Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Sydney, 24 August 2023

TPG Telecom Limited Results for Half-Year Ended 30 June 2023 – Investor Presentation

Please find attached for immediate release to the market an Investor Presentation concerning TPG Telecom Limited's financial results for the half-year ended 30 June 2023.

Iñaki Berroeta, Chief Executive Officer and Managing Director, and Grant Dempsey, Group Chief Financial Officer, will present TPG Telecom's results via webcast, followed by a live question-and-answer session at 10.30am (Sydney time), on Thursday, 24 August 2023.

Webcast link: https://kapara.rdbk.com.au/landers/7e04f9.html

The recorded presentation will also be made available on the TPG Telecom website after the event.

Authorised for lodgement with ASX by:

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Company Secretary
TPG Telecom Limited

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TPG Telecom Limited

Half-Year Results

24 August 2023

Acknowledgement of Country

‘Listening to Land - Connecting to Country’ by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji), We are 27 Creative.

TPG Telecom acknowledges the Traditional Custodians of Country throughout Australia and the lands on which we and our communities live, work and connect.

We pay our respects to their Elders, past and present.

Agenda

Results highlights and business update	• Iñaki Berroeta Chief Executive Officer and Managing Director
Review of financial performance	• Grant Dempsey Chief Financial Officer
Strategy and outlook	• Iñaki Berroeta Chief Executive Officer and Managing Director

Results highlights and business update

Iñaki Berroeta

Chief Executive Officer and Managing Director

HY23 highlights: strong first-half result drives upgrade to earnings guidance as TPG transformation continues

Mobile service revenue growth continues: Postpaid plan refresh delivering strong ARPU improvement

Fixed profitability continues to improve in highly competitive NBN market: driven by strong growth of Fixed Wireless services

Enterprise, Government & Wholesale growth: driven by strong customer wins and on-net Fast Fibre demand

Strengthened balance sheet: bank debt refinancing delivers diversification and extension of maturity

Unlocking value of fixed infrastructure: proposed sale to Vocus has potential to release material upside for TPG shareholders

Regional mobile network: continuing to explore infrastructure sharing to deliver greater competition for Australia

Upgraded earnings guidance: FY23 EBITDA excluding transformation costs now expected to be $1,925m to $1,950m[1]

1. Assuming no material change to operating conditions. Guidance now absorbs $20 million to $25 million of one-off transaction costs relating to strategic projects, of which $17 million was incurred in HY23, but excludes other transformation costs now estimated at $35 million to $40 million, of which $16 million was incurred in HY23. Guidance excludes any impact of material one-offs, mergers and acquisitions, disposals, impairments, spectrum and such other items as determined by the Board and management.

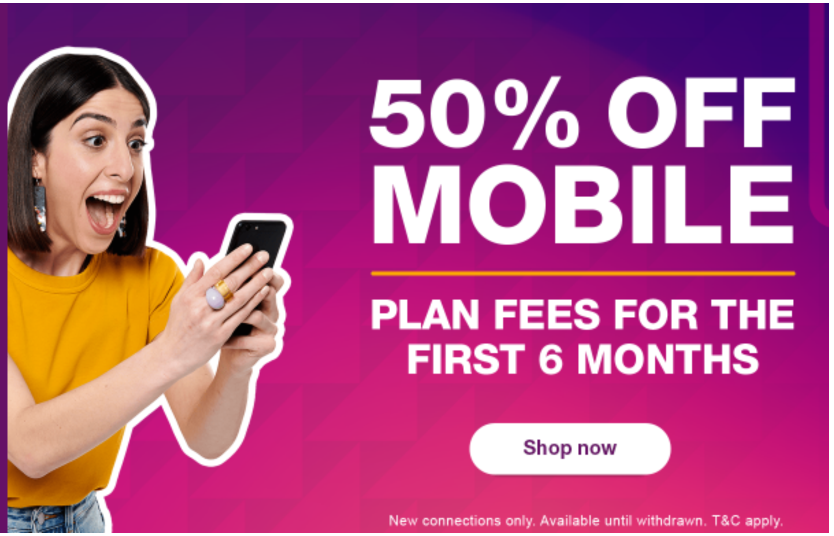
Connecting our customers with great offers and plans

Connect better with iiNet's award-winning services

- Fibre Connect launched on 9 August

TPG delivers simple and great value services

- Fibre Connect launching in September



Vodafone continues to bring innovation and better value

- Home of trade-in
- Partnership with Live Nation

HY23 financial summary: strong EBITDA growth supported by service revenue gains and strong cost performance

Metric	HY22	HY23	Change	Commentary
Service revenue	$2,190m	$2,288m	4.5%	Driven by Consumer Mobile and EGW
Gross margin	$1,380m	$1,526m	10.6%	Service revenue growth plus lower cost of sales
Operating expense	$(543)m	$(585)m	7.7%	Inc. $16m of transformation costs and $17m of transaction costs
EBITDA	$837m	$941m	12.4%	$974m excluding transformation and transaction costs
NPAT	$167m	$48m	(71.3%)	HY22 NPAT was $57m excluding tax credit of $110m
EPS excl. customer base amortisation and benefits of income tax credit[1]	6.1 cps	5.6 cps	(8.2%)	Impacted by higher interest costs
Capital expenditure	$(485)m	$(670)m	38.1%	Cash outcome impacted by payment timing and mix differences
Operating Free Cash Flow[2]	$(49)m	$(62)m	(26.5%)	Included $214m impact from handset receivables financing unwind
Adjusted NPAT[3]	$331m	$320m	(3.3%)	
DPS (cents)	9.0 cps	9.0 cps	—%	Reflects payout ratio of 52.3% of Adjusted NPAT
Return on Invested Capital[4]	5.1%	6.1%	1.0 pp	Reflects earnings improvement on broadly flat capital base

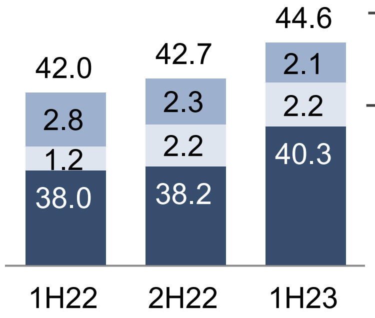
1. Calculated as profit before tax before one-off tax benefits and adding back customer amortisation and adjusted by notional 30% tax rate
2. Refer to slide 31 for reconciliation between statutory cash flow from operating activities and Operating Free Cash Flow.
3. Adjusted NPAT adds back transformation and transaction costs, customer base intangible amortisation, spectrum amortisation and non-cash tax expense. Refer to slide 33 for reconciliation of statutory NPAT to Adjusted NPAT.
4. Return on Invested Capital measures net operating profit after tax adjusted to remove customer base amortisation, divided by average invested capital excluding goodwill and customer base intangibles. Refer to slide 34 for detail calculations.

