how it plays out, just like we've had to do under T25, it didn't quite play out the way anticipated when we first set our T25 ambitions. We will have flexibility as we work through that period. But absolutely, we're kicking off the first year of Connected Future 30 with our guidance very much in line with achieving our overall Connected Future 30 ambitions. So I thought your analysis on that was great.

Why don't I, just on mobile subs, as Michael spoke to, it has been an incredibly dynamic and competitive period, particularly the second half. And so as he spoke to, we do have a group of one-off items across 3G closure, some deactivation of COVID-era SIMs, and then some reclassification into IoT, that's 162,000. So we're still very pleased with the overall performance of our Mobile business in the financial year.

As you said, it's competitive, there's a lot going on, as is always the case in the Mobile business. So why don't I pass the cross to Brad to talk about that trading dynamic and what we're seeing, and then we'll come back to Michael.

Brad Whitcomb: Thanks, Vicki. And thanks, Eric. I think I might talk about post and pre separately. Although we do think about them as an integrated set of offerings to the customer, there's different dynamics going on, as you would expect.

So with post, as you're aware, we did announce a price rise back in May. This is not our first time going through this process. So we would have modelled out what the expected impact with that would be. And not surprisingly, that would suppress acquisition, as we've got dual quoting in the market, and also could lead to some customers considering whether they want to stay, either on that plan or with Telstra. Then we actually roll out the price rises, in this case, that hit in July. So when

customers get their first bill, that's another opportunity for reappraisal.

We absolutely do not factor in competitor moves when we think about our own pricing. So we're playing our own game and figuring out how we want to create that value for our customers. I would say our trading performance has very much been in line with our expectations. And again, we've got several years of experience with this. We have a bit of a blip in churn around the May timeframe, then also first bill, in this case, in July. And we've seen that expected rebound in the market.

For prepaid, I'd say there, off the back of the 8% ARPU increase, you can see it was a fairly substantial price rise that we put in back at the end of October. So most of that impact would have flowed through into the second half of the year.

As Michael said, we also took some other actions within the prepaid portfolio, particularly looking at some of our long-life plans, which in our mind were less commercial than they needed to be, and then also looking at our channel and distribution and where we can make better economic decisions around that. So we're confident in those decisions that we've taken on prepaid, and we're pleased with where we are on that. And again, with that price rise now fairly well back in the rearview mirror, we are seeing the rebounded performance around prepaid as well.

That being said, it is a more subdued market than what we have seen in recent years, I think both for post and for pre. But again, we're very pleased with our position on that.

Michael Ackland: Great. So thanks, Brad. And I think Brad summarised it really well, Eric. We're very pleased with where we're at on mobiles. And I think it does look like overall it's been more subdued market growth at a SIO level overall, and we probably expect that to continue into 2026.

If I move on to your question on capital management, and I think what I would say is, as we said at Investor Day, our objective is to provide sustainable and growing dividends. Our preference is fully franked, but we will consider unfranked dividends given the nature of that gap between cash earnings and EPS that you described, which is likely to be ongoing. We will consider franked dividends, unfranked dividends if providing growth in fully franked dividends isn't achievable at a level that we want.

But our preference is where there is the opportunity for accretive buybacks, and that will depend on market circumstances, of course, our preference is buybacks rather than unfranked dividends. So we absolutely do see that elevated D&A continuing for some time as we move, as we see that trend towards shorter life assets. So more intangibles, more software, and generally shorter life assets. So I think that gap will remain for some time as we see D&A elevated.

Back to Vicki's point at the start, I think your analysis of where we're at is absolutely right. I would just sort of land on a couple of things. I think one is we're absolutely committed to that mid-single digit growth in cash earnings. And I think our guidance for next year is very clear on that. And the second one is that we're committed to delivering positive operating leverage. So there will absolutely be cost out in FY26. But you are right, there isn't a big restructuring charge that we've taken. Although

as reflected in our FY25 results, there was higher than usual BAU redundancies in our numbers going through. So we continue to be focused on efficiency across all parts of our business, and that will be a feature as we go forward.

Nathan Burley: Great. We will go to our next question from Entcho Raykovski from Evans & Partners.

Entcho Raykovski: Thanks, Nathan. Morning, everyone. Maybe if I can firstly follow up on the postpaid net adds in the second half. I mean, you've obviously just spoken to it. But conscious that we're only seeing marginal growth in underlying numbers, I think it was only 4,000 increase in 2H after a much stronger growth in the first half. And we're also seeing this across the market. Obviously, Optus had their numbers out yesterday, TPG last week.

I suppose just at a broader market level, what are the key dynamics driving this? I note you comment around a subdued market, but are we finding that there's a big shift to prepaid and tier two operators? And so just interested in the broader dynamics. And then you've said it will continue into FY26. Do you think this is a structural thing which will normalise over time, and we should just see temporary impact? I think just longer term thoughts would be helpful.

The second one is on the guidance. So the midpoint of guidance is, I mean, as Eric mentioned, you've got circa \$300 million growth, call it \$280, \$300 million. That's down from about \$400 million in FY25. Are there specific drivers for that lower sequential growth? The mobile price increases certainly seem to be positive. They're coming in a bit earlier this year as well. I mean, is it the lower SIOs that are a challenge? Is it cost-out, which is probably expected to have less of a benefit? Just if you can talk through those building blocks, that would be useful.

And final one is on the buyback announcement. Are you able to confirm whether the intention is that \$1 billion is the scale, the full scale of the buyback for FY26, or are you leaving any room to upsize or increase the scale of that buyback as the year progresses? Thank you.

Vicki Brady: Thanks, Entcho, another good set of questions. So let me make some comments, and then I'm sure Michael will want to jump in as well. So just on postpaid net adds, yes, obviously we've seen some numbers reported, as you said, last week and yesterday, and then we've reported today. Look, absolutely, I think the trend has continued. It's just probably a little bit more stark for this half in terms of where a lot of the activities in the market is in the prepaid or that lower end part of the market.

Obviously, we're a very mature postpaid market, so we've seen that sort of net add movement be pretty small, would be our assessment as well. And as Michael said, as we look to FY26 and looking at very, very early trading momentum, which Brad spoke about, which we're pleased about, but where we would anticipate probably the market to continue with the same sort of trends that we've seen in the second half of FY25.

I'd say on guidance, and I'm sure Michael will jump in as well, obviously the biggest difference between FY25 and FY26, in FY25, we did obviously announce just ahead

of FY25 a significant restructuring charge. And that did involve large impacts on jobs. So cost-out has been a key contributor in FY25. So that would be one of the biggest differences as we look between FY25 and FY26.

