KORA

Spark nz
hello tomorrow

Spark New Zealand

H1 FY25 Results Presentation

Jolie Hodson, Chief Executive Officer
Stewart Taylor, Chief Financial Officer

Disclaimer

This announcement may include forward-looking statements regarding future events and the future financial performance of Spark New Zealand. Such forward-looking statements are based on the beliefs of and assumptions made by management along with information currently available at the time such statements were made.

These forward-looking statements may be identified by words such as ‘guidance’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’, ‘plan’, ‘may’, ‘could’, ‘ambition’, ‘aspiration’ and similar expressions. Any statements in this announcement that are not historical facts are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Spark New Zealand’s control, and which may cause actual results to differ materially from those projected in the forward-looking statements contained in this announcement.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements are discussed herein and also include Spark New Zealand's anticipated growth strategies, Spark New Zealand's future results of operations and financial condition, economic conditions and the regulatory environment in New Zealand, competition in the markets in which Spark New Zealand operates, risks related to the sharing arrangements with Chorus, any impacts or risks to Spark’s anticipated growth strategies, future financial condition and operations, economic conditions or the regulatory environment in New Zealand arising from or otherwise with Covid, other factors or trends affecting the telecommunications industry generally and Spark New Zealand’s financial condition in particular and risks detailed in Spark New Zealand's filings with NZX and ASX. Except as required by law or the listing rules of the stock exchanges on which Spark New Zealand is listed, Spark New Zealand undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

H1 25 financial snapshot

$1,939m
1.9% decrease vs. H1 24
REVENUE[1]

$448m
15.5% decrease vs. H1 24
ADJUSTED EBITDAI[2][3]

$56m
64.3% decrease vs. H1 24
ADJUSTED NPAT[2][4]

$252m
11.9% decrease vs. H1 24
CAPEX[3]

$77m
67.4% increase vs. H1 24
FREE CASH FLOW

12.5 cps
1.0 cps decrease vs. H1 24
INTERIM DIVIDEND

$1,939m
1.9% decrease vs. H1 24
REPORTED REVENUE[1]

$419m
20.9% decrease vs. H1 24
REPORTED EBITDAI[3]

$35m
77.7% decrease vs. H1 24
REPORTED NPAT

[1] Operating revenues and other gains
[2] H1 25 EBITDAI is adjusted for the impact of $29 million of transformation costs incurred in the implementation of Spark's SPK-26 Operate Programme. There were no adjusting items in H1 24.
[3] Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's Annual Report.
[4] H1 25 NPAT adjusted for the SPK-26 transformation costs net of tax as described in note 2 of the interim financial statements

H1 25 results summary

Challenging conditions persist; decisive action being taken to improve performance, which is building momentum into H2

Tough operating environment impacted financial performance in H1	• Revenue of $1,939 million, down 1.9% YoY, driven by mobile services, IT services, and continued decline of legacy voice, and partially offset by growth in mobile devices, cloud, data centres, and IoT • Adjusted EBITDAI[1] of $448 million, down 15.5% YoY, driven by lower IT services project activity, the mix shift from private to public cloud, and supplier cost inflation, and offset by lower labour costs • Adjusted NPAT[2] of $56 million, down 64% YoY, driven by lower EBITDAI and higher depreciation and amortisation costs
Performance improvement plan focussed on sustained competitive advantage	• Focus on growing market leading position in telco core through new product development, campaign activity, and annual price reviews • Portfolio simplification and review of non-core assets on track, with sale of remaining stake in Connexa[3] expected to realise ~$310 million in proceeds and a gain on sale of ~$66 million in reported EBITDAI on completion in Q3 • Significantly expanded SPK-26 Operate Programme on track to deliver $80m-$100m reduction in net labour and opex costs in-year (funded by non-recurring transformation charge of $45m-$50m, with $29m reported in H1 25 result) and $110m-$140m of annualised benefits by FY27 • Data centre build programme on track, progress made towards establishment of capital partnership to accelerate growth
Capital management	• Free cash flow increased 67% to $77 million YoY (and when including working capital and growth capex improved by $163 million), through disciplined capital expenditure (down 11.9% to $252 million in H1 25) • Net debt to EBITDAI 2.3x at 31 December 2024, will improve in the near term by ~0.3x with the completion of the Connexa and Digital Island transactions • H1 25 dividend of 12.5 cents per share, consistent with FY25 total dividend guidance of 25 cents per share, 75% imputed[4]

[1] H1 25 EBITDAI is adjusted for the impact of $29 million of transformation costs incurred in the implementation of Spark's SPK-26 Operate Programme. There were no adjusting items in H1 24.
[2] H1 25 NPAT adjusted for the SPK-26 transformation costs net of tax as described in note 2 of the interim financial statements
[3] All regulatory approvals required for the sale of Connexa stake have now been received
[4] Subject to no material adverse change in operating outlook

Strategic priorities

Clear focus on four strategic priorities to drive improved underlying performance and sustained competitive advantage over the longer-term

1.