Mobile service revenue: Postpaid plan refresh and simplified offerings fuelling growth

Average Revenue Per User (ARPU) ($)

Subscribers (‘000)

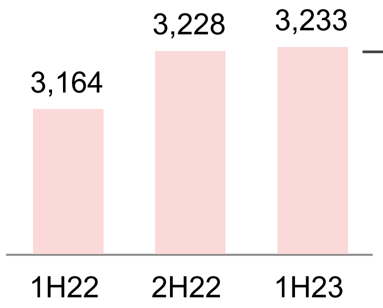
Postpaid



Up 6.2% vs. 1H22

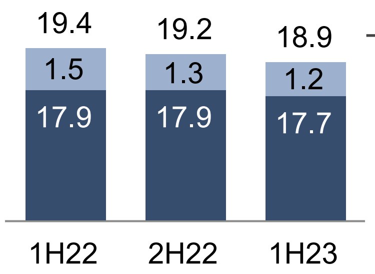
Excluding incoming ARPU[1], up 8.4% vs. 1H22

Int. roaming ARPU at c.85% vs. Dec 19



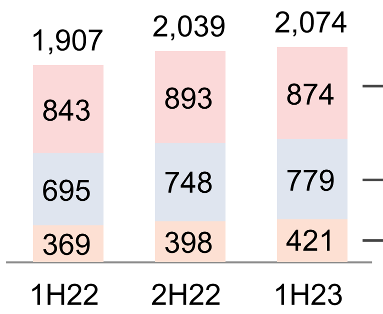
Up 5k vs. 2H22, customer growth moderated following plan refresh

Prepaid[2]



Down 2.6% vs. 1H22

Excluding incoming ARPU[1], down 1.1% vs. 1H22



Down 19k vs. 2H22, churn elevated as short-term travellers exit the base

Up 31k vs. 2H22, Lebara continues to be popular among international travellers

Up 23k vs. 2H22, improved execution on cross-selling into the fixed base

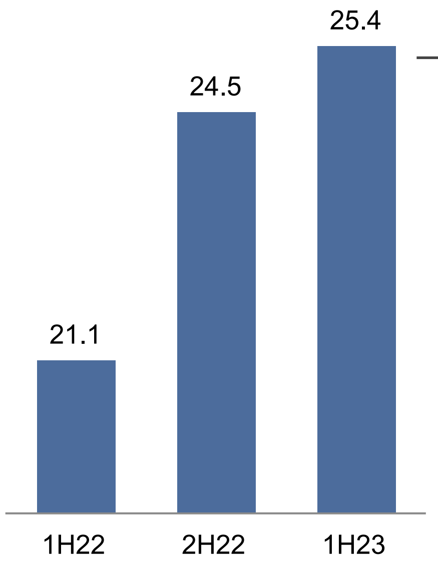
International roaming ARPU | Incoming ARPU | Core Mobile ARPU

Vodafone[3] | Lebara, felix, Kogan | TPG, iiNet

1. Reflects change in intercarrier Multimedia Messaging Service fees in 2022, which is offset against lower domestic intercarrier costs within cost of provision of telecommunication services, which decreased $0.5 per user across Postpaid and Prepaid compared with 1H22.
2. Prepaid ARPU restated in 1H22 and 2H22 to reflect removal of approximately 70,000 inactive customers on long-dated plans from Lebara base at December 2022 to align with classification in other TPG Telecom brands
3. Vodafone mobile subscribers include data sim only customers.

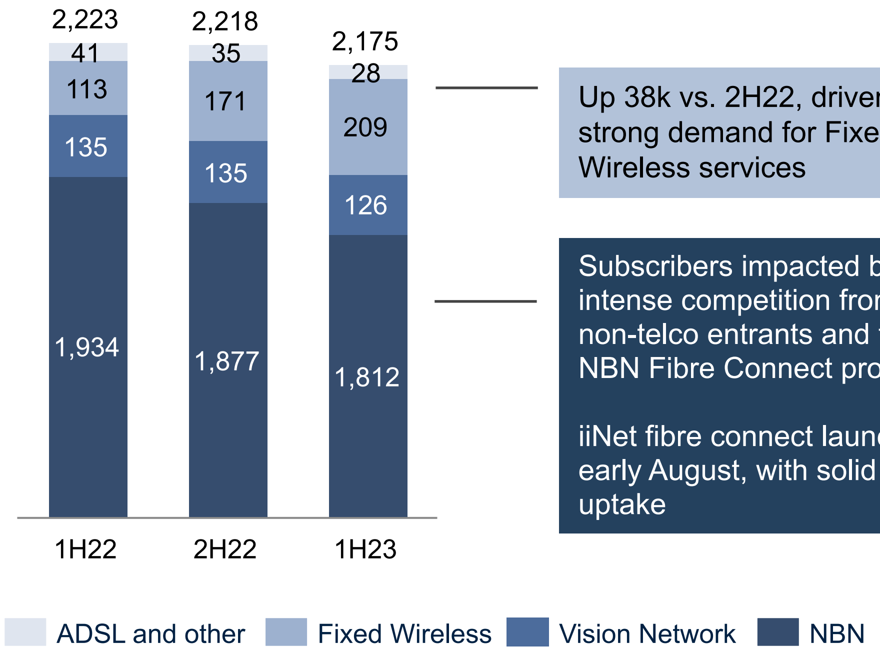
Fixed profitability: supported by Fixed Wireless growth and NBN plan repricing

Average Margin Per User (AMPU) ($)



Up 20.4% vs. 1H22, supported by a larger Fixed Wireless base and modest price increase for some NBN plans

Subscribers (‘000)



Up 38k vs. 2H22, driven by strong demand for Fixed Wireless services

Subscribers impacted by intense competition from non-telco entrants and the new NBN Fibre Connect program

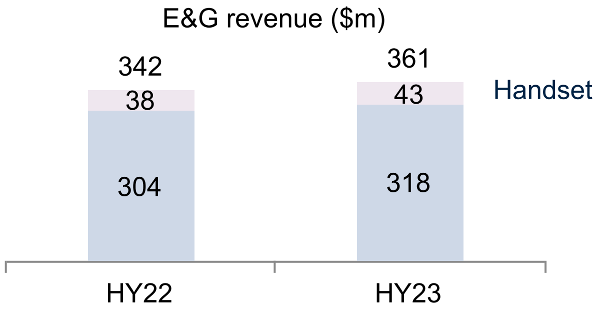
iiNet fibre connect launched in early August, with solid initial uptake

1. Average margin per user across all technologies.

Enterprise, Government & Wholesale: growth underpinned by customer wins and Fast Fibre demand

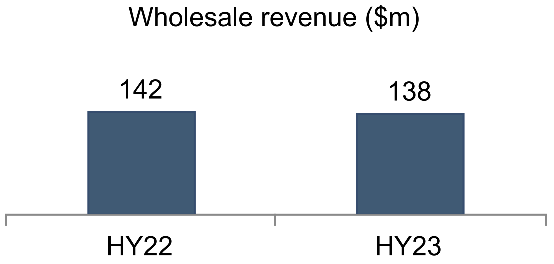
Enterprise & Government

- Enterprise & Government revenue up 5.6%, gross margin up 6.1%
- Supported by recurring on-net Fast Fibre and NBN Enterprise Ethernet sales
- Connectivity growth supported by managed services (e.g. SD-WAN)



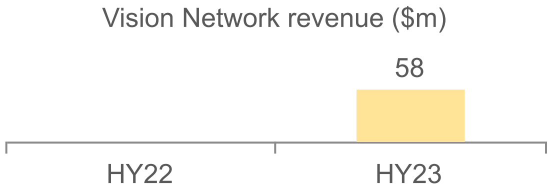
Wholesale excluding Vision Network

- Wholesale revenue down 2.8%, gross margin up 1.0%
- Continued growth in on-net Fast Fibre and NBN Enterprise Ethernet
- Partnership with MVNE platform drives new MVNO wins



Vision Network

- Vision Network revenue now recognised in Wholesale following functional separation from retail



