

Spark New Zealand

Group result - reported

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Operating revenues and other gains	1,890	1,830	2,534	1,957	1,976	1,885	4,491	3,861	(630)	(14.0%)
Operating expenses	(1,352)	(1,218)	(1,492)	(1,277)	(1,446)	(1,252)	(2,769)	(2,698)	71	2.6%
EBITDAI	538	612	1,042	680	530	633	1,722	1,163	(559)	(32.5%)
Finance income	14	12	16	16	14	16	32	30	(2)	(6.3%)
Finance expense	(37)	(37)	(43)	(56)	(63)	(81)	(99)	(144)	(45)	(45.5%)
Depreciation and amortisation	(257)	(263)	(248)	(256)	(251)	(276)	(504)	(527)	(23)	(4.6%)
Net investment income	(1)	-	(1)	2	(3)	(5)	1	(8)	(9)	NM
Net earnings before income tax	257	324	766	386	227	287	1,152	514	(638)	(55.4%)
Tax income / (expense)	(78)	(93)	99	(116)	(70)	(128)	(17)	(198)	(181)	NM
Net earnings for the period	179	231	865	270	157	159	1,135	316	(819)	(72.2%)
Capital expenditure excluding spectrum	218	192	250	265	286	232	515	518	3	0.6%
Free cash flows excluding spectrum	164	269	115	374	46	284	489	330	(159)	(32.5%)
Reported EBITDAI margin	28.5%	33.4%	41.1%	34.7%	26.8%	33.6%	38.3%	30.1%	(8.2pp)	
Reported effective tax rate	30.4%	28.7%	(12.9%)	30.1%	30.8%	44.6%	1.5%	38.5%	37.0pp	
Capital expenditure to operating revenues and other gains	11.5%	10.5%	9.9%	13.5%	14.5%	12.3%	11.5%	13.4%	1.9pp	
Reported basic earnings per share (cents)	9.6	12.4	46.2	14.5	8.6	8.8	60.7	17.3	(43.4)	(71.5%)
Reported diluted earnings per share (cents)	9.6	12.4	46.1	14.5	8.5	8.9	60.6	17.3	(43.3)	(71.5%)

Group result - adjusted

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes significant items (such as gains, expenses and impairments) individually greater than \$25 million. FY24 net earnings is adjusted for the impact of the zero-rating of tax depreciation on buildings which has resulted in a \$26 million non-cash increase in tax expense and corresponding reduction in deferred tax assets. FY23 net earnings is adjusted for the impact of the sale of Connexa.

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Adjusted operating revenues and other gains	1,890	1,830	1,950	1,958	1,976	1,885	3,908	3,861	(47)	(1.2%)
Adjusted operating expenses	(1,352)	(1,218)	(1,440)	(1,275)	(1,446)	(1,252)	(2,715)	(2,698)	17	0.6%
Adjusted EBITDAI	538	612	510	683	530	633	1,193	1,163	(30)	(2.5%)
Finance income	14	12	16	16	14	16	32	30	(2)	(6.3%)
Finance expense	(37)	(37)	(43)	(56)	(63)	(81)	(99)	(144)	(45)	(45.5%)
Depreciation and amortisation	(257)	(263)	(248)	(256)	(251)	(276)	(504)	(527)	(23)	(4.6%)
Adjusted net investment income	(1)	-	(1)	(3)	(3)	(5)	(4)	(8)	(4)	(100.0%)
Adjusted net earnings before income tax	257	324	234	384	227	287	618	514	(104)	(16.8%)
Adjusted income tax expense	(78)	(93)	(69)	(116)	(70)	(102)	(185)	(172)	13	7.0%
Adjusted net earnings for the period	179	231	165	268	157	185	433	342	(91)	(21.0%)
Capital expenditure excluding spectrum	218	192	250	265	286	232	515	518	3	0.6%
Free cash flows excluding spectrum	164	269	115	374	46	284	489	330	(159)	(32.5%)
Adjusted EBITDAI margin	28.5%	33.4%	26.2%	34.9%	26.8%	33.6%	30.5%	30.1%	(0.4pp)	
Adjusted effective tax rate	30.4%	28.7%	29.5%	30.2%	30.8%	35.5%	29.9%	33.5%	3.6pp	
Capital expenditure to adjusted operating revenues and other gains	11.5%	10.5%	12.8%	13.5%	14.5%	12.3%	13.2%	13.4%	0.2pp	
Adjusted basic earnings per share (cents)	9.6	12.4	8.8	14.4	8.6	10.1	23.2	18.7	(4.5)	(19.4%)
Adjusted diluted earnings per share (cents)	9.6	12.4	8.8	14.3	8.5	10.2	23.1	18.7	(4.4)	(19.0%)

