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16 September 2021

The Manager

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SYDNEY NSW 2000

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra Investor Day 2021

In accordance with the Listing Rules, I attach the presentation, including speeches, to be delivered by the CEO and members of senior management, at Telstra's Investor Day today, for release to the market.

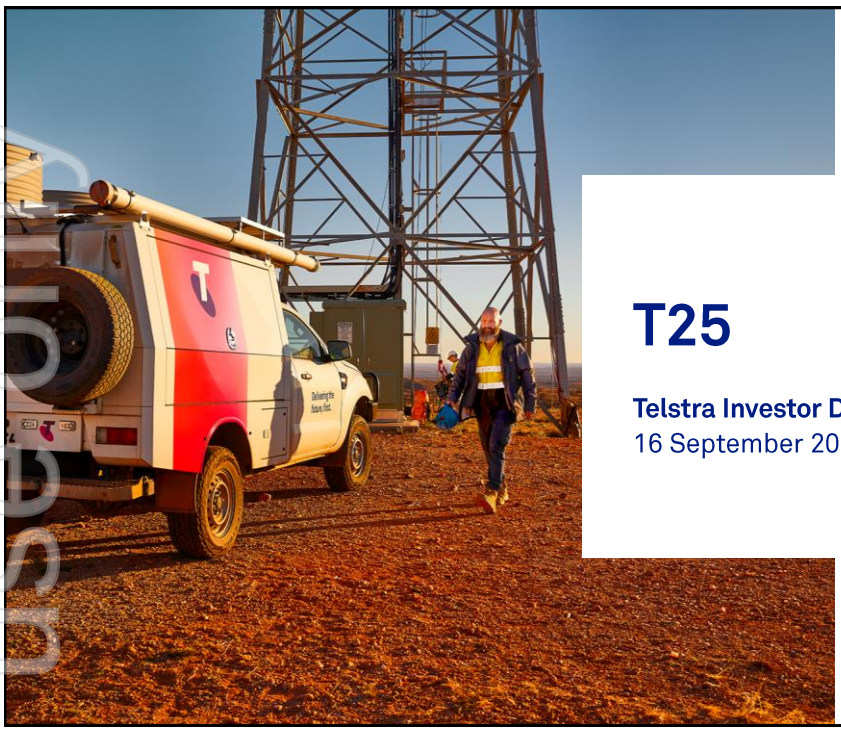
The briefing will be held virtually and webcast live from 9:10am (AEST), which is available at

https://www.telstra.com.au/aboutus/investors/financial-information/investor-presentations

A transcript of the event will be lodged with the ASX when available.

Authorised for lodgement by:

Sue Laver
Company Secretary



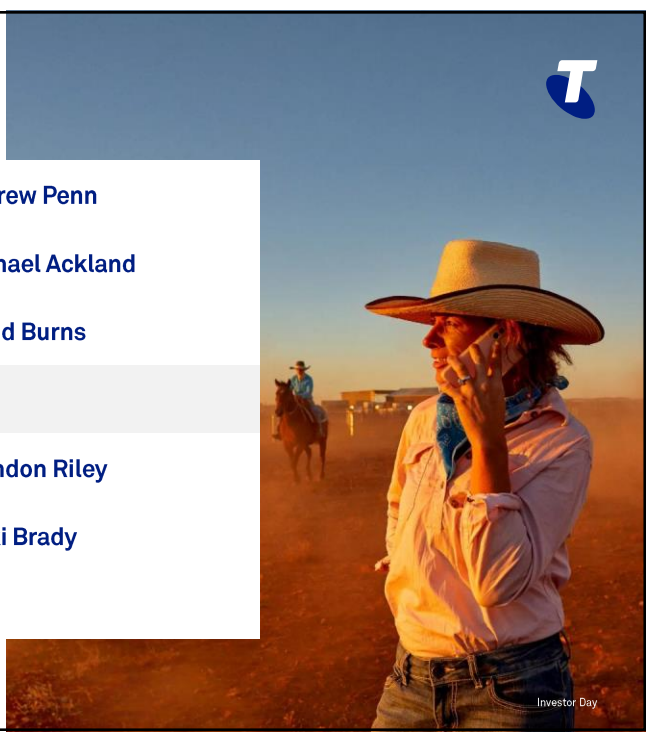
T25

Telstra Investor Day
16 September 2021

1

Agenda

9:10am	**Introduction & Strategy**	**Andrew Penn**
	Consumer & Small Business	**Michael Ackland**
	Enterprise	**David Burns**
10:30am	*Break*	
10:45am	**Infrastructure**	**Brendon Riley**
	Financial strategy	**Vicki Brady**
11:30am	**Q&A and closing comments**	**All**



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Introduction & Strategy

Andrew Penn
CEO

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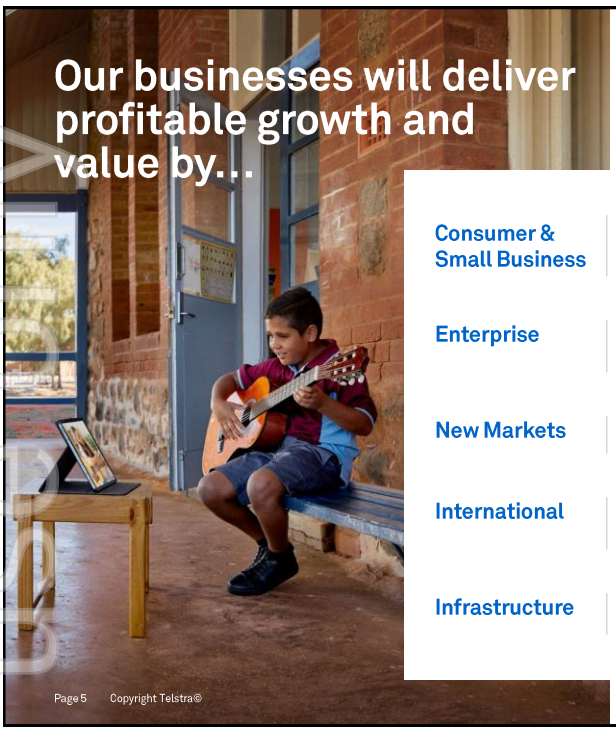
Our strategy: T25

Our purpose and values	**To build a connected future so everyone can thrive**			
	We are changemakers	We are better together	We care	We make it simple
Our strategic pillars	An exceptional **customer experience** you can count on	Leading **network & technology solutions** that deliver your future	Sustained **growth and value** for our shareholders	
	The place you want to work			
	Excelling at new ways of working	Accelerating digital leadership	Doing business responsibly	
Our businesses	**Consumer & Small Business**	**Enterprise**	**New Markets**	**International**	**Infrastructure**

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Our businesses will deliver profitable growth and value by...

Consumer & Small Business	Creating brilliant experiences that enable our customers to work, learn and play
Enterprise	Connecting our customers with Australia's most trusted and secure technology and services
New Markets	Building and scaling our new businesses
International	Leveraging the growing strategic significance of our international network
Infrastructure	Improving access, utilisation and scale of our infrastructure

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An exceptional customer experience you can count on



Build on our T22 investments to deliver a major uplift in customer engagement

Fully integrate our channel experience; all key transactions available in all channels

Personalise services where it matters and fix issues before they arise

Scale the Telstra Plus ecosystem with the best rewards for our customers

Provide tailored solutions and industry-specific expertise for Enterprise customers

Improve asset availability for our infrastructure and wholesale customers

Customer experience

90%
'Once and Done' (C&SB); Support and engagement rating (TE)

6 million
Telstra Plus members enrolled by FY25

Simplified products
Maintain T22 disciplines

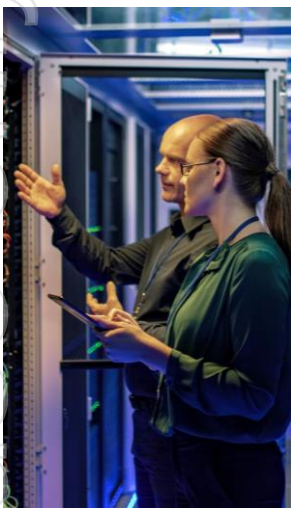
50%
Reduction in complaints

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Leading network & technology solutions that deliver your future



The best 5G network for Australia

Largest coverage and best performance across metro, regional and rural areas

Technology enabling customer and industry solutions

Dynamic management and automation of capacity, speed, latency, security and resilience across all network types

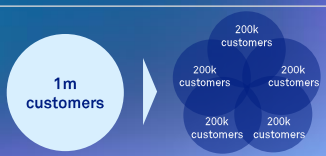
Enhanced resilience for customers

Through smaller impact zones, orchestrated failover for apps and connectivity

Network & technology

~95% 5G population coverage by FY25
>80% traffic on 5G by FY25
Double metro cell sites
Expand regional coverage by 100,000km²





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Sustained growth and value for our shareholders

Growth & value

Financial strategy

Build financial momentum across our portfolio to deliver growth	**Deliver net cost reductions** – $500m net fixed cost out from FY23 to FY25 while investing for growth	**Focus on cash conversion and generation**	**Active portfolio management to unlock value** and manage our Balance Sheet	**Create shareholder value** through our capital management framework

Financial ambitions

Underlying EBITDA[1]	Underlying ROIC[1]	Underlying EPS[1]	Dividend	Excess cashflow
• $7.5–8.0b by FY23 • Mid-single digit CAGR FY21 to FY25	• ~8% by FY23 • Grow beyond to FY25	• High-teens CAGR FY21 to FY25	• Maximise fully-franked dividend and seek to grow over time	• Invest for growth and return excess cash to shareholders

1. Refer to definition in Glossary and see disclaimer slide in relation to these financial ambitions

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The place you want to work
Excelling at new ways of working



Evolve world-leading agile@scale

Reduce time to market through BizDevOps at scale

Leverage our culture and career opportunities to attract and retain critical talent

Deliver hybrid and flexible future workplace experiences

90th percentile employee engagement

70%
teams scoring above agile maturity of 4 by FY25

Halve time to market
for products and services by FY25

50% increase
in representation of Data & Analytics workforce by FY25

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The place you want to work
Accelerating digital leadership



Lead with a digital first and data-driven mindset

Embed digital ways of working and build digital skills

Deliver outstanding developer experiences and digital partnerships

Deploy decoupled, modular digital architecture

All key service transactions
with customers capable of being conducted digitally by FY25

100%
key business processes enhanced / improved using AI by FY25

100% API-first architecture

~90% of applications
moved to the public cloud

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The place you want to work
Doing business responsibly



Trusted operations
- Ensure fair, inclusive product and service design and appropriate sales practices
- Source ethically; manage risk in our supply chain

Environmental leadership
- Mitigate climate change impacts and help our customers and communities to do the same
- Use resources efficiently and minimise our environmental impacts

Digital inclusion
- Ensure everyone can enjoy the benefits of being connected, including in rural and regional areas
- Use tech for social & environmental innovation

The place you want to work

50% reduction
in absolute emissions by 2030

2 million
increase in digitally active customers by FY25

Build digital skills for 500k Australians

1 million customers in vulnerable circumstances connected
each year FY22-25, with our help

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T25 scorecard

Our commitments and metrics

Customer experience	Network & Technology	Growth and value	New ways of working	Digital leadership	Responsible business
Market leading CX with • eNPS >40 by FY25 • sNPS uplift of +25 by FY25 Getting it right for customers • >90% 'Once and Done' by FY25 (C&SB) • 90% rating in support and engagement by FY25 (TE) Reduce our complaints • One-third by FY23, 50% by FY25 (C&SB) • >95% of billing disputes will be resolved in 1 cycle by FY25 (TE) Grow Telstra Plus members (#) and engagement (%) • 5.4m and 70% by FY23 • 6m and 80% by FY25 Grow digitally active users by 2m to 8.5m FY25 (C&SB) Improve availability of infra. assets for customers, by FY25 • 250 new towers • 6,000km of fibre deployed	Network leadership; by FY25: • ~95% pop. coverage for 5G • >80% of traffic on 5G • 3G closed in FY24 Win majority of key surveys for best fixed/ mobile network including • Coverage, and • Overall customers speeds for mobile FY23-FY25 Double metro cell sites by FY25 to densify the network Expand regional coverage • 100,000km² new coverage by FY25	Underlying EBITDA • $7.5-8.0b by FY23 • Mid-single digit CAGR FY21 to FY25 Underlying ROIC • ~8% by FY23 • Grow beyond to FY25 Underlying EPS: High-teens CAGR FY21 to FY25 Maximise fully-franked dividend and seek to grow over time Maintain cost discipline • $500m net fixed cost out from FY23 to FY25 while investing for growth • Maintain leading operating cost metrics for full-service telco Maximise value from infra. • AmplitelEBITDAaL CAGR – low-to-mid single digit • InfraCo Fixed EBITDAaL CAGR – low-single digit	Remain at 90th percentile employee engagement (equivalent to high-performance norm) Improve agile maturity of teams, with 70% scoring above 4 by FY25 Halve our time to market for products and services from FY22 to FY25 50% increase in representation of Data & Analytics workforce by FY25 Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25	All key service transactions with customers are capable of being conducted digitally by FY25 100% of key business processes enhanced/ improved using AI by FY25 Reach top 20% in Digital Capability Index by FY25 100% API-first architecture for customer management, product development, and external monetisation Move ~90% of applications to the public cloud by FY25	Enable renewable energy generation equivalent to 100% of our consumption by 2025 Reduce absolute emissions from FY19 by at least 50% by 2030 Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25 Help keep 1m customers in vulnerable circumstances connected each year from FY22-25 4-7pt uplift in RepTrak reputation score by FY25

 Copyright Telstra© Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

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FY22 priorities – finish the job on T22

Complete digitisation
Complete migration of C&SB customers to the new tech stack

Group restructure
Complete our Group restructure and deliver value from infrastructure

5G leadership
Extend our 5G leadership improving 5G coverage and performance

Enterprise
Return Enterprise to growth and restore financial momentum

Grow services
Launch our new energy business and expand Telstra Plus

Cost reduction
Deliver on our $2.7b annualised net cost productivity

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Our T25 strategy to deliver growth

Convenient, personalised, digitally enabled experiences

Growth in **revenue, EBITDA, EPS and seek to grow dividend**

Profitable growth and scale in **Health and Energy**

World-class **returns from Infrastructure**

Network leadership with ~95% 5G coverage

Leading network and technology solutions for our customers

Further **$500m cost out** from operational excellence

Responsible business leadership, including emissions reductions

The **place you want to work**



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Consumer & Small Business

Michael Ackland
Group Executive, C&SB

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Consumer & Small Business

Our purpose and values	To build a connected future so everyone can thrive			
	We are changemakers	We are better together	We care	We make it simple
Our ambition	To deliver profitable growth and value by creating brilliant experiences that enable our customers to work, learn and play			
Our building blocks	Transform how we engage by **deepening our local expertise**	Help Australians **get the most out of their connectivity**	**A trusted partner** in the home & business	
	A new **Telstra Plus ecosystem** of value	Establish Telstra as a **full service tech retailer**	Expand **multi-brand reach** through partnerships	

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We are building on the foundations of T22...



Consumer & Small Business

In the last three years we have...

Radically simplified plans, eliminated pain points	**>8.5m** services on simplified in-market plans
Delivered a new tech stack at scale	**>50%** of sales now on new digital platform **100%** of agents active on new platform
Launched and grown Telstra Plus	**3.5m** users, **~50%** actively engaged
Radically changed and improved our service model	**>70%** of service interactions digital **2/3** reduction in inbound calls Insourcing our retail stores
Invested in leading network experiences	**>1.6m** 5G devices connected **2.3m** smart modems in customers' homes



Consumer & Small Business

...and are ready to transition to sustainable growth on multiple dimensions

Growth drivers

Drive value growth through mobility leadership
From complex to simple portfolio, no back book, positioned for growth

Grow hardware and services in the home and business
From subsidising connectivity to capturing value across the hardware lifecycle

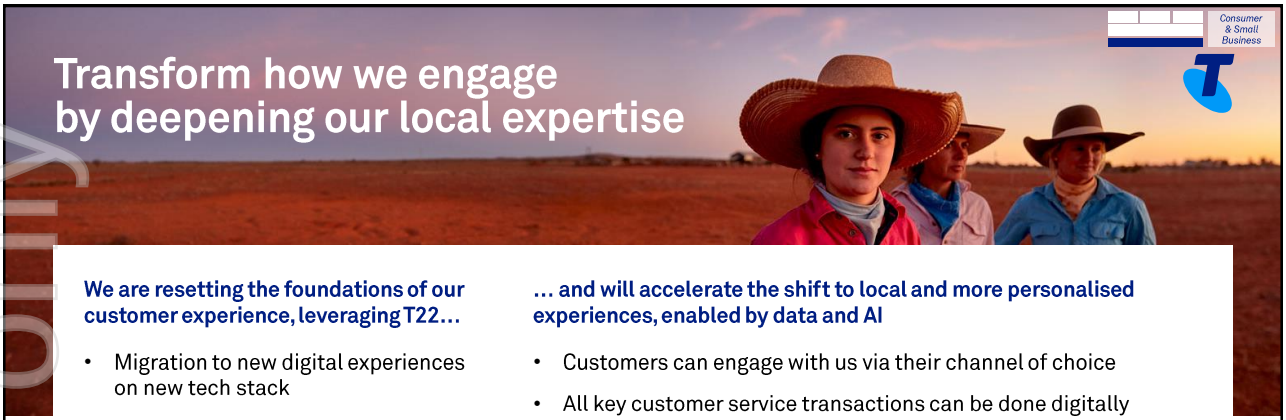
Growing and profitable home and business internet services
From NBN headwinds to lean reseller, growing services, Energy, and on-net

Maintain T22 cost discipline
From cost-out through simplification to operational excellence

Monetise Telstra Plus ecosystem
From investment phase to value realisation

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Transform how we engage by deepening our local expertise



Consumer & Small Business

We are resetting the foundations of our customer experience, leveraging T22…

- Migration to new digital experiences on new tech stack
- On-shore support, 100% calls answered locally
- Ownership of retail store network

… and will accelerate the shift to local and more personalised experiences, enabled by data and AI

- Customers can engage with us via their channel of choice
- All key customer service transactions can be done digitally
- A team of local experts (store & call centre) to answer calls locally
- AI-powered real-time next best experiences at scale

Key FY25 outcomes	>90% 'Once and Done'	sNPS uplift of +25	Halve customer complaints

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Help Australians get the most out of their connectivity

Consumer & Small Business

We deliver the best connectivity experience…

The best mobile network
Largest 5G coverage, leading reliability, innovative network-optimised products

Leading in secure connectivity
High-security core network, device security

Services work better on the Telstra network –
fastest NBN provider (ACCC)[1], #1 in Netflix speed index[2]

The best support to optimise customer experience
Self-healing, proactive fault detection through AI

… and change the way customers buy it

Shift to experience-based propositions
Using experiences to drive continued value growth; supporting how our customers work, learn and play

Technology-agnostic
Experiences across Fixed and Mobile, on-net and off-net

Broader range of connected devices
Category expansion beyond handsets and tablets

Key FY25 outcomes	Deliver mobile services revenue growth	>80% of traffic on 5G	Growing and profitable home & business internet services

 Copyright Telstra© 1. Measuring Broadband Australia (ACCC) as at August 2021. Data excludes underperforming or impaired services; 2. #1 in Netflix ISP Speed Index as at August 2021

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A trusted partner in the home & business

We see an emerging need to help Consumers and Small Business get the most out of their technology as it becomes more complex and fragmented

Most reliable and secure network

Local and regional presence, personalised service enhanced by data and AI

Rewards via Telstra Plus

Brilliant connected experiences in the home where we learn, work, and play

Telstra TV

Smart meter

Smart modem

Devices and servicing

Security and privacy

SMB Marketplace in Telstra Plus

Giving Small Businesses the tools to grow in the digital economy

Leading partner solutions

ICT suite for SMBs

Cybersecurity

Digital customer engagement

Collaboration tools

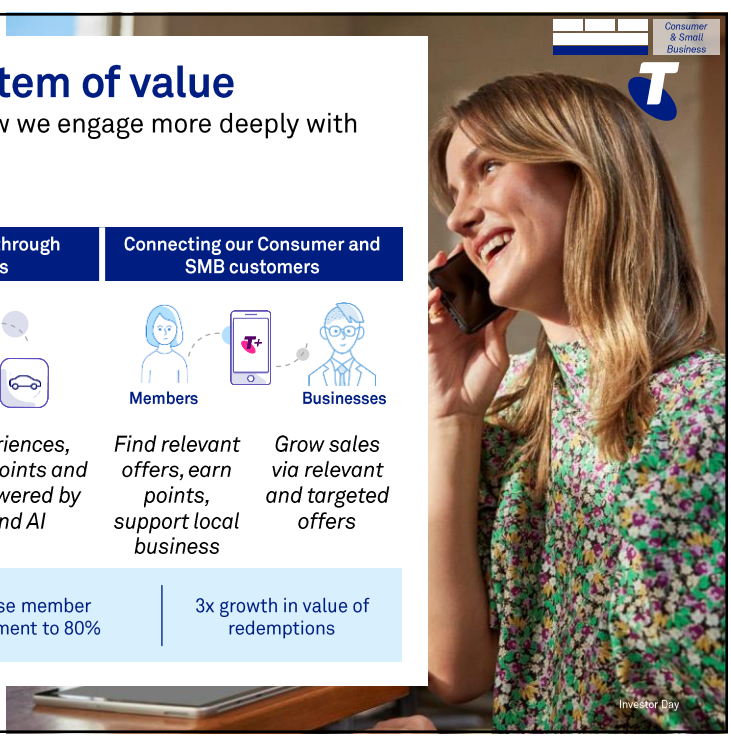
Key FY25 outcomes	Top 5 Energy retailer	Grow average services per household	50% of SMB customers digitally active	Double Business Apps & Services revenue

A new Telstra Plus ecosystem of value

Telstra Plus will be the cornerstone of how we engage more deeply with our customers

Adding value to core services	New experiences through new partners	Connecting our Consumer and SMB customers	
More rewards for more services, tailored offers, value from redemptions	*Access new experiences, new ways to earn points and unique offers – powered by partnerships and AI*	*Find relevant offers, earn points, support local business* (Members)	*Grow sales via relevant and targeted offers* (Businesses)

Key FY25 outcomes	Grow member base to 6m	Increase member engagement to 80%	3x growth in value of redemptions



Establish Telstra as a full service technology retailer

Consumer & Small Business

AR/VR experiences enhancing the retail experience

Expanding our range of devices and accessories

Fast local & digital delivery options: express check out, click/call to collect



Expand account management for Small Business in **Telstra Business Technology Centres**

New store formats including kiosks

Repair and device management services on-site

Key FY25 outcomes	Grow hardware margin and outright device sales	Capture value across the full hardware lifecycle	Increase TBTC footprint in Regional

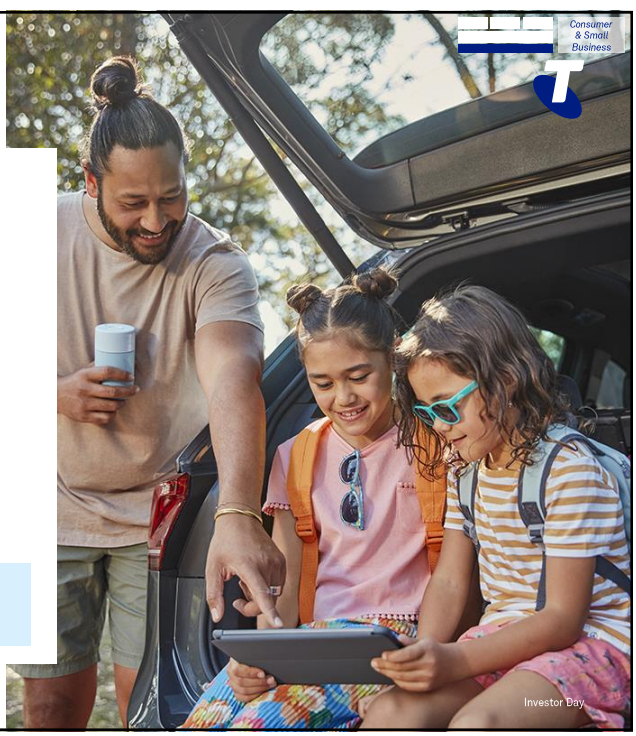
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Expand multi-brand reach through partnerships

Driving **volume** and **value** through our multi-brand strategy

- Be there in more places for more customers
- Continue to scale Belong, focused on delivering value
- Build on our successful partnerships with Boost and JB Hi-Fi
- Build a network of agency partnerships

Key FY25 outcomes	Grow distribution partnerships	Value-accretive growth in Mobile



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T25 scorecard

Our commitments and metrics

Customer experience	Network & Technology	Growth and value	New ways of working	Digital leadership	Responsible business
Market leading CX with • eNPS >40 by FY25 • sNPS uplift of +25 by FY25	Network leadership; by FY25: • ~95% pop. coverage for 5G • >80% of traffic on 5G • 3G closed in FY24	Underlying EBITDA • $7.5–8.0b by FY23 • Mid-single digit CAGR FY21 to FY25	Remain at 90th percentile employee engagement (equivalent to high-performance norm)	All key service transactions with customers are capable of being conducted digitally by FY25	Enable renewable energy generation equivalent to 100% of our consumption by 2025
Getting it right for customers • >90% 'Once and Done' by FY25 (C&SB) • 90% rating in support and engagement by FY25 (TE)	Win majority of key surveys for best fixed/ mobile network including • Coverage, and • Overall customers speeds for mobile FY23-FY25	Underlying ROIC • ~8% by FY23 • Grow beyond to FY25	Improve agile maturity of teams, with 70% scoring above 4 by FY25	100% of key business processes enhanced/ improved using AI by FY25	Reduce absolute emissions from FY19 by at least 50% by 2030
Reduce our complaints • One-third by FY23, 50% by FY25 (C&SB) • >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)	Double metro cell sites by FY25 to densify the network	Underlying EPS: High-teens CAGR FY21 to FY25	Halve our time to market for products and services from FY22 to FY25	Reach top 20% in Digital Capability Index by FY25	Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25
Grow Telstra Plus members (#) and engagement (%) • 5.4m and 70% by FY23 • 6m and 80% by FY25	Expand regional coverage • 100,000km² new coverage by FY25	Maximise fully-franked dividend and seek to grow over time	50% increase in representation of Data & Analytics workforce by FY25	100% API-first architecture for customer management, product development, and external monetisation	Help keep 1m customers in vulnerable circumstances connected each year from FY22-25
Grow digitally active users by 2m to 8.5m FY25 (C&SB)		Maintain cost discipline • $500m net fixed cost out from FY23 to FY25 while investing for growth • Maintain leading operating cost metrics for full-service telco	Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25	Move ~90% of applications to the public cloud by FY25	4–7pt uplift in RepTrak reputation score by FY25
Improve availability of infra. assets for customers, by FY25 • 250 new towers • 6,000km of fibre deployed		Maximise value from infra. • AmplitelEBITDAaL CAGR – low-to-mid single digit • InfraCo Fixed EBITDAaL CAGR – low-single digit			



Enterprise

David Burns
Group Executive, Enterprise

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Enterprise

Our purpose and values	To build a connected future so everyone can thrive We are changemakers · We are better together · We care · We make it simple
Our ambition	To deliver profitable growth and value by connecting our customers with Australia's most trusted and secure technology and services
Our building blocks	**Grow and disrupt to differentiate** in fixed and mobile connectivity products **Continuous sustainable growth and scale** in NAS Exceptional end-to-end **customer experience** **Industry focus** go-to-market and solutions **Telstra Purple** delivers NAS growth

We are building on the foundations of T22



Enterprise

Our achievements in the last three years…

Simplification and customer experience underway

- Reduced Enterprise products by **50%** since 2018
- **sNPS uplift of +22 points** across all customer segments from June 2019
- Launched **agile@scale** to simplify the way we work, with ~2,300 Telstra Enterprise employees transitioned to agile

Foundations for the future

- Launched **Adaptive solutions suite (Networks and Mobility),** enhancing customer flexibility and monetising 5G
- **Built products on the new digital stack** and commenced customer migration
- **Launched Telstra Connect,** now **available to all eligible Enterprise customers**
- Launched **Next Gen Growth Services to provide a platform for growth** with next generation technologies on **IoT, Security and Cloud**
- Launched **Telstra Purple,** now the largest Australian owned technology services provider with **1,500 experts**
- Targeting **revenue and EBITDA growth** in FY22, maintaining **T22 cost discipline**

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The network is the base on which we build our services

Enterprise

Customer IT ecosystem

Technology (NAS)

Applications used… Microsoft 365 · Microsoft Dynamics 365 · workday. · salesforce — Partner Suite · Other apps

Hosted/ Stored on… aws · Microsoft Azure · Google Cloud — Private Cloud · Edge Compute · Public Cloud

Consumed on…

Access (Connectivity)

Consumed at… HQ & Branch · Home · Mobile · Sensors · DC

Connected by… 4G/5G · Fibre NB-IoT, CAT-M1 · NBN network

Telstra's core connectivity enabling digital business

- Reliable and secure **T-Fibre** performance
- Leveraging **NBN**
- Flexible **network management** layer with award winning **SD-WAN offerings**
- Fixed mobile **network convergence**

Key outcomes

- Return Data & Connectivity to growth by FY24[1]
- Maintain T22 cost discipline

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Technology services driving innovative 5G Enterprise use cases

Enterprise

In market and imminent

Coverage-reliant, high bandwidth solutions






Adaptive Mobility

- Speed-tiered, simplified plans
- Accelerator add-on

Enterprise Wireless

- Rapid deployment
- Availability SLAs

Work Anywhere

- Cloud PC
- 5G connectivity for seamless experiences

Dedicated Networks

- 5G networks for industrial use cases
- Examples include logistics parks, mining sites

In trial with partners and customers

Low latency, network orchestration-reliant solutions






Stadium & Crowd Experiences

- Thermal & crowd density cameras
- AR wayfinding & geospatial tagging

Smart Diagnosis & Inspection

- Digital overlay for industrial inspection

Immersive Training & Collaboration

- Immersive simulation of job experiences
- Mixed reality meetings and conferencing

Enablers

5G Coverage · Telstra Purple Professional Services · Managed Services · Edge · 5G Slicing · AR/VR @ scale

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Digital transformation driving growth in NAS

Continuous sustainable growth and scale in NAS

Secure Adaptive Infrastructure	▪ Cyber security ▪ Networks ▪ Data centre ▪ Cloud
Workplace	▪ Collaboration ▪ Mobility ▪ Productivity
Digital	▪ Data and analytics ▪ Software development ▪ Human centred design
IoT	▪ Automation ▪ Business insights ▪ Operational technology

Scaled Managed Services Provider	**Highly automated managed services** for Cloud and Security solutions, leveraging market tailwinds
Digital Transformation Partner	**Specialised experts** supporting migrations to managed services for large IT transformations
Technology Builder for Target Verticals	**Industry-specific solutions** leveraging reusable IP with minimal customisation

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Create personalised experiences where it matters, and simple digital ones for convenience and efficiency

Personalised service where it matters	Digital service for everyday interactions	Simplified process and billing
"I have meaningful face-to-face engagement with my client executives"	"I can conduct day-to-day service interactions with Telstra digitally with no fuss"	
"My incidents are responded to and restored quickly, within agreed service levels"	"My client executive and team understand the technology needs of my business and industry to provide compelling solutions that solve my business problems"	"My bills are simple, easy to understand, accurate and timely, and I can access them digitally"

Our ambition

Key FY25 outcomes			
	90% rating in our support and engagement scores	Customers can choose to perform all key service interactions digitally	>95% of billing disputes will be resolved in 1 cycle

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Industry focused go-to-market and solutions

Government

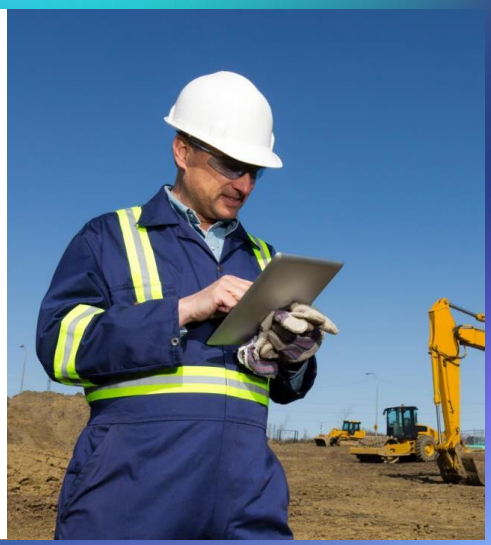
Key provider, supporting Government cyber security and digital transformation

Mining & Energy

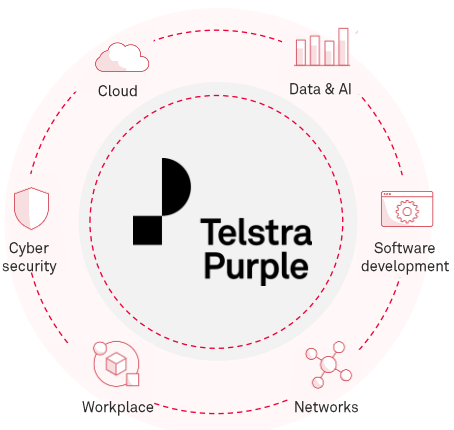
Connectivity and services driving digital transformation, automation, and sustainability

Supply Chain & Logistics, Retail & Agribusiness

Business efficiency and acceleration through industry leading IoT and digital transformation services



Leveraging Telstra Purple as the growth engine for NAS



Bringing technology solutions to life on our network

Largest Australian owned technology services business

~1,500 Highly-skilled Experts

~2,000 Digital Transformation Customers

Strong partnership with world's **leading** technology companies

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T25 scorecard

Our commitments and metrics

Customer experience	Network & Technology	Growth and value	New ways of working	Digital leadership	Responsible business
Market leading CX with • eNPS >40 by FY25 • sNPS uplift of +25 by FY25	Network leadership; by FY25: • ~95% pop. coverage for 5G • >80% of traffic on 5G • 3G closed in FY24	Underlying EBITDA • $7.5-8.0b by FY23 • Mid-single digit CAGR FY21 to FY25	Remain at 90th percentile employee engagement (equivalent to high-performance norm)	All key service transactions with customers are capable of being conducted digitally by FY25	Enable renewable energy generation equivalent to 100% of our consumption by 2025
Getting it right for customers • >90% 'Once and Done' by FY25 (C&SB) • 90% rating in support and engagement by FY25 (TE)	Win majority of key surveys for best fixed/ mobile network including • Coverage, and • Overall customers speeds for mobile FY23-FY25	Underlying ROIC • ~8% by FY23 • Grow beyond to FY25	Improve agile maturity of teams, with 70% scoring above 4 by FY25	100% of key business processes enhanced/ improved using AI by FY25	Reduce absolute emissions from FY19 by at least 50% by 2030
Reduce our complaints • One-third by FY23, 50% by FY25 (C&SB) • >95% of billing disputes will be resolved in 1 cycle by FY25 (TE)	Double metro cell sites by FY25 to densify the network	Underlying EPS: High-teens CAGR FY21 to FY25	Halve our time to market for products and services from FY22 to FY25	Reach top 20% in Digital Capability Index by FY25	Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25
Grow Telstra Plus members (#) and engagement (%) • 5.4m and 70% by FY23 • 6m and 80% by FY25	Expand regional coverage • 100,000km² new coverage by FY25	Maximise fully-franked dividend and seek to grow over time	50% increase in representation of Data & Analytics workforce by FY25	100% API-first architecture for customer management, product development, and external monetisation	Help keep 1m customers in vulnerable circumstances connected each year from FY22-25
Grow digitally active users by 2m to 8.5m FY25 (C&SB)		Maintain cost discipline • $500m net fixed cost out from FY23 to FY25 while investing for growth • Maintain leading operating cost metrics for full-service telco	Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25	Move ~90% of applications to the public cloud by FY25	4-7pt uplift in RepTrak reputation score by FY25
Improve availability of infra. assets for customers, by FY25 • 250 new towers • 6,000km of fibre deployed		Maximise value from infra. • AmplitelEBITDAaL CAGR – low-to-mid single digit • InfraCo Fixed EBITDAaL CAGR – low-single digit			

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Note: Commitments are baselined to FY21, except where stated otherwise and see disclaimer slide in relation to financial ambitions

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Infrastructure

Brendon Riley
CEO InfraCo

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Infrastructure

Our purpose and values	**To build a connected future so everyone can thrive**			
	We are changemakers	We are better together	We care	We make it simple
Our ambition	To deliver profitable growth and value by improving access, utilisation and scale of our infrastructure			
Our building blocks	Provide **accessible infrastructure** for the nation	Enhance our **infrastructure expertise**	Establish **globally competitive & sustainable** asset businesses	
	Execute on Amplitel's strategy with our new partners	**InfraCo Fixed readiness to explore future monetisation** or other opportunities	Create a strategic **InfraCo | Telstra partnership**	

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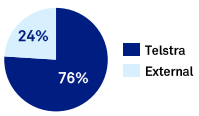
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Telstra InfraCo's passive asset businesses

Infra-structure

Amplitel (51% Telstra / 49% Consortium)

More than **8,000** towers, masts & mobile poles



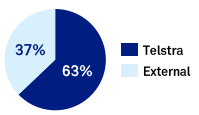
Revenue FY21: **$340m**

- Largest stock of mobile towers in Australia
- 15 year agreement with Telstra (plus options)
- Growth opportunities supported by industry trends

InfraCo Fixed

Fibre

250,000 km of optical fibre cable

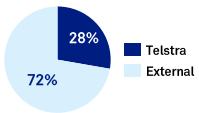


Revenue FY21: **$811m**

- Largest fibre footprint in the country (by access to business premises)
- Long term agreements with Telstra & NBN Co
- New fibre opportunities supported by industry trends

Ducts & Fixed Network Sites

2 data centres
10,000 fixed network sites
370,000 km duct length



Revenue FY21: **$1,513m**

- Largest duct & pipe network in Australia
- Long term agreements with Telstra & NBN Co
- Data centre expansion underway
- Growth opportunities with emerging distributed technologies

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Our ambition for Amplitel

Infra-structure

Ambition: Australia's leading full-service wireless infrastructure, services and solutions provider

	Customer	Technology	Shareholder value	Capabilities
Strategic objectives	Provide better access to our tower infrastructure	Improve service offerings & asset health	Drive asset efficiency and pursue growth	Be the home of tower infrastructure expertise
Focus areas	• Increased tenancy ratios • Full tower infrastructure coverage & industry solutions	• "As a Service" offerings • Digital twins • New asset management technology	• New tower growth • Maintenance best practice & operational efficiencies	• Mature HSWE model • Strategic construction & delivery partnerships • Nimble, customer centric organisation
Key FY25 outcomes	250 new towers[1] 700 additional tenancies	Digital twins for 90% of mobile structures	EBITDAaL CAGR – low-to-mid single digit[2]	>90% HSWE same day reporting

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Using Digital Twins to create a great customer experience

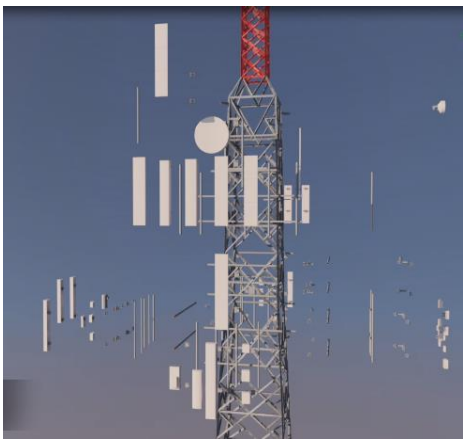
Detailed view of all equipment
Digitise 1,000+ towers by end of July 2021 and 90% of all mobile structures by FY25

Plan deployment
Share available space visually for more accurate and cost effective planning

Auto-update digital twin
Auto-update digital twin through direct integration with asset management platform

End-to-end solution
Drone-based data capture, processing, 3D digital twin, analytics & reporting

Safety & maintenance
Site incident prevention and reductions, and optimisation of maintenance routines



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Our ambition for InfraCo Fixed

Ambition: Australia's leading fibre and network infrastructure provider

	Customer	Technology	Shareholder value	Capabilities
Strategic objectives	Provide better access to our Fixed infrastructure	Improve service offerings & asset health	Drive asset efficiency, pursue growth & monetisation readiness	Be the home of Fixed infrastructure expertise
Focus areas	• New fibre and data centre products • Digitised access to assets	• Asset monitoring & analytics • Fibre life-cycle management • Integrated asset management platforms	• Build new fibre networks and data centres • Property rationalisation & procurement efficiencies • Readiness for monetisation	• Leading land access practices • Emission reductions & recycling • Long term asset health
Key FY25 outcomes	10 new fixed products 6,000km of fibre deployed	$600m of new infra investment[1]	EBITDAaL CAGR – low-single digit[2]	Reduce energy use aligned to Telstra emissions reduction by FY30

1. Defined as the cumulative growth capex (excl. maintenance) between FY22 and FY25, which is included in Telstra's ongoing business as usual capex
2. See disclaimer slide in relation to financial ambitions

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InfraCo Fixed is making strong progress with dark fibre and will build new infrastructure to meet market needs

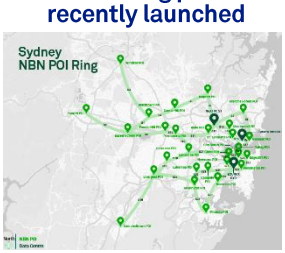
Dark fibre sales

188 services

22+ customers

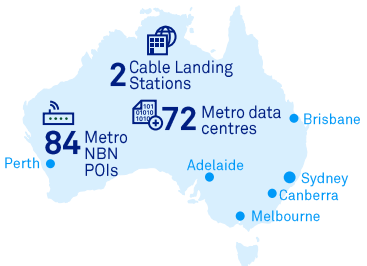
5 New dark fibre products in the market planned in FY22

NBN POI ring product recently launched



6 Capital cities connected to NBN POIs and our Data Centres

Expand our fibre footprint



300+ fibre paths - unique connectivity to critical infrastructure & expansion opportunities

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T25 scorecard

Our commitments and metrics

Customer experience	Network & Technology	Growth and value	New ways of working	Digital leadership	Responsible business
Market leading CX with • eNPS >40 by FY25 • sNPS uplift of +25 by FY25 Getting it right for customers • >90% 'Once and Done' by FY25 (C&SB) • 90% rating in support and engagement by FY25 (TE) Reduce our complaints • One-third by FY23, 50% by FY25 (C&SB) • >95% of billing disputes will be resolved in 1 cycle by FY25 (TE) Grow Telstra Plus members (#) and engagement (%) • 5.4m and 70% by FY23 • 6m and 80% by FY25 Grow digitally active users by 2m to 8.5m FY25 (C&SB) **Improve availability of infra. assets for customers, by FY25** • 250 new towers • 6,000km of fibre deployed	Network leadership: by FY25: • ~95% pop. coverage for 5G • >80% of traffic on 5G • 3G closed in FY24 Win majority of key surveys for best fixed/ mobile network including • Coverage, and • Overall customers speeds for mobile FY23-FY25 Double metro cell sites by FY25 to densify the network Expand regional coverage • 100,000km² new coverage by FY25	**Underlying EBITDA** • **$7.5-8.0b by FY23** • **Mid-single digit CAGR FY21 to FY25** **Underlying ROIC** • **~8% by FY23** • **Grow beyond to FY25** **Underlying EPS: High-teens CAGR FY21 to FY25** **Maximise fully-franked dividend and seek to grow over time** **Maintain cost discipline** • **$500m net fixed cost out from FY23 to FY25 while investing for growth** • **Maintain leading operating cost metrics for full-service telco** **Maximise value from infra.** • **Amplitel EBITDAaL CAGR – low-to-mid single digit** • **InfraCo Fixed EBITDAaL CAGR – low-single digit**	**Remain at 90th percentile employee engagement (equivalent to high-performance norm)** Improve agile maturity of teams, with 70% scoring above 4 by FY25 Halve our time to market for products and services from FY22 to FY25 50% increase in representation of Data & Analytics workforce by FY25 Direct software engineering workforce delivering ~2x the percentage of strategic development work by FY25	All key service transactions with customers are capable of being conducted digitally by FY25 100% of key business processes enhanced/ improved using AI by FY25 Reach top 20% in Digital Capability Index by FY25 100% API-first architecture for customer management, product development, and external monetisation Move ~90% of applications to the public cloud by FY25	**Enable renewable energy generation equivalent to 100% of our consumption by 2025** **Reduce absolute emissions from FY19 by at least 50% by 2030** Increase digitally active customers by 2m, including building digital skills for 500k Australians, by FY25 Help keep 1m customers in vulnerable circumstances connected each year from FY22-25 4-7pt uplift in RepTrak reputation score by FY25

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Financial strategy

Vicki Brady
CFO

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Financial strategy

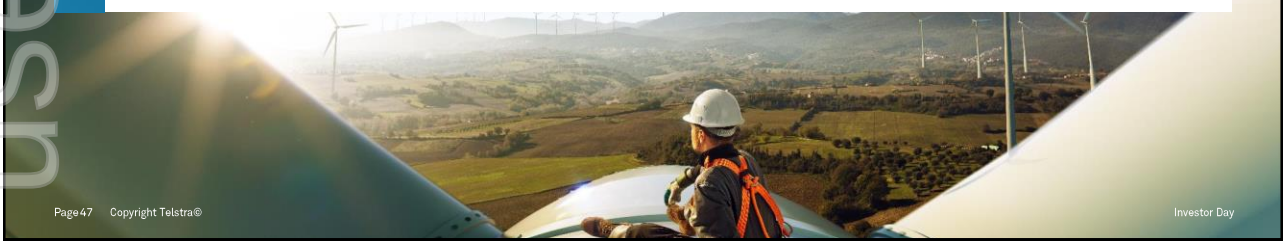
Our purpose and values	To build a connected future so everyone can thrive			
	We are changemakers	We are better together	We care	We make it simple
Our ambition	To deliver growth and value for shareholders			
Our building blocks	**Build financial momentum across our portfolio** to deliver growth	**Deliver net cost reductions** – $500m net fixed cost out from FY23 to FY25 while investing for growth	**Focus on cash conversion and generation**	**Active portfolio management to unlock value** and manage our Balance Sheet	**Create shareholder value** through our capital management framework

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Our financial ambitions to FY25

Underlying EBITDA[1]	Underlying ROIC[1]	Underlying EPS[1]	Dividend	Excess cashflow
• $7.5–8.0b by FY23 • Mid-single digit CAGR FY21 to FY25	• ~8% by FY23 • Grow beyond to FY25	• High-teens CAGR FY21 to FY25	• Maximise fully-franked dividend and seek to grow over time	• Invest for growth and return excess cash to shareholders

1. Refer to definition in Glossary and see disclaimer slide in relation to these financial ambitions



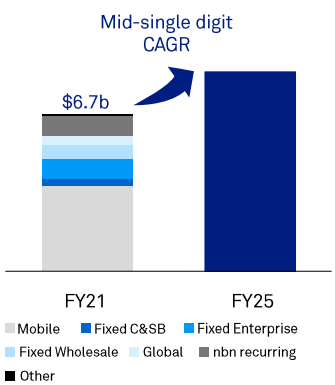


Our Underlying EBITDA ambition

Building financial momentum across our portfolio to deliver growth

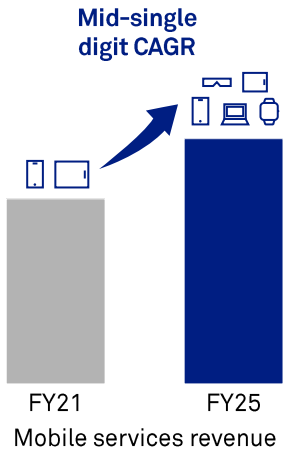
Growth drivers

- Drive value growth through 5G mobility leadership
- Profitably grow fixed product portfolio
- Deliver net cost reductions while investing for growth
- Profitably grow New Markets to scale
- Grow returns from infrastructure business



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Five building blocks driving value in mobility



1. Network leadership on Australia's largest 5G network
2. Customer first with simplified plans, no lock in contracts
3. Value growth from 5G experience-based propositions driving ARPU and TMMC growth
4. New C&SB and Enterprise 5G products and expanded device ecosystem
5. Continue value accretive growth through our multi-brand strategy including wholesale

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A further five areas of growth across our portfolio

C&SB – Fixed	Enterprise - Fixed	Wholesale - Fixed	Infrastructure	New Markets
Growing and profitable **home and business internet services** Mid-teens **nbn reseller** margin by FY23 Double **Business Apps & Services** revenue by FY25 Less than $100m p.a. losses in **legacy copper** (across all products)	Return to growth in **data and connectivity** by FY24 Mid-single digit **NAS revenue** CAGR to FY25 with mid-teens EBITDA margin **Enterprise revenue and EBITDA growth in FY22** (mobile, fixed and international as a whole)	Maintain **Fixed – Wholesale** EBITDA of ~$350m p.a. until FY23 before the portfolio returns to growth	**Amplitel by FY25** • Low-to-mid single digit EBITDAaL CAGR • 250 new towers[1] • 700 additional tenancies **InfraCo Fixed by FY25** • Low-single digit EBITDAaL CAGR • $600m of new infra investment[2] • 6,000km of fibre deployed	Grow **Telstra Health** to become a $0.5b revenue business by FY25 Top 5 **Energy** retailer by FY25

1. Excludes USO and co-funded towers.
2. Defined as the cumulative growth capex (excl. maintenance) between FY22 and FY25, which is included in Telstra's ongoing business as usual capex.

Note - See disclaimer slide in relation to financial ambitions

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Deliver net cost reductions while investing for growth

Outcomes

$500m net fixed cost out from FY23 to FY25 while investing for growth

Net fixed cost out from FY23 to FY25 is in addition to T22 target of $2.7b

Maintain leading operating cost metrics for full-service telco

Focus areas

Significantly reduce our **IT operating cost** through removing legacy

Transform the **TE and supporting value chain cost base**

Deliver operational efficiency across **C&SB customer episodes**

Realise further **labour productivity** through agile@scale

Expand productivity discipline to **total costs**

Focus on cash conversion and generation

Conversion of EBITDA into cash

Capex discipline & efficiency
- FY22 guidance: $2.8b - $3.0b excl. spectrum
- Ongoing BAU capex of ~$3b p.a. excl. spectrum

Working capital
- Management of mobile handset receivables
- Continued working capital initiatives

Leases
- Focus on efficiency
- Management of property portfolio

Finance costs
- Reduced rate as high cost debt matures

Cashflow ahead of accounting earnings

Capex structurally lower than D&A

FY21 capex:
- $1.4b lower than D&A of $4.5b[1]
- ~$700m lower than D&A adjusted for $532m of lease depreciation and $239m of spectrum amortisation

We expect BAU capex will continue ~$600m lower than D&A adjusted for lease depreciation and spectrum amortisation

1. FY21 accrued capex $3,020m. FY21 D&A on a reported lease adjusted basis $4,452m. Refer to definitions in glossary.

Active portfolio management to unlock value and manage Balance Sheet

- Strong track record under T22 with $2b of asset sales to support balance sheet and exit low return assets
- Sale of 49% stake in Amplitel for $2.8b
- InfraCo Fixed readiness to explore future monetisation or other opportunities
- Retain discipline to grow or exit investments dependent on their ability to exceed ROIC targets



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Capital management framework

Fiscal discipline

Objectives	**Maximise returns for shareholders** · **Maintain financial strength** · **Retain financial flexibility**
Principles	1. Committed to balance sheet settings consistent with an A band credit rating 2. Maximise fully-franked dividend and seek to grow over time[1] 3. Ongoing business-as-usual capex of ~$3b p.a. excluding spectrum[2] 4. Invest for growth and return excess cash to shareholders

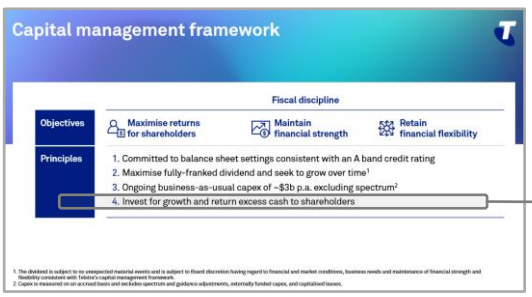
1. The dividend is subject to no unexpected material events and is subject to Board discretion having regard to financial and market conditions, business needs and maintenance of financial strength and flexibility consistent with Telstra's capital management framework.
2. Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases.

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Invest for growth and return excess cash to shareholders



Invest for growth

Criteria for...

Organic opportunities	M&A opportunities
• NPV positive • Appropriate risk analysis	• EPS accretive in year 2 • ROI above WACC in year 3 • More accretive than share buy-back of comparable size

Preserve discretion for strategic opportunities

Return excess cash to shareholders using capital management options – e.g. buy-backs, capital returns, unfranked dividends

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We will deliver growth through our T25 strategy

Financial strategy

Build financial momentum across our portfolio to deliver growth	Deliver net cost reductions – $500m net fixed cost out from FY23 to FY25 while investing for growth	Focus on cash conversion and generation	Active portfolio management to unlock value and manage our Balance Sheet	Create shareholder value through our capital management framework

Financial ambitions

Underlying EBITDA[1]	Underlying ROIC[1]	Underlying EPS[1]	Dividend	Excess cashflow
• $7.5–8.0b by FY23 • Mid-single digit CAGR FY21 to FY25	• ~8% by FY23 • Grow beyond to FY25	• High-teens CAGR FY21 to FY25	• Maximise fully-franked dividend and seek to grow over time	• Invest for growth and return excess cash to shareholders

1. Refer to definition in Glossary and see disclaimer slide in relation to these financial ambitions

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Appendix

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Glossary

Term	Definition (unless separately defined in the slide footnotes)
CAGR	Compound Annual Growth Rate
Capex	Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases
EBITDAaL	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and after leases
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
net one-off nbn receipts	Net one-off nbn Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect (C2C)
Reported lease adjusted	FY21 'reported lease adjusted' includes all mobile handset leases as operating expenses, and all rent/other leases below EBITDA
ROIC	Calculated as Net Operating Profit after Tax (NOPAT) as a percentage of total capital
Underlying earnings	Profit after Tax and Minority Interests (PATMI) from continuing operations excluding net one-off nbn receipts and guidance adjustments
Underlying EPS	Underlying Earnings Per Share (EPS)
Underlying EBITDA	EBITDA excluding net one-off nbn receipts and guidance adjustments. FY21 underlying EBITDA also includes depreciation of mobile lease right-of-use assets
Underlying ROIC	Calculated as NOPAT excluding net one-off nbn receipts and guidance adjustments, less tax, as a percentage of total capital

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The 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 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 will operate; 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; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. 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 2021 and in Telstra's 2021 Annual Report which were lodged with the ASX on 12 August 2021 and 27 August 2021 respectively, and are available on Telstra's Investor Centre website www.telstra.com.au/aboutus/investor.

In addition, there are particular risks and uncertainties in connection with the implementation of the Telstra2025 strategy (T25), including the response of customers to changes in products and the way we interact with them as we move to a digital operating model; the risks of disruption from changes to the ways we work; that detailed business plans have not been developed for the entirety of the strategy and the full scope and cost of T25 may vary as plans are developed; Telstra's ability to execute and manage the elements of T25 in a sequenced, controlled and effective manner and realise the planned operational synergies, cost savings and revenue benefits. There are also risks and uncertainties in connection with the proposed legal restructure announced on 22 March 2021.

Telstra does not provide financial guidance beyond the current financial year. Telstra's financial ambitions to FY25 (in particular for its Underlying EBITDA and Underlying ROIC by FY23) and FY25 outcomes are not guidance and there are greater risks and uncertainties in connection with these ambitions. The indicators provided in this presentation of FY25 outcomes and FY25 financial ambitions, are provided to illustrate some of the outcomes which management is currently focused on delivering across the short to medium term. Each item and action is subject to a range of assumptions and contingencies, including the actions of third parties.

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SPEECH NOTES

TELSTRA INEVSTOR DAY

16 SEPTEMBER 2021

ANDREW PENN – CEO

Slide 3: Introduction & Strategy

Thank you, Nathan.

Welcome everyone and thank you for joining us today.

I hope everybody is continuing to stay safe and strong during these difficult times and I am disappointed this is another event we have had to hold virtually.

We miss the opportunity to catch up with you face to face, particularly on key strategic topics such as today's announcements.

Nonetheless, this is a very exciting day for Telstra as we announce what comes after T22.

T22 has been a defining strategy for us. It has been ubiquitously in our narrative for the last few years. It has guided every strategic decision we have made, so it's quite the moment today to be sharing with you what will be succeeding it.

We launched T22 just over three years ago to fundamentally transform and radically simplify Telstra. It was at a time when we absolutely needed to change. It built on foundational investments we announced in 2016 to digitise our business and build the networks of the future.

Through T22 we have transformed Telstra and today, three years into what has been one of the largest, fastest and most ambitious transformations of a telco globally, we are a vastly different company.

Through T22 we have set up Telstra to play a leading role in the accelerating digital economy, in a more connected world, a world where everybody and every business is spending much more time online.

Today I am very excited to announce what comes next, what comes after T22. And the answer to that question is T25 – a new Strategy to accelerate growth from our core and to scale our new businesses; a new strategy to further enhance customer experience and to respond to the permanent shifts we are seeing in how people work and live; a new strategy to capitalise on the establishment of infraco and the changes to our company to create a more contemporary structure for the future.

If T22 was a strategy of necessity, T25 is a strategy for growth. And in its implementation, we will be using exactly the same disciplines and governance that we used for T22 – the metrics and the milestones, the roadmaps and the scorecard. And this is why I am confident it will be a success – why change a winning formula when you don't need to.

And when we have delivered it, we will be a vastly different company again.

So let me share the details with you now.

Slide 4: Our strategy: T25

We believe it's people who give purpose to our technology.

So we're committed to staying close to our customers and providing them the best experience.

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And delivering the best technology. On the best network.

Because our purpose is to build a connected future so everyone can thrive.

It's a purpose underpinned by our values which guide everything we do and how we approach the decisions we make. They will be the underlying principles for how we will deliver T25.

We make it simple.

We care.

We are better together.

And we are the changemakers.

T22 was very much about being changemakers as we knew we needed to take a radical and ambitious approach to achieve the transformation we have.

T25 will take this to the next level.

Like T22, T25 is built around key strategic pillars, there are four:

Firstly, to provide an exceptional customer experience you can count on.

If T22 and the last several years has taught us anything, particularly as we have navigated the migration to the NBN and responded to the consequences of COVID, it's that providing a better customer experience is our number one objective.

Nothing is more important than continuing to improve customer experience and this sits at the heart of our T25 strategy leveraging the capabilities we have built.

The second pillar is to provide the leading network and technology solutions that deliver your future. Telstra has always been at the forefront of telecommunications technology, not just in Australia but globally. Never has this been more important than today in a world of rapid digital adoption.

As new technologies continue to evolve including 5 and 6G, satellite, cloud and edge compute, the traditional worlds of telecommunications and compute technology are blurring. This is creating exciting opportunities and solutions that we will continue to lead in bringing to customers and of course, as always, bringing them to customers on Australia's best and biggest network.

The third pillar is to create sustained growth and value for our shareholders. As we move forward from the period of the transition to the NBN and out from under that economic headwind, the significant interventions we have made in turning our business around and taking out cost are now starting to flow through to our bottom-line.

This will enable us to increase underlying EBITDA, ROIC and EPS. With strong cash flow generation and opportunities ahead to monetise assets, we will focus on maximising our franked dividend and seeking to grow it over time, investing for growth and returning excess cash flow to shareholders.

The fourth and final pillar is to be the place you want to work. Competing for the best talent in the future is going to rely on more than just the basics. In the new post COVID world we need to excel at flexible and hybrid ways of working, we need to accelerate our digital leadership and we need to be a leader in doing business responsibly.

These are the four pillars that set the direction for Telstra under our T25 strategy.

It is a strategy created to deliver the things that we know will sharpen our competitive edge because they respond to the trends that are shaping our market and the evolving needs of our customers.

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It is a strategy focussed firmly on taking customer experience to a whole new level and a strategy that is focussed on growth.

Ultimately it is a strategy to leverage the capabilities we have built under T22 and in the same way T22 would not have been possible without the foundational investments we announced in 2016, T25 would not be possible without all that we have accomplished in T22.

We will deliver T25 through our five key businesses – Consumer and Small Business, Enterprise, New Markets – which comprises Energy and Health, International and Infrastructure.

Slide 5: Our businesses will deliver profitable growth by…

The four pillars of T25 will guide the strategy for each of our businesses and each also has its own ambition reflecting the place it is at and the opportunities ahead.

For Consumer and Small business our ambition is to leverage our new simplified, digitised and insourced platform to create brilliant experiences that enable our customers to work, learn and play. You will hear from Michael Ackland today more about how we will achieve that.

For our Enterprise business our ambition is to deliver profitable growth and value by connecting our customers with Australia's most trusted and secure technologies and services. This builds on our ambition to deliver overall revenue and EBITDA growth across mobile, fixed and International this financial year and today David Burns will take you through this in more detail.

For our New Markets our ambition is very simple – it is to grow our Health and Energy businesses profitably to scale. We are very excited by these opportunities and their strategic direction, but we also know we need increase their economic significance to the value of Telstra.

For International our ambition is to deliver profitable growth and value by leveraging the growing strategic significance of our international network. There is no doubt with rapid digital adoption and the changing geopolitical landscape, the importance of our international assets has taken on a whole new complexion.

We plan to hold a second investor day on 16 November at which we will cover Health, Energy and International as well as give you a deep dive into what we are doing in Product, Technology and Networks and the place you want to work pillar.

Finally, our infrastructure business where our ambition is to improve access and utilisation for our infrastructure and wholesale customers and to deliver growth and value and enhance monetisation opportunities. You will hear further from Brendon on InfraCo today.

With that let me now describe each of the T25 strategic pillars in more detail.

Slide 6: An exceptional customer experience you can count on

Firstly, our strategy to provide an exceptional customer experience you can count on.

We have already much-improved episode NPS, strategic NPS, and significantly reduced calls coming into our contact centres. However, we have yet to fully experience all the benefits that flow from the changes we have made, and this is going to give us positive tail winds in customer experience as we move into T25.

Notwithstanding this we still have some migration initiatives to get through and I know we do not always get it right, so we need to take customer experience to a whole new level.

So, what does that mean?

It means making it even easier for our customers to engage with us and getting to a point where for over 90% of customer service requirements they only need to engage with us once and it's done – no more interactions – just once and done!

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It means a fully integrated channel experience so customers can engage with us and meet their service needs in the channel of their choice. Whatever their service requirement, we can meet it online, in our stores or through our contact centres – whichever way the customer chooses.

It means using technology, AI, and analytics to provide customers with more personalised experiences in products and services and to be more predictive of issues and resolve these before customers even know they are happening.

Customers will be able to call us and speak to an Australian contact centre service rep or visit a local expert in our Telstra owned store network because our customer experience is going to become even more localised.

It means scaling our Telstra Plus program which already has 3.5 million customers and expanding it into a full sales and marketing channel to rival the best rewards programs in Australia. We will do this by leveraging our many relationships with Australia's large enterprises and by partnering with small businesses to create greater reach into local markets and more rewards for our customers.

It is a huge opportunity, and we are targeting 6 million Telstra Plus members by FY25 making it one of the largest rewards programs in the country.

For our Enterprise customers it means delivering business outcomes with telco products, edge compute, security and AI delivered and managed as an integrated service through Telstra Purple.

The pervasiveness of technology in businesses today and its ability transform them, no longer means one size, or one solution, fits all. Enterprise customers want tailored technology solutions to solve their most pressing operational business problems and opportunities.

To meet this need we have structured our Enterprise business to have greater industry alignment with technology experts in specific industries, providing scalable industry-specific solutions.

For our enterprise customers it means getting the level of support and engagement just right more than 90% of the time as their needs change.

And for our infrastructure and wholesale customers it means improved access to our assets and an improved and more digitised service experience.

With all these improvements we intend to maintain the discipline we introduced in T22 in ensuring our products and services remain simple and easy to use and we intend to more than halve the number of customer complaints.

Slide 7: Leading network and technology solutions that deliver your future

Pillar 2 of our T25 strategy is focussed on leading network and technology solutions that deliver your future.

There is no doubt we are continuing to see rapid technology adoption and innovation. This is manifesting as a convergence between core telecommunications technology and software-based technology solutions.

What this means is that Telstra not only needs to continue to lead in telecommunications technology with the best networks, but also increasingly lead in the role that software plays in orchestrating and managing the network and integrating applications and services for customer solutions.

Under T25 we will continue to invest in our network leadership in 5G with 95% population coverage and 80% of all mobile network traffic being on 5G by FY25. We also plan to double the number of metro sites leveraging small cell technologies to further densify and add capacity to the network and we will add at least another 100,000 square kilometres of mobile coverage to our national footprint to support regional and remote customers.

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By FY24 we will have extended our 4G coverage to 100% of our network enabling us to continue to lead in composite coverage, speed and performance for 4G and 5G as we close 3G. This will set us up well for the early planning on 6G which will clearly be on the agenda by the end of our T25 program.

We will also continue to lead and differentiate in fixed. The NBN may be fully rolled out however, not all NBN fixed services are the same. How we connect and assure customers will be differentiated and their in-home experience will be significantly enhanced as we leverage capabilities such as the Telstra Smart Modem, Telstra TV, the WiFi Doctor and other capabilities we have in the pipeline. We will also leverage these for our energy customers and with smart meters we will be providing a holistic in-home solution.

Increasingly however, it's not just the physical network where we can differentiate. Historically the key aspects of functionality in networks have been relatively static but with software we can increasingly dynamically manage these.

Automation and AI also enables us to deploy predictive and self-managing functionality to the network orchestration layer and increasingly manage the network in a way that becomes agnostic to the access type.

Now I know there is a lot of tech speak in all of this, but these are incredibly important capabilities we have been investing in and building. To net it all out, what it means at a practical level is we will increasingly be able to dynamically manage the key aspects of network experience which are capacity, speed and latency, security and resiliency. Historically, these have been typically set up front for a service, technology, or a customer and thereafter have been hard to change. We can also empower our customers to do this and therefore manage their workloads themselves.

In being able to dynamically manage them we can differentiate and tailor services around customers, products and industries which is key to increasing our ability to monetise and you will hear more about that from Michael and David.

Finally, by using a more distributed architecture and moving workloads to the edge with cloud, in conjunction with the dynamic approach to network management, we will enhance resilience for customers by creating smaller "blast zones" in the event of an issue. To put it simply, if one part of the network goes down, the network automatically reconfigures to ensure the smallest possible number of customers and services are affected.

Slide 8: Sustained growth and value for our shareholders

Our third pillar is to build sustained growth and value for our shareholders.

At our recent FY21 full year results announcement we were able to demonstrate how we have reached a turning point in our financial trajectory. Through the many initiatives under our T22 program and as we come out from under the shadow of the NBN headwind, we demonstrated how our underlying EBITDA grew in the second half of FY21 compared to the first half and how we expect it to continue to grow.

T25 will build on this and Vicki will take you through our financial strategy a bit later, but in summary our focus is to: -

- Firstly, build financial momentum across the portfolio to deliver growth, particularly through growing mobile services revenue, improving fixed profitability, turning around Enterprise and building profitable scale in the businesses in our new markets.
- Secondly, to deliver a further $500m of cost reductions from FY23 to FY25 on top of the $2.7bn already committed for T22 while at the same time investing for growth.
- Thirdly, by focussing on cash conversion and generation ahead of net profit.
- Fourthly, through continued active portfolio management to unlock value and manage the balance sheet. This will include exploring future monetisation opportunities for InfraCo Fixed; and

- Finally, by creating value for shareholders through our capital management framework which we have updated and simplified.

Before I talk to our financial ambitions let me comment briefly on the progress of the restructure which is obviously a necessary precursor to monetisation.

The restructure of Telstra with a new holding company and four key subsidiaries – Infra Co Fixed, Amplitel or Infra Co Towers, Telstra Ltd or ServeCo and Telstra International – is the key final step in our T22 commitment to establish a standalone Infrastructure business to drive performance and set up optionality post the roll out of the NBN.

We are seeking to implement the restructure through a shareholder and Court approved scheme of arrangement.

All steps in the restructure process are progressing well and we are optimistic of finalising the restructure before the end of T22 with the scheme meeting now likely to be early next year. This will position us well to consider monetisation opportunities as part of our T25 strategy announced today.

We also know the Government is considering amendments to relevant Commonwealth legislation, so it appropriately reflects our new structure once it is implemented.

In making these changes the Government is applying a principle of regulatory equivalence – that is the regulatory obligations that currently apply to Telstra would also apply to entities in the new corporate group in effectively the same way.

So, with these initiatives our financial ambitions are to:

Deliver underlying EBITDA of $7.5–8b in FY23 on top of the guidance this year of $7.0-7.3bn and to continue to grow underlying EBITDA out to FY25 achieving a mid-single digit EBITDA CAGR for the whole period of T25.

To get underlying ROIC to around 8% by FY23, and to grow it beyond.

To deliver a high-teens EPS CAGR from FY21 to FY25 to support our ambition to maximise a fully franked dividend and seek to grow it over time

And finally, to deploy excess cashflow beyond the fully franked dividend into future growth opportunities and returning excess cash to shareholders.

As I mentioned a moment ago Vicki will take you through our financial strategy and ambitions a bit later, but as you can see they are transparent, they are bold and they will deliver significant value for shareholders.

So, with that let me now turn to the fourth pillar of our T25 strategy, which is about building the place you want to work.

Slide 9: The place you want to work - excelling at new ways of working

There is no doubt that the experience over the last 18 months with COVID has completely turned work on its head.

In such a short space of time it has transformed how we think about the way we work and about where we work. It has even caused us to think about why we work and who we work for, what values do they hold, what role do they play in society and what opportunities do they offer me to make an impact.

I believe the companies that will be successful in the future – and the companies that will attract, retain, motivate and inspire the best talent - will be those that can embrace the change around us and use it as a catalyst to create the place people want to work.

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There are essentially three ways we will bring this to life at Telstra through T25 - by excelling in new ways of working, by accelerating our digital leadership and by doing business responsibly.

So firstly, excelling at new ways of working.

Through T22 we have moved almost 17,000 people to now be working in agile and we now have the largest at scale agile workforce in the country.

With T25 we will further evolve our Agile at scale approach targeting more than 70% of our agile teams to be at level 4 maturity by 2025.

We will also enhance our approach to talent acquisition, mobility and career management as we embrace the flexibility enabled by new hybrid ways of working. There is no going back to the way it was pre-covid and we have already implemented a number of initiatives to further enhance flexibility at Telstra such as location agnostic contracts and the flexibility for the overwhelming majority of our people to work virtually.

Through these initiatives we plan to take our already high employee engagement scores to a whole new level targeting top decile by FY25.

Slide 10: The place you want to work - accelerating digital leadership

The second aspect of the “place you want to work” is digital leadership. I have already spoken to our strategy for leading network and technology solutions that deliver your future. That is about the underlying technology – what I am talking about here is the digital mindset we need to bring to that technology and our ways of working.

As we become more of a technology led company and our requirement to continue to build new capabilities in new areas such as software development, data analytics and artificial intelligence increases, we also need to increase our attractiveness as the place to work for this talent. There are four elements to our approach to digital leadership.

Firstly, we will lead with a digital first and data driven mindset and by 2025 we will have 100 per cent of our key business processes enhanced by AI.

Secondly, we will embed digital ways of working such as expanding our use of Biz Dev Ops and build our digital skills in software and data.

Thirdly, we will focus on delivering an outstanding developer experience and digital partnerships; and

Finally, our approach to digital infrastructure will be cloud based with a decoupled architecture using APIs to increase speed to market and improve efficiency. We expect to have 100% of key business applications using API first architecture and 90% of applications on public cloud infrastructure by 2025.

At our next investor presentation, we will describe some specific FY22 outcomes around the first wave of API first products and experiences as we progress towards the API first architecture.

Slide 11 – The place you want to work - doing business responsibly

The third and final aspect of ‘the place you want to work’ is the stance we take on doing business responsibly.

There is no doubt that community expectations of what this means have changed and big business, including Telstra have some way to go in building and maintaining trust with the communities in which we operate. Also, key talent wants to work for companies that have a strong focus on sustainability and this is only going to increase over the period of our T25 strategy.

For Telstra, while there are many aspects of this, there are three that are key.

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First and foremost, it's about having trusted operations. This goes to every aspect of our business; from making sure our sales practices are appropriate to ensuring our supply chains are ethically based; from making sure our products, services and contracts are fair and inclusive to ensuring we support vulnerable customers; from being there for communities through natural disasters to providing support for customers and communities during the impact of COVID as we have done; and from ensuring our suppliers do not exploit their workers to ensuring our workplace and remuneration systems for our own people are fair and supportive.

The second is the actions we take in relation to the environment.

In many ways, as the provider of the largest platform for the digital economy in Australia, we are already making a positive impact by enabling many businesses to move to doing things digitally that previously had to be done physically.

The flip side of this however, is it drives extra traffic onto our network and that in turn increases our power consumption and puts pressure on our environmental footprint.

We have therefore set ourselves clear and ambitious climate goals – to reduce our absolute emissions by 50% by 2030, to enable renewable energy generation equivalent to 100 per cent of our consumption by 2025, and to be carbon neutral.

We have already made good progress reducing our absolute emissions by 16%, enabling three major renewable projects in solar and wind farms that get us 50% of the way towards our target and by being the largest certified carbon neutral company in Australia.

The final aspect of doing business responsibly is the role we play in supporting digital inclusion.

Down through history it has been the case that at every significant technological leap forward, those that can least afford to be left behind are those that are left behind. And so too has this been the case with the digital economy and that has only been exacerbated by the increased digital adoption necessary in response to COVID.

While the government has provided many support initiatives to help people during COVID, access to those benefits is hampered if you are not digitally included. Also, if you were alone and feeling isolated before COVID, the restrictions now in place mean your situation has only worsened, particularly if you are digitally excluded.

It is beholden on us to ensure everyone is included, to ensure everyone can enjoy the benefits of being connected.

Our Digital Inclusion Index tells us that too many Australians are still facing real barriers to online participation, barriers that include access, affordability and digital literacy. This is particularly the case for regional and remote Australians.

Clearly there is more important work to do here and we are committed to playing an active role through a range of programs including the significant investments we are making in regional Australia, launching a satellite service in FY23, connecting one million customers in vulnerable circumstances and building digital skills for 500,000 Australians.

So, these are the four pillars that set our overall ambition and strategic direction under T25.

- to provide an exceptional customer experience you can count on,
- to provide the leading network and technology solutions that deliver your future,
- to create sustained growth and value for our shareholders, and
- to be the place you want to work.

And just as we did through T22, we have also established a scorecard that lays out the key milestones and metrics that underpin these pillars.

Slide 12: T25 scorecard

It shows how we plan to keep track of our progress and how we will hold ourselves to account.

It's ambitious in its breadth and depth and like T22 we may not hit every measure 100% but I would rather be bold and clear about the aspirations we have.

I won't go through this in detail now because when you hear from Michael, David, and Brendon shortly, you will see at the end of each of their presentations how they plan to deliver the key metrics on this scorecard.

What I will say though is that we are committed to holding ourselves to account and delivering T25 and we are going to be transparent with you about the progress we are making and we will update the scorecard at every results presentation.

But first we must finish the job on T22 because without it, many of the initiatives I have outlined will just not be possible.

Slide 13: FY22 Priorities – finish the job

When we launched T22 in June 2018 we knew we had to act more boldly

It is clear in my mind that initially we did not respond quickly or significantly enough to the reality of the impact of the nbn on Telstra. Before T22 we were not focussed enough on transforming and improving the core business to mitigate this, we were too dependent on investments outside of the core.

We have addressed this and our T22 program has been a clear success.

- we have radically simplified our business reducing the number of Consumer & Small Business in market plans from 1800 to 20;
- we have reduced the number of calls to our call centres by more than two thirds and we are well progressed in our strategy to bring these back on shore and our licensee stores back in house;
- we have cut our workforce by one third reducing our direct and indirect headcount by more than 25,000.
- we have removed on average more than four layers of management;
- we have delivered cost reductions of $2.3 billion and are on track to deliver our T22 productivity target of $2.7 billion.
- we have repositioned our investments in Foxtel and Telstra Ventures and we have improved the performance of our health business which is now strategically very well positioned for the future;
- we have successfully established InfraCo and we are progressing our corporate restructure.
- we have monetised over $2 billion of assets, further strengthened our balance sheet and we have completed the $2.8bn towers deal from which we have announced an on market share buy-back of up to $1.35bn;
- we have taken a leadership position on climate change and the environment; and
- importantly, through all of this change, we have seen positive movements in the way our customers and employees view us.
- So finishing the job on T22 over the next nine months means:
- Progressing our digitisation and customer migration to the new technology stack.
- Completing the group restructure to drive value from InfraCo while preserving Telstra's core differentiation.
- Extending our leadership in 5G and consolidating our position as Australia's largest 5G network provider.
- Delivering overall Enterprise revenue and EBITDA growth and restoring financial momentum.
- Launching a new energy business.
- Growing services and building deeper relationships with our customers through Telstra Plus.
- And delivering on our net cost productivity target of $2.7b.

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Slide 14: Our T25 strategy to deliver growth

So, let me close.

This is an important day, an incredibly exciting day for Telstra as we announce our plans to transition from transformation to growth – from T22 to T25 – from a strategy we had to do, to a strategy we want to do.

It is a strategy that builds on the strong foundations we have built over the last three years and remains focussed on what matters most – our customers, our people, our shareholders and on supporting the creation of a vibrant digital economy in Australia.

It's an exciting strategy to meet an exciting future.

As I said in my opening, Telstra is a vastly different company to what it was four years ago.

With T25 Telstra will be a vastly different company, again.

It will be a vastly different company for our customers who will have access to ultra-convenient, personalised, right first-time experiences that are 100% digitally enabled.

We will be a vastly different company because our diversified portfolio will be delivering growth in revenue, EBITDA and EPS as we seek to grow dividends.

We will be a vastly different company because the seeds of our investment in energy and health will see these new businesses growing profitably at scale.

We will be a vastly different company because of the world class returns and value we are driving from our infrastructure business.

We will be a vastly different company because of our network leadership with 95% 5G population coverage, a densified small cell network and expanded regional coverage.

We will be a vastly different company because of our leading network and technology solutions delivering for our customers' futures.

We will be a vastly different company because our focus on cost will see a further $500m of cost out and industry leading cost metrics.

And finally, we will be a vastly different company because we will be the place you want to work with Australia's largest agile at scale workforce, flexible, location-agnostic future ways of working, a workforce defined by its culture of digital leadership and doing business responsibly.

I will now hand over to Michael Ackland who will take you on a deep dive into our Consumer and Small Business strategy.

Thank you very much.

MICHAEL ACKLAND – GROUP EXECUTIVE, C&SB

Slide 16 – Consumer & Small Business

Thanks Andy

It's a pleasure to announce the next stage of our strategy for consumer and small business customers.

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There's no doubt the past 18 months have seen a fundamental change in technology use and connectivity has never been more important in how we work, learn and play.

Our ambition is to deliver profitable growth and value by creating brilliant experiences.

Experiences that keep us connected with the ones we love, enable us to be entertained, be educated, be employed, run businesses, and access the goods and services we need.

T22 has set the foundation for what we will deliver in T25. We think about our next ambition through the lens of six building blocks.

I will take you through each of them in more detail, but at a high level:

- We will transform how we engage by deepening our local expertise, building deeper relationships and trust with local communities across the country;
- We will help Australians get the most out of their connectivity by continuing to lead with our world-class network, and leading the market on how customers can access it;
- We will be a trusted partner in the home and business, bringing together everything our customers need and giving businesses the tools to grow in the digital economy;
- We will leverage Telstra Plus to bring a new ecosystem of value for our members;
- We will establish Telstra as a full service tech retailer, the destination for all of your technology needs; and
- Finally, we will expand our multi-brand reach through partnerships, being in more places for more customers.

Slide 17 – We are building on the foundations of T22…

Before we get into the detail of the new strategy, I wanted to briefly reflect on the achievements delivered through T22:

- We radically simplified our core consumer connectivity products…from 1800 to 20 in-market plans, with more than 8.5 million services now on those new plans;
- Our new technology stack is at scale, with over 50 per cent of sales and 100 per cent of our front-line teams active on the new platform;
- We launched and grew Telstra Plus to more than 3.5 million members;
- We have transformed how we serve our customers. Seventy per cent of service interactions are now delivered digitally, up from 40 per cent. We've reduced our inbound calls by two thirds. This enables us to answer 100 per cent of these calls in Australia;
- We're well progressed on bringing our retail store network in house; and
- Lastly, we have continued to invest in leading network experiences with over 1.6 million 5G devices and 2.3 million smart modems connected to the network.

Slide 18 – … and are ready to transition to sustainable growth on multiple dimensions

Our ambition is to deliver growth and value, and our T22 foundations have put us in a position to do just that:

- Our mobile business has been radically transformed, we now have a simple portfolio, with no back book. The headwinds of excess data removal and device subsidies have gone. And we have a clear path for value growth across all our brands;
- For home and business internet. NBN headwinds are now also largely behind us, and we have a pathway for margin growth as a lean NBN reseller. We see growth in Fixed wireless, in-home services and scaling our energy retailing business;
- T22 was the investment phase for Telstra Plus as we grew members and points balances. Through T25 we will move strongly to value realisation as the program matures and we expand the eco-system;
- Our strategy is to grow hardware margin, now that subsidies and unbundling are gone. We'll capture more of the value through the hardware lifecycle, enabled, in part, by insourcing our stores;

- And finally, our focus on simplification, digitisation and operational discipline will remain critical, to not only delivering cost outcomes, but importantly customer outcomes.

Slide 19 – Transforming how we engage by deepening our local expertise

Now returning to the first of the building blocks which we believe will deliver our ambition.

The first is to create more personalised experiences for our customers, as well as more local interactions.

Whether you are in the city, a regional town or live more remotely, connection and local community is more important than ever. There is nothing like locals helping locals.

We've achieved a lot in T22 to improve the customer experience:

- Transactions on our new technology stack are simpler and faster;
- We're well progressed in the migration of consumer mobile customers to the new digital stack;
- By mid next year, all voice calls will be answered in Australia;
- Insourcing our stores will provide an integrated experience across the retail network;
- And we'll continue our focus on responsible business by doing the best for customers no matter where they live.
- But, we know that we have more work to do. We're accelerating the shift to more personalised and locally delivered experiences:
- Whatever the need, customers will get the same, seamless service in store, on the phone or online;
- We're rolling out diagnostics to solve customer problems before they know they have one;
- With stores insourced, and our agent@home program, we will be creating integrated experiences across our stores and contact centres;
- agent@home will also allow us to leverage talent pools across rural and regional Australia, and make our service more resilient;
- We'll provide more industry expertise for all Australian small businesses and a larger support presence – but more on that later;
- Critical to deepening our local expertise, will be transforming our frontline culture and capability, leveraging our FutureReady program, and deepening our relationships with key community stakeholders.
- We know connectivity plays an essential role in social inclusion, and as Andy said we have committed to building digital literacy skills for an additional 500,000 Australians by 2025.
- Lastly, we will be integrating more customer insights and data to deliver real-time next best experiences to optimise how we support our customers across all our channels.
- There will be three ways we will measure our success:
- Achieve "Once and Done" more than 90 per cent of the time by 2025 – right first time, and second time perfect. We want to make sure you only need to ask once, and we will get what needs to be done, done.
- Lift our strategic NPS by at least 25 points; and
- Halve complaints by 2025.