...2023 continues with strong customer wins

healius

Secured contract for SD-WAN network transformation

VILLAGE ROADSHOW

Deployed connectivity modernisation across entertainment venues corporate sites

EzySim | imzi

New MVNO providers onboarded through Imzi partnership

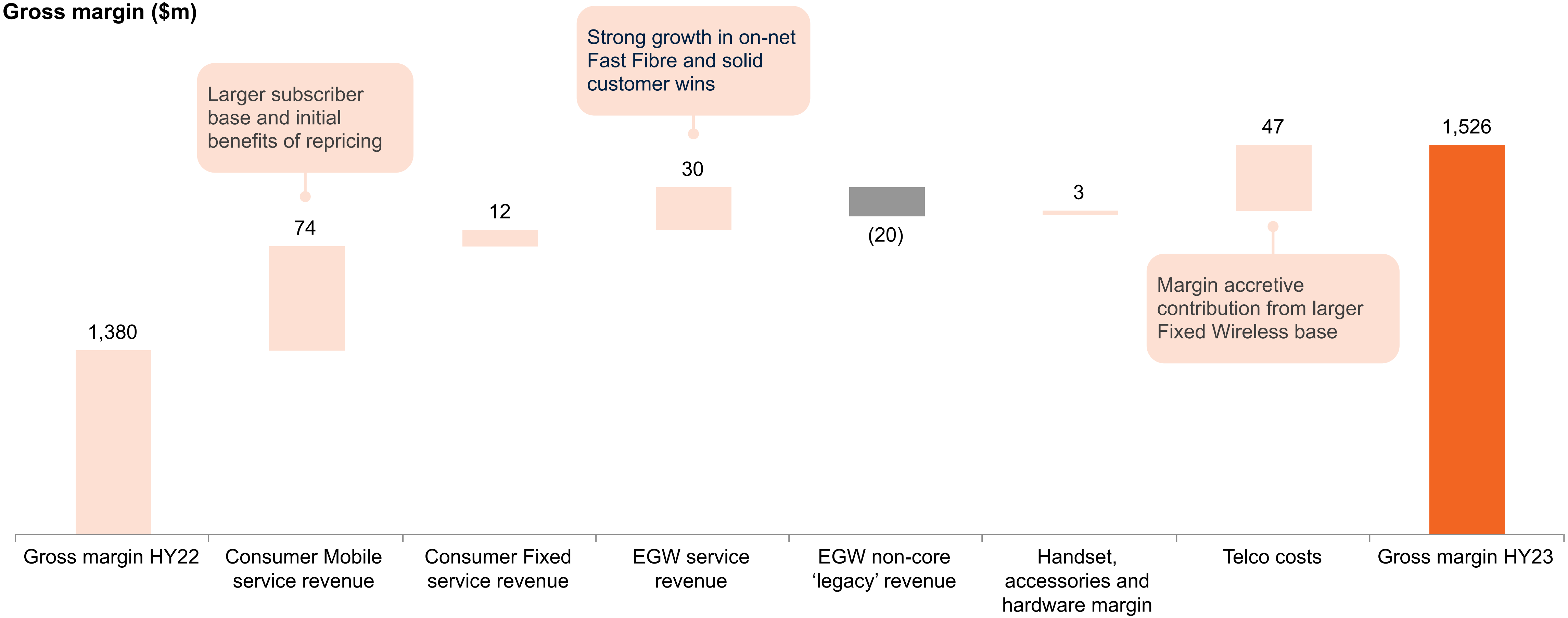
Review of financial performance

Grant Dempsey

Chief Financial Officer

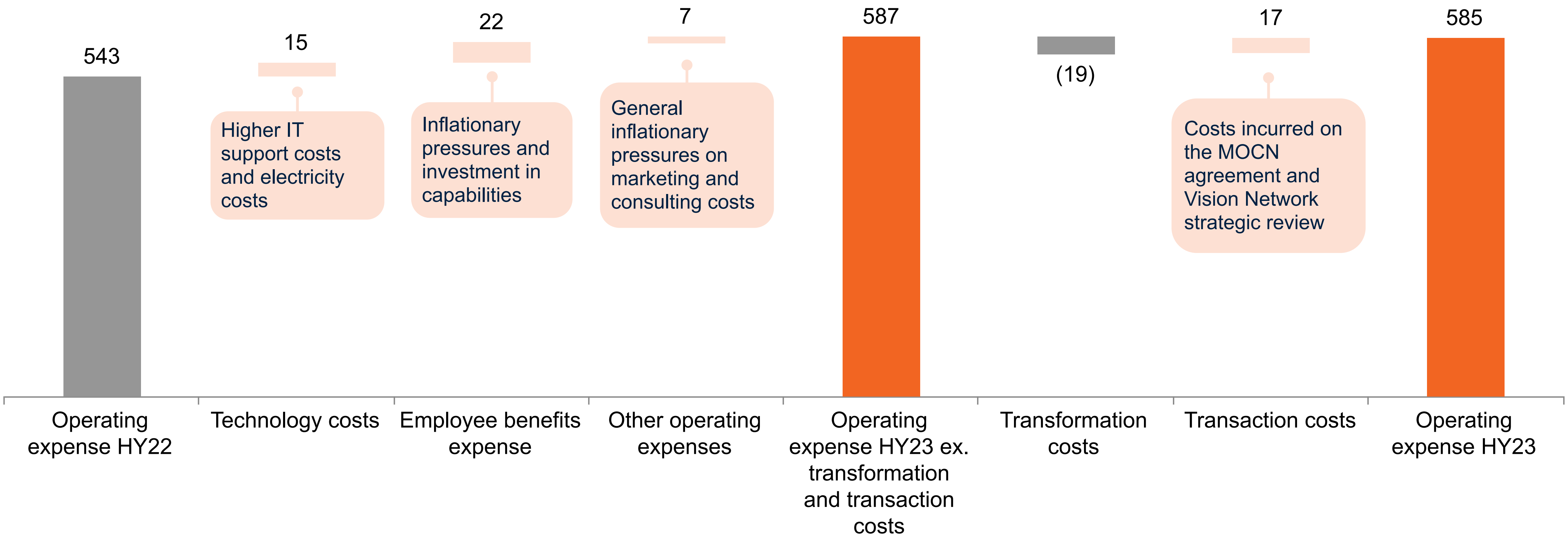
Gross margin: up 10.6%, driven by larger Mobile subscriber base and successful Postpaid plan refresh

Gross margin ($m)



Operating expense: inflationary pressures impacting employee and IT support costs

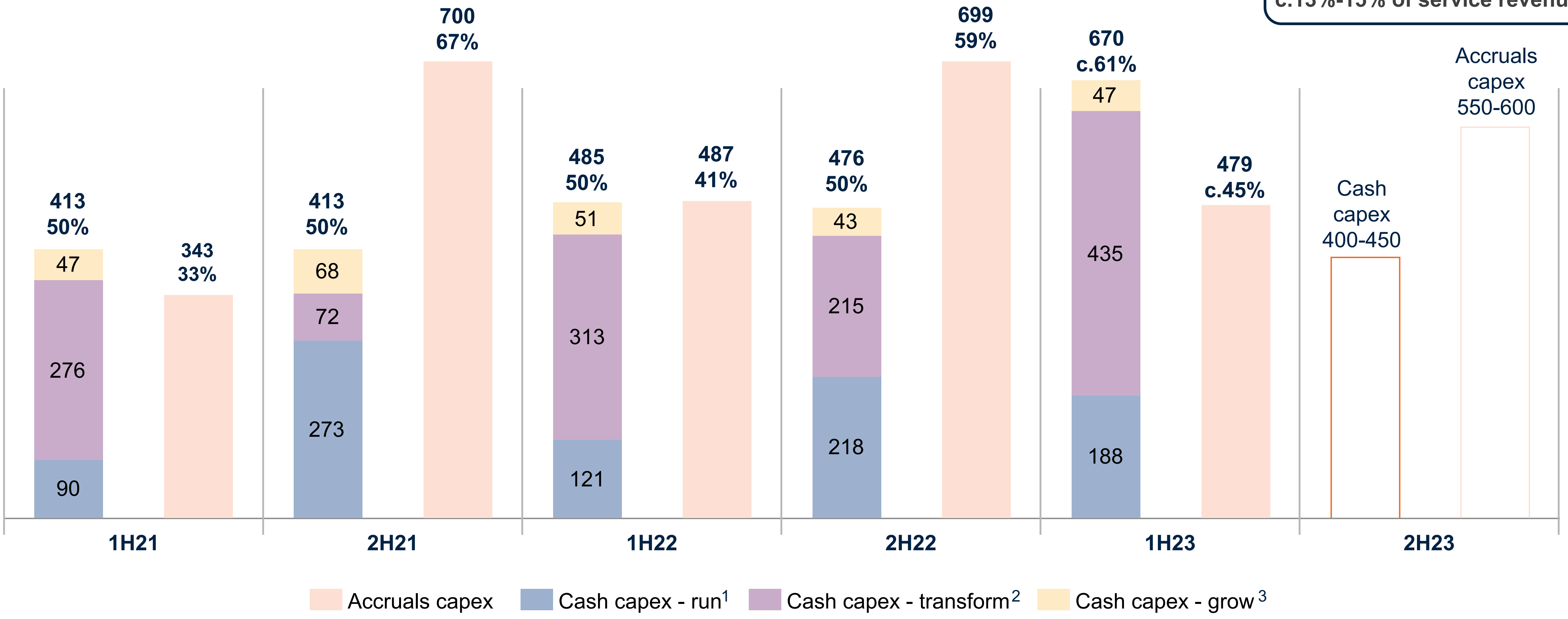
Operating expense ($m)