And then in terms of the buyback, we've obviously announced the up to \$1 billion of buyback today. I mean, as Michael spoke to, as he was talking through the results, our capital management framework is very clear. We know in terms of creating value for shareholders, first off, the underlying business has to be growing and generating strong cash growth. And we're really pleased where that's at.

And four consecutive years of underlying growth puts us in a position where we are investing in our BAU CapEx, we are investing in strategic CapEx, we've been able to lift the dividend and announce the up to \$1 billion buyback. So that capital management framework will continue to really guide us and the Board as we think through the remainder of this year and through our Connected Future 30 strategy. But I would just call out the ability to be in this position has come through obviously very disciplined and focused execution over many years.

And that's what we're remaining focused on, to really keep delivering for our customers, because ultimately, we've got to do that to make sure that our business can continue to grow and create that capacity for us to be able to then generate the best possible outcomes we can for our shareholders.

But Michael, why don't you jump in and comment on any of those?

Michael Ackland: Yes, well, why don't I just touch on guidance? I think you've covered the others. I don't have anything else to add. I would say in guidance, Entcho, we've really strong confidence in our ability to deliver the FY26 guidance. And as you said, as has been talked to, it's aligned with our CF30 commitments and strategy.

A couple of things. Mobile continues to be a big driver, and as you said, those price impacts flowing through. There is a little bit of a, there will be a bit of a drag from the cost of satellite to mobile that will subdue that slightly. Infrastructure continues to grow. And then, of course, positive operating leverage. And as Vicki said, probably one of the big deltas between 2024 to 2025 and 2025 to 2026 will be cost-out, because we didn't do the big restructuring in the same way.

We still have some of those structural headwinds and decline that we need to be aware of, in DAC and calling particularly. And also, we need to, we'll be thinking through some of those asset sales and the headwinds that some of the asset sales that we've announced this morning around the Versent Group [sale] create. And we've talked about that at the revenue level, but you can probably calculate what that would mean at an EBITDA level around the guidance number.

Nathan Burley: Excellent. Our next question comes from Roger Samuel from Jefferies. Roger. Loud and clear, go ahead.

Roger Samuel: All right. OK. Thanks. My first question is just going back to obviously mobile again. Obviously the momentum decelerated in the second half of 2025. But I also noticed that your churn rate has increased as well. So now it's sort of running at about 13 to

14%, rather than the 10 to 11% in prior years. Do you think there is any structural change in terms of competition? Maybe in FY25, you've got some impacts from the MOCN deal between TPG and Optus. So just trying to understand that.

My second question is on Fixed C&SB. I'm not sure if you disclosed your NBN margin, but I suppose it's around the low double digits now. And I'm just wondering if you are expecting further margin expansion in September with the NBN speed boost?

And lastly, just on Digicel [Pacific], I noticed that they're starting to test the 5G networks now. And I'm just wondering if there's any CapEx associated with that trial, and maybe your BAU CapEx for FY26 would end up being at the high end of the range? Thank you.

Vicki Brady: Excellent. Thanks, Roger. Thanks for those questions. I'll make a few comments, but I might get Brad in a sec to come and talk a little bit more about postpaid mobile churn, just to dive into that a little bit more. And I'm guessing Michael might want to comment, or Brad, on Fixed Consumer and Small Business in terms of NBN margins, which just to comment, we don't disclose them separately in these set of results, but I'm sure Brad or Michael can make some comments on how we're seeing those, and obviously the big changes coming in September with the speed upgrades from NBN.

And then on Digicel [Pacific], I will pass to Michael. Michael chairs our Digicel Pacific Group, and so he's very close to what's going on in that business. So I'll get him to comment.

And I think just first off on postpaid mobile churn, yes, as you look at the numbers reported, it does look like a step up in churn. Brad will jump in and speak about it. As I mentioned, this was a very, very significant year of migration of customers in our Consumer business to our new digital stack.

And as you can imagine, as you go through transitions, and particularly now we're right in the fairytale end of that, with just 150,000 customers out of the 7.7 million to go, you do start to face into some choices and some disruption as you need to make decisions to get customers across into that new stack. Because ultimately we need all customers across to then be able to reap the full benefits then of obviously switching off legacy systems, alongside the benefits we're already starting to capture in the experience and efficiency with which our teams can also support our customers.

So there are a few things going on, particularly in the second half on churn, that I think it would be valuable, Brad, if you want to jump in and talk a little bit more about.

Brad Whitcomb: Yes, thanks. Thanks, Vicki. And yes, so the few things I would say is first, as Vicki has pointed out, we did have a fair number of customer impacting events during the year. So by far the biggest one would be we migrated 3.1 million customers onto our new digital stack. And part of that was taking some commercial decisions around whether we replicate everything that we had in the old stack and bring it into the new, or whether we simplify as we go. And we generally took a decision to move towards

simplification, so we can give a better customer experience in the future and do it at a lower cost.

One of the outcomes of that was we did have a large cohort of customers that are through our JB [Hi-Fi] brand which were under contract. The simplest way to move those customers to the new stack was to release a number of those customers from contract. And we did see some of those customers take advantage of that, getting out of that commitment, and that saw an increase in churn. We estimate that the combined impact of the migration and churn for the second half was somewhere around 40,000 to 50,000 customers, so it was fairly substantial.

Also I talked about the price rise and the timing of the price rise, doing that in May, getting into the price establishment period where our ability to trade is significantly curtailed. And so we would have seen some churn coming as a result of that as well. We also exited our platinum product, we exited Telstra TV. So a number of things that we did to simplify the experience for our customers and make it more cost effective to deliver did impact our churn.

But if we look at the underlying rate, we're very confident with where we are on a churn perspective. We did, of course, face significant competitive pressure during the year, but that's nothing new for us. We face competition all the time. So I'd say most of that churn increase that you're talking about is from the number of factors that I just mentioned.

Vicki Brady: Thank you, Brad. Appreciate you covering that off. And Roger, I should have also commented, obviously, our postpaid mobile churn that we report does have Enterprise and Business in it. And as we spoke to when Michael spoke to the one-offs, there were 3G closure, which was more heavily weighted into our Enterprise business with some services deactivated. We did have some of those COVID-era SIMs deactivate, which again, heavily weighted into Enterprise, and then some reclassification of SIMs out of postpaid into IoT, which again flow through in our churn numbers¹.

So a number of things going on in our SIOs reported and flowing into the churn. But I thought it was important to understand a bit more around the Consumer numbers, which I think Brad's done a great job of covering off. Do we want to go to Fixed C&SB on the margin front and maybe start, Brad, with you?

Brad Whitcomb: Yes, well, we're quite pleased. I think the sevenfold increase in profitability of that business over three years is something that the team is justifiably proud of. I would say we're not done working on margin. So we will see the price rise, or the impact of the price rises that we put through continue to flow through into the new year.

