



20 February 2025

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AUSTRALIA

**ELECTRONIC LODGEMENT**

- Telstra Group Limited (ACN 650 620 303) – ASX: TLS
- Telstra Corporation Limited (ACN 051 775 556) - ASX: TL1

**Telstra delivers continued growth in H1 FY25**

In accordance with the Listing Rules, attached is a market release by Telstra Group Limited for release to the market. The market release is also provided for the information of Telstra Corporation Limited noteholders.

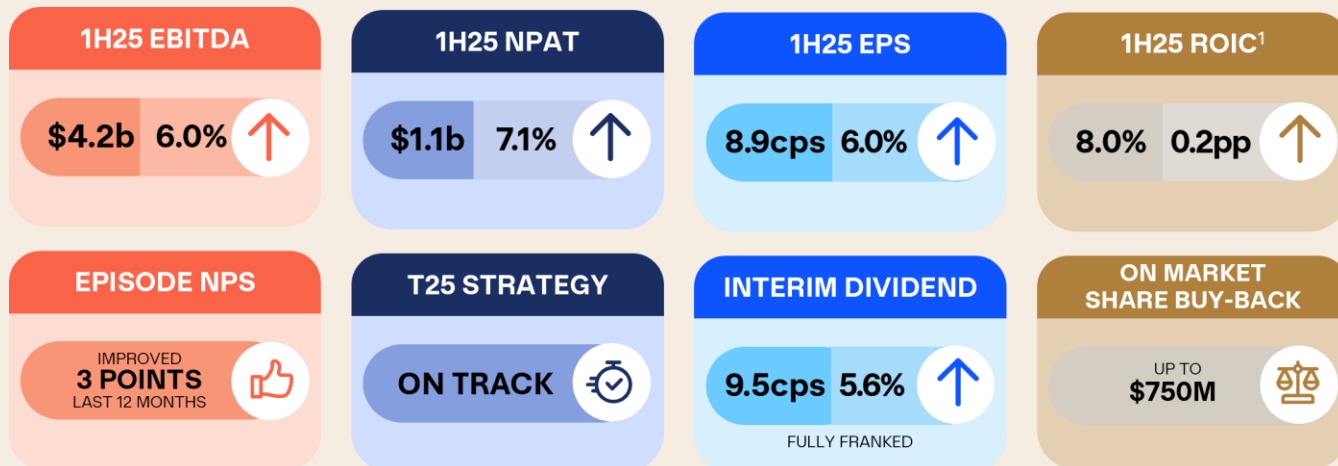
Release of announcement authorised by:

The Telstra Group Limited Board

## Telstra delivers continued growth in H1 FY25

Thursday 20 February 2025

### Financial highlights



All quotes attributable to Telstra CEO Vicki Brady

These are a strong set of results, delivering a fourth consecutive year of first half underlying growth, reflecting momentum across our business, strong cost control and disciplined capital management.

Our mobiles business has continued to perform strongly, with EBITDA growth of \$92 million. This growth was driven by more people choosing our network, with 119,000 net new mobile handheld customers and ARPU growth. Mobile services revenue grew by 3.1 per cent.

Our InfraCo Fixed EBITDA grew by \$58 million, reflecting ongoing demand for our assets.

Our Fixed C&SB business continued to grow, with EBITDA growth of \$78 million, reflecting ongoing cost discipline and ARPU growth.

Our Fixed Enterprise business EBITDA grew by \$25 million, reflecting the decisive actions we have taken so far to reset this business, resulting in cost reductions. This includes the good progress we have made towards reducing our product portfolio by two-thirds, and reorganising our teams to deliver better for customers and operate more efficiently.

Our International business EBITDA grew by \$29 million due to strong growth in Wholesale and Enterprise from improved product mix and cost discipline.

Core fixed costs decreased by 4.8 per cent or \$161 million. Cumulatively, we have reduced our core fixed costs by \$283 million since FY22 and are on track to achieve our \$350 million ambition by the end of FY25.

On the back of earnings growth, the Board resolved to pay a fully franked interim dividend of 9.5 cents per share, representing a 5.6 per cent increase on the prior corresponding period.