Capital expenditure: PP&E additions lower in 1H23 but cash outcome impacted by timing of payments

Capital expenditure ($m)

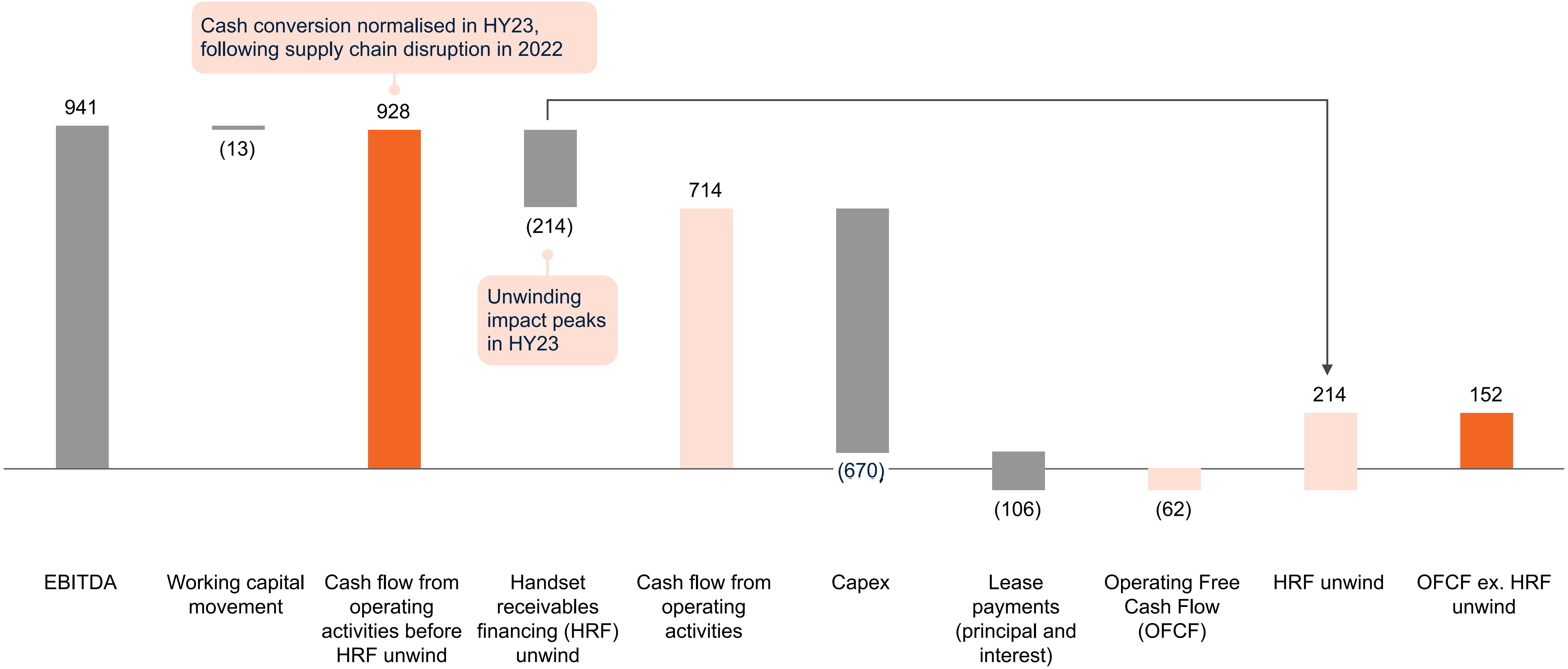
TPG anticipates post mid-2020s capital spend ex spectrum to be **c.13%-15% of service revenue**



1. Run capex is expenditure related to Sustaining business operation; continuously seeking increased efficiency.
2. Transform capex is expenditure related to transformational spend; current project 5G rollout and IT transformation.
3. Grow capex is expenditure related to investments in new assets and footprint, seeking incremental return.

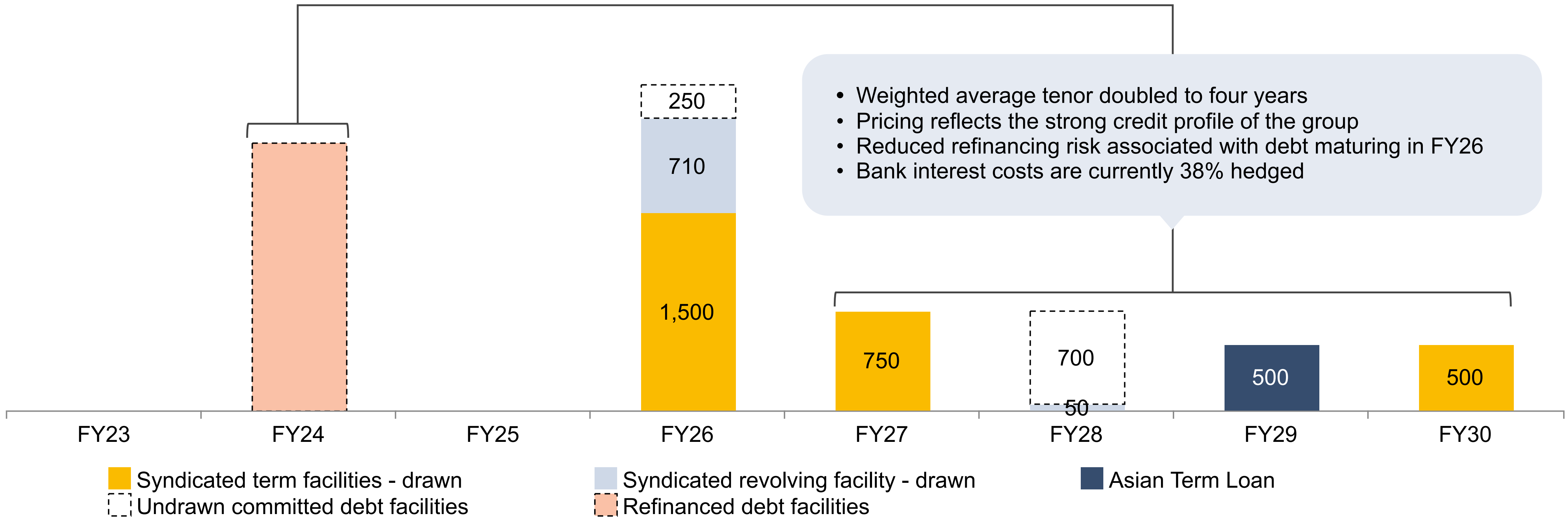
Cash flow: strong underlying performance excluding unwind of third-party handset receivables financing

Cash flow conversion bridge ($m)



Debt position: new debt facilities have diversified and extended TPG's borrowings at attractive rates

Debt maturity profile as at 21 August 2023 ($m)



- Weighted average tenor doubled to four years
- Pricing reflects the strong credit profile of the group
- Reduced refinancing risk associated with debt maturing in FY26
- Bank interest costs are currently 38% hedged

Disciplined capital allocation framework: will drive growth and return aspirations

Recurring capital management			Value maximisation levers			
Sustaining investment	**Strong balance sheet**	**Annual dividend to shareholders**	Enhanced portfolio management	Transformation investment	Growth investment	Additional return to shareholders
Clear disclosure of capex required to **run the business** Continuously drive efficiency	Financial leverage consistent with **sector benchmarks** Appropriate **risk management** practices **Optimal mix** of borrowing types and tenors	Utilise **tax position** for sustainable shareholder benefit Dividend policy to pay at least **50% of Adjusted NPAT**[1] Opportunity to review policy in context of potential Vocus transaction, residual tax loss and franking credit balances	Optimise asset **sharing, utilisation and financing** structures Continual assessment of **core/ non-core** asset ownership	Invest in **value-enhancing** capabilities and platforms (e.g. network elements and IT architecture)	Develop and **extend business** and asset footprint to support customer delivery	

1. Adjusted NPAT adds back transformation and transaction costs, customer base intangible amortisation, spectrum amortisation and non-cash tax expense. Refer to slide 33 for reconciliation of statutory NPAT to Adjusted NPAT.