Slide 20 – Help Australians get the most out of their connectivity

Secondly, Helping Australians get the most out of their connectivity… whether at home, at work, or on the go.

This starts with us having the best connectivity experiences available:

- We have the best mobile network. We have the largest 4G and 5G coverage, bringing faster speeds to more customers across metro, regional and rural Australia. We are committed to maintaining this lead, and in fact right now, our gap to competitors has been widening in the last few months.

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- By 2025 we expect to have 80% of mobile traffic on our 5G network.
- A network that delivers better experiences in entertainment, working and learning. We lead the ACCC ranking for average NBN download speeds (excluding underperforming and impaired services). We are in the #1 spot in the Netflix speed index.
- Supported by world leading network management, self-healing, proactive fault detection and experience optimisation, enabled by real-time AI.
- A network you can feel safe using, secured from the core all the way to your end device. This will deliver leading reliability and resilience when it matters.
- This means that our customers get the best performance, at home, at work and on the go.

We will also change the way our customers buy and access these connectivity experiences:

- Historically we have monetised through excess data and data inclusions. In fixed we have seen monetisation of speeds, and in mobile we have included 5G only in our top three plan tiers. David will talk more about how we are already monetising 5G through Adaptive Mobility.
- Through our leadership in network we will continue to deliver value and growth by creating experiences rooted in how customers use connectivity. Plan tiers optimised for work from home, gaming, or streaming and prioritisation to ensure performance when it matters.
- We will move toward a more technology agnostic approach – talking less about complex industry jargon... FTTN, HFC, Mid Band, mmWave... and focus on using the best technology available for customers to deliver the experience they want, whether that is the NBN or fixed wireless, 4G or 5G.
- And finally, there is an increasing array of connected devices beyond handsets and tablets, to wearables, AR, VR, and appliances... all of which create opportunity for a unique and optimised connection.

Ultimately, this will create value – both from service revenue growth in mobile, and from a growing and profitable home and business internet proposition.

Slide 21 – A trusted partner in the home & business

Now to being a trusted partner in the home and for businesses. Our homes are becoming more mixed-use and multi-generational. Increasingly our home is where we learn, our children learn, we go to work, or run a business.

It's not just about an internet connection, it's about an increasing number of devices requiring connectivity, and a range of different services, and how they all work together... seamlessly.

Getting the basics right is critical. Our ambition is to make products and services that are more plug and play, and simpler… products that just work.

- We already have a strong presence in the home through existing assets like the Smart Modem, powering reliable Wi-Fi, and enabling smart diagnostics through Wi-Fi Doctor… in fact our NPS for smart modem customers is 18 points higher than those without one.
- And Telstra TV is aggregating all your favourite streaming services, be it Netflix, ABC iView or Binge, delivering universal search and the best streaming experience on your own big screen. Our partnership with Foxtel complements this well, and we have been instrumental in lifting Foxtel streaming subscriber numbers - with almost 1.1 million on Kayo, and over 800,000 on Binge since it launched in May 2020.
- The need for support across the home eco-system remains even for tech savvy customers and we want to be there to set up, optimise and manage all the tech in your home.
- Delivering this help, through local presence, and enhanced personalised support is the key to unlocking the power of technology for more Australians.
- Energy, and smart energy management, will form part of this integrated proposition. We believe this will help us be a top five energy retailer in Australia.

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- With these connected experiences – across entertainment, energy, tech support, and security – we expect to see an increase in services per household.

For our small business customers, the ability to compete in the digital economy was important, but it is now urgent. Whether you're a hardware store owner, a barista in a coffee shop, or a farmer, being successful in the digital world is essential.

We want to be there for Small Businesses and be the trusted partner in "making it all work" together.

- Therefore, we continue to expand our offering. We're standing up an integrated suite of services with leading partners, which we bring to market through our "Go Digital" professional consult process. This includes:
  - ICT services, like standardised IT support
  - Cyber security, including Harmony by Checkpoint
  - Digital customer engagement, for example digital marketing offers
  - Accounting and collaboration tools, like MYOB
  - … as well as professional and managed services.
- We're investing in our people capabilities to support this, from our Telstra Business Technology Centres, to the thousands of accredited experts trained across our retail network. And dedicated connection managers to support customers as they transition their fixed connectivity.
- But critical to delivering more for these customers is completing digitisation for small business, resolving the issues getting in the way of customers becoming digitally active.
- Our ambition is for at least 50 per cent of SMB customers to be fully digitally active by 2025... which will be critical to unlocking our target to double our small business apps and service revenue by 2025.

And before we go onto the next section, we'll play a short video about Telstra Plus – an important element of our future ambition.

<VIDEO PLAYS>

Slide 22 – A new Telstra Plus ecosystem of value

Telstra Plus will be the cornerstone of how we engage more deeply with our customers

- Since launching Telstra Plus, we have built a base of more than 3.5 million members and our strategic NPS is 18 points higher for members than non-members. Pleasingly, membership keeps growing. More than one million rewards have been redeemed so far, meaning increasing hardware and services sales.
- We want Telstra Plus to be one of the most valuable rewards programs in the country. By 2025, we want six million members, engagement to 80 per cent and to triple the value of redemptions.
- Now is the time to evolve expanding our partnership eco-system and connecting our consumer and small business customers in unique ways.
  - We have a large, growing and engaged member base, and through a range of partners we will offer our customers new ways to earn and redeem points. From an earn perspective we have started a relationship with Booking.com and Huddle and redemptions can be made with core technology vendors.
  - We see the opportunity to expand on both the earn and burn side to be significant.
  - We have built a sophisticated marketing and customer insights platform, and we'll leverage these insights, to bring unique offers and value to both our partners and our Telstra Plus members.
- We want to use the program for our small business customers to access more of their customers, in new and unique ways.
- We have developed a unique platform which allows small businesses to develop compelling insight-driven offers, and to present those to an engaged consumer base.

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- Those customers then seamlessly get the benefit…we've begun piloting this program with around 40 small businesses from a florist, to a hair salon and a wine shop, able to market directly to Telstra Plus members. There's lots more to come, so stay tuned.

Slide 23 – Establish Telstra as a full service technology retailer

Now turning to our ambitions around being a technology retailer

- Our customers increasingly think of the technology and experiences they want first, with connectivity as the enabler second. Outright purchases of handsets have been growing for many years, and the range of connected devices continues to expand.
- Our ambition is to BE the place and destination for connected technology; not just to buy it, but to support our customers across the whole lifecycle of that technology.
- We want customers to know that when they buy from Telstra, everything "just" works, and if it doesn't, they can come to us and trust we have all the services and advice they need. Our research tells us this is why customers buy from us.
- Bringing our licensee stores in house means we will have one of the largest corporate owned retail networks in Australia. We see significant upside in this scale to expand both our range and the margin we capture through hardware.
- We will leverage our retail and customer scale to introduce new services, specifically in hardware repair, support, and trade in, driving both incremental revenue, margin, and more ways to connect and engage with our customers.
- We will establish new retail formats, and further integrate across physical and digital experiences leveraging AR/VR, and scale click and collect, and two-hour delivery commitments... all supported by local expert staff.
- Our commitment to rural and regional customers will continue to grow; as we know there are needs that are unique to customers who live outside metropolitan areas.
- To better serve our business customers in regional Australia, we will be expanding the physical presence of our Telstra Business Technology Centres, and these centres will benefit from our growing account management services.
- This way, even more regional small businesses will have direct access to the expertise they need, in their local communities.

Slide 24 – Expand multi-brand reach through partnerships

Lastly our multi-brand approach

- Through T22, our multi-brand strategy has been highly successful, in delivering both growth and value.
- As we deliver T25 we will continue to use our multi-brand strategy, to expand reach, in mobiles, and moving more significantly in NBN, and into a broader range of services.
- Belong remains critical to our strategy, and we will continue to scale, and lift value in Belong across both fixed and mobile.
- We also remain committed to building our successful partnerships with JB Hi-Fi and Boost, and we will be looking to expand both partnerships into new categories.
- We are also exploring new agency partners, partnering with leading Australian brands to give more Australians the opportunity to experience the best network. The agency model approach allows us to focus on reach and value, rather than competing at lower price points.

Slide 25 – T25 scorecard

So, in closing, we are embarking on a new chapter of growth, building on the customer, capability, product and commercial foundations of T22. And through T25 we will:

- Deliver profitable growth in mobile and fixed, and increase hardware margins;
- Maintain operational discipline to deliver cost and customer outcomes;
- Deliver a step change in strategic NPS of 25 points, with an Episode NPS of over 40;
- Commit to getting it right for our customers, achieving "Once and Done" more than 90 per cent of the time;

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- Cut complaints by a third in the next two years and by half in the next four;
- Get to 6 million customers on Telstra Plus, with 80% being actively engaged;
- And maintain our focus on responsible business for all customers no matter where they live, including keeping 1 million customers in vulnerable circumstances connected every year.

We will do this at a time when the way we use technology in the home and on the go has changed forever.

We are incredibly well positioned to drive profitable growth and value by creating brilliant experiences that enable our customers to work, learn and play.

Thank you, and I would now like to pass over to David.

DAVID BURNS – GROUP EXECUTIVE, ENTERPRISE

Thanks Michael, it is a great opportunity to set the direction for our Enterprise business in Telstra's T25 Strategy.

Slide 27 – Enterprise

Telstra Enterprise's ambition is to deliver profitable growth and value by connecting our customers with Australia's most trusted and secure technology and services.

We will achieve our ambition by executing across five key building blocks:

- Firstly – growth and disruption of our differentiated fixed and mobile connectivity products;
- Secondly – continuous, sustainable growth and scale in our NAS business.

The relevance of technology to our Enterprise customers continues to accelerate. Everything we do must anchor to our customers, and how we help them make the most of their technology investments:

- Our third building block is providing an exceptional end-to-end customer experience;
- Fourth – aligning our go to market to key industry groups, with a focus on industry solutions;
- Our fifth and last building block – Telstra Purple allows us to bring this all together, driving NAS growth by delivering and managing solutions which make a difference to our customers.

Slide 28 – We are building on the foundations of T22

- Over the last three years we have worked hard to take complexity out of our business and lay the foundations for our return to revenue and EBITDA growth in FY22.
- We have transformed Telstra Enterprise and simplified many aspects of our operations, including reducing our enterprise products by 50% since 2018.
- And our work is paying off, with our strategic customer satisfaction score NPS lifting +22 points across all customer segments since June 2019.
- We have transformed the Enterprise operating model and launched agile@scale to simplify the way we work. We now have around ~2,300 Telstra Enterprise employees working in an agile way.

We have built strong foundations for the future:

- We completed a comprehensive re-design of both our Data & Connectivity and Mobility portfolios with the launch of Adaptative Networks and Adaptive Mobility. Our new Adaptive offerings are designed to give our customers much greater flexibility while monetising 5G and disrupting ourselves to grow in Data & Connectivity.

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- We're steadily migrating customers to our new digital stack where we're building our new products.
- We developed and launched Telstra Connect, our digital self-service portal that's now available to all eligible Enterprise customers.
- Our services business is focused on our next generation technology portfolios which will be our growth platform for next wave of advancements in internet of things (IoT), Security and Cloud technology solutions.
- Finally, but most importantly, we brought together our investments in eight successful technology services businesses and 1,500 digital transformation experts to launch Telstra Purple, now the largest Australian owned technology services provider.

Let's now dive into each of the building blocks highlighted in our Enterprise ambition.

Slide 29 – The network is the base on which we build our services

- Our reliable, secure and flexible network connectivity, is core to our business and fundamental to our FY25 ambition. As our customers transform their IT environments, our connectivity underpins their adoption of cloud based applications and productivity tools, as it supports hybrid workloads across all cloud environments – public and private – and enables customers to maximise productivity from their distributed workplaces and workforces.
- The enterprise connectivity market continues to be disrupted. New technologies have enabled customers to adopt managed internet services to support their operations and NBN's continued focus on this market has helped new entrants grow quickly.
- We responded to these dynamics by launching Telstra's Adaptive Networks, connectivity offerings that bring together the flexibility of an unbundled connectivity and access layer and also helps customers embrace the latest in SDWAN technologies. Our SDWAN propositions offer the flexibility and economy of a managed internet service but with a key advantage as they are delivered over our reliable and secure Telstra fibre network.
- The reliability and security of Telstra fibre is key. Our engineering team continues to lead the market with network smarts and resiliency, and we have access to more than 250,000km of fibre. We will also continue to partner with NBN to drive new customer growth and capital efficiency.
- And as we see network convergence across fixed and mobile, we're in a market leading position to maximise the power of our mobile network. Through these disruptions our customers will reap the benefits of a seamless software defined network, operating across multiple technologies, which will support and protect our Data & Connectivity revenues.
- As disruption stabilises and volumes continue to increase, we will return this portfolio to growth by FY24, while maintaining our T22 cost discipline to ensure continued profitability.

Slide 30 – Technology services driving innovative 5G Enterprise use cases

- Similarly to what Michael outlined, our 5G leadership underpins our FY25 ambition as our 5G network opens new opportunities for our customers to transform their businesses, in turn driving continued revenue growth.
- Today, our Adaptive Mobility plans continue to deliver positive results through SIO and ARPU growth as our customer fleets transition to the new proposition, including specific 5G only offerings. We also see growth in mobile as Australian businesses adopt cloud PC and associated managed services with 5G connectivity to enable work from more places.
- 5G technology and innovation is also opening up new areas for mobile network revenue growth:
  - Last month we launched Enhanced Enterprise Wireless - an Australian-first 5G solution that gives customers reliable and consistent connectivity akin to their fixed connection. We're backing it up with a 99.9% availability guarantee at eligible sites - the first time we've introduced an uptime availability SLA on a mobile product and it already has good traction in the market.
  - In a stadium context we can use 5G and Edge as a dedicated high-bandwidth network with flexible configuration, for example, multi-camera viewing for

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broadcast personalisation, or a dedicated live news or sports feed that uses a 5G network slice. We are also using 5G to power thermal and crowd density cameras – critical in a COVID environment – alongside wayfinding and geospatial tagging – so your phone can save your spot in a queue or guide you directly to the nearest amenities.

- When you couple 5G with digital transformation solutions, we can see how it will drive revenue growth in both NAS and Mobiles as technology driven business outcomes scale on our network. Some particularly interesting examples we're seeing include augmented and virtual reality, such as:
  - How 5G is enabling the next generation of immersive training and collaboration. Telstra Purple helped the Royal Australian Airforce distribute mission control operations to Air Force personnel across Australia via virtual reality.
  - 5G with Augmented Reality also has the power to support better decision-making in disasters or emergencies, when body cameras can relay live information in High Definition to command centres to help firefighters, police, search and rescue, paramedics and others to better coordinate operations.
  - We've also collaborated with Downer Group on a solution that combines apps, cloud data and augmented reality to assist with preventative maintenance work.

Slide 31 – Digital transformation driving growth in NAS

- Our NAS portfolio is Telstra Enterprises' largest revenue contributor and a key driver of our growth ambition. We have built this business to capture market growth in IT services and to continue to differentiate and drive usage of our connectivity propositions.
- In today's COVID world, our NAS solutions are more important than ever to our customers as they focus on using technology to continue to be productive despite the disruption COVID continues to send their way.
- We know that security, hybrid work, digital transformation and driving operational efficiencies are keeping not only CIOs, but CEOs and boards awake at night which is driving growth across the industry.
- Closest to our core, we continue to focus on providing our customers with Secure Adaptive Infrastructure services – responding to the future network needs of our customers. Growth in this portfolio will be driven by cyber products and services anchored on our secure networks.
- Our workplace and digital practice solutions, that integrate connectivity, mobile, devices and security, help our customers as they continue the shift away from full-time, office-based work. We expect digital services to grow as we support our customers with continued innovation to drive their digital transformation agendas.
- We have a clear strategy to grow and monetise our products and services in these technology areas – managed services, professional services and reusable intellectual property.
- By delivering these solutions as managed services over our connectivity networks, we will continue to drive annuity revenue managing both our technology and that of our partners such as Cisco, AWS and Microsoft.

I will talk more about how Telstra Purple will continue to drive differentiation across our business later in the presentation. But next, let me turn to customer experience.