Today we also announced an on-market share buy-back of up to \$750 million, which is consistent with our capital management framework. Both the increased interim dividend and the buy-back demonstrate Board and management confidence in our financial strength and outlook.

### Building a connected future

The telecommunications sector has a vital role to play in Australia's future resilience and prosperity, and that role will only grow as technology continues to evolve. There is no version of Australia's future that does not rely on technology, in some form, and it will all need to be connected.

Over the last six months, we delivered on our purpose through providing vital infrastructure for the nation, better experiences and new services for our customers, and the value we deliver to Australians through our financial outcomes.

In the last 10 years we have invested in excess of \$40 billion in capex and spectrum. This investment has radically transformed the connectivity Australia relies on, and we continue to invest.

We continued to extend our intercity fibre network across the country, with seven fibre routes between Australia's major capital cities under construction and more than 3,000 kilometres of fibre in the ground. We continue to see strong demand and are very confident in what this network will deliver for customers, shareholders and Australia.

We will be disciplined in the build of this 30-year asset, including prioritising the build of routes in line with customer demand and returns.

We also continued to invest in our mobile network, and we have expanded our coverage to more than 3 million square kilometres, now reaching 99.7 per cent of Australia's population. To put that in perspective, our mobile network covers more than double the area of Optus's network, and around three times the area of the Vodafone/TPG network.

We know that cyber security and scams continue to be a concern for our customers, so we have expanded our Scam Indicator product with the Commonwealth Bank to cover both landlines and mobiles.

## Investing in connectivity



**Australia's biggest investor in digital infrastructure**

>3,000km intercity fibre in the ground



**99.7%** population coverage on **Australia's largest mobile network**



Announced SpaceX's Starlink collaboration for **direct-to-handset text messaging**

## Supporting customers



Improved **Episode NPS by 3 points** over the last 12 months



**Extended Scam Indicator** in partnership with CBA to landlines and mobiles

Introduced new **Fraud Indicator** product



**Helped > 900,000 customers** in vulnerable circumstances stay connected in 1H25

## Supporting Australians



**Returned \$1b to shareholders in the last six months** benefitting >16 million Australians



More than **24,000 Australian-based employees** (FTE) including across 270 retail stores and onshore call centres



**Supported renewable energy projects worth more than \$1.4b** to date

## Prioritised mobile network investment

We are at an inflection point, where customer needs for technology and connectivity are becoming more sophisticated, requiring a step change in how connectivity is delivered and consumed. At the same time, demand for mobile data on our network has tripled over the past five years.

Over the next four years, we will increase our mobile network investment by \$800 million to extend our leadership and deliver customers the most advanced, resilient and reliable 5G mobile network in the country. This will be delivered within business-as-usual capex by directing a larger portion of overall capex to our mobile network.

Through our partnership with Ericsson, the first-of-its-kind for any operator across Asia-Pacific, we will upgrade our radio access network (RAN) with next-generation Open RAN-ready hardware solutions and 5G Advanced software, and implement AI and automation to optimise network management through self-detection and self-healing capabilities.

This will help us evolve our offering and improve the efficiency of how we use our spectrum so we can continue to build capacity on our 5G network to deliver better consistency of performance, reliability and speed to millions of customers. Our customers will start to notice improvements to their speeds and overall experience from later this calendar year.

## Strategy and FY25 guidance

Overall, our T25 strategy is on track, including our growth ambitions in Underlying EBITDA, EPS and ROIC, and our FY25 guidance remains unchanged.

We are approaching a significant milestone as we finish one strategy and begin a new one, and we are in a good position with strong momentum in the business.

To close out T25 strongly, we remain focused on: improving customer experience; delivering financial growth and value from our world-leading mobile network and infrastructure; continuing the reset of our Enterprise business; and delivering on our commitment to simplify our operations and improve our productivity.

Telstra's digital infrastructure and network will be increasingly important to Australia's future prosperity, and we will continue to invest sustainably to deliver for our customers, our shareholders, and for Australia.

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Further material available via [www.telstra.com.au/aboutus/investors](http://www.telstra.com.au/aboutus/investors)

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<sup>1</sup> ROIC calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital