



29 September 2022

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**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**2022 Retail Shareholder Meeting**

In accordance with the Listing Rules, I attach the presentation, to be delivered by our Chief Executive Officer, Vicki Brady, and Chief Financial Officer, Michael Ackland, at our 2022 Retail Shareholder Meeting today, for release to the market.

The briefing will be webcast live from 10:30am (AEST), and is accessible via:

<https://www.telstra.com.au/aboutus/investors/key-dates/shareholdermeetings>

Authorised for lodgement by the Company Secretary.

Yours faithfully,

**Sue Laver**  
Company Secretary



# 2022 Retail shareholder meeting

29 September 2022

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## Disclaimer



### Forward-looking statements

This presentation includes forward-looking statements. The forward-looking statements are based on assumptions and information known by Telstra as at the date of this presentation. The forward-looking statements are provided as a general guide only and are not guarantees or predictions of future performance. Telstra believes the expectations reflected in these statements are reasonable as at the date of this presentation, but acknowledges they involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause Telstra's actual results, performance and achievements to differ materially from those expressed in, or implied by, the forward-looking statements. These factors include: general economic conditions in Australia; exchange rates; competition in the markets in which Telstra operates; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; the ongoing impacts of the COVID-19 pandemic; the geopolitical environment (including the impacts of sanctions and trade controls and broader supply chain impacts); and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra operates.

A number of these risks, uncertainties and other factors are described in the "Chairman & CEO Message", "Our material risks" and "Outlook" sections of our Operating and Financial Review (OFR). The OFR is set out in Telstra's financial results for the year ended 30 June 2022 which were lodged with the ASX on 11 August 2022, and are available on Telstra's Investor Centre website [www.telstra.com.au/aboutus/investor](http://www.telstra.com.au/aboutus/investor).

In addition, there are particular risks and uncertainties in connection with the implementation of the Telstra's T25 strategy (T25). Detailed business plans have not been developed for the entirety of the strategy and the full scope and cost of T25 may vary as those plans are developed. Further there are risks associated with the Telstra Group's ability to execute and manage the elements of T25 in a sequenced, controlled and effective manner and realise the planned benefits, cost savings and growth opportunities. There are also risks and uncertainties in connection with the proposed legal restructure announced on 22 March 2021. Any restructure is a complex process and we are navigating a range of existing commercial, regulatory, operational and other requirements. There may therefore be delays in implementing some parts of the restructure, or they may not be implemented.

Telstra does not provide financial guidance beyond the current financial year. Telstra's financial ambitions to FY25 and growth ambitions across our portfolio are not guidance and there are greater risks and uncertainties in connection with these ambitions.

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Defined terms are set out on the slide "Glossary".

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### Unaudited information

All forward-looking figures and proforma statements in these presentations are unaudited and based on A-IFRS unless otherwise indicated. Certain figures may be subject to rounding differences.

All market share information in these presentations is based on management estimates having regard to internally available information unless otherwise indicated.

### Other information

All amounts are in Australian Dollars unless otherwise stated.

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# Introduction & Strategy

Vicki Brady– Chief Executive Officer

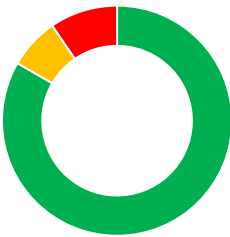
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## T22 achievements

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Simplification &amp; Digitisation</b> | <ul style="list-style-type: none"><li>10.2m services on 20 simplified C&amp;SB in market plans</li><li>4.5m Telstra Plus members</li><li>C&amp;SB digital sales increased to 48% and digital service interactions increased to 77%</li><li>71% reduction in annual contact centre calls since FY18</li><li>100% of calls from C&amp;SB customers now answered in Australia</li><li>Enterprise digital service interactions increased to 41%</li></ul> |
| <b>Ways of working</b>                   | <ul style="list-style-type: none"><li>Leaner, more efficient organisation including &gt;17k working in Agile</li><li>FTE reduction by &gt;one-third or 26k across direct and indirect</li><li>Hybrid working for all office based and contact centre employees</li></ul>                                                                                                                                                                              |
| <b>Productivity</b>                      | <ul style="list-style-type: none"><li>&gt;\$2.7b cost reduction since FY16</li><li>&gt;\$2b asset monetisation – almost \$5b including Amplitel</li></ul>                                                                                                                                                                                                                                                                                             |
| <b>Network leadership</b>                | <ul style="list-style-type: none"><li>Australia's largest 5G network with 80% of population covered</li><li>3.5m 5G capable devices connected to the Telstra mobile network</li><li>National lead in combined 4G/5G speeds</li></ul>                                                                                                                                                                                                                  |
| <b>Infrastructure</b>                    | <ul style="list-style-type: none"><li>Completed 49% disposal of interest in Amplitel for \$2.8b</li><li>Proposed legal restructure: Scheme Booklet published giving shareholders information they need to vote at Scheme Meeting to be held on the same day as our AGM</li></ul>                                                                                                                                                                      |