Of course, as Michael and Vicki have both pointed out, we're super focused on discipline around costs. So we'll continue to be looking to drive costs. I wouldn't comment on the specifics around the NBN margin, but our aspiration is to continue to focus on this business, both from a subscriber perspective, but also profitability.

¹ Correction - reclassification of SIMs out of postpaid into IoT do not flow through in our churn numbers.

Vicki Brady: Thanks, Brad. Michael, do you want to cover off, add anything to that, or cover Digicel [Pacific]?

Michael Ackland: Yes, no, that was perfect on Fixed C&SB. So just on Digicel [Pacific], we have a number of sites, particularly in Port Moresby, that are 5G ready and ready to go. So that CapEx has been done. We've been testing, and we're sort of working through regulatory approvals to start to turn that on. And then depending on how that goes, it'll determine how fast we roll that out.

I mean, I don't foresee any significant increase, particularly in CapEx around that. CapEx will go up and down for Digicel [Pacific]. It's that kind of business in that kind of market. But no, I'm not expecting a big uplift off the 5G rollout in the very short term. We have put the hardware in place, and we're working through regulatory approvals for rollout right now.

Roger Samuel: That's great. Thank you.

Nathan Burley: Our next question is from Liam Robinson from Jarden. Go ahead, Liam.

Liam Robinson: Thanks, Nathan. Morning, team. Three from me as well. Just firstly, on the EBITDA bridge, I mean, to Eric's point, the \$300 million of growth year-on-year into 2026 suggests you're on track to achieve the fiscal 2030 target. If I think about the two-year EBITDA bridge, though, I mean, in FY26, you've got the benefit of early price rises in mobile, so about 14 months' benefit versus 10 months in 2024. My calcs suggest that's about a \$30 million benefit.

That's obviously unlikely to repeat into FY27, so fair to assume your two-year mobile EBITDA bridge is weighted to growth in FY26. So am I right to think it would deliver another \$300 million of growth into FY27, you'll be more reliant on EBITDA growth from other segments?

And then just secondly, on international, obviously EBITDA declined 11% year-on-year constant currency. Looks to be some sort of review underway there, similar to the Enterprise portfolio. Obviously, you've taken action to close out this fiscal year, exited products, incurred some one-off redundancy costs; how soon can we expect that portfolio to return to growth? I mean, obviously you've got the \$40 million Digicel [Pacific] earn out headwind into next year. So fair to assume that that portfolio will decline into next year as well?

And then, lastly, just the clarifying question on guidance; just wanted to confirm your cash EBIT guidance excludes the NBN true-up, and that obviously is going through working capital. So, I mean, you haven't guided to free cashflow, adjusted lease in FY26, but just wanted to confirm that that will be impacted by the NBN true-up. Thanks.

Vicki Brady: Thank you, thanks, Liam; another good three questions, so thank you for that. So just starting with the first one on the EBITDA bridge, I mean, the comments on in terms of what we will have flow through this year, you're right in terms of pricing changes. We obviously have some earlier changes coming into effect which came in at the start of July. So that is certainly a benefit in this year.

I mean, we've given guidance for 2026 so I won't give guidance on 2027, but as you'd expect in our business, it is a portfolio of different parts of our business. We're working hard, we've had some, I think, very good momentum as both Michael and I spoke today, about all of the parts of the business that delivered EBITDA growth in the year, of course. A couple of areas of headwind, and I will come to our International business which is, I know, the second question you had.

But we remain confident in achieving guidance for FY26, and also I think it's a really good first-year start that we've set guidance for, for our Connected Future 30 ambitions. So I think the business, as I said, we've laid a good foundation through T25, and so we're certainly entering our next strategy feeling confident about what's ahead, and continuing to deliver in terms of the customers and ultimately in terms of those business results for shareholders.

Just in terms of International, yes, to touch a little bit more on it. I only briefly commented on it at Investor Day, I think, in Q&A. So like we did with Enterprise, as we looked at our International business we have proactively done a review of the business, and the team leading that business made some very clear recommendations and decisions which we're in the process of executing on.

A big one of those was that similar to our Enterprise business, in International we see the real advantage in focusing and doubling down on connectivity and our undersea cable business. So we have made the decision to exit the large majority of our NAS services in our Wholesale and Enterprise business within International. So that has resulted in impacts on a significant part of our International team as we really refocus that business around really innovating and facing into what we see as good demand for connectivity and capacity in that Wholesale and Enterprise business.

As you said, there are a few things that hit the Wholesale and Enterprise International business in these reported results. Firstly, there is a restructuring charge, because we have made those decisions and communicated those changes of the exit of the large majority of the NAS business, and through consultation with our teams on that, that are impacted. You'll also see there are FX impacts, and I think if you put the restructuring charge and the FX impacts, that's about two thirds of that decline in EBITDA that you see in our International Wholesale and Enterprise business.

I think as we're now into FY26, those decisions we've made, they're in train of being implemented. We definitely see the business better positioned for FY26 and, as I said, just like we see in Australia, there's a lot of demand for connectivity. We certainly see that demand across our International business, and remembering we are [one of] the largest subsea players across intra-Asia. So it's a big part of that portfolio, and we continue to see demand and remain optimistic with the business in a better position for this financial year, post having made those changes and implementing them in that business.

I might then hand, Michael, to you, for the last one or any other comments you want to add.

Michael Ackland: No, I think you've covered the rest really well, Vicki. And so cash EBIT does not

include the NBN true-up. Our cash EBIT is, I think as most of you will follow as an accounting metric, and so it follows through the full accounting view of EBITDA[aL] and then spectrum amortisation and then in-year BAU CapEx. So the NBN true-up will be not in the cash EBIT guidance. We will continue to report, of course, as we said on free cashflow, and the team remain very focused on working capital movements. But we do think that from a management point of view, the cash EBIT metric is a really strong metric to drive accountability across the business for all kinds of costs and is a good analogy for free cashflow.

Nathan Burley: Great. Our next question comes from Bob Chen from JP Morgan. Go ahead.

Bob Chen: Thanks, Nathan. Morning Vicki, and Michael and team. Just a few questions for me, a bit of a follow up on the Mobile business, and there was obviously a fair few one-offs this year. I mean, are there any other one-offs we should be aware of that might impact the SIO numbers into next year?

And then on pricing in mobile, I guess, I think one of the earlier comments was you don't really look at to compare the pricing when you're coming up with your own price increases. What feeds into that decision to do a price increase and to the size or quantum of those price increases?

And then, just finally as well, on the Fixed Enterprise business, we've obviously seen that pretty significant lift in the second half in margins in that business following the restructuring. Is that the go-forward margin expectation in that business into next year?