Earnings guidance: upgraded to top quartile of previous range following strong first-half result

	HY23	Previous FY23 guidance	**Updated FY23 guidance[1]**
EBITDA	$957m excl. material one-offs and transformation costs	$1,850m to $1,950m excl. material one-offs and transformation costs	**$1,925m to $1,950m** excl. material one-offs and transformation costs
Transaction costs included in EBITDA guidance	$17m		**$20m to $25m** absorbed within EBITDA range
Transformation costs[2] excluded in EBITDA guidance	$16m	c.$50m	**$35m to $40m**
Capex	Incurred $479m Cash $670m	c.$1b	**Incurred c.$1.05b** **Cash c.$1.1b**

1. Assuming no material change to operating conditions. Guidance now absorbs $20 million to $25 million of one-off transaction costs relating to strategic projects, of which $17 million was incurred in HY23, but excludes other transformation costs now estimated at $35 million to $40 million, of which $16 million was incurred in HY23. Guidance excludes any impact of material one-offs, mergers and acquisitions, disposals, impairments, spectrum and such other items as determined by the Board and management.
2. Transformation costs in operating expense.

Strategy and outlook

Iñaki Berroeta

Chief Executive Officer and Managing Director

Strategic focus: evolving as market recovery continues and transformation accelerates

Three guiding principles

Integrate and simplify

Moving from post-merger planning and integration to **implementation of customer experience simplification** targeting $140m of cash benefit per annum from FY27

Win smart

Infrastructure sharing focus to continue as **TPG targets greater choice for customers and better returns for shareholders**

Maximise our potential

Potential monetisation of fixed infrastructure assets would unlock value and **create a leaner, more focused TPG**

Underpinned by our ambition: to be **Australia's best telco** for our customers, shareholders, our people, and the community

Customer experience simplification expected to unlock long-term financial and operational efficiencies

Strengthening our customer value proposition

- Capex of ~$80m in FY24 and FY25 funded within existing TPG capex forecasts to mid-2020s
- Opex of $15m-$20m per annum in each of FY24 and FY25

Future state: lower cost-to-serve and improved customer experience

~$140m
cash benefits per annum from FY27

Split relatively evenly across:
- EBITDA benefits
- recurring capex savings

We are building Australia's best telco by...

Simplifying plans and products
- **Clear consumer focus with fewer brands**
- **Targeting c.100 plans and products** down from c. 6,000

Increasing digitisation of customer experience
- **Significant improvement** in digital interface and care
- **Removal of cross-selling constraints**

Modernising IT platforms
- **Single billing system for Consumer,**
  Single billing system for EGW, down from 11
- **Cloud-first approach** to reduce cost of ownership
- **Modern, nimble, and scalable** IT systems

Mobile network update: continuing to explore infrastructure sharing to extend network reach

tpg TELECOM

- **More than 2,500 TPG sites now converted to 5G, over half of metro network**[1]
- **TPG will not seek a judicial review** of Australian Competition Tribunal decision not to authorise the regional network sharing proposal with Telstra
- **Plans to upgrade approximately 250 additional sites to 5G within the 80%–90% population area**
- **TPG will continue to explore alternative sharing options** to expand its network beyond existing 96% population coverage
- **Sharing of active network infrastructure is the most economic solution for coverage in regional Australia**

1. Metro network covers 0% to 80% of Australian population.

Potential Vocus transaction: reflects TPG's objective to unlock value from fixed infrastructure assets

Potential transaction announced 1 August 2023

- Vocus Group has made an indicative, highly conditional, non-binding offer to acquire certain of TPG's Enterprise, Government and Wholesale fixed operations, plus TPG's fixed infrastructure assets, including Vision Network.
- Offer price of approximately $6.3 billion (based on highly provisional indicative EBITDA perimeter of approximately $550 million).
- **Exclusive due diligence until 6 September:** discussions between the parties remain incomplete and transaction terms are subject to ongoing negotiation. The Board of TPG has not made any decision to accept any offer, and there is no certainty an agreed transaction will eventuate.

Strategic rationale and potential benefits

Would bring together highly complementary set of assets

TPG Telecom would become leaner and more focused

Potential to deliver step change in TPG's financial position

Growth drivers: strong FY23 operating momentum with transformation creating a simpler, smarter company

FY23

Building on solid operating foundations

Postpaid mobile plans refresh to support rebalance from volume to value growth

International roaming recovery, strong global brand

Focus on Fixed profitability through Fixed Wireless and launch of NBN Fibre Connect

Enterprise Govt. and Wholesale growth supported by on-net Fast Fibre and managed services

Maintain cost advantage in inflationary environment

FY24-FY27

Focus on continuing EPS and ROIC improvement

Continued growth in underlying demand across telco conditions

Delivery of simpler customer offerings and experiences

Targeted c. $140m per annum of cash benefits from simplification

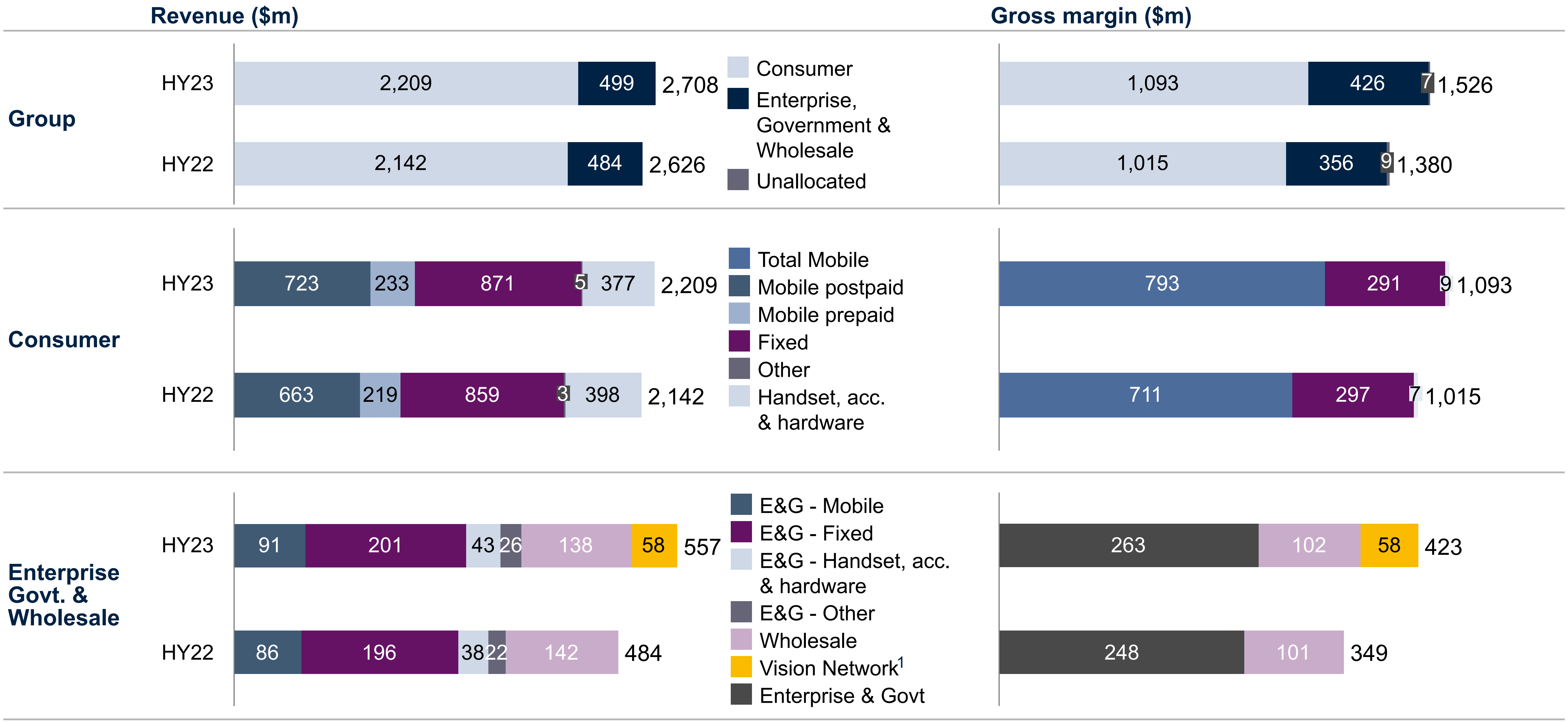
Completion of 5G upgrade plus exploration of network sharing options to optimise capital investment

Unlocking value of fixed infrastructure assets

Questions and Answers

Appendices

Revenue and gross margin by product



1. Following the functional separation undertaking completed in October 2022, Vision Network wholesale revenue is being recognised in Enterprise, Government and Wholesale segment which is eliminated at the group level.

Gross margin breakdown by half-year period

$m	CONSUMER Reported 1H22	Reported 2H22	Reported 1H23	Change vs 1H22	Change vs 2H22
Service revenue	1,744	1,796	1,832	5.0%	2.0%
Handset, accessories and hardware	398	479	377	(5.3)%	(21.3)%
Total revenue	2,142	2,275	2,209	3.1%	(2.9)%
Other income					
Telco costs	(736)	(713)	(748)	1.6%	4.9%
Cost of handsets sold	(391)	(487)	(368)	(5.9)%	(24.4)%
Gross margin	1,015	1,075	1,093	7.7%	1.7%
Hardware gross margin ($m)	7	(8)	9	28.6%	(212.5)%
Service gross margin ($m)	1,008	1,083	1,084	7.5%	0.1%
Service gross margin (%)	57.8%	60.3%	59.2%	1.4 pp	(1.1 pp)

$m	ENTERPRISE, GOVERNMENT & WHOLESALE Reported 1H22	Reported 2H22	Reported 1H23	Change vs 1H22	Change vs 2H22
Service revenue	446	453	456	2.2%	0.7%
Handset, accessories and hardware	38	61	43	13.2%	(29.5)%
Total revenue	484	514	499	3.1%	(2.9)%
Other income	3	4	3	—%	(25.0)%
Telco costs	(94)	(91)	(93)	(1.1)%	2.2%
Cost of handsets sold	(37)	(59)	(41)	10.8%	(30.5)%
Gross margin	356	368	368	3.4%	—%
Hardware gross margin ($m)	1	2	2	100.0%	—%
Service gross margin ($m)	355	366	366	3.1%	—%
Service gross margin (%)	79.6%	80.8%	80.3%	0.7 pp	(0.5 pp)

$m	INTER-SEGMENT AND OTHER UNALLOCATED Reported 1H22	Reported 2H22	Reported 1H23	Change vs 1H22	Change vs 2H22
Service revenue	—	—	58		
Handset, accessories and hardware	—	—	—		
Total revenue	—	—	58		
Other income	10	421	8	(20.0)%	(98.1)%
Telco costs	(1)	(1)	(59)	n.m[1]	n.m[1]
Cost of handsets sold	—				
Gross margin	9	420	7	(22.2)%	(98.3)%
Hardware gross margin ($m)	—	—	—		
Service gross margin ($m)	9	420	7	(22.2)%	(98.3)%
Service gross margin (%)					

$m	GROUP Reported 1H22	Reported 2H22	Reported 1H23	Change vs 1H22	Change vs 2H22
Service revenue	2,190	2,249	2,288	4.5%	1.7%
Handset, accessories and hardware	436	540	420	(3.7)%	(22.2)%
Total revenue	2,626	2,789	2,708	3.1%	(2.9)%
Other income	13	425	11	(15.4)%	(97.4)%
Telco costs	(831)	(805)	(784)	(5.7)%	(2.6)%
Cost of handsets sold	(428)	(546)	(409)	(4.4)%	(25.1)%
Gross margin	1,380	1,863	1,526	10.6%	(18.1)%
Hardware gross margin ($m)	8	(6)	11	37.5%	(283.3)%
Service gross margin ($m)	1,372	1,869	1,515	10.4%	(18.9)%
Service gross margin (%)	62.6%	83.1%	66.2%	3.6 pp	(16.9 pp)

1. Not meaningful comparison

Income statement summary

$m	HY22	HY23	Change
Service revenue	2,190	2,288	4.5%
Handset, accessories & hardware	436	420	(3.7)%
Total revenue	2,626	2,708	**3.1%**
Other income	13	11	(15.4)%
Cost of provision of telco services	(831)	(784)	(5.7)%
Cost of handsets sold	(428)	(409)	(4.4)%
Gross Margin	**1,380**	**1,526**	**10.6%**
Technology cost	(176)	(200)	13.6%
Employee benefits expense	(194)	(205)	5.7%
Other operating expenses	(173)	(180)	4.0%
EBITDA	**837**	**941**	**12.4%**
Depreciation and amortisation	(686)	(722)	5.2%
Results from operations	**151**	**219**	**45.0%**
Net financing costs	(70)	(150)	114.3%
Profit before income tax	**81**	**69**	**(14.8)%**
Income tax benefit/(expense)	86	(21)	(124.4)%
Net profit after tax	**167**	**48**	**(71.3)%**

Balance sheet summary

$m	31 DEC 2022	30 JUN 2023	Change
Cash and cash equivalents	114	82	(32)
Trade and other receivables	681	827	146
Inventories	155	126	(29)
Other current assets	83	97	14
Total current assets	1,033	1,132	**99**
Trade and other receivables	358	422	64
Property, plant and equipment	3,580	3,616	36
Right-of-use assets	1,527	1,540	13
Spectrum licences	2,010	1,875	(135)
Other intangible assets	10,653	10,588	(65)
Deferred tax assets	183	162	(21)
Other non-current assets	22	31	9
Total non-current assets	18,333	18,234	**(99)**
Trade and other payables	1,185	958	(227)
Contract liabilities	283	295	12
Borrowings	—	2,020	2,020
Lease liabilities	93	103	10
Other current liabilities	171	160	(11)
Total current liabilities	1,732	3,536	**1,804**
Borrowings	3,690	1,950	(1,740)
Lease liabilities	1,872	1,913	41
Other non-current liabilities	172	178	6
Total non-current liabilities	5,734	4,041	**(1,693)**

EBITDA to cash flow reconciliation

EBITDA TO NET CASH FLOW RECONCILIATION

$m	HY22	HY23	Contribution to change in cash flow
EBITDA	837	941	104
Handset financing movements	(128)	(214)	(86)
Working capital movements	(181)	(13)	168
Cash flow from operating activities	**528**	**714**	186
Cash tax paid	—	—	
Capital expenditure	(485)	(670)	(185)
Interest received	—	2	2
Net change in borrowings	170	280	110
Lease principal element	(61)	(56)	5
Net financing costs	(66)	(127)	(61)
Share payments – TPG employee incentive plan	(14)	(8)	6
Dividends paid	(158)	(167)	(9)
Net cash flow	**(86)**	**(32)**	54

CASH FLOW FROM OPERATING ACTIVITIES TO OPERATING FREE CASH FLOW (OFCF) RECONCILIATION

$m	HY22	HY23	Contribution to change in cash flow
Cash flow from operating activities	**528**	**714**	186
Cash tax paid	—	—	
Capital expenditure	(485)	(670)	(185)
Lease principal element	(61)	(56)	5
Lease interest costs	(31)	(50)	(19)
Operating Free Cash Flow	**(49)**	**(62)**	(13)

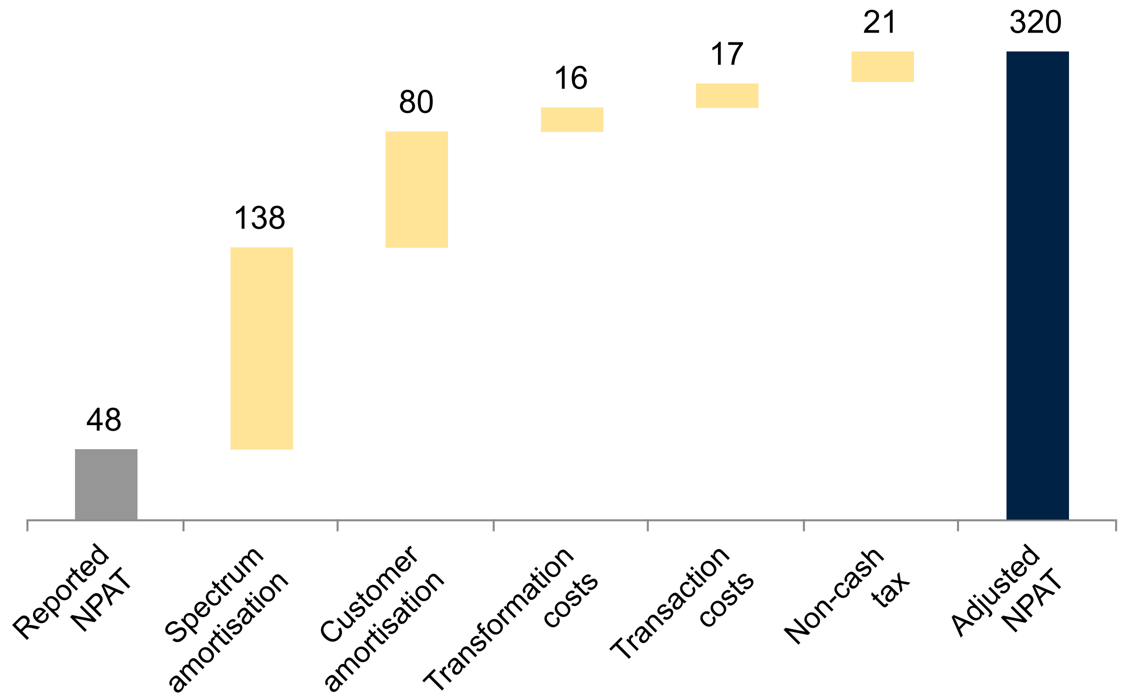
EBITDA to NPAT reconciliation

EBITDA TO NPAT RECONCILIATION

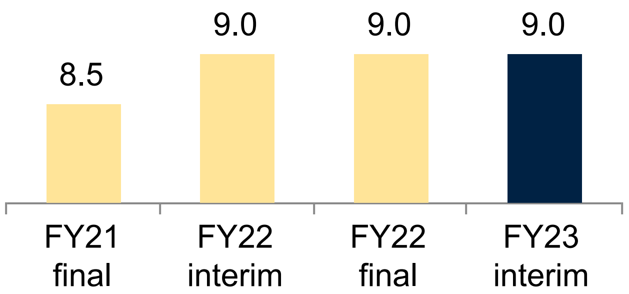
$m	HY22	HY23	Change
EBITDA	**837**	**941**	12.4%
Depreciation of PPE	(283)	(278)	(1.8)%
Depreciation of right of use assets	(62)	(95)	53.2%
Amortisation of Spectrum licence	(135)	(138)	2.2%
Amortisation of Customer base	(80)	(80)	—%
Amortisation of Other intangibles	(126)	(131)	4.0%
Net financing costs	(70)	(150)	114.3%
Income tax (expense)/benefit	86	(21)	(124.4)%
Reported NPAT	**167**	**48**	(71.3)%

Dividends

Reconciliation of statutory to Adjusted NPAT ($m)



Dividends (cps)



Interim dividend

9.0 cps

Fully franked[1]

Total dividend at % of Adjusted NPAT	
Number of ordinary shares	1,859m
Interim dividend	
Record date	**13 September 2023**
Payment date	**11 October 2023**

1. Dividend franking account balance as at 30 June 2023 was $205 million.

Return on Invested Capital

$m	HY22	HY23
Statutory EBIT	**151**	**219**
Add back acquired customer base amortisation	80	80
Adjustment for restructuring, transformation or transaction costs	35	33
EBIT adjusted for specific items	266	332
Notional tax	(80)	(100)
Net Operating Profit After Tax (NOPAT)	**186**	**232**
Total assets	19,084	19,366
Less current liabilities	(1,618)	(3,536)
Add back borrowings (current)	—	2,020
Add back lease liabilities (current)	49	103
Less cash	(116)	(82)
Remove DTAs	(311)	(162)
Remove customer base intangible	(1,367)	(1,207)
Remove goodwill	(8,515)	(8,515)
Capital invested	7,206	7,987
Average Capital Invested (ACI)	**7,333**	**7,597**
ACI for HY	**3,667**	**3,798**
RoIC (NOPAT ÷ ACI for HY)	**5.1%**	**6.1%**

Additional debt information

Funding cost increased in line with market rates

$m	HY22	HY23	comment
Weighted average bank funding cost	1.8%	5.0%	Prevailing rate of c.5.5% expected for 3Q23
Net bank interest expense	40	100	c.$6.5m impact for every ± 50 bps movements in BBSY for 2H23
Weighted average lease interest rate	4.3%	5.0%	
Lease interest cost[1]	30	50	
Net financing costs	70	150	

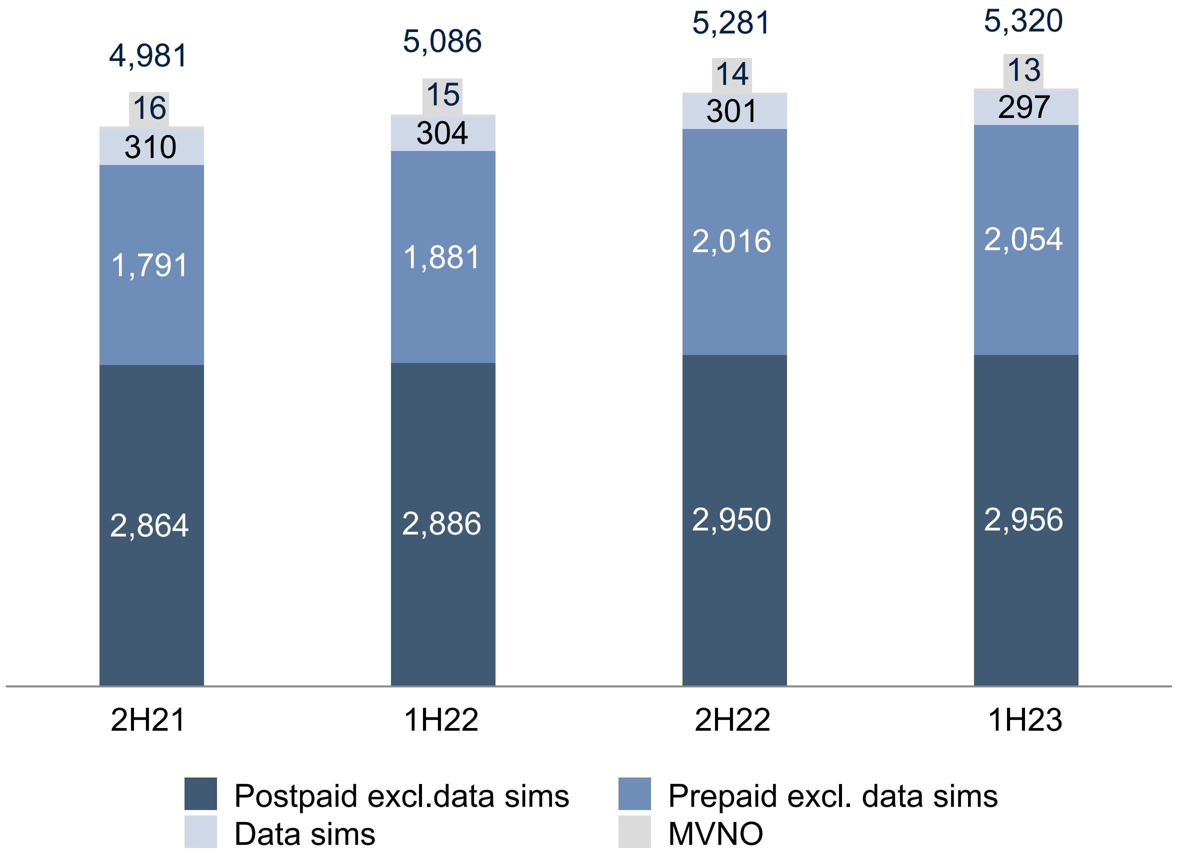
Handset financing continues to unwind over 2 years