Market momentum in telco core

- Consumer mobile market leadership
- Enterprise and Government transformation

2.

Simplified portfolio

- Review of non-core assets
- Enterprise and Government product portfolio simplification

3.

Transformed cost base

- Leaner operating model
- Transformation of technology delivery model

4.

Long-term value creation

- Data centre growth strategy
- Capital partnerships

1. Market momentum in telco core

Mobile performance predominantly impacted by cessation of insurance product in consumer, and reducing mobile fleets and price competition in business

$491m

3.7% decrease vs. H1 24

MOBILE SERVICE REVENUE

Consumer and SME	Enterprise and Government
2.3% decrease vs. H1 24	17.7% decrease vs. H1 24

Pay monthly connection growth continues, revenue impacted by insurance product change

- Connection acquisitions up 1.1% YoY
- ARPU mainly impacted by removal of mobile insurance from Spark-owned solution to third party

Spark gained revenue share in a contracting prepaid market

- Prepaid service revenue across the total market declined, while Spark's revenue share increased[1]
- Spark connections declined while ARPU increased, with ~70% of connection loss attributable to casual users with low/no spend
- Of these casual users, over 80% of connection loss was due to inactivity vs. port-outs to competitors

Spark overweight in segments with shrinking mobile fleets

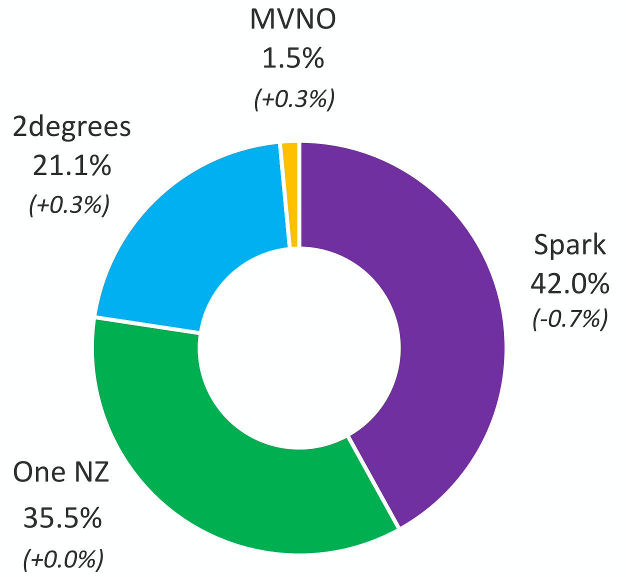
- Connections impacted in a market dominated by shrinking mobile fleets: ~80% of the 18k connection decline from H1 24 to H1 25 driven by Government and businesses reducing mobile fleets post headcount reductions or to deliver cost efficiencies

Aggressive competitor pricing

- ARPU and revenue share declined due to aggressive competitor pricing activity driving down value of contract re-signings and new business wins

TOTAL MOBILE MARKET PERFORMANCE[1]

- Total market service revenues broadly flat
- Lower insurance revenue contributed 0.2 percentage points of share reduction for Spark
- Maintained #1 position in mobile market share by service revenue and total connections



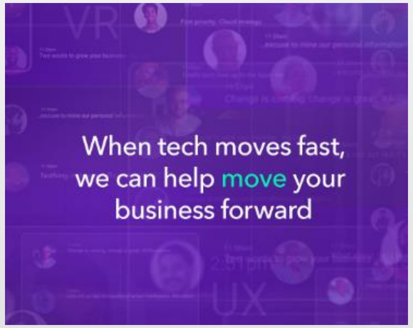
[1] All comparisons are market share estimates sourced from IDC as at 31 December 2024, comparing H1 FY25 to H2 FY24. Note IDC restated historical market share data at 30 September 2024.

1. Market momentum in telco core

Rolling calendar of new product development, campaign activity, and pricing driving consumer mobile momentum in H2

CONSUMER AND SME

- Pay monthly plan refresh (end Oct) introduced big data caps for customers, with positive impact on acquisition ARPU
- Strong customer response driving momentum into H2 – pay monthly acquisitions over November and December up 7% vs the same period in H1 24
- Prepaid plan refresh (Dec) improved competitive positioning, and early data shows uptick in acquisition
- Price increases across pay monthly and prepaid base in December offering more data for dollars, to deliver further benefits in H2



ENTERPRISE AND GOVERNMENT

- Mobile fleet shrinkage slowed during H1 to half the rate of H2 FY24
- New B2B brand campaign launched in January, targeting enterprise and government decision makers
- Focussed on retaining connection share through proactive re-signing and competitive bids, to enable future organic growth
- Mitigating ARPU impacts from aggressive competitor pricing through targeted bundling and enhanced service offerings

NETWORK LEADERSHIP

- Continue to allocate capital to areas of highest value return, with 45% of capex invested into mobile network, supporting network performance and product innovation
- Spark awarded #1 mobile network for coverage and reliability by Open Signal in September 2024
- Spark has entered a new partnership with another US-based satellite provider to offer customers satellite-to-mobile services from early 2026

1. Market momentum in telco core

Macro-economic conditions continue to impact broadband and IT, while IoT growth remains strong

$302m

2.3% decrease vs. H1 24

BROADBAND REVENUE

Broadband market is mature and commoditised, with consistent lower levels of overall market growth

Spark strategy remains focussed on margin improvement as fibre company costs are passed through and WBB addressable base expands through 5G. WBB now ~32% of base

Cost of living pressures saw customers trade down to lower priced plans and drove intensified price-driven competition, resulting in connection share reduction of 0.7% points

$336m

1.5% decrease vs. H1 24

TOTAL IT REVENUE[1]

IT products revenue grew 1.1% to $264m, driven by cloud (up 8.3%). Mix shift from private to public drove a 10% margin reduction – private cloud price increase to support H2 improvement

Reduced project activity within government and business sectors continued to impact IT services demand, with revenues down 10% to $72m

New strategic partnerships to support cloud economics as mix shifts from private to public[2]

$41m

17.1% increase vs. H1 24

HIGH-TECH REVENUE

IoT continues to see strong growth with revenues up 25%

IoT connections increased 25% to over 2.2 million

[1] IT Products and Services revenue and costs have been restated in prior periods due to a product mapping change with the Data Centres business

[2] See page 11 for more details

2. Simplified portfolio

Review of non-core assets and portfolio simplification supporting focus on telco core, while further strengthening balance sheet

Non-core asset review

- On 12 December 2024 Spark announced the sale of its remaining 17% stake of mobile towers business Connexa to CDPQ, with all regulatory approvals required now received
- Spark now expects proceeds of ~$310 million[1] and an expected gain on sale of ~$66 million in reported EBITDAI on completion in Q3
- Continuing to progress broader asset portfolio review to identify further opportunities to realise value in the medium term

Product portfolio simplification

- Enterprise and Government (E&G) operating model transformation completed, with subsidiaries integrated into Spark
- Product portfolio rationalisation underway to simplify and improve customer experiences
- Focus on legacy migration in managed networks and data, voice, and collaboration, with ~30% of products in security service lines to be exited by end FY25
- Reviewing focus for service management based on evolving demand and margin profiles
- Sale of Digital Island (excluding mobile) will further support focus on telco core in E&G

[1] The final sale price is subject to an adjustment based on movements in working capital and capital expenditure

3. Transformed cost base

Significantly expanded SPK-26 Operate Programme to deliver a materially leaner, more competitive business

Operating Model

- Significant progress made to improve operating model effectiveness and efficiency across the business
- Enterprise and Government transformation complete, with subsidiary businesses integrated into Spark
- ~900 FTE reduction at 31 December 2024, including changes made during FY24
- Broader operating model changes underway in H2 25 to focus resources on refreshed strategic priorities and momentum in core

Tech Delivery Model

- Significant transformation of technology and network operations underway, leveraging several strategic partnerships for global scale, capability, and accelerated AI and automation – delivering better customer outcomes and material cost savings (see slide 11)

Scale AI

- Investment in AI and automation supporting better customer outcomes and reduced cost to serve
- Spark developed 'Bravety', an AI capability for contact centres, which summarises customer calls within 5 seconds – enabling frontline teams to focus on customer interactions and reducing call handling times and costs

3. Transformed cost base

Significant transformation of technology and network operations, leveraging several strategic partnerships

New technology delivery model

- Moving to best-practice global model for technology delivery
- Common structure utilised by telcos in offshore markets
- Establishing several strategic partnerships across IT and networks

Benefits

- **Leveraging global investment**
  - Access to partners' global scale, capability, and innovation
  - Accelerated AI and automation benefits, delivering better customer outcomes at lower cost
- **Improved cost efficiency**
  - ~20% overall average cost efficiency
- **Long-term sustainable benefits**
  - Long-term contracts and competitive partner market supports longer-term cost control
  - Spark to retain overall strategic decision making and components of competitive advantage – i.e. critical operations, intellectual property, systems

Progress

- **IT infrastructure and services partnership**
  - Finalising new partnership that will deliver accelerated automation and efficiencies and a significant reduction in annualised IT costs
- **Cloud partnership**
  - Strategic partnership with Microsoft to further modernise Spark's hybrid cloud environment and accelerate AI strategy, improving Spark's overall cloud economics
- **Network partnership**
  - Heads of Agreement signed to explore network operations partnership that accelerates AI and automation, delivers greater efficiency, and enables access to global capability and innovation. Further detail to be shared in coming months

3. Transformed cost base

Significantly expanded SPK-26 Operate Programme will deliver materially higher benefits over the next three years

FY25 benefits	*1. In-year benefits*
	• Net labour and opex reduction expected to deliver $80m-$100m
	  ○ $50m labour target exceeded
	  ○ Cost benefits of the technology delivery model are heavily weighted to H2 and are expected to bring opex in line with FY24
	
	2. Annualised net benefits
	• Additional annualised net labour and opex reduction benefits as a result of initiatives put in place in FY25
	• Total annualised benefits exiting FY25 is $90m-$110m
	
	3. Transformation costs
	• Non-recurring transformation charge of $45m-$50m to achieve these ongoing savings ($29m reported in H1 25 result)
		Total benefits of expanded SPK-26 Operate Programme:
		
		$110m-$140m of annualised benefits[1] by FY27

FY26-27 benefits	*4. Annualised benefits* • Additional $20m-$30m annualised net labour and opex cost reduction anticipated from FY26-FY27	

[1] Subject to no material adverse change in operating outlook

4. Long term value creation

Data centre business continues to build momentum as capacity delivered in previous periods increases billing

$25m[1]

13.6% increase vs. H1 24

DATA CENTRES REVENUE

Gross margin of $23m up 9.5% vs. H1 24 continued the growth trend

Capital expenditure of $14m in H1 25 – capex in FY26 expected to increase significantly as land purchases are settled and next stage capacity construction commences

Despite subdued economic environment, contracted utilisation of dedicated data centres was 87%[3]

H1 25 performance on track

- Revenue and EBITDAI growth reflect increased billing of current capacity (22MW) and increased pass through of electricity costs
- Expansion of additional 1MW at Aotea site on target, settlement of land for North Shore data centre targeted for FY26

Longer-term growth strategy progressing

- Increased demand for data centre capacity continues to be driven by ongoing cloud adoption and acceleration of AI
- Spark a significant player in the market, with existing international cloud / content provider contracts and local capability a compelling proposition to customers and complementary to core business
- Remain committed to building out the 118+MW development pipeline, and continuing to target an IRR of c10-15%[2]
- Spark has commenced a process to explore interest from prospective partners in a preferred investment vehicle, to support future investment of $1bn+ and accelerate growth opportunity
- Advanced progress establishing a dedicated data centre business in preparation for external investment
- Intention remains to retain an ownership stake to create long-term shareholder value

[1] Data Centres revenue and costs have been restated in prior periods due to a product mapping change with IT Products and Services categories
[2] Unlevered, post-tax IRR
[3] Includes contracted and reserved racks at dedicated data centres and exchanges

4. Long term value creation

Total planned capacity of ~140 MW with 118+ MW[1] development pipeline in Auckland

Existing operational capacity (MW)[1]

Future potential capacity (MW)[1]

All development land owned or under agreement

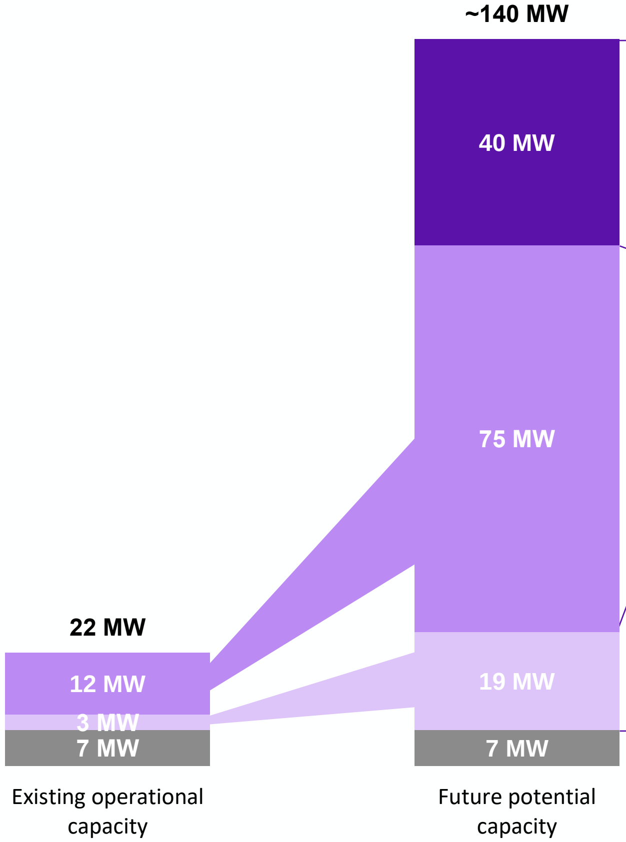
Advanced plans with utility providers for initial power supply at Takanini and North Shore and strategy for long term scaled capacity

Existing sites

Takanini Campus

Aotea Campus

Regional / metro



North Shore Campus (~4 ha)[2]

40 MW development capacity

- New greenfield site. Part of a world first sustainable development
- Resource Consent granted 2024 under NZ Fast Track process

Takanini Campus (~5 ha)[3]

63 MW development capacity

- New builds designed for sustainability
- Provisioned for high density AI

Aotea Campus

1 MW under construction

15 MW development capacity

- Strategically sought after site due to customer ecosystem and location

Regional / metro sites

Potential for future development in other regional / metro locations (e.g. Wellington and Christchurch)

[1] Refers to total power load;

[2] 4.0 ha of development land under unconditional agreement with settlement expected in July 2025

[3] 2.4 ha of existing land owned and ~2.6 ha of development land under agreement with settlement expected in July 2025

Toitū sustainability performance

Continued focus on maturing ESG practices and maintained inclusion in Dow Jones Best-In-Class Index (Australasia)

ECONOMIC TRANSFORMATION

5G connectivity now live in 121 locations across New Zealand

70% increase in 5G traffic over the last 12 months, with 45% of devices on the Spark network now 5G capable

DIGITAL EQUITY

Not-for-profit broadband product, Skinny Jump, now supporting over 33,000 households in need

Tūrama Pathways internship programme launched – to grow participation and progression of under-represented communities in technology

SUSTAINABLE SPARK

Spark awarded the 2024 Deloitte Top 200 Sustainability Leadership award

Renewable Energy Partnership with Genesis commenced on January 1, and will support future scope 2 emissions reductions

Financial summary

H1 25 financial summary

	REPORTED[1] H1 24 $m	REPORTED H1 25 $m	CHANGE	ADJUSTED H1 25 $m	CHANGE
Operating revenues and other gains	1,976	1,939	(1.9%)	1,939	(1.9%)
Operating expenses	(1,446)	(1,520)	(5.1%)	(1,491)	(3.1%)
EBITDAI	530	419	(20.9%)	448	(15.5%)
Finance income	14	15	7.1%	15	7.1%
Finance expense	(63)	(75)	(19.0%)	(75)	(19.0%)
Depreciation and amortisation	(251)	(300)	(19.5%)	(300)	(19.5%)
Net investment income	(3)	-	100.0%	-	100.0%
Net earnings before tax expense	227	59	(74.0%)	88	(61.2%)
Tax expense	(70)	(24)	65.7%	(32)	54.3%
Net earnings after tax expense	157	35	(77.7%)	56	(64.3%)
Capital expenditure	286	252	(11.9%)	252	(11.9%)
Free cash flow	46	77	67.4%	77	67.4%
EBITDAI margin	26.8%	21.6%	(5.2pp)	23.1%	(3.7pp)
Effective tax rate	30.8%	40.7%	9.9pp	36.4%	5.6pp
Capital expenditure to operating revenues and other gains	14.5%	13.0%	(1.5pp)	13.0%	(1.5pp)
Basic earnings per share (cents)	8.6	1.9	(77.9%)	3.1	(64.0%)
Total dividend per share (cents)	13.5	12.5	(7.4%)	12.5	(7.4%)

[1] Both the H1 25 reported and adjusted figures are compared to the H1 24 reported figures as there were no adjustments to the H1 24 financial results

Revenue and opex performance summary

Lower revenue driven by challenging market conditions, while higher operating costs driven by supplier cost inflation, with labour cost benefits to fall predominantly in H2

$1,939m

1.9% decrease vs. H1 24

REVENUE

- Mobile service revenue decreased $19m (3.7%) predominantly due to the cessation of a Spark-owned mobile insurance product in consumer, and reducing mobile fleets and price competition in Enterprise and Government
- Mobile non-service revenue increased $9m (3.8%) due to increased device spend in retail following new product releases
- Broadband revenue decreased $7m (2.3%) due to connection decline as price competition intensified in a subdued spending environment
- Legacy voice revenue declined $16m (17.0%) in line with long-term trend
- IT product revenue growth continued, increasing $3m (1.1%), driven by growing public cloud adoption
- IT services revenue decreased $8m (10.0%) due to reduced project activity within government and business sector
- High tech revenues increased $6m (17.1%) driven mainly by IoT connection growth
- Data centres revenues increased $3m (13.6%) driven mainly by billing increased capacity

$1,491m

3.1% increase vs. H1 24

ADJUSTED OPERATING EXPENSES

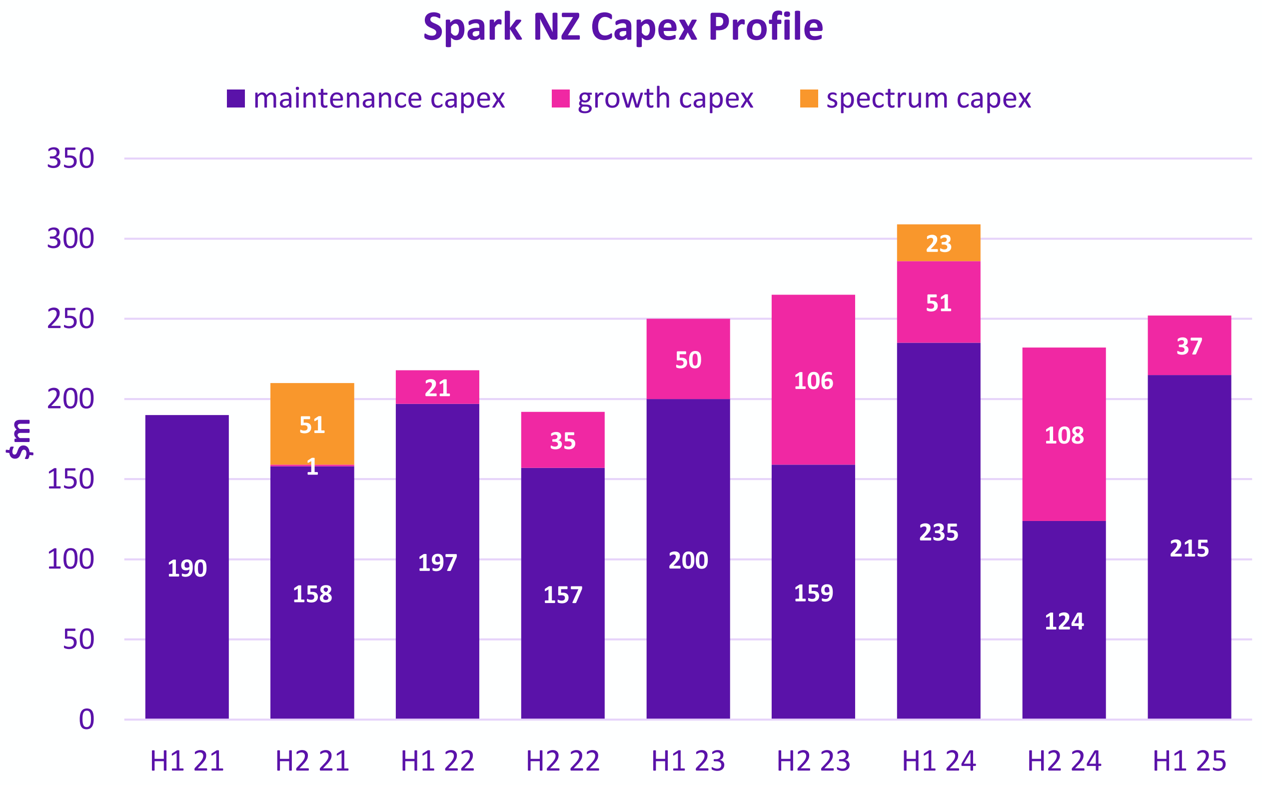
- Product costs increased $21m (2.2%), through a combination of cost inflation of sourced products and the mix of products sold
  - Higher IT product costs (+$17m) and IT services costs (+$9m) offset by lower voice product costs (-$7m) and procurement (-$8m)
- Other operating expenses increased $32m (14.3%), driven by supplier cost inflation within computer and network cost lines[1]
- Net labour costs decreased $8m (2.9%) reflecting operating model changes, with significant further benefits to be realised in H2 25

[1] Refer to page 12 for discussion on network partnership work and related benefits

Capital expenditure

Disciplined management of capital expenditure, focussed on telco core and data centre growth strategy