T22 scorecard metrics  
~80% metrics completed



- Completed
- Significant progress but below target metric
- Below target metric

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# Full year 2022 results

Michael Ackland – Chief Financial Officer

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## Financial headlines



| FY22 Reported                                             | FY22 Guidance basis <sup>1</sup>                                        |
|-----------------------------------------------------------|-------------------------------------------------------------------------|
| Total income: \$22.0 billion, -4.7%                       | Underlying EBITDA <sup>3</sup> : \$7.3 billion, +8.4%                   |
| EBITDA: \$7.3 billion, -5.0%                              | In-year nbn headwind <sup>3</sup> : ~\$340 million (LTD ~\$3.6 billion) |
| EBITDA lease adjusted <sup>2</sup> : \$7.3 billion, -2.5% | Underlying EPS <sup>3</sup> : 14.4 cents, +48.5%                        |
| NPAT: \$1.8 billion, -4.6%                                | Capex <sup>3</sup> : \$3.0 billion, +0.7%                               |
| EPS: 14.4 cents, -7.7%                                    | Free cashflow after lease payments <sup>3</sup> : \$4.0 billion, +5.9%  |
| Total dividend: 16.5 cents per share <sup>4</sup> , +3.1% |                                                                         |

1. This guidance excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. Refer to Full year results and operations review – guidance vs reported results reconciliation (set out in our ASX announcement titled "Financial results for the full year ended 30 June 2022" lodged with the ASX on 11 August 2022).

2. 'Reported lease adjusted' includes all mobile handset leases as operating expenses in FY21.

3. Refer to definition in the Glossary.

4. Total dividend of 16.5 cents per share fully franked comprising total ordinary dividend of 13.5 cents per share and total special dividend of 3 cents per share.

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# Operating highlights



## Continuing to deliver growth

### Mobile service net adds

- +155k retail postpaid handheld services including +121k branded +34k Belong
- +215k retail prepaid handheld unique users
- +218k wholesale MVNO including prepaid and postpaid services
- +1,024k IoT services

### Fixed service net adds

- 87k retail fixed bundle and data services

- Mobile:** +2.9% postpaid handheld ARPU growth, +14.2% prepaid handheld services revenue growth, +6.4% total services revenue growth, +\$700m EBITDA growth
- Fixed – C&SB:** +2.4% bundles and data ARPU growth
- Enterprise** income and EBITDA growth. **Fixed – Enterprise** +2.3% EBITDA growth, +\$152m NAS EBITDA growth
- InfraCo Fixed:** \$2.4b income, +3.1% core access growth
- Telstra Health:** +13% organic revenue growth, +51% overall revenue growth to \$243m

## Improved customer experience

- Episode NPS improved +5 last 12 months and maintained last six months
- Strategic NPS declined -5 last 12 months and -1 last six months

## Continued cost reduction

- >\$2.7b underlying fixed cost reduction since FY16
- FY22: \$454m or 8.1% underlying fixed cost reduction and \$906m or 5.8% decline in total operating expenses<sup>1</sup>

1. 'Reported lease adjusted' includes all mobile handset leases as operating expenses in FY21.

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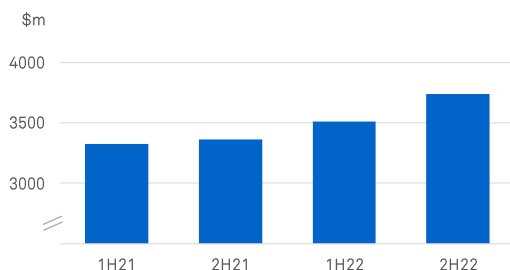
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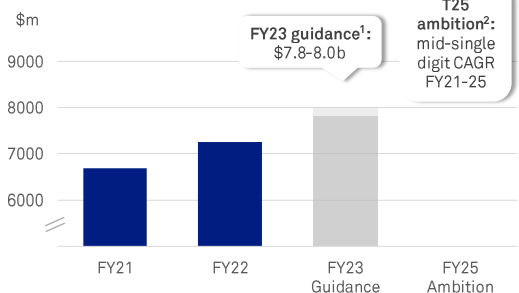
# Underlying EBITDA growth



## Underlying EBITDA – halves



## Underlying EBITDA – full year



1. This guidance excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. Refer to slide "FY23 guidance".

2. Telstra's financial ambitions for its Underlying EBITDA and FY25 outcomes are not guidance and there are greater risks and uncertainties in connection with these ambitions.

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## FY23 guidance



|                                                         | FY22    | FY23 guidance <sup>1</sup><br>(includes Digicel Pacific) |
|---------------------------------------------------------|---------|----------------------------------------------------------|
| Total Income                                            | \$22.0b | \$23.0b to \$25.0b                                       |
| Underlying EBITDA <sup>2</sup>                          | \$7.3b  | \$7.8b to \$8.0b                                         |
| Capex <sup>3</sup>                                      | \$3.0b  | \$3.5b to \$3.7b<br>(incl. strategic investment)         |
| Free cashflow after lease payments (FCFaL) <sup>4</sup> | \$4.0b  | \$2.6b to \$3.1b<br>(incl. strategic investment)         |

1. This guidance excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management.
2. Underlying EBITDA excludes net one-off nbn DA receipts less nbn net C2C and guidance adjustments.
3. Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases.
4. Free cashflow after lease payments defined as 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities', and excludes spectrum and guidance adjustments.

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## Summary



Strong foundation to deliver sustainable growth through T25

Remain diligent, disciplined and focused on executing and creating value in the current environment

Focused on even better experiences for customers, the best network and tech, and responsible business

Key success measures include growing customers & value, lifting NPS and achieving financial ambitions

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## Q&A

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## Glossary



| Term                                              | Definition (unless separately defined in the slide footnotes)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capex, Accrued Capex                              | Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Free cash flow after lease payments (FCFaL)       | 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities', and excludes spectrum and guidance adjustments                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Guidance adjustments                              | Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. Refer to Full year results and operations review – guidance vs reported results reconciliation which details the adjustments made for the current and comparative period to reflect performance on the basis on which we provided guidance to the market for FY22 (set out in our ASX announcement titled "Financial results for the Full year ended 30 June 2022" lodged with the ASX on 11 August 2022). |
| In-year nbn headwind or nbn headwind              | The net negative recurring EBITDA impact of the nbn on our business for the reporting period. See 'nbn impact on EBITDA' slide for details of the in-year nbn headwind                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Net one-off nbn DA less net C2C or one-off nbn DA | Adjustments for net one-off nbn receipts which is defined as net nbn one-off Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect                                                                                                                                                                                                                                                                                                                                                                                                              |
| Reported lease adjusted                           | 'Reported lease adjusted' includes all mobile handset leases as operating expenses in FY21. FY21 adjusted to include \$194m of reported depreciation of mobile handsets right-of-use assets in EBITDA. No adjustment in FY22.                                                                                                                                                                                                                                                                                                                                                                                      |
| ROE                                               | Calculated as Profit After Tax after Minority Interests (PATMI) as a percentage of equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| ROIC                                              | Calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Total income                                      | Total income excluding finance income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Underlying earnings                               | NPAT excluding net one-off nbn receipts and guidance adjustments (as defined above). See 'Underlying earnings' slide for details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Underlying EBITDA                                 | Underlying EBITDA excludes net one-off nbn DA receipts less nbn net C2C and guidance adjustments (as defined above). FY20/21 underlying EBITDA also included depreciation of mobile lease right-of-use assets.                                                                                                                                                                                                                                                                                                                                                                                                     |
| Underlying EPS                                    | Calculated as PATMI attributable to each share, excluding net one-off nbn receipts and guidance adjustments (as defined above).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Underlying ROIC                                   | Calculated as NOPAT as a percentage of total capital, excluding net one-off nbn receipts and guidance adjustments (as defined above) less tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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