Gross margin by product

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Mobile	437	467	477	507	496	494	984	990	6	0.6%
Voice	86	79	71	62	51	48	133	99	(34)	(25.6%)
Broadband	166	152	149	149	148	140	298	288	(10)	(3.4%)
IT products	146	144	136	143	139	136	279	275	(4)	(1.4%)
IT services	86	85	77	84	70	52	161	122	(39)	(24.2%)
Procurement and partners	26	27	27	40	24	41	67	65	(2)	(3.0%)
Data Centres	11	11	12	10	17	18	22	35	13	59.1%
High-Tech	23	20	23	23	22	23	46	45	(1)	(2.2%)
Other products	8	26	25	58	46	45	83	91	8	9.6%
Total product gross margin	989	1,011	997	1,076	1,013	997	2,073	2,010	(63)	(3.0%)
Other gains	16	10	588	28	19	83	616	102	(514)	(83.4%)
Total gross margin	1,005	1,021	1,585	1,104	1,032	1,080	2,689	2,112	(577)	(21.5%)

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Connections

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	%
	000's	000's	000's	000's	000's	000's	000's	000's	000's	
Mobile connections ¹	2,445	2,503	2,616	2,707	2,760	2,715	2,707	2,715	8	0.3%
Voice connections by type ²										
POTS and ISDN ²	163	136	112	91	69	59	91	59	(32)	(35.2%)
VoIP	69	66	60	59	53	51	59	51	(8)	(13.6%)
Voice over wireless	20	17	14	8	8	6	8	6	(2)	(25.0%)
	252	219	186	158	130	116	158	116	(42)	(26.6%)
Broadband connections by technology										
Copper	113	95	79	64	54	43	64	43	(21)	(32.8%)
Fibre	402	415	423	426	427	428	426	428	2	0.5%
Wireless	187	194	202	209	214	216	209	216	7	3.3%
	702	704	704	699	695	687	699	687	(12)	(1.7%)
IoT connections	623	832	1,160	1,461	1,799	2,048	1,461	2,048	587	40.2%

¹Mobile connections excluding MVNO connections but including legacy machine to machine and SIM based SmartWatch connections.

²Voice connections include all voice technology types, including POTS, ISDN, VoIP and wireless voice. Voice connections exclude connections where Spark also provide a bundled broadband service, but include all wholesale voice connections (including those where the underlying customer has a bundled broadband service).

Group FTEs

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	%
FTE permanent	4,921	4,924	4,976	5,189	5,356	5,072	5,189	5,072	(117)	(2.3%)
FTE contractors	190	208	182	143	97	70	143	70	(73)	(51.0%)
Total FTE	5,111	5,132	5,158	5,332	5,453	5,142	5,332	5,142	(190)	(3.6%)

Dividends

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	%
Ordinary dividends (cents per share)	12.50	12.50	13.50	13.50	13.50	14.00	27.00	27.50	0.50	1.9%
Total dividend (cents per share)	12.50	12.50	13.50	13.50	13.50	14.00	27.00	27.50	0.50	1.9%

Spark New Zealand

Group operating revenues and other gains

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Telco										
Mobile										
Service revenue	441	458	480	500	510	500	980	1,010	30	3.1%
Non-service revenue	237	215	252	238	239	225	490	464	(26)	(5.3%)
Mobile	678	673	732	738	749	725	1,470	1,474	4	0.3%
Voice	146	139	122	109	94	86	231	180	(51)	(22.1%)
Broadband ¹	324	315	313	313	309	304	626	613	(13)	(2.1%)
Total Telco	1,148	1,127	1,167	1,160	1,152	1,115	2,327	2,267	(60)	(2.6%)
IT Revenue										
IT Products										
Cloud	110	104	105	103	109	115	208	224	16	7.7%
Managed data and networks	110	110	110	112	112	111	222	223	1	0.5%
Collaboration	38	40	39	40	40	40	79	80	1	1.3%
IT Products	258	254	254	255	261	266	509	527	18	3.5%
IT Services	97	101	91	103	84	81	194	165	(29)	(14.9%)
Total IT revenue	355	355	345	358	345	347	703	692	(11)	(1.6%)
Procurement and partners	301	237	319	265	339	209	584	548	(36)	(6.2%)
Data centres	11	12	13	11	18	19	24	37	13	54.2%
High-Tech	29	28	31	34	35	44	65	79	14	21.5%
Other products	30	61	71	101	68	68	172	136	(36)	(20.9%)
Total operating revenues	1,874	1,820	1,946	1,929	1,957	1,802	3,875	3,759	(116)	(3.0%)
Other gains	16	10	4	29	19	83	33	102	69	NM
Adjusted operating revenues and other gains	1,890	1,830	1,950	1,958	1,976	1,885	3,908	3,861	(47)	(1.2%)
Net gain on sale of Connexa	-	-	584	(1)	-	-	583	-	(583)	(100.0%)
Total operating revenues and other gains	1,890	1,830	2,534	1,957	1,976	1,885	4,491	3,861	(630)	(14.0%)

¹Wireless broadband revenues and connections are included in broadband revenues and connections.

Operating revenues and other gains by customer segment

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Operating revenues and other gains										
Consumer	777	757	797	782	780	757	1,579	1,537	(42)	(2.7%)
Business	1,018	952	1,019	976	1,037	922	1,995	1,959	(36)	(1.8%)
Wholesale and other	95	121	718	199	159	206	917	365	(552)	(60.2%)
	1,890	1,830	2,534	1,957	1,976	1,885	4,491	3,861	(630)	(14.0%)

Finance income

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Finance income										
Finance lease interest income	6	3	4	4	4	4	8	8	-	-%
Other interest income	8	9	12	12	10	12	24	22	(2)	(8.3%)
	14	12	16	16	14	16	32	30	(2)	(6.3%)

Net investment income

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Net investment income										
Share of associates' and joint ventures' net losses	(1)	-	(3)	(9)	(8)	(9)	(12)	(17)	(5)	(41.7%)
Interest income on loans receivable from associates and joint ventures	-	-	2	6	6	6	8	12	4	50.0%
Impairment of investments	-	-	-	-	-	(2)	-	(2)	(2)	NM
Net disposal and remeasurement of equity accounted investments	-	-	-	-	(1)	-	-	(1)	(1)	NM
Adjusted net investment income	(1)	-	(1)	(3)	(3)	(5)	(4)	(8)	(4)	(100.0%)
Net gain on dilution of the investment in the Connexa group	-	-	-	5	-	-	5	-	(5)	(100.0%)
Reported net investment income	(1)	-	(1)	2	(3)	(5)	1	(8)	(9)	NM

Spark New Zealand

Group operating expenses

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Product costs										
Mobile	241	206	255	231	253	231	486	484	(2)	(0.4%)
Voice	60	60	51	47	43	38	98	81	(17)	(17.3%)
Broadband	158	163	164	164	161	164	328	325	(3)	(0.9%)
IT products	112	110	118	112	122	130	230	252	22	9.6%
IT services	11	16	14	19	14	29	33	43	10	30.3%
Procurement and partners	275	210	292	225	315	168	517	483	(34)	(6.6%)
Data centres	-	1	1	1	1	1	2	2	-	-%
High-Tech	6	8	8	11	13	21	19	34	15	78.9%
Other product costs	22	35	46	43	22	23	89	45	(44)	(49.4%)
	885	809	949	853	944	805	1,802	1,749	(53)	(2.9%)
Labour	263	232	269	242	279	233	511	512	1	0.2%
Other operating expenses										
Network support costs	44	21	45	20	40	33	65	73	8	12.3%
Computer costs	55	56	57	52	52	63	109	115	6	5.5%
Accommodation costs	14	18	23	26	29	29	49	58	9	18.4%
Electricity - data centres ¹	1	2	2	2	2	2	4	4	-	-%
Electricity - non data centres	15	15	15	15	17	17	30	34	4	13.3%
Advertising, promotions and communication	34	26	33	23	33	21	56	54	(2)	(3.6%)
Bad debts	3	1	4	5	7	8	9	15	6	66.7%
Impairment expense	2	-	-	-	-	-	-	-	-	NM
Other	36	38	43	37	43	41	80	84	4	5.0%
	204	177	222	180	223	214	402	437	35	8.7%
Adjusted operating expenses	1,352	1,218	1,440	1,275	1,446	1,252	2,715	2,698	(17)	(0.6%)
Spark Sport provision	-	-	52	2	-	-	54	-	(54)	(100.0%)
Total operating expenses	1,352	1,218	1,492	1,277	1,446	1,252	2,769	2,698	(71)	(2.6%)

¹Estimated electricity costs to run Spark Group's dedicated data centres.

Finance expense

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Finance expense										
Finance expense on long-term debt	23	22	22	28	33	42	50	75	25	50.0%
Other interest and finance expense	4	7	7	5	8	15	12	23	11	91.7%
Lease interest expense	10	9	15	24	24	24	39	48	9	23.1%
Leased customer equipment interest expense	3	4	4	3	4	4	7	8	1	14.3%
	40	42	48	60	69	85	108	154	46	42.6%
Capitalised interest	(3)	(5)	(5)	(4)	(6)	(4)	(9)	(10)	(1)	(11.1%)
	37	37	43	56	63	81	99	144	45	45.5%

Depreciation and amortisation expense

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Depreciation and amortisation expense										
Depreciation - property, plant and equipment	116	118	114	113	112	123	227	235	8	3.5%
Depreciation - right-of-use assets	40	40	36	39	42	47	75	89	14	18.7%
Depreciation - leased customer equipment assets	18	19	19	17	17	16	36	33	(3)	(8.3%)
Amortisation - intangible assets	83	86	79	87	80	90	166	170	4	2.4%
	257	263	248	256	251	276	504	527	23	4.6%

Spark New Zealand

Analysis & KPIs - Mobile

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Mobile revenue by type (Consumer and Business)										
Mobile service revenue	435	451	472	489	500	489	961	989	28	2.9%
Mobile non-service revenue ¹	229	205	231	218	219	199	449	418	(31)	(6.9%)
	664	656	703	707	719	688	1,410	1,407	(3)	(0.2%)
Wholesale and other customer segment mobile revenue ²	14	17	29	31	30	37	60	67	7	11.7%
Total mobile revenue	678	673	732	738	749	725	1,470	1,474	4	0.3%
Mobile product costs ³	(241)	(206)	(255)	(231)	(253)	(231)	(486)	(484)	2	0.4%
Mobile gross margin	437	467	477	507	496	494	984	990	6	0.6%
Mobile gross margin %	64.5%	69.4%	65.2%	68.7%	66.2%	68.1%	66.9%	67.2%	0.3pp	
Total mobile revenue by customer segment										
Consumer	454	444	486	486	499	480	972	979	7	0.7%
Business	210	212	217	221	220	208	438	428	(10)	(2.3%)
Wholesale and other	14	17	29	31	30	37	60	67	7	11.7%
	678	673	732	738	749	725	1,470	1,474	4	0.3%
Average revenue per user (ARPU) - 6 month active (Consumer and Business)										
	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	%
Total ARPU	30.19	30.84	31.30	30.78	30.66	30.03	31.04	30.35	(0.69)	(2.2%)
Pay-monthly ARPU	40.17	41.01	41.59	41.48	42.14	41.12	41.54	41.63	0.09	0.2%
Prepaid ARPU	16.26	16.47	17.26	16.91	16.09	15.88	17.09	15.99	(1.10)	(6.4%)
Number of mobile connections at period end - 6 month active (Consumer and Business)⁴										
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Pay-monthly connections	1,416	1,437	1,471	1,509	1,525	1,517	1,509	1,517	8	0.5%
Prepaid connections	1,001	1,038	1,118	1,173	1,210	1,173	1,173	1,173	-	-%
Internal connections	4	4	4	4	4	4	4	4	-	-%
Total mobile connections	2,421	2,479	2,593	2,686	2,739	2,694	2,686	2,694	8	0.3%

¹Mobile non-service revenue includes handset sales and mobile interconnect.

²Includes MVNO revenue.

³Includes handset, interconnect and cellphone tower access costs.

⁴Excludes MVNO connections but includes SIM based SmartWatch connections.

Spark New Zealand

Analysis & KPIs - Voice

Revenue by type	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Access	57	52	45	37	33	29	82	62	(20)	(24.4%)
Calling	70	68	59	54	48	44	113	92	(21)	(18.6%)
Other voice revenue	19	19	18	18	13	13	36	26	(10)	(27.8%)
Total voice revenue	146	139	122	109	94	86	231	180	(51)	(22.1%)
Voice product costs ¹	(60)	(60)	(51)	(47)	(43)	(38)	(98)	(81)	17	17.3%
Voice gross margin	86	79	71	62	51	48	133	99	(34)	(25.6%)
Voice gross margin %	58.9%	56.8%	58.2%	56.9%	54.3%	55.8%	57.6%	55.0%	(2.6pp)	
Voice connections by type	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
POTS and ISDN	163	136	112	91	69	59	91	59	(32)	(35.2%)
VoIP	69	66	60	59	53	51	59	51	(8)	(13.6%)
Voice over wireless	20	17	14	8	8	6	8	6	(2)	(25.0%)
Total voice connections	252	219	186	158	130	116	158	116	(42)	(26.6%)
Voice connections by customer segment	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Consumer	64	54	46	32	28	24	32	24	(8)	(25.0%)
Business	139	126	111	104	90	82	104	82	(22)	(21.2%)
Wholesale and other	49	39	29	22	12	10	22	10	(12)	(54.5%)
Total voice connections	252	219	186	158	130	116	158	116	(42)	(26.6%)

¹Includes voice access (baseband), interconnect, and international calling costs.

Analysis & KPIs - Broadband

Total broadband revenue	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total broadband revenue	324	315	313	313	309	304	626	613	(13)	(2.1%)
Broadband product costs ²	(158)	(163)	(164)	(164)	(161)	(164)	(328)	(325)	3	0.9%
Broadband gross margin	166	152	149	149	148	140	298	288	(10)	(3.4%)
Broadband gross margin %	51.2%	48.3%	47.6%	47.6%	47.9%	46.1%	47.6%	47.0%	(0.6pp)	
Broadband connections by technology	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Copper	113	95	79	64	54	43	64	43	(21)	(32.8%)
Fibre	402	415	423	426	427	428	426	428	2	0.5%
Wireless	187	194	202	209	214	216	209	216	7	3.3%
Total broadband connections	702	704	704	699	695	687	699	687	(12)	(1.7%)
Broadband connections by customer segment	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Consumer	593	595	594	589	584	580	589	580	(9)	(1.5%)
Business	105	104	104	102	102	100	102	100	(2)	(2.0%)
Wholesale and other	4	5	6	8	9	7	8	7	(1)	(12.5%)
Total broadband connections	702	704	704	699	695	687	699	687	(12)	(1.7%)

²Includes broadband access (UBA/UCLL/Fibre) and modem costs.

Spark New Zealand

Analysis & KPIs - Data centres

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Data centre revenue	11	12	13	11	18	19	24	37	13	54.2%
Data centre product cost	-	(1)	(1)	(1)	(1)	(1)	(2)	(2)	-	-%
Data centre gross margin	11	11	12	10	17	18	22	35	13	59.1%
Data centre gross margin%	100.0%	91.7%	92.3%	90.9%	94.4%	94.7%	91.7%	94.6%	2.9pp	
Data centre KPIs	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
Data centre capacity built (in MW)	10	10	11	11	22	22	11	22	11	100.0%
Data centre capacity under construction (in MW)	12	12	11	11	1	1	11	1	(10)	(90.9%)
Data centre development pipeline (in MW)	19	19	19	19	70	70	19	70	51	268.4%
Total capacity (in MW)	41	41	41	41	93	93	41	93 ²	891	2173.2%
Weighted average lease term with options (WALE)	16.6	16.6	16.6	16.6	16.5	16.5	16.6	16.5	(0.1)	(0.6%)
Contracted utilisation dedicated data centres ¹	87%	87%	84%	84%	88%	88%	84%	88%	4.0pp	
Target power usage effectiveness (PUE)	N/A	N/A	N/A	N/A	1.2	1.2	N/A	1.2	N/A	N/A
PUE - Legacy data centre assets	1.61	1.54	1.54	1.56	1.57	1.57	1.56	1.57	(0.01)	(0.6%)

¹Includes contracted and reserved racks at dedicated data centres and exchanges.

²In August, Spark entered into a conditional agreement to purchase land at Takanini, which would add 48MW to the site. This increased the total development pipeline from 70MW at the end of FY24 to 118MW at time of publishing.

Analysis & KPIs - IT products

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Cloud revenue	110	104	105	103	109	115	208	224	16	7.7%
Cloud product costs	(35)	(37)	(39)	(33)	(38)	(46)	(72)	(84)	(12)	(16.7%)
Cloud gross margin	75	67	66	70	71	69	136	140	4	2.9%
Cloud gross margin%	68.2%	64.4%	62.9%	68.0%	65.1%	60.0%	65.4%	62.5%	(2.9pp)	
Managed data and networks revenue	110	110	110	112	112	111	222	223	1	0.5%
Managed data and networks product costs ³	(62)	(58)	(64)	(64)	(67)	(66)	(128)	(133)	(5)	(3.9%)
Managed data and networks gross margin	48	52	46	48	45	45	94	90	(4)	(4.3%)
Managed data and networks gross margin %	43.6%	47.3%	41.8%	42.9%	40.2%	40.5%	42.3%	40.4%	(2.0pp)	
Collaboration revenue	38	40	39	40	40	40	79	80	1	1.3%
Collaboration product costs	(15)	(15)	(15)	(15)	(17)	(18)	(30)	(35)	(5)	(16.7%)
Collaboration gross margin	23	25	24	25	23	22	49	45	(4)	(8.2%)
Collaboration gross margin %	60.5%	62.5%	61.5%	62.5%	57.5%	55.0%	62.0%	56.3%	(5.7pp)	

³Includes wide area network access, international data, network backhaul and videoconferencing platform costs.

Analysis & KPIs - IT services

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Service management revenue	87	89	80	83	72	69	163	141	(22)	(13.5%)
Security revenue	10	12	11	20	12	12	31	24	(7)	(22.6%)
Service management and security revenue	97	101	91	103	84	81	194	165	(29)	(14.9%)
Service management and security product costs	(11)	(16)	(14)	(19)	(14)	(29)	(33)	(43)	(10)	(30.3%)
Service management and security gross margin	86	85	77	84	70	52	161	122	(39)	(24.2%)
Service management and security gross margin %	88.7%	84.2%	84.6%	81.6%	83.3%	64.2%	83.0%	73.9%	(9.1pp)	

Analysis & KPIs - Procurement and partners

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Procurement and partners revenue	301	237	319	265	339	209	584	548	(36)	(6.2%)
Procurement and partners product costs	(275)	(210)	(292)	(225)	(315)	(168)	(517)	(483)	34	6.6%
Procurement and partners gross margin	26	27	27	40	24	41	67	65	(2)	(3.0%)
Procurement and partners gross margin %	8.6%	11.4%	8.5%	15.1%	7.1%	19.6%	11.5%	11.9%	0.4pp	

Spark New Zealand

Statement of cash flows

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Cash flows from operating activities										
Receipts from customers	1,901	1,755	1,975	1,815	1,972	1,739	3,790	3,711	(79)	(2.1%)
Receipts from interest	13	11	16	13	13	15	29	28	(1)	(3.4%)
Payments to suppliers and employees	(1,327)	(1,279)	(1,460)	(1,270)	(1,519)	(1,134)	(2,730)	(2,653)	77	2.8%
Payments for income tax	(93)	(67)	(120)	(70)	(101)	(88)	(190)	(189)	1	0.5%
Payments for interest on debt	(23)	(25)	(23)	(32)	(31)	(49)	(55)	(80)	(25)	(45.5%)
Payments for interest on leases	(10)	(9)	(15)	(22)	(23)	(23)	(37)	(46)	(9)	(24.3%)
Payments for interest on leased customer equipment assets	(3)	(3)	(4)	(3)	(4)	(3)	(7)	(7)	-	-%
Net cash flows from operating activities	458	383	369	431	307	457	800	764	(36)	(4.5%)
Cash flows from investing activities										
Proceeds from sale of property, plant and equipment	-	-	1	10	14	20	11	34	23	NM
Proceeds from sale of business	-	-	894	(1)	-	4	893	4	(889)	(99.6%)
Proceeds from long-term investments	3	1	-	-	-	7	-	7	7	NM
Receipts from finance leases	2	1	1	2	1	-	3	1	(2)	(66.7%)
Receipts from loans receivable	-	-	-	11	10	-	11	10	(1)	(9.1%)
Payments for purchase of business, net of cash acquired	-	(7)	-	-	(2)	(3)	-	(5)	(5)	NM
Payments for, and advances to, long-term investments	(39)	(20)	(2)	(1)	(1)	-	(3)	(1)	2	66.7%
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(216)	(209)	(246)	(229)	(347)	(235)	(475)	(582)	(107)	(22.5%)
Payments for spectrum intangible assets	-	-	-	(6)	-	(8)	(6)	(8)	(2)	(33.3%)
Payments for capitalised interest	(3)	(5)	(5)	(4)	(6)	(4)	(9)	(10)	(1)	(11.1%)
Net cash flows from investing activities	(253)	(239)	643	(218)	(331)	(219)	425	(550)	(975)	NM
Cash flows from financing activities										
Net proceeds from/(repayments of) debt	99	115	(517)	54	489	21	(463)	510	973	NM
Payments for dividends	(225)	(224)	(234)	(252)	(249)	(245)	(486)	(494)	(8)	(1.6%)
Payments for share buy-back	-	-	-	(146)	(159)	-	(146)	(159)	(13)	(8.9%)
Payments for leases	(33)	(36)	(31)	(33)	(38)	(40)	(64)	(78)	(14)	(21.9%)
Payments for leased customer equipment assets	(25)	(21)	(15)	(22)	(20)	(14)	(37)	(34)	3	8.1%
Net cash flows from financing activities	(184)	(166)	(797)	(399)	23	(278)	(1,196)	(255)	941	78.7%
Net cash flows	21	(22)	215	(186)	(1)	(40)	29	(41)	(70)	NM
Opening cash position	72	93	71	286	100	99	71	100	29	40.8%
Closing cash position	93	71	286	100	99	59	100	59	(41)	(41.0%)

Analysis & KPIs - Free cash flows and movement in working capital

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
EBITDAI	538	612	1,042	680	530	633	1,722	1,163	(559)	(32.5%)
<i>Excluding</i>										
Non cash other gains and impairments	14	10	536	11	20	58	547	78	(469)	(85.7%)
EBITDAI ex. Non cash other gains and impairments	524	602	506	669	510	575	1,175	1,085	(90)	(7.7%)
<i>Less</i>										
Cash paid on maintenance capital expenditure	188	184	200	128	261	89	328	350	22	6.7%
Cash paid on interest	23	26	26	44	45	60	70	105	35	50.0%
Cash paid on tax payments	93	67	120	70	101	88	190	189	(1)	(0.5%)
Cash paid on leases	56	56	45	53	57	54	98	111	13	13.3%
Total cash payments on capital expenditure, interest, tax and lease	360	333	391	295	464	291	686	755	69	10.1%
Free cash flow	164	269	115	374	46	284	489	330	(159)	(32.5%)
Change in working capital										
Change in receivables	(42)	104	(59)	126	(27)	78	67	51	(16)	(23.9%)
Change in payables	(63)	78	3	(53)	20	(65)	(50)	(45)	5	10.0%
Change in inventory	29	14	1	(28)	27	(18)	(27)	9	36	NM
Change in contract assets	(5)	3	3	30	8	(12)	33	(4)	(37)	NM
Change in prepayments (excluding CAPEX)	37	(37)	22	(31)	45	(36)	(9)	9	18	NM
Total change in working capital - increase/(decrease)	(44)	162	(30)	44	73	(53)	14	20	6	42.9%
Cash Paid on Growth Capital Expenditure	31	30	51	105	92	140	156	232	76	48.7%
Free cash flow including working capital and growth cash capex	177	77	94	225	(119)	197	319	78	(241)	(75.5%)

Spark New Zealand

Group capital expenditure

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Maintenance Capex										
Cloud	7	8	11	8	24	13	19	37	18	94.7%
Fixed network & International cable capacity	33	35	35	58	55	10	93	65	(28)	(30.1%)
IT systems	87	63	62	54	80	67	116	147	31	26.7%
Mobile network	62	38	77	21	65	24	98	89	(9)	(9.2%)
Property	6	10	11	12	7	4	23	11	(12)	(52.2%)
Other	2	3	4	6	4	6	10	10	-	-%
Total maintenance capital expenditure excluding spectrum	197	157	200	159	235	124	359	359	-	-%
Growth Capex										
5G Acceleration & SA Readiness	12	13	-	42	32	74	42	106	64	NM
Data centres	9	22	50	64	19	22	114	41	(73)	(64.0%)
Converged Tech	-	-	-	-	-	12	-	12	12	NM
Total growth capital expenditure excluding spectrum	21	35	50	106	51	108	156	159	3	1.9%
Total capital expenditure excluding spectrum	218	192	250	265	286	232	515	518	3	0.6%
Total capital expenditure excluding spectrum to operating revenue and other gains	11.5%	10.5%	9.9%	13.5%	14.5%	12.3%	11.5%	13.4%		
Total capital expenditure excluding spectrum to adjusted operating revenue and other gains	11.5%	10.5%	12.8%	13.5%	14.5%	12.3%	13.2%	13.4%		
Mobile spectrum	-	-	-	-	23	-	-	23	23	-%
Total capital expenditure including spectrum	218	192	250	265	309	232	515	541	26	5.0%
Cash Capex										
Growth	31	30	51	105	92	140	156	232	76	48.7%
Maintenance	188	184	200	128	261	89	328	350	22	6.7%
Total cash capital expenditure excluding spectrum	219	214	251	233	353	229	484	582	98	20.2%

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront.

Analysis & KPI's - Capital expenditure depreciation and amortisation

On adoption of NZ IFRS 16 *Leases*, assets associated with capacity arrangements which were previously recognised within intangible assets have been reclassified to right-of-use assets. Payments for capacity purchases remain within Spark's definition of capital expenditure. Total depreciation on property, plant and equipment, depreciation on capacity right-of-use assets and amortisation of intangible assets is reconciled below:

	H1 FY22	H2 FY22	H1 FY23	H2 FY23	H1 FY24	H2 FY24	FY23	FY24	FY23 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Depreciation - property, plant and equipment	116	118	114	113	112	123	227	235	8	3.5%
Depreciation - right-of-use assets ¹	11	11	11	11	12	12	22	24	2	9.1%
Amortisation - intangible assets	83	86	79	87	80	90	166	170	4	2.4%
Total capital expenditure depreciation and amortisation	210	215	204	211	204	225	415	429	14	3.4%

¹ Includes depreciation on capacity right-of-use assets only as these are included within Spark's definition of capital expenditure.