- H1 25 capital investment of $252m, or 13.0% of revenue, reflects a reduction in spend across both maintenance and growth capex projects compared to H1 24 of $286m
- Focus of spend continues to be on digital infrastructure and mobile network to support operational performance and data centre growth strategy
- H2 maintenance capital expenditure is seasonally lower than H1 and underpins capex guidance of ~$415m-$435m[1]



[1] Subject to no material adverse change in operating outlook

Free cash flow

Significant improvement in H1 25 FCF through disciplined capital expenditure and changes in working capital

- Free cash flow (FCF) increased 67% to $77 million in H1 25 versus H1 24
- FCF including working capital and growth capex increased by $163 million due to:
  - A $97 million release in cash from working capital – some of this is timing of payables around the half year end which will unwind in H2 25
  - Discipline around capital expenditure on both maintenance and growth projects that led to a $127 million improvement in cash flows
- There is still more work that can be done to further improve delivery of free cash flow outside of an improvement in EBITDAI
- FY25 free cash flow aspiration now ~$300m-$340m[1] due to change in EBITDAI guidance

Free cash flow calculation	H1 FY24 ($m)	H1 FY25 ($m)	Change ($m)	Change %
Reported EBITDAI	530	419	(111)	(20.9%)
Less adjusting items and non-cash gains	20	(6)	(26)	(130.0%)
EBITDAI for free cash flow	510	425	(85)	(16.7%)
Less				
Cash paid on maintenance capital expenditure	261	169	(92)	(35.2%)
Cash paid on interest	45	58	13	28.9%
Cash paid on tax payments	101	78	(23)	(22.8%)
Cash paid on leases	57	43	(14)	(24.6%)
Total cash payments on items above	464	348	(116)	(25.0%)
Free cash flow	**46**	**77**	**31**	**67.4%**
Total change in working capital - increase/(decrease)	73	(24)	(97)	NM
Cash paid on growth capital expenditure	92	57	(35)	(38.0%)
Free cash flow (including working capital and growth cash capex)	**(119)**	**44**	**163**	**NM**

[1] Subject to no material adverse change in operating outlook

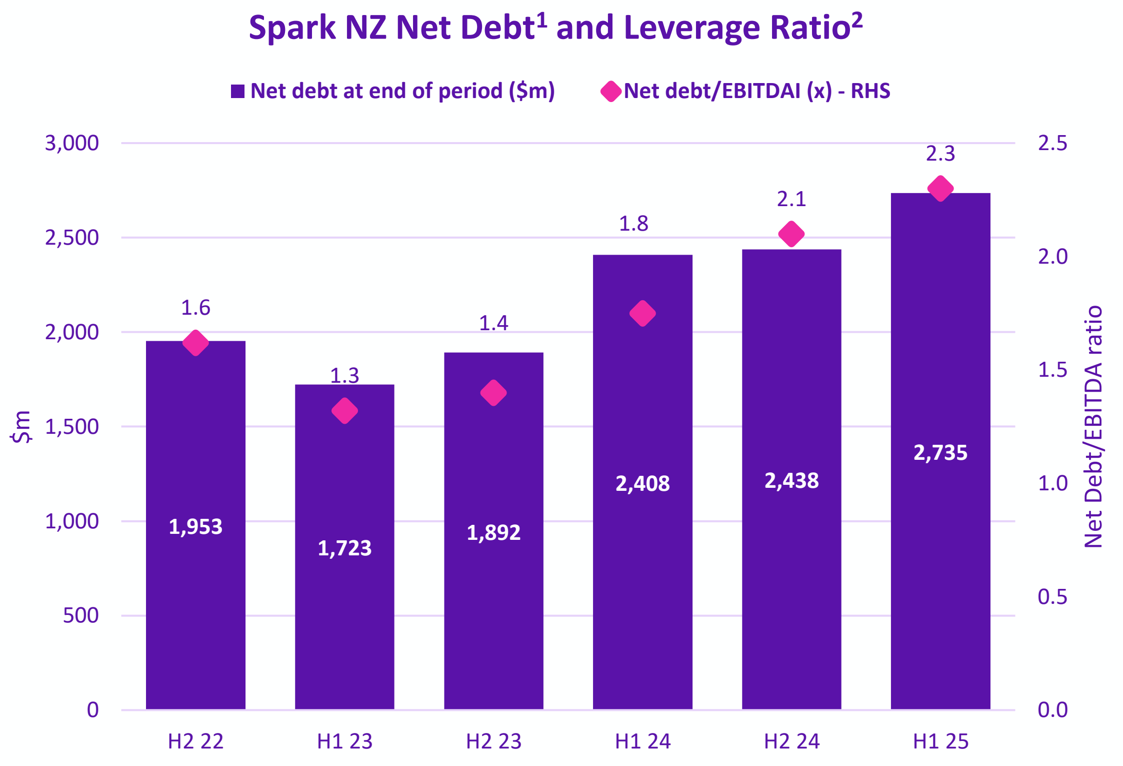
Debt and capital management

Net debt will reduce with progress on sale of non-core assets and improvement in EBITDAI