Vicki Brady: Thanks, Bob, for that, thanks for those three questions. On the Mobile business, and I'll make some comments, and, Michael, interested in your thoughts as well, not sure there'll be a huge amount on that one. [I will] Just talk about the mobile market and then I will get Oliver to come up and join and make some comments too on our Fixed Enterprise business shortly.

So on the Mobile business, as you said in terms of SIOs there were a lot of one-off pieces that have impacted our subscriber numbers for this financial year, particularly second half. Look, sitting here today, I would say, well, a 3G closure, when you do a transition of generations in mobile networks, that obviously, that's a big deal. We won't have a generational change in mobile networks in FY26. And I mean, I'm not sitting here today anticipating, but the mobile business is dynamic, customers make different choices. For example, one of the one-offs here is around deactivating some SIMs that were COVID-era, that's decisions made by customers to do that. So you can't quite anticipate those things.

But, Michael, I don't think we're anticipating, there's not a big closure but maybe are there any things you can think of?

Michael Ackland: Well, the only thing I would raise and you talked about it a little bit, and Brad talked about it, is we've still got the remaining Small Business and Consumer migration to go. It's a much, much, much, much smaller number versus the peak year of this year, but are probably some of our most complex and difficult contracts. So I think we'll

Vicki Brady: Good point.

Michael Ackland: – we'll be keeping an eye out for managing that as we go into next year.

Vicki Brady: Yes, thank you, that's a good point. And as we said, some of the toughest migration comes right towards the end, and we obviously work closely with our customers through that migration. But as you do that, we could well see some uplift in churn as we finish Consumer and get well underway in getting into some of the more sophisticated services for our Business customers through that migration as well.

The second question in terms of how do we think about our mobile proposition, I'd say look, first and foremost for us, we have a leading mobile network and proposition which our customers value. To continue delivering on that, that does take ongoing investment, things like capacity into our network, further capabilities like the 5G Advanced capability we're rolling out.

We obviously also provide support to our customers through our stores, through our contact centres, through the digital environment. So there's a lot of elements that we think about. Ultimately, what we think about is how do we deliver the best possible value proposition to our customers that sets us apart? But we've got to be able to keep investing on a sustainable basis to be able to deliver rightly to that high expectation they have in terms of the mobile products and services, the experience they have with us.

So they're the factors that really are front of mind for us as we consider any sort of changes in proposition for our mobile customers. It's absolutely around meeting their needs and ensuring we can keep investing to deliver at that high standard they expect from us.

And then I'd say, I'll come to Olly in just a second. Can I just call out for the Enterprise business. As you can see in the results, what's been really pleasing is the way Olly has led our Enterprise team through the reset; we're not done, there's still more to do and I'm sure he will touch on that. But I've just got to say the team have absolutely faced into that real reset of the business. And you can see it now playing through; we've still got more to do and that will play out through FY26. But I've got to say progress on exiting NAS products, hard decisions on cost which are never straightforward that absolutely have been essential to put the business in a better position. And obviously very much focused on the portfolio, getting really focused back on what sets us apart around core connectivity. And we've had the Versent announcement this morning.

So why don't I handover to Olly just to give a little bit more colour and detail.

Oliver

Camplin-Warner: Yes, thanks, Vicki, for those words, and thank you, Bob, for the question. Yes, I am really pleased with where the business is at. Of course, there's always more work to do ahead. But if I look at where we are now compared to where we were 12 months ago, it does feel like we're in a very different place. We set out to be simpler, sharper, and stronger, and we're definitely heading in that direction. We took decisive action

in a number of areas as Vicki touched on, and we've seen that flow through in the Fixed Enterprise line.

The other point, though I'd add, is just how the customers have responded, and they've reacted really positively to the changes that we've made and we've seen our NPS scores uplift in year two. So it's great to have that recognition from our customers along the way. We've welcomed some new customers, we've re-signed some existing customers as well, the likes of Linfox, CBA and Aussie Post, to name just a few, so really pleased there.

In terms of just providing maybe a little bit of colour behind the numbers and the changes that have taken place, Vicki touched on some of these. But we have launched a new operating model in Enterprise which has very much put the customer at the heart of everything, which has been great. Commercial guard rails is just front and centre now, we'll continue to strengthen those, launch new sales and incentive program.

On products, and Vicki touched on this, we set a commitment and a target to exit two-thirds of our NAS products and we're well on the way there, we're just over 60% exited there. Cost base, we continue to stare at our cost base, we've made a number of changes across the business, we've seen workforce reductions, we made some announcements as well, just last month.

And then, finally, I've got a little bit of a smile on my face, albeit a bit of a tired one, we did announce as well our strategic partnership with Infosys as well, overnight. As you know we've been running a process there, what is the future of our tech services business, so really thrilled to announce that.

So, long story short, it's been a really big year, I'm pleased with the progress. Michael spoke to it earlier, there are still headwinds in DAC [and] in calling. We are managing those as best we can, but I feel we've taken a number of actions in the last 12 months and we're in a better place than we were.

Nathan Burley: Excellent. We will go to our next question from Kane Hannan of Goldman Sachs.

Kane Hannan: Morning, guys. Three as well; just mobile margins, obviously they returned to growth in the second half, you sort of navigated that cost allocation and lower hardware revenue. Just as we think about 2026 with those pricing benefits coming through which obviously would be accretive, do you think the Starlink costs are significant enough to keep margins below 50%, or are there other things I should be thinking about and then sort of put a cap on mobile margins for next year?

Secondly, just with the Intercity Fibre build-out, that went live in June, obviously some pretty upbeat hyperscaler CapEx quarterlies. Just remind us of your latest thinking around the build-up of that \$200 million in earnings you're talking to, whether you factored anything into FY26 there?

And then lastly a lazy one on D&A, but just given there is a range of numbers in the market, just you do have the Intercity Fibre coming online, you do have the BAU CapEx staying high. Can you be any more specific around what D&A growth looks

like next year, whether it's that 5% full year growth you did this year, the 2% second half growth rate, just so we're all on the same page, would be helpful.

Vicki Brady: Excellent, thanks, Kane, thanks for your three questions. I'm going to get Brendon up in just a second as well, because I know you asked a question on Intercity Fibre, and I think it would be helpful to have him provide a little bit more colour about how we're tracking and what we're seeing. As you said, our first route live, and the next route from Canberra to Melbourne coastal not far off, so I'll get him up in just a second.

In terms of mobile margins and second half growth and looking into FY26, as Michael mentioned as he spoke we have launched our satellite to mobile service which we're excited to have in market. And pleased to see, actually, the way customers are using and adopting that extra layer of connectivity that it's providing for customers, particularly those that are travelling or living out in more remote areas of the country.

I don't know, Michael, if you want to come back and comment at all on mobile margins and outlook there?

Michael Ackland: Look, I think the second half lift was actually explained by a slower third quarter, I guess, on hardware rather than anything else. And the satellite to mobile will be a headwind on mobile margins as we go into next year as we explained. And it will really depend on how hardware plays out; I know we remain confident on selling hardware, and we sell it at a margin, so it's a good business. So we'll be chasing that as well. So yes, I think they're the two real swings, it's where hardware lands and a bit of the headwind from satellite to mobile.

Vicki Brady: Yes, no, fantastic. And then I know on Intercity Fibre, you did ask about the earnings on that. We've turned on the first route, we've got a lot more work to do to switch on more routes over the coming couple of years. So we see, it's not until we get through FY27 that we're probably fully complete on Intercity Fibre. And obviously, as routes come on there'll be phase up.

So that \$200 million that we've referenced previously, I think when it comes to FY26, not a large contribution from that yet, that will be further down the track as we get all of the routes live and customer demand onboard.

But why don't I hand to Brendon, and then we'll come back to Michael on D&A. So Brendon, Intercity Fibre.

Brendon Riley: Yes, thanks very much, Vicki. A massive year in FY26 for Intercity Fibre. If you think of the build from FY24 to FY25, we had to double it. And we doubled the build again from FY25 to FY26 in terms of the kilometres. So by the end of FY26, we'll be close to 10,000 kilometres in the ground. We're doing about just over one mini-edge site upgrade or new site per week to support the new architecture. We will have a lot of new routes go live in FY26 as well, so it's a very, very big and very significant year.

Extremely pleased with the testing results we're seeing, a lot of our customers are

very impressed, and our first big terabyte orders are flowing. So a very exciting time and big year ahead in FY26, thank you.

Vicki Brady: Thanks, Brendon. Michael, D&A I think was the last question.

Michael Ackland: It was D&A, my favourite topic. So just from an ICF² perspective, the great thing about the ICF assets is they're very long-lived. So that impact on D&A is pretty immaterial to start with and will build up over time. But as I said, they're quite long-lived assets, so that D&A impact is much less than, say, the impact of the rest of BAU CapEx.

On the rest of BAU CapEx, as we talked about previously where we're investing an extra \$800 million over the next few years in continuing to modernise and enhance our mobile capability, particularly around 5G Advanced, so that will have an impact in D&A as well. And I think you've seen the jump this year, and you should expect that some of that shorter life asset stuff will flow through over the coming years.

I think the other one, probably, to keep in mind in modelling is just when the next round of spectrum comes into play and starts to impact amortisation there in the outer years. So continued elevated D&A and some further impact of shorter-life assets flowing through, but ICF, like smaller impact in the short term or medium term.

Kane Hannan: Lovely, thanks, guys.

Nathan Burley: Next question is from Nicole Penny from Rimor, go ahead.

Nicole Penny: Good morning, thanks very much. In the FY30 ambition you've outlined the labour force will look markedly different by then, of course, due to AI and automation. And we've already seen some tangible benefits in FY25; could you provide a more detailed update on AI implementation across different areas of the business and the key trends you're seeing in how it's reshaping roles and productivity?

And my second question is putting Mobile aside, in the Enterprise and government business, what are the competitive advantages that you see will protect Telstra's FY30 ambitions from the rapidly evolving global and non-traditional competitors, please?

Vicki Brady: Excellent, thanks, Nicole. Appreciate those two questions. I will get Olly to come back up in just a second, too, because I know this is a topic he loves speaking about; he's out with our customers a lot. And so I'll get him to make some comments around our competitive advantages in our Enterprise business.

But just in terms of looking at AI, it is obviously a big topic of conversation and as we made, I think, super clear in our Connected Future 30 strategy, we seek to remain a leader in connectivity. We've absolutely got to be a leader in how we apply AI inside our business. That's to make sure we continue to be efficient and effective, to be at the forefront of providing connectivity for our customers.

² Intercity Fibre Network.

And so, like many of, I'm sure, the companies you're speaking to, we're pushing hard in terms of how we apply AI and adopt it. And that starts with our people, it absolutely starts with skilling, so we have our Data and AI Academy, with now more than 20,000 of our team having done at least one course in our Data and AI Academy. We're rolling out 21,000 Copilot licences, that's a big investment but that's an investment in our teams to really gain that experience in how to apply AI in every job across our business. And when I say, 'every job,' I mean, every job, that's the expectation that all of us need to be adopting AI in how we operate.

In terms of some of the areas we're seeing it deliver benefits and real change, and we do have hundreds of AI use cases getting used right across the business. I mean, we've always had automation, we've had AI for a long while, but as we now get to Generative AI and moving to Agentic AI in how we apply it, our teams are absolutely pushing to be at the forefront of that.

Some really good examples; of course, like everyone, it's helping our frontline teams, it's helping our teams in terms of supporting and servicing our customers. But for us, one of the most fundamental areas where AI is and will continue to play a huge role is right in the heart of our business in the network. And ultimately, our goal is to get to more autonomous networks.

Why that's important, that's about making sure our networks remain even more resilient for our customers. So things like the ability to predict, to self-heal. We have some really good examples already rolled out. SmartFix is one of the applications we have of AI where it uses our network data, it uses the data off our Smart modem, for our customers who are on our broadband service.

In the last year, through that work, about two-and-a-half million proactive actions were taken, which meant that customers got a more resilient experience than they previously had on their service. So keeping upping that ante on resilience for our customers.

But we're seeing benefits, we're seeing our teams really adopt it and work out the best possible ways they can use it to make doing their jobs better. So it's something we're absolutely focused on, and our Accenture joint venture stood up. We've been spending a lot of time with them and the team to make sure we're focused on the biggest priorities that can make a difference inside our business.

Olly, why don't I go to you to talk a little bit about our differentiation in our Fixed Enterprise business.

Oliver

Camplin-Warner:

Yes, thanks, Vicki; thanks, Nicole, for the question. Yes, as Vicki said, I have the great pleasure of spending a lot of time out there in the market, with some of our amazing customers both in the corporate sector but also government agencies. And what I hear from them what are some of the reasons why they like to really work with us and partner with us. First off, so much of it comes down just to the strength of our network, so whether it be mobiles, whether it be fixed, whether it be satellite which will come online in the not-too-distant future. They really just see that differentiation there.

The second piece where I constantly get amazing feedback is just around our people. We have trust that's been built up over many, many years, and they're just close and really work side-by-side with our customers, hand-in-hand.

Third up, just our delivery track record, we are there for our customers when they need us most. And again, that just goes back to the trust. Fourth, just our sovereign status, so that's really valued by many, especially at the top end of town.

And the final piece is just some of our plans as part of Connected Future 30. We've really worked through that strategy in partnership with our customers; they really value that. And Connected Future 30 will very much give our customers what they are looking out for. So some of the functionalities we'll be bringing online as part of Network as a Product, it's really what our customers are calling out for. So just that relevance and how we're listening to what they need the most.

Nathan Burley: Thank you, all. So I also invite media on the call. If you'd like to ask a question, press star one, we'll take your questions after we complete the final two analyst questions. And our next question is from Nick Basile from CLSA.

Nick Basile: Thanks. Morning, Vicki and team, I just have one question around the investment in LEO and direct to device capability this year. Is that investment still being framed as strategic CapEx or should we think about it more of a one-off? I guess peers out there are also investing in that area at the moment, so just wondering whether that's still, how we're thinking about that and also the outlook for further investment, I guess, 2026 and beyond. Thanks.

Vicki Brady: Thanks, Nick. And just to make sure I've heard the question, investment in LEO satellite services?

Nick Basile: Correct, yes.

Vicki Brady: Right, OK, thank you. I mean, to provide those services on our side, we partner, and obviously SpaceX and Starlink are big partners today for us in providing those services. Both in terms of the Home Base service that we've had in market for a little while, but also, as you said, we launched our satellite to mobile text messaging service earlier this year. So on our side, the CapEx cost of that is largely around any product enablement to bring those products to market. Obviously, SpaceX is the one investing the significant amounts of CapEx into launching those satellites and those constellations. But I think, Michael, from our side, that would be the main side for us in terms of that.

Michael Ackland: Yes, no, absolutely. And that's all in BAU CapEx, it's all in that. And so for us, the cost of LEO sats is effectively in our operating expenses going forward and our direct variable costs, as a way to think about. It does leverage, obviously leverages our assets like spectrum. But yes, there's no CapEx for that.

Vicki Brady: Yes, and then the thing I would add, I mean, as we look, obviously the world's moving fast when it comes to LEO satellites, and it's exciting to see that innovation. Certainly, in Brendon's side of the business, in InfraCo, that's an opportunity,

because those satellite players all need ground infrastructure to support with that. And so Brendon and the team have been supporting many players with the roll out of their satellite ground infrastructure.

We also have a partnership with ViaSat, that's been an important partnership, particularly for our mobile network with some of our more remote sites. So leveraging that capacity to provide what we call is the backhaul from those sites, so providing more capacity to improve the experience that our mobile customers can benefit from, on some of those sites.

So there is a lot going on in the LEO satellites side, but the big CapEx investments in those satellites are obviously being invested by those players. But it's exciting, we love being at the forefront of being able to bring new technology to our customers here in Australia, and launching the satellite to mobile service was an exciting milestone.

Nick Basile: Thanks. Can I just ask –

Nathan Burley: Go ahead, Nick.

Nick Basile: Yes, it sounds like it's more on the OpEx side going forward; how material might that be over the next couple of years versus what it is in 2026?

Michael Ackland: Well, there's really a very, very immaterial amount in 2025 and it will ramp up in 2026. And yes, it's included in our guidance in terms of what we've said going forward at this point.

Nick Basile: OK.

Nathan Burley: And our final investor question comes from Phil Campbell from UBS.

Phil Campbell: Yes, morning everyone, just a couple of quick ones from me. Michael, on the capital management, I was just curious as to when you're writing the Board paper and recommending or looking at options in terms of buyback versus dividends, what are the principles involved in that? Because obviously, buyback – I think you said the previous buyback, the average was around \$4.43. Obviously, the stock's trading much higher than that now. So would just be curious as to the principles around the buyback versus dividends.

And then the second one was just checking that I'm assuming the guidance does exclude the Versent sale today?

Vicki Brady: Yes, correct. So just on that last question, yes, guidance does not include that. You know, that will take some time, it doesn't happen immediately. We're working through – obviously, there's a number of approvals. We've said this morning, we would hope that we have completion on the sale of that 75% interest [in the Versent Group] to Infosys by March next year. So that could take a little bit of time. And I think as we've spoken about that business contributes, I think it's around \$400 million in revenue. But obviously, a services business, very different margin dynamics. So I think, Michael, we're assuming that we'll be able to manage that

transition inside our guidance.

Michael Ackland: Totally.

Vicki Brady: So we're not expecting, at this point, any big adjustments. We're thinking about that transition won't happen for a few months yet. Hopefully, those approvals come through quickly, but we're not expecting that to have any significant impact at this point. And Michael, do you want to touch on capital management?

Michael Ackland: Sure I can, yes, yes. And on the [75%] Versent [Group] sale, as Vicki said, yes, completion, I think we said by March [2026]. So the impact within the year will be fairly small. And I think within our opportunities and risks across our business, we would look to deal with that, within our current guidance, is our current view. So just stepping back on how we think about capital management and how we step through that with the Board.

So step one is that the discussion with the Board is about a sustainable and growing dividend. So we think about sustainability of that dividend level, and our ability to grow that, as a really important input. And that has regard to our forecast for cash EPS and our forecast for EPS as well. Our preference is fully franking. And then if we can't grow it at a fully franked level, as we've said, we'll obviously – we will consider unfranked dividends as we look at that. But our objective on the dividend is sustainability and predictability and that outlook.

When we think about buybacks, once we've stepped through our liquidity position, after we've considered all of the investment opportunities, both in the short term and the medium term, that the business is looking to, we assess – we then come to our buyback as we look at from a liquidity perspective. And we're looking at a few things. We're looking at how do we think that the stock is currently valued, versus how we would value it based on our outlook? And then we also look at whether it's accretive, which is obviously determined by the price, but also, in effect, the cost of debt. I mean, this is a capital management play. So you're looking at how do you lower your overall WACC through buybacks.

So as long as they're accretive, if they're no longer EPS accretive i.e. the cost of debt to fund that buyback on a counterfactual is more than the upside of removing shares on issue, then we'll trade it off. So it's really we start with that growing dividend and the sustainability of that. We work through all of the investment opportunities that the business has. And then we then we look at our liquidity position. Then we assess effectively whether the buyback would be accretive and at what prices it would be accretive.

Phil Campbell: Great. Thanks.

Nathan Burley: Thank you. That's our last investor and analyst question. I'll hand over to my colleague, Steve Carey, who will moderate the media Q&A. Steve.

Media Q&A

Steve Carey: Thank you, Nathan. And thank you to all the analysts for those questions. We will

now move to the media Q&A for our results. In this session, we have CEO Vicki Brady and CFO Michael Ackland that will address the questions for the media. If you haven't registered for your questions, please join on the conferlink call, enter the passcode, register your questions by pressing star one, or cancel your question by pressing star two.

We'll now move to questions. And the first question today comes from Jared Lynch from The Australian. Please go ahead, Jared.

Jared Lynch: Hi, Vicki. Just looking at the postpaid subscriber numbers, the 106,000 looks like that's all come from a wholesale level rather than Telstra retail. So I was just wondering, what is Telstra's strategy to mitigate the impact of this increased competition on subscriber numbers and market share, beyond relying on network preference? Are there any specific pricing product or bundled offerings being considered to get more people back into the Telstra brand?

Vicki Brady: Thanks, Jared, for your question. And I'd say, as we've talked a little bit about this morning, there's quite a few moving parts in terms of our customer numbers in our postpaid business that we've reported today. When you dig through that, we've seen strong growth, yes, in our Wholesale business, but also strong growth in our Consumer business as well. And that's across our branded and Belong business. So we have seen good growth there as well in our postpaid business. And as we look at, how do we show up for our customers, what do they value?

When it comes to our mobile proposition, absolutely, the strength of our network is a big part of the equation. As we step into Connected Future 30, we're very much focused on Network as a Product. So how do we keep innovating in terms of the connectivity and the needs of our customers?

And so we're excited by what's ahead of us. Our Mobile business is in a good position. We never take that for granted. And that's why we continue to invest. Like our \$800 million extra investment into our mobile network to deliver 5G Advanced. Our customers will start feeling the impact of that, as we switch on some of that capability, towards the later part of this year where customers will feel better speeds again. They'll feel a greater experience and more resilience in our 5G offering market.

So we're never complacent on it, Jared. We know we've got to keep delivering and innovating for our customers in our Mobile business.

Jared Lynch: And I just had a follow-up question on AI. When you said the expectation is for all staff to use AI in their workflows, how do you go about that, getting people to use AI every day? And what are the tips that you get them to start to augment their workflows with this new technology?

Vicki Brady: Yes, thanks, Jared. I mean, our approach has been very much through investment in our Data and AI Academy. So providing the learning tools there. We've seen more than 20,000 of our people do at least one course in our Data and AI Academy, which is fantastic. We've also rolled out Copilot licences. So 21,000 Copilot licences, because one of our early lessons here was, you can learn the theory of it, but you've

got to have that practical hands-on ability to try it, to use it, to figure out how it can deliver benefits for you.

So and one of the best ways, I've certainly found, and in many of the conversations I'm in, our team's actually sharing their tips and tricks of how they use it, makes a great difference. For me, one of the tips I heard recently, which was fantastic, one of our Enterprise team had a very deep report that they'd sourced from an analyst on the market and what was going on. And they'd used Copilot to produce a podcast. So being able to listen to a 30-minute podcast rather than trawl through hundreds of pages of a report. So some of those tips and tricks are definitely the things that we're finding is working. And we're absolutely finding our team's really curious and eager to learn.

And I think that's represented in the amount of our team members that are doing courses in our Data and AI Academy, and also in the activity levels of our Copilot usage. So, yes, everyone's learning and definitely tips and tricks help.

Michael Ackland: Jared, can I just – sorry, Vicki, can I add something just on your point around the mobile services? The 106,000 is just prepaid³ and it is retail. There's an additional 217,000 of adds in Wholesale. So the Wholesale add is in addition to the 106,000 after the one-offs –

Vicki Brady: In postpaid.

Michael Ackland: In postpaid. Now, in our retail prepaid – yep, anyway, just to clarify.

Vicki Brady: Yes, because I think you said prepaid. I think you meant postpaid.

Michael Ackland: Postpaid. I apologise. I misspoke. That was super helpful, Jared, for me there. Yes. That was really clarifying.

Jared Lynch: Thank you.

Vicki Brady: How'd you go, Jared? Is that clear now?

Michael Ackland: Postpaid retail, 106,000. Wholesale, largely prepaid, 217,000.

Vicki Brady: Yep. Thank you.

Jared Lynch: All right. Thank you.

Vicki Brady: Thanks, Jared.

Steve Carey: Thanks, Jared. And thank you for clearing that up, Michael. Next up, we have Dave Swan from Nine Metro Publishing, The Age and SMH. Please go ahead, Dave.

David Swan: Thanks, Steve. Thanks, guys, for your time. And congrats on the results. Always nice to chat. Three quick ones, if you'll indulge me. Vicki, you said this morning we need

³ Correction - postpaid

a national spectrum strategy to unlock investment. I guess what's wrong with the current status quo, and how is that impacting Telstra's ability to invest?

Secondly, I wanted to ask about, similar to Jared, I guess, the mobile numbers. It seems they might have disappointed the market this morning, given the share price movement so far. I wanted to ask, I guess, to what degree the network sharing agreement between TPG and Optus might have impacted the mobile numbers, and what your expectations are of – just the success or otherwise of that going forward.

And I wanted to ask, if I can, about – Vicki, in particular, if you have any thoughts on a four-day work week. That's been a bit of a point of discussion this week. Thanks.

Vicki Brady:

Thanks, Dave. Three questions, so let's work through those. So thank you for that. Firstly, yes, I did mention this morning I think having a national spectrum strategy is critically important. When you look at the country today, and how people rely on mobile services, whether it's for work, for business, whether it's education, personal connections, accessing government services, it's such a fundamental element of enabling how people access technology and operate their daily lives. So from our point of view, certainty on spectrum renewal is absolutely critical.

If you think about the three mobile networks in the country today, about 80% of the spectrum that those networks rely on will come up for renewal through 2028 to 2032. So they are long term investments. So certainty of spectrum renewal is absolutely critical to unlock and make sure we're making the most of those mobile networks.

And the second thing I'd say is, I think there is an opportunity to look at spectrum across the country and potentially the next digital dividend in terms of how we might be able to unlock more spectrum into mobile, to help really provide that foundational mobile network capability that the country is going to need to rely on to play a part in really unlocking productivity and making the most of technology. So yes, I do think a national spectrum strategy could make a real difference in delivering the best possible economic and social outcomes for the country.

The second one you asked about was the mobile numbers. And there is a little bit of noise in the mobile numbers that we've reported today. It has been a really dynamic period in mobile. So we had 3G closure. We have also had some things inside our postpaid numbers that it impacted. We've had some reclassification of postpaid services largely out of mid-market and Enterprise into IoT. And we have had some deactivation of SIMs in our Enterprise business that relates back to the COVID era. So when we step back and look at our postpaid business in particular, our Consumer postpaid business, we've actually seen strong growth in the year in our postpaid business. The second half has been a very competitive and dynamic period.

There is no doubt the network sharing deal switching on is a change in the market. But we're pleased with how we've competed and traded through that period. And we're also pleased with how the trading momentum is looking for the early part of this financial year.

So a very dynamic period inside our Mobile business. We've also been very busy migrating customers to our new digital stack in our Consumer business. So we

migrated more than three million customers over FY25, with only now 150,000 of our 7.7 million Consumer customers due to be migrated. So, lots of noise in terms of some of those things, but overall, we're really pleased in terms of how our Mobile business performed in FY25.

And then the final point, I know there is a lot of ideas getting put on the table ahead of next week's Economic Reform Roundtable. I think it's great. Firstly, I think it's great there's a national conversation going on, on what is it going to take to lift productivity in the country. I think it's excellent that there's lots of ideas being put on the table.

From our perspective at Telstra, we've had a strong support for flexible work as part of our employee proposition for a long period now, even pre-dating COVID. So for us, we have a very diverse workforce. We have teams out constructing network. We have teams out in the field maintaining and supporting customers and our network. We obviously have teams in stores, in retail. We have contact centres. We have office staff. I could go on and on.

We've got a very diverse workforce. And so for us, flexibility is key and it does look different by different teams. We do have teams that regularly work nine-day fortnights. We have people that will adjust rosters to be able to best fit with their needs. And we have hybrid working for our office-based staff as well. I'm a firm believer that this is something that you absolutely have to work through as a business and for us, flexibility and hybrid working are core parts of how we operate.

David Swan: Thanks.

Steve Carey: Thanks, Dave. Our next questions are from Jenny Wiggins from the AFR. Go ahead, Jenny.

Jenny Wiggins: Hello, can you hear me?

Steve Carey: We can hear you, Jenny. Please go ahead.

Jenny Wiggins: OK, great. Sorry. Just to follow up to David's question. The Chief Executive of AT&T in the United States, when he made his comments a week or so ago talking about getting staff back to the office five days a week, he also made reference to needing to develop a more market-based culture. And we've also seen the Westpac CEO talk about management needing to be more aggressive, scheduling meetings on the weekends and so on. So I take your points about Telstra being committed to a flexible and hybrid working environment.

But as Telstra does try to become more efficient, I mean, are you also trying to create a more, I don't know how you describe it, aggressive or dynamic culture among management? Do you think people actually need to work harder, even if it is still flexible, to be more productive? And then I had two other questions.

Just with regard to the changes on postpaid, I didn't quite understand what you meant when you talked about the end of COVID era SIMs. If you could just explain that, please.

And then with regard to satellite to text messaging, can you tell us how much that is actually costing Telstra? And also how many people have actually used those satellite to text message services to date? Many thanks.

Vicki Brady:

Thank you. Thanks, Jenny, for that. Quite a few questions to cover off there. So just when I think about Telstra's culture, and obviously having a culture that is going to set the organisation up for success is absolutely critical. So in our case, flexible working is absolutely part of how we operate and bringing the best out in our teams.

As we've stepped into our next strategy, Connected Future 30, one of the things we're absolutely focused on is you want to make sure you've got a high-performance culture. And what does that mean? That means that we're delivering on the outcomes for our customers, we're delivering on the outcomes to support our teams, we're delivering on the overall business outcomes as a business. So that's something that runs very much through Telstra.

We've been focused on that for some time, but as we step into Connected Future 30, we've got to keep innovating. We've got to really radically innovate in the core of our business. So they're some of the things we're focused on. So for us, flexibility is a core part of how we operate and hybrid working, I would say for me, it's one of those things I don't – people say, "Have you got the balance right?" You're constantly looking to be brilliant at hybrid working. And that looks different for different teams across our business, but absolutely some time together, face-to-face, is part of that in bringing, I think, the best out of teams and working across our organisation, but absolutely flexible working.

We want to be high performing. That's what we aim to be. And with that, you've got to be competitive in market. And so, yes, we focus on making sure we can deliver for customers, we can drive efficiency and do it in a way that brings out the best in our teams by providing flexible options in terms of working.

Just on our postpaid numbers, Jenny, yes, there are a few moving pieces in it. And we spoke about this morning, one of those areas was some of our Enterprise customers had SIMs in place that they'd put in place through COVID. And as they've gone through work to simplify their portfolio or their fleet of services, we have seen some deactivations in the half for those SIMs. I think from recollection, it was around 64,000 SIMs, largely in our Enterprise business where we saw those, Jenny. So that's what those relate to. They were services put on through COVID, that now subsequently customers have been through and have deactivated them out of their fleet of services with us.

Then finally, on satellite to mobile, it's been exciting to have the satellite to mobile text message service launched. Any costs associated with that, as you would appreciate, are commercial and confidence. In terms of what we're seeing, what is exciting, on average, every day, we see about 90,000 devices connect to our satellite to mobile service. So we've been really pleased, and feedback from customers on the service has also been very pleasing. That ability to have that extra layer of connectivity when you're outside our mobile network. So exciting to have that in market.

Jenny Wiggins: Thanks.

Steve Carey: Thanks, Jenny. Our last caller for the day is Rohan Pearce from Comms Day. Rohan, please go ahead.

Rohan Pearce: Lucky last. Hi, guys. Just a quick one. Do you see opportunities to grow SIOs in the Consumer and Small Business Fixed space again? I think Brad made a comment along the lines, said you had a kind of ambition to increase your NBN subscribers. And I guess the other thing is just, what do you see in terms of potential for more NBN churn around the launch of Accelerate Great?

Vicki Brady: OK. So first off, as Brad spoke to this morning, we've had a very big focus, obviously, in our Fixed Consumer and Small Business side of our business, to make sure we can run that business on really sustainable margins. And the teams have done an excellent job over the last few years of continuing to drive improvements there.

As you call out, we have been losing, however, customers. And ultimately, to have a business operating sustainably over the long run, of course, we'd like to see that stop so that we're back to a position of holding customers, or growing customers to some extent. But right now, we've still got work to do in that business, as Brad spoke about this morning, and the team are working hard on many propositions to appeal to our customers.

We do have a new Smart Modem coming very, very soon, I believe. And that will take customers to Wi-Fi 7. So a core part of our proposition is, particularly with the NBN changes coming up in September, where we will see those significant step-up in speeds for many customers, it really reinforces how important it is to have a high-quality modem to be able to access and enjoy those step-up in speeds that will be delivered through those NBN changes. And look, I think the NBN market is a dynamic and competitive market, and we would expect, with these next round of changes, I'm sure that will continue to be the case.

And I know Brad and the team are working very hard on making sure we show up and compete in that environment and delivering for existing customers, and looking to attract more customers to our broadband business as well over time.

Rohan Pearce: Thanks, Vicki.

Steve Carey: Thank you, Rohan, and thank you to all the media and the analysts that joined our call today and invested time in their questions. Thank you to Vicki and Michael and our Executive Team for addressing them as well. This now wraps our call for our Full Year Results presentations. Thank you all for joining us.

[End of presentation]