Slide 32 – Create personalised experiences where it matters, and simple digital ones for convenience and efficiency

- We know that having the best technology experts and solutions means nothing unless you have the customer experience to match.
- Our ambition is to give customers an exceptional end-to-end customer experience, which means personalised experiences where it matters, and effortless digital ones for their convenience. To do this we are focused on three things:
  1. Our people have meaningful sales conversations that add value to our customers - understanding their needs and offering solutions that will make a difference to their most pressing business problems.

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2. Day-to-day sales and service interactions can be done digitally – self-served with the touch of a button via our Telstra Connect app.
3. We will radically simplify our processes and billing, so that customers can easily understand which services they have ordered, how they are delivered and billed.

- Just like the customer engagement expectations you have with your bank (for example, a valuable conversation for a mortgage but the app for day-to-day banking) we will track customer feedback to ensure we get the right balance of valuable conversation and easy self-service options.
- We will have achieved our ambition:
  - when customers give us a 90% rating in our support and engagement for the right balance of face-to-face and digital interactions;
  - when customers can choose to perform all their key service interactions digitally;
  - and when more than 95% of billing disputes are resolved within one billing cycle.

Slide 33 – Industry focused go-to-market and solutions

- The pervasiveness of technology to transform businesses does not mean that one size, or solution, fits all. While driving a simplified product and contracting experience across all our customers is key to improving customer experience, we also know that there are some industries where we have an excellent opportunity to drive growth by delivering industry-aligned products and services.
- As Andy referenced in his opening, to take advantage of this opportunity we have organised our business so we have greater industry alignment, with dedicated propositions and go-to-market.
- We will be technology services experts in selected industries, providing scalable industry specific solutions to meet their most pressing business needs.
- We have announced our first three industries, where we've identified the biggest opportunities for growth and we have dedicated cross-functional teams already working with customers and producing some great results.
- We believe that Telstra has a significant role to play in Government at the Federal, State and Local levels.
  - As a sovereign provider with Australia's largest network, we have a unique opportunity to provide governments of all levels with secure, sovereign intelligent infrastructure. And with our unparalleled visibility of the network, and strategic points of presence around the globe, we are in a unique position to help keep Australia safe.
- The Mining and Energy industries collectively represent a $1.7b per annum addressable opportunity for Telstra, which we will focus on by helping these customers manage their key priorities: plan and prepare for high impact industry shocks, better manage their workforce, safety, productivity and rising costs; to name a few.
  - We will support their response to these key priorities and transformation agendas by building on our sizable core connectivity base to develop solutions using automation, robotics, IoT, 5G and Edge computing.
  - This sector is one of the most challenging for reliable and consistent communications as they often have both remote sites, and the need for complex communication architecture, making Private LTE networks very appealing to these customers. For example, Newcrest uses a Telstra Private LTE network at its Lihir Operation in PNG, where it has seen significant improvements in network performance and reliability and been able to implement new mining technologies to be able to safely mine in hot areas.
- For our third focus industry we have chosen to combine Supply Chain & Logistics, Retail and Agribusiness as they have very complimentary needs and technology solutions to meet them.
  - Our relevance to these cohorts, particularly where creating efficiencies is critical, is increasing significantly, as technology enables faster and more reliable operations, better compliance, improved safety and drives down costs.
  - Many of these solutions are underpinned by our leading networks, including our Telstra IoT Network - Australia's largest IoT network – which our customers use to monitor assets and gives their business a competitive edge.

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- For example, we worked with Linfox to implement an advanced telematics and management solution across its entire fleet that delivers advanced transport and logistics data and quality benchmarking information to enhance safety.
- Telstra Purple also recently developed an asset tracking system with Kennards Hire so it can gauge how equipment is used and schedule preventive maintenance when it makes most sense – reducing the risk of downtime and promoting safety.

Slide 34 – Leveraging Telstra Purple as the growth engine for NAS

Now let me turn to Telstra Purple: our biggest opportunity for growth, our biggest differentiator and how we stitch it all together.

<PLAY VIDEO>

- Telstra Purple's 1500 experts work closely with our customers to solve problems quickly and effectively, using Telstra owned solutions and reusable IP. As these solutions are delivered via Telstra's leading networks we are well placed to grow our managed services business and to pull through connectivity.
- Unlike other telcos or professional consultancies, Telstra Purple has the technological vision, intellectual depth and economic scale of the biggest systems integrators and consultancies, whilst maintaining its heritage of fast-moving, boutique IT service providers.
- This allows Telstra Purple to take on significant projects, leveraging Telstra assets, including InfraCo to deliver and manage long term, customer or national building programs.
- Since the on-set of the pandemic in Australia, Telstra Purple has been engaged to help drive real world outcomes that make a meaningful difference in Australians lives. For example, in addition to the critical work we did with Ambulance Victoria, we also helped the Victorian Government develop RideSpace – a mobile-optimised website that helps passengers figure out how busy a particular train station or service might be to ensure social distancing.

Telstra Purple brand awareness is currently 25%, which is up from 9% at this time last year. While consideration is 74% for the same period, up from 64% at the same time last year, showing the value our customers place in the services Telstra Purple provides. Our ambition is to increase Telstra Purple brand awareness to 65% by FY25.

Slide 35 – Our FY25 financial ambitions

We have a clear plan to achieve our ambition, backed up by five key financial targets:

- We will return our Data & Connectivity portfolio to growth by FY24
- We will drive profitable growth in Mobiles and monetise IoT
- We will grow NAS revenue in mid-single digits CAGR to FY25.
- ...while maintaining mid-teens EBITDA margin
- And we will maintain our T22 cost disciplines.

Slide 36 – T25 Scorecard

Our plan and targets well underpin Telstra's ambition and are incorporated into the T25 scorecard.

With this plan and these measures, we're confident of achieving our ambition: to deliver profitable growth and value by connecting our customers with Australia's most trusted and secure technology and services.

I'll now hand you back to Nathan Burley.

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BRENDON RILEY – CEO, INFRACO

SLIDE 37 – BRENDON RILEY

Good morning everyone.

It has been just over 10 months since our last Investor Day, when we updated Investors on Telstra InfraCo.

Over this timeframe we have made a lot of progress:

- Completed our first full year of operation as an integrated infrastructure business
- Delivered on all our financial, operating and safety objectives as part of T22
- Reported 1st half and full year InfraCo specific financial results
- Successfully launched new market offerings, including dark fibre and data centre
- Closed the sale of 49% of InfraCo Towers with net proceeds of $2.8B

SLIDE 38 – INFRASTRUCTURE

Looking forward, as part of T25, our ambition is to improve the access, utilisation and scale of our infrastructure, to deliver growth and value.

In order to fulfill InfraCo's ambition, we will focus on six building blocks.

1. While we have market leading infrastructure assets, it is important we continue our efforts to make them more accessible to the industry and the nation. The way we will do this is by:
    a. Further productising our assets with standard offers, rate cards and fulfillment terms.
    b. Digitising the customer experience across planning, design, ordering and fulfilment.
    c. Investment in new builds which both support customer requirements and leverage existing infrastructure to create new solutions.
2. We are proud of the infrastructure expertise we have amassed over many years, however it's important we take steps to further enhance this through:
    a. Completing key hiring, including a focus on external specialists and leaders, to fill required roles to support growth.
    b. Working with our industry partners to develop longer term capacity, skill and safety disciplines
    c. Developing new capabilities in professional services so we can be a full infrastructure solution provider to the market.
3. InfraCo has a diversified asset base and its important each of our businesses are globally competitive and sustainable which includes:
    a. Measuring and reporting asset business performance against global standards or national standards where appropriate
    b. Increasing our focus on maintenance, asset lifecycle management and emissions to ensure we have a safe and sustainable asset base
    c. Enhancing and digitising asset records to support business operations and monetisation.
4. We are delighted to have launched Amplitel Towers earlier this month with an Australian consortium made up of the Future Fund, Commonwealth Superannuation Corporation and Sun Super, managed by Morrison & Co. We are committed to executing the business plan we have agreed through:
    a. Collaborative and transparent relationships at all levels
    b. Effective Governance with the Amplitel Board
    c. A focus on operational excellence and portfolio growth to generate long term returns
5. We have not made any announcements on InfraCo Fixed monetisation timing. Acknowledging that InfraCo Fixed is substantially larger than towers and is multi asset, our immediate focus is to:

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   a. Build greater flexibility and optionality to realise value from our fixed infrastructure assets, with the potential to take advantage of opportunities to maximise value for Telstra shareholders.
   b. Accelerate the program of work post the re-structure, including leveraging learnings from the Amplitel process, to build investor ready data, financials and asset business plans
6. All of our customer relationships are extremely important, especially with nbn and other major national service providers. While they will always be a priority, the commercial models we use have been operating for many years and are relatively mature. For the InfraCo and Telstra partnership, it is in its infancy and will require focus over the years ahead. This includes:
   a. Delivery of competitive infrastructure services and solutions, to enable Telstra to achieve its market objectives
   b. Implementation of the inter-company agreements, re-structuring outcomes and governance arrangements which leverage the strength of Telstra, and also instil trust and confidence
   c. Long term collaborative planning to shape forecasts, sustain the partnership model and provide future growth capacity.

SLIDE 39 – TELSTRA INFRACO'S PASSIVE ASSET BUSINESSES

InfraCo's passive asset portfolio leads the market in terms of scale, coverage and mix. All asset businesses are operating effectively and delivering to expectation after their first year in operation.

The portfolio is valuable not only in terms of its income and EBITDAaL generation but also its monetisation potential. All businesses are under-pinned by long term, stable contracts with Telstra, nbn and the broader industry. Our renewed focus on infrastructure, together with new products and growth plays can continue to drive their long-term value.

The Amplitel sale price and multiple, together with the speed at which the sale closed, is indicative of the quality of the InfraCo assets.

InfraCo Fixed is over 6 times larger than Amplitel on an income and EBITDAaL basis and while it is more complex in nature, InfraCo Fixed is a very strategic portfolio.

SLIDE 40 – OUR AMBITION FOR AMPLITEL

The ambition for Amplitel is to be Australia's leading full-service wireless infrastructure, services and solutions provider.

Our plan on a page summarises our key strategic objectives:

1. Provide better access to our tower infrastructure
2. Improve service offerings & asset health
3. Pursue growth & drive asset efficiency
4. Be the home of tower infrastructure expertise

In relation to driving improved access to our Towers we will be a full-service provider to the industry of both passive and active solutions. While we will not be a mobile operator, we are seeing demand for the provision of both the passive and active elements of mobile network builds as well as strong interest for specific industry solutions.

Two of our outcome measures by FY25 will be 250 new towers constructed and 700 additional tenancies.

From a technology perspective we decided 9 months ago to stand up a new asset management solution for Amplitel. It provides the business with the contemporary technology platform it needs to manage all aspects of the asset base. The deployment has now enabled site and asset inventory for over 8,000 sites, tracking of design and construction of new sites, co-location site access and ordering, operational reporting and a customer portal.

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We've also moved quickly to create digital twins of our network, leveraging drones and our asset management platform. We plan to have 90% of our mobile structures as digital twins by FY25 and lead the market in how digital twins can be leveraged to optimise customer outcomes.

Turning to shareholder value, there are items which we must execute well on to continue to drive long term value. The first is management of the cost base of which over 60% relates to property. The second is further improving our maintenance and life cycle management standards to be the best in the industry. Finally driving growth from new towers, new tenancies, new services, market expansion and site acquisitions. Strong execution across these areas will enable us to grow underlying EBITDAaL. The current FY25 outcome is for low to mid-single digit growth.

The last objective on this slide is a very important one as it relates to our people and our partners. We've seen a tremendous reaction from our staff, our sub-contractors and the broader industry to the launch of Amplitel. We aim to be the employer of choice, co-create strong construction and delivery partnerships and be agile in everything we do.

A core non-negotiable element of everything we do will be a focus on the health and safety of the extended team and maintaining a strong same day reporting regime will be one of our FY25 operational measures.

SLIDE 41 – USING DIGITAL TWINS TO CREATE A GREAT CUSTOMER EXPERIENCE

I'm excited to provide further details of our Amplitel Digital Twins program.

This is all about bringing real-world assets to life on our customer's digital devices to transform their experience.

Already we have over 1,000 Digital Twins and will complete the digitisation process for 90% of our mobile structures by the end of FY25.

Designing and deploying mobile networks requires long term, detailed planning and we believe Digital Twins will be a game changer in terms of cost, speed and quality.

We create a Digital Twin using drone scans, and these scans will feed directly into our asset management platform. For any subsequent drone scans, we have enabled auto updates of all data attributes in our systems.

The end-to-end solution will also enable a range of analytics and reporting capabilities as well as facilitating site incident reduction and optimisation of maintenance activities.

To bring things to life a little more let's go to a video on our Digital Twins program.

>> VIDEO <<

SLIDE 42 – OUR AMBITION FOR INFRACO FIXED

Our key strategic objectives for InfraCo Fixed are to:

1. Provide better access to our fixed infrastructure
2. Improve service offerings and long-term asset health
3. Drive asset efficiency, pursue growth and be ready for the next phase of optionality
4. Be the home of fixed infrastructure expertise

While we have been successfully providing access to our fixed infrastructure for many years, there are a range of initiatives we are taking to make this easier and more comprehensive.

The first is through new fixed products and we are planning to launch at least 10 new products by FY25. In the past 9 months we have launched new InfraCo dark fibre products. While our customers have wanted us to offer dark fibre, we first needed to develop and launch dark fibre services in order to address the market opportunity.

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On a similar front we have under-utilised data centres but have not had clear market offerings, or the ability to offer network agnostic access. With our data centre product launch last month, we have now solved these challenges and there are plans to extend these data centre services across additional sites nationally.

Of course, everything we do needs to be digitised and we have our automated duct reservation system, new digital tools for fibre planning and ordering and improving tools for information on our data centres.

The security, monitoring, maintenance, emissions reductions and life cycle management of our assets is extremely important, and we are implementing new asset management platforms to drive these areas and working with industry to extend our focus on proactive maintenance practices. We also have a substantial build program for over 6,000 km of new fibre through to FY25.

A real time example of our focus, has been the risk analysis and climate modelling on our fixed infrastructure. The work has culminated in a new summer disaster preparedness program, for a range of flood and fire prone sites across regional Australia. As a result, we are completing ahead of the summer disaster zone, power site upgrades and fuel top-ups, battery life cycle replacements, grounds maintenance and cut-backs, helicopter landing make ready inspections and pro-active fibre repairs.

We have allocated $600M of capital for new infrastructure to the end of FY25. Around 60% of this is for planned fibre growth with the remainder across our ducts, fixed network sites and data centres.

Our property rationalisation program will continue with plans for 50 sites by the end of FY25. We will leverage these as well as procurement and scheduling optimisation with our partners, to drive operating efficiency.

We are confident of delivering low single digit EBITDAaL growth to FY25.

Like Amplitel, InfraCo Fixed is also attracting a lot of interest from professionals looking for an exciting career in infrastructure.

Aside from building our talent, competencies and practices we also have other obligations and commitments to fulfill.

Much of our infrastructure crosses the lands of First Nations peoples. We believe InfraCo and the industry at large has more work to do on engaging with First Nations peoples to build more enduring land management models which respect cultural beliefs and sites. We have recently appointed a new land access executive and a team which includes one of our most senior indigenous leaders to intensify our focus in this area.

Our fixed network sites do consume significant energy and we are a key contributor to emissions reductions to support Telstra's emissions reduction commitment. We have commenced a program to reduce our overall energy consumption. This will be achieved through a combination of investment in lower consumption technology (such as automated LED lighting) and improving the efficiency of our air-conditioning at sites.

While the FY25 plans for InfraCo Fixed were created in line with Telstra's overall BAU capex envelope, there are additional growth opportunities we are currently evaluating.

The opportunities are long term in nature and will potentially service major customer needs or create nation building solutions for the future. We will update investors on these opportunities when it is appropriate to do so, and ensure they meet investment criteria for long term infrastructure projects, aligned to the company investment goals which Vicki will talk to shortly.

Lastly, I would like to comment on InfraCo Fixed post the corporate re-structure. While our plan is to be ready for the next phase of optionality, there will be an immense amount of preparatory work required. The Amplitel process has provided invaluable insights into areas which will require focus earlier in the preparation phase, property is one example. It has also helped us dimension what we

are likely to need in terms of external support to be ready across a much larger multi-asset portfolio business.

SLIDE 43 – INFRACO FIXED IS MAKING STRONG PROGRESS WITH DARK FIBRE AND WILL BUILD NEW INFRASTRUCTURE TO MEET MARKET NEEDS

Just to add more insights about our new dark fibre products.

In a little over 9 months we have delivered around 190 active services for 22 customers, which includes 8 first time InfraCo customers.

Our most recent dark fibre product was for pre-configured, high speed nbn POI rings across 6 capital cities, which also connect to our Data Centres.

This is on top of our extensive network of dark fibre with over 300 separate available paths and standardised connections to over 84 nbn POI's and 72 metro data centres across Australia.