Net Debt[1] at 31 December increased by $297m to $2,735m

- Net Debt/EBITDAI will improve in the near term by ~0.3x with the completion of the Connexa and Digital Island transactions
- Further improvement in debt metrics expected with continued discipline around capital expenditure and progress on cost reduction programme
- Key driver of increased net debt is the increase in lease liabilities

H1 25 dividend of 12.5 cps[3]



[1]Net debt at hedged rates and including lease liabilities. Prior historical periods restated for the additional leaseback liability on customer leases
[2]Leverage Ratio is calculated to be consistent with S&P Global Ratings analysis
[3]A Dividend Reinvestment Plan will operate for the H1 25 dividend with shares issued at a 2% discount

Outlook

FY25 indicators of success

An update to FY25 KPIs (to June 2025) presented earlier in FY25

Measure	August 2024	October 2024 Trading Update	H1 25 Update[1]
Mobile service revenue growth	~3%	~0%	• Total market mobile service revenues were flat in H1 25 vs IDC forecast of 3% growth in FY25[2] • In Enterprise and Government division, aggressive price competition continues, with business sector spending remaining subdued in H2 • In this context, now expect total mobile service revenue to decline ~1% YoY in FY25 (including a largely flat performance in Consumer and SME, and further declines in Enterprise and Government)
Data centre revenue growth	~15%	~15%	• Remains on track
High-tech revenue growth	~20%-25%	~20%-25%	• Remains on track
SPK-26 Operate Programme:		• On track to deliver net labour cost reduction target in year • Work continues towards net opex target • Intend to expand Operate Programme to deliver materially higher cost reductions over multiple years	• Net labour and opex reduction expected to deliver $80m-$100m in-year • Total benefits of expanded SPK-26 Operate Programme forecast to deliver $110m-$140m of annualised benefits by FY27
Net labour reduction	~$50m		
Net opex reductions	~$30m		
Customer iNPS	+3 points	+3 points	• Remains on track
Lift in employee engagement	+3 points	+3 points	• Expected impact from changes to operating model
Reduce Scope 1 and Scope 2 GHG emissions in line with SBTi reduction target pathway	At or under 28% below FY20 baseline	At or under 28% below FY20 baseline	• Winter energy crisis has driven grid emissions factor higher, meaning we are tracking above our emissions reduction pathway for FY25. Performance is expected to improve in FY26 as Spark benefits from the first full year of its renewable energy partnership

[1] Subject to no material adverse change in operating outlook

[2] Revenue market share data is sourced from IDC as at 31 December 2024

FY25 guidance[1]

The primary driver of the change in EBITDAI guidance is the Enterprise and Government division, which has been impacted by:

- IT spending cuts across corporates and Government entities;
- Changes in product mix; and
- Aggressive price competition in mobile.

	FY24 Actual	FY25 Guidance *October update*	New FY25 Guidance
EBITDAI[2]	$1,163m	$1,120m-$1,180m	$1,040m-$1,100m
Capital expenditure[3]	$518m	~$415m-$435m	~$415m-$435m
Dividend per share	Total 27.5 cps (100% imputed)	Total 25.0 cps (75% imputed)	Total 25.0 cps (75% imputed)

[1] Subject to no material adverse change in operating outlook
[2] EBITDAI is adjusted for the impact of transformation costs incurred in the implementation of Spark's SPK-26 Operate Programme
[3] Total capital expenditure including growth capex and excluding expenditure on mobile spectrum

Appendix

FY25 net debt metrics

Net debt	H1 FY24 ($m)	FY24 ($m)	H1 FY25 ($m)
Net debt at hedged rates	$1,557	$1,636	$1,796
Net debt at hedged rates including lease liabilities[1]	$2,408	$2,438	$2,735
Debt ratios			
Borrowing costs (annualised)	5.9%	6.1%	5.7%
Weighted average debt maturity (years)	3.2 years	3.7 years	3.1 years
Debt servicing[2]	1.8x	2.1x	2.3x
Gearing	59%	60%	66%
Interest cover	10x	9x	7x

[1] Prior historical periods restated for the additional leaseback liability on customer leases
[2] Debt servicing is calculated as (Net debt at hedge rates including lease liabilities - captive finance adjustments)/(Adjusted EBITDAI - captive finance adjustments) which Spark estimates aligns to S&P's credit rating calculation.