We have 3 more dark fibre product launches planned for FY22, which will see a total of 5 new dark fibre products for this year.

SLIDE 44 – T25 SCORECARD

In closing, InfraCo is pleased to be a strong contributor to the T25 strategy and I'd like to highlight some of the key performance indicators on the company scorecard:

- Amplitel to build 250 new towers and add an additional 700 tenancies by FY25
- InfraCo Fixed to build over 6,000km of new fibre by FY25
- Amplitel to contribute low to mid single digit EBITDAaL growth, and InfraCo Fixed to contribute low single digit EBITDAaL growth before any additional investment in incremental growth programs
- For InfraCo to be an exciting place to work, with a high-performance customer centric culture which sustains us at the 90th percentile of employee engagement
- Finally, reducing our energy consumption aligned to Telstra's emission reduction goals.

With that let me now pass to our CFO, Vicki Brady.

VICKI BRADY – CFO

SLIDE 45 – Financial strategy

Thanks Brendon.

Good morning and thank you for joining us.

This morning I'm very pleased to take you through our financial strategy for T25. We will then open for questions.

SLIDE 46 – Financial strategy

Our financial strategy has five building blocks to deliver growth and value for shareholders. These blocks build on the strong foundations provided by our T22 strategy.

First, we will build financial momentum across our portfolio to deliver growth.

Second, we will deliver $500 million of net fixed cost reductions from FY23 to FY25 while investing for growth.

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Third, we will focus on cash conversion and generation.

Fourth, we will be active in portfolio management to unlock value and manage our Balance Sheet.

And finally, we will create shareholder value through our capital management framework.

Before providing you with more detail on each of the building blocks, I will comment on our financial growth ambitions to FY25 which Andy spoke about earlier.

SLIDE 47 – Our financial ambitions to FY25

Our underlying EBITDA and ROIC ambitions build on our current T22 commitments.

As announced at our FY21 full year results, our guidance for FY22 underlying EBITDA is $7-$7.3 billion. This represents mid-to-high single digit growth.

Our ambition is to achieve $7.5-$8 billion of underlying EBITDA by FY23 and mid-single digit CAGR from FY21 to FY25.

As illustrated today, we have confidence that the momentum we've built towards growth will continue to FY25.

For Underlying ROIC, our ambition is around 8% by FY23, and to grow beyond this to FY25.

For Underlying EPS, our ambition is a high-teens CAGR from FY21 to FY25. This level of underlying EPS growth from 9.7 cents in FY21 provides earnings clarity as we maximise our fully-franked dividend and seek to grow it over time.

For excess cashflow, our ambition is to invest for growth, and return excess cash to shareholders, in line with our capital management framework.

Turning to the first block of our financial strategy, building momentum across our portfolio to deliver growth on slide 48.

SLIDE 48 – Building financial momentum across our portfolio to deliver growth

This reflects the turning point we have reached thanks to our T22 strategy. We are entering a different phase and expect top line revenue growth to be a driver of EBITDA growth. Our ambition is to do the following:

First, to drive value growth through our 5G mobility leadership. Our FY21 results included around $300 million of second half mobile EBITDA growth, on the prior corresponding period.

We are confident that mobile EBITDA growth will continue, underpinned by our ambition for a mid-single digit mobile service revenue CAGR and ongoing productivity. We also have the final EBITDA benefits flowing through from migrating customers off subsidy and lease plans in FY22.

Second, to profitably grow our fixed product portfolio across C&SB, Enterprise and Wholesale. This includes nbn resale, data and connectivity, and NAS.

Third, to deliver further net cost reductions while investing for growth. Our T22 strategy has achieved simpler and better outcomes for our customers, and we have delivered $2.3 billion cumulative cost reductions since FY16.

Fourth, to profitably grow New Markets to scale across Telstra Health and Energy.

And finally, to grow returns from our infrastructure business.

Let me now turn to how we will drive mobile value growth on slide 49.

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SLIDE 49 – Five building blocks driving value in mobility

Our ambition is to deliver a mid-single digit CAGR for mobile services revenue though our T25 strategy. Let me now speak to the drivers that support this ambition shown on this slide.

First, our technology solutions and our network leadership including Australia's largest 5G network, are critical to our strategy. Maintaining and extending our 5G network leadership will underpin our market position and our price premium.

Second, with the foundation built by T22 we are customer first with simplified plans, and no lock in contracts. The migration of all customers to these simplified mobile plans will provide us significant operational benefits and flexibility beyond T22.

We are also positioned to grow our hardware margin through unbundling, removing subsidy, and the insourcing of our retail stores.

Third, we believe value growth from 5G experience-based propositions can drive further ARPU growth.

Our lead indicator of postpaid handheld ARPU, Transacting Minimum Monthly Commitment, or TMMC, has grown by more than $5 since FY19. This increase, as well as pricing changes across the base, are flowing through to ARPU and EBITDA.

We believe 5G experience-based propositions can drive further ARPU growth beyond FY22.

Fourth, new C&SB and Enterprise 5G products and an expanded device ecosystem will also provide new opportunities.

As you heard from Michael today, there is an increasing array of connected devices beyond handsets and tablets, to wearables, AR, VR, and appliances.

There are also emerging Enterprise 5G products that David discussed – from Enhanced Ethernet Wireless, to one of Australia's largest banks reimagining the 'branch of the future', and 5G and Edge in sports stadiums.

These new products all create optimised experiences for our customers, and drive value and growth in our core mobile business.

And finally, we also expect to continue value accretive growth through our multi-brand strategy. We will continue to use this highly successful strategy to increase reach. This includes Belong, JB Hi Fi, Boost, and our wholesale model where we have consistently achieved strong SIO and revenue growth.

In addition to mobile growth, there are other areas of growth across our portfolio which I will explain in more detail on slide 50.

SLIDE 50 – A further five areas of growth across our portfolio

Our full year FY21 results highlighted an inflection point in our fixed products.

In Fixed – C&SB, the nbn driven decline is now substantially complete. We expect growing and profitable home and business internet services, and are targeting a mid-teens nbn resale margin by FY23.

Across Small Business Apps & Services, our target is to double revenue between FY21 and FY25.

While we continue to explore, test and develop alternative technology options, we expect to limit legacy copper losses to less than $100 million per annum.

We are further through the nbn driven decline in C&SB than in Enterprise.

In Enterprise - Fixed, our ambition is to return to growth in data and connectivity by FY24, and a mid-single digit NAS revenue CAGR to FY25 with mid-teens EBITDA margin.

Across Enterprise, we are targeting FY22 revenue and EBITDA growth in aggregate.

In Fixed – Wholesale, our ambition is to maintain annual EBITDA of around $350 million until FY23 before the portfolio returns to growth.

Within Fixed – Wholesale, we expect data and connectivity to contribute to growth post the nbn driven legacy decline. Our focus is to grow through investment and product differentiation – including wireless resilience, active and dark fibre hybrid solutions, and API based services.

Turning to Infrastructure. We will continue to drive the performance and recognition of our world-class infrastructure assets.

In FY22, we expect to revise our disclosure to further elevate Amplitel and InfraCo Fixed, giving more focus and clarity on their performance.

As you heard from Brendon today, for Amplitel we are targeting low-to-mid single digit EBITDA after leases CAGR, 250 new towers and 700 additional tenancies by FY25.

For InfraCo Fixed, we are targeting low single digit EBITDA after leases CAGR, $600 million of new infrastructure investment and 6,000km of additional fibre deployed. This infrastructure investment will be within our business-as-usual capex.

Turning to New Markets. Telstra Health is well positioned, and we are excited by the acquisitions of MedicalDirector and PowerHealth. Our ambition is to grow Telstra Health to become a $500 million revenue business by FY25.

We are also focussed on diversifying growth across other verticals including in Energy where our ambition is to be a Top 5 retailer by FY25.

Turning to the second block of our financial strategy, to deliver net cost reductions while investing for growth on slide 51.

SLIDE 51 – Deliver net cost reductions while investing for growth

We have achieved $2.3 billion of annual cost reductions since FY16, and are confident that we will deliver our $2.7 billion T22 target by the end of this financial year.

We are targeting cost reductions in FY22 of $430 million. This includes benefits from digitisation, reductions in IT and network costs, ongoing vendor optimisation and labour efficiencies.

From FY23 to FY25 we are targeting another $500 million of net fixed cost out, while also investing for growth.

We believe this ambition will ensure we maintain and improve our leading operating cost metrics for a full-service telco. We are already top quartile across many metrics, however, we believe shareholder value is better supported by not targeting top quartile across all metrics, given our premium position in the market.

We have five focus areas to achieve cost reductions during T25.

We will significantly reduce our IT operating costs. The investment we have made transforming our IT digital stack during T22 enables us to now focus on removing legacy systems and consolidating platforms.

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We will transform the Telstra Enterprise customer value chain cost base across order, delivery and activation processes.

We will deliver operational efficiency across C&SB billing, fixed assurance and fixed activation customer episodes.

We will realise further labour productivity through agile@scale across back-of-house and support areas.

And, we will expand productivity discipline across total costs including sales costs, fixed costs and capex.

Turning to the third block of our financial strategy, a focus on cash conversion and generation on slide 52.

SLIDE 52 – Focus on cash conversion and generation

Pleasingly in FY21 we delivered free cashflow of $3.8 billion, an increase of approximately $400 million compared to the prior year due to working capital improvements.

Cash generation continues to be a priority in our financial strategy, with a focus on converting EBITDA into cash.

Capex discipline and efficiency will benefit cash. Our expectations for business-as-usual capex are unchanged at around $3 billion per annum excluding spectrum.

Volatility in hardware revenue in FY21 impacted our capex to sales ratio. This highlights a shortcoming in this metric.

Consequently, we have updated our capital management framework to reflect capex in absolute dollars rather than as a ratio. This change is consistent with how we manage capex internally.

Spectrum payments are more irregular than BAU capex. We expect to pay for the recently acquired mmWave spectrum over four further equal annual instalments. Full payment for any licences awarded in the upcoming 850 and 900 MHz spectrum auction is expected in late FY24.

I will return in a moment to further investments for growth above BAU capex.

In addition to capex discipline, there are several areas of additional focus that will benefit cash.

Enduring working capital improvements will benefit cash. We will continue to manage mobile handset receivables and focus on initiatives to deliver ongoing improvements in working capital across inventory management, receivables and payables.

Reducing leases will benefit cash. As flagged at our full year results, given our shift to hybrid working, we continue to assess our property requirements and may exit some leases early. This may have a short-term negative impact on D&A but should result in financial benefits over time.

Reducing finance costs will also benefit cash. Finance costs paid have been reducing due to both reductions in net debt and lower average borrowing costs. We expect this trend to continue as high-cost debt matures.

In addition to our focus on converting EBITDA into cash, we expect cashflow to remain ahead of accounting earnings, largely due to structurally lower capex than D&A.

In FY21, capex was $1.4 billion lower than our D&A of $4.5 billion.

After adjusting D&A for $532 million of lease depreciation, and $239 million of spectrum amortisation, capex was around $700 million lower.

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We expect that business-as-usual capex will continue to be around $600 million lower than adjusted D&A, due to historically higher capex and mix of asset lives.

Cashflow remaining ahead of earnings provides flexibility for further investment and capital management that I will discuss shortly.

Turning to the fourth block of our financial strategy, active portfolio management to unlock value on slide 53.

SLIDE 53 – Active portfolio management to unlock value and manage our Balance Sheet

We have a strong record of generating additional cash, unlocking value and managing our Balance Sheet.

We illustrated this through T22 with our successful monetisation of $2 billion of assets.

We have also now completed the sale of a 49 per cent non-controlling stake in our towers business. The transaction valued Amplitel at $5.9 billion, representing an FY21 pro forma EV to EBITDA after leases multiple of 28x. Net cash proceeds were $2.8 billion.

On Telstra InfraCo more broadly, we are delivering on the promises we made in our T22 strategy to provide greater transparency of our infrastructure assets, improve the efficiency of how we manage those assets, and provide optionality in an evolving industry.

This optionality includes ensuring InfraCo Fixed is ready to explore future monetisation or other opportunities.

Across our portfolio we also retain the discipline to grow or exit investments dependent on their ability to exceed ROIC targets. We will take an active approach to portfolio management to unlock value.

Now that I have taken you through how we will drive underlying EBITDA growth, cash generation and unlocking value, I will turn to the fifth block of our financial strategy and our capital management framework on slide 54.

SLIDE 54 – Capital management framework

We will continue to apply fiscal discipline and use this framework to manage capital and deliver shareholder value.

The objectives of the capital management framework are to maximise returns for shareholders, maintain financial strength and retain financial flexibility. These objectives are unchanged.

The framework includes four principles and we have made changes to three of them effective from today.

The first principle is a commitment to balance sheet settings consistent with an A band credit rating. This commitment is unchanged, as it continues to be important to shareholders and debtholders.

The A band credit rating demonstrates the strength of our business, and provides continued access to global low-cost capital.

The second principle is to maximise our fully-franked dividend, and seek to grow over time.

This principle reflects continued feedback from shareholders of the importance of our fully franked dividend.

It also reflects our intention to return as much cashflow to shareholders via fully franked dividends which can be sustainably supported by earnings and franking, while also balancing the objectives and principles of the capital management framework.

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We are confident in maintaining a minimum 16 cents per share fully franked dividend, subject to no unexpected material events and the requirements of our capital management framework. However, our franking balance is low.

We reported FY21 EPS of 15.6 cents and underlying EPS of 9.7 cents. We need to grow underlying earnings in line with our financial ambitions, and grow our franking balance in order to grow fully-franked dividends.

This replaces our previous principle to pay fully-franked ordinary dividend of 70-90% of underlying earnings.

We have replaced this principle because we expect our cashflow to remain ahead of accounting earnings, and we are focussed on growing underlying earnings into our total dividend.

The split of ordinary dividend funded by underlying earnings, and special dividend funded by net one off nbn receipts becomes less relevant in the future. We remain committed to returning in the order of 75 percent of net-one-off nbn receipts, however we expect FY22 to be the last year of special dividend funded by the nbn receipts.

The third principle is ongoing business-as-usual capex of around $3 billion per annum excluding spectrum, as I have already discussed.

Turning to the last principle of our capital management framework – to invest for growth and return excess cash to shareholders – on slide 55.

SLIDE 55 – Invest for growth and return excess cash to shareholders

This replaces our principle to “maintain flexibility for portfolio management and strategic investment”.

The new principle is more specific, and illustrates our intention to use the flexibility provided by our cashflow being greater than earnings, to invest for growth and deliver additional returns to our shareholders.

We expect to generate excess cashflow, after capital is deployed in accordance with the first three principles of our capital management framework.

With excess cash, our focus then shifts to investing for growth and returning excess cash to our shareholders.

When we invest for growth, we will continue to be disciplined and apply our previously communicated criteria for organic and M&A opportunities.

Our criteria for organic opportunities are an NPV that is positive, using WACC and appropriate risk analysis.

Organic growth opportunities could include a long term or nation building infrastructure investment, or a major customer project. We are currently exploring opportunities in these areas.

Our criteria for M&A opportunities are:

- To be EPS accretive in year two
- To have a Return on Investment above our Weighted Average Cost of Capital by year three, and
- any acquisition needs to be more value accretive than a share buyback of a similar size

We preserve discretion to take advantage of longer term strategic opportunities where we expect them to deliver financial returns that exceed the cost of capital and long-term value creation for shareholders.

We expect to outlay around $450 million acquiring MedicalDirector and PowerHealth. We applied discretion acquiring MedicalDirector given its strategic significance to our Telstra Health portfolio.

Going forward on M&A, we expect our insourcing of retail channels will cost in the low hundreds of millions. We also continue to assess other M&A opportunities.

Turning to options for returning excess cash to shareholders. Our preference is to participate in options that involve the distribution of available franking credits.

If that is not possible, we will consider share buy-backs, capital returns and unfranked dividends. We have demonstrated this with our recent announcement of an up to $1.35 billion on-market buy-back from the proceeds from the sale of a 49% stake in Amplitel.

SLIDE 56 – We will deliver growth through our T25 strategy

To conclude.

Over the last three years we laid the foundations for growth and to take advantage of the opportunities ahead.

We are now a simpler, leaner and a more digital company compared to where we started T22.

We are also a market leader with unparalleled scale, brand and network.

We are values based and focused on doing business responsibly.

We have world class infrastructure assets and we will deliver further value from them.

We are excited by the future with FY21 marking an important inflection point for our financial performance.

We will deliver growth through our T25 strategy by staying disciplined and focused.

By continuing to build financial momentum across our portfolio to deliver growth.

By delivering $500 million net fixed cost reduction from FY23 to FY25 while investing for growth.

By having a strong balance sheet and focussing on cash conversion and generation.

By being active in portfolio management to unlock value.

And by creating shareholder value through our growth strategy and updated capital management framework.

I will now hand over to Nathan to take us through Q&A.

[END]

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