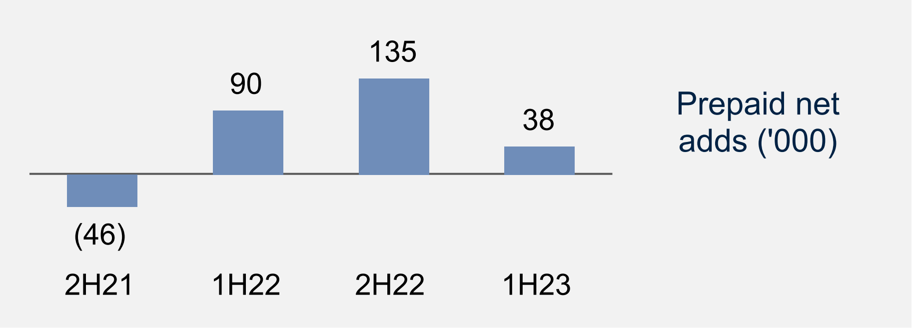
$m	FY22	HY23	comment
Debt balance	3,690	3,970	
Handset receivables financing	543	329	Balance is expected to unwind by c.$170m in 2H23, c.$100m in 1H24, c.$50m in 2H24 and c.15m in 1H25. These are current expectations and are subject to the Group's continuation of the strategy of financing handset receivables with bank borrowings.

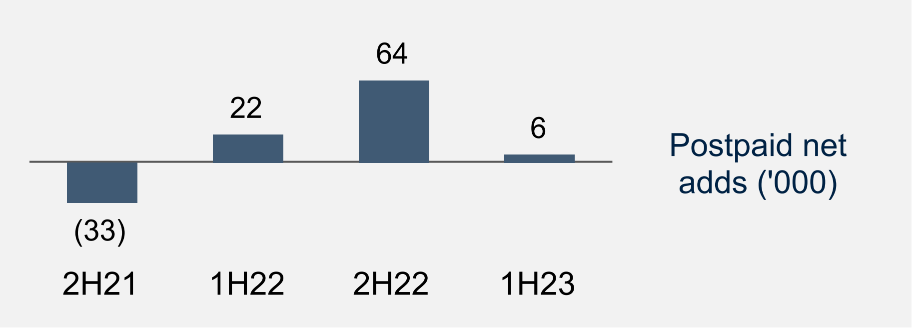
1. Income statement finance cost impacts of lease payments only. Total cash lease costs were $106 million in HY23.

Mobile subscribers

SUBSCRIBERS ('000)



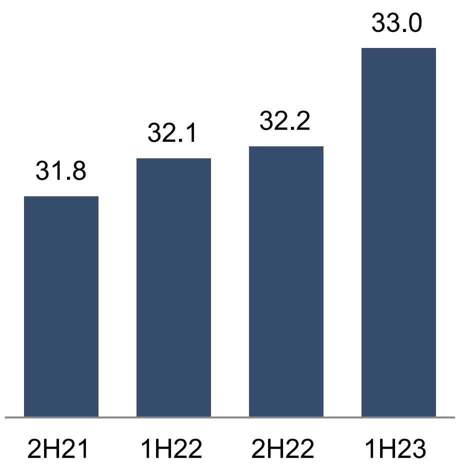




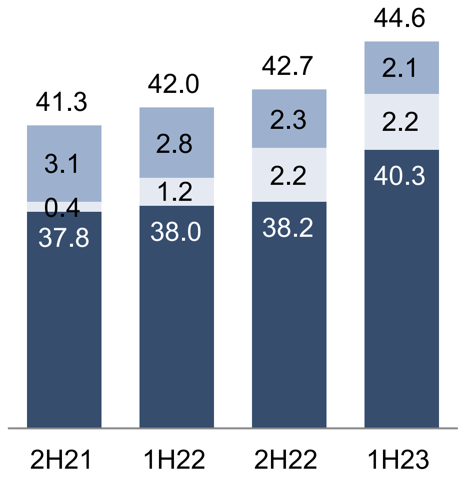
1. Prepaid & MVNO subscribers are calculated based on 'registered subscribers'. Registered subscribers include all subscribers who have had a chargeable event in the previous six months.
1. All periods restated to reflect removal of 70,000 inactive customers on long-dated plans from Lebara base at June 2022 to align with classification in other TPG Telecom brands.
2. Charts include all TPG and iiNet mobile subscribers regardless of whether the subscribers were on-net (i.e. on the group's network) or off-net at the time. 6k TPG/iiNet subscribers remained off-net as at 30 June 2022.
3. June 2020 and December 2020 Postpaid numbers have been re-stated down by c.4k and c.5k, respectively, as they previously included Fixed Wireless customers which have now been reclassified into Fixed broadband.

Mobile ARPU breakdown

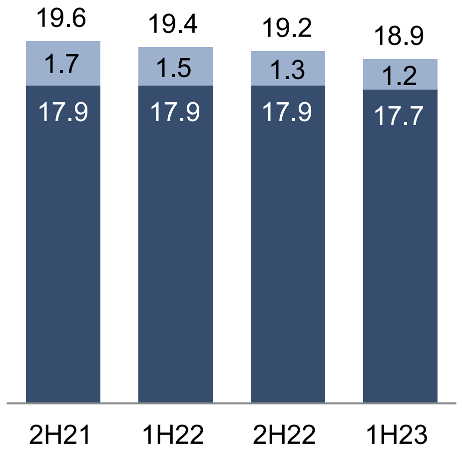
Overall Mobile ARPU ($/month)



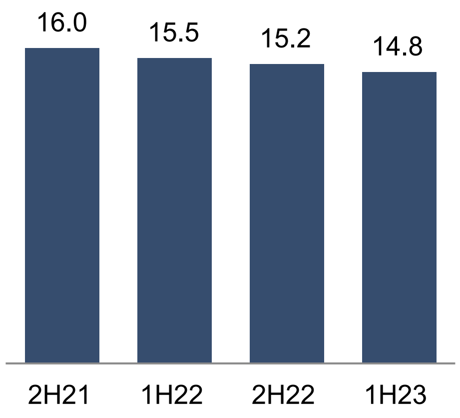
Postpaid Mobile ARPU ($/month)



Prepaid Mobile ARPU ($/month)[2]



Data sims ARPU ($/month)

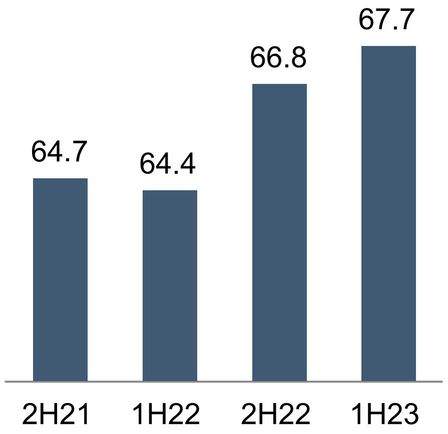


International roaming ARPU | Incoming ARPU | Core Mobile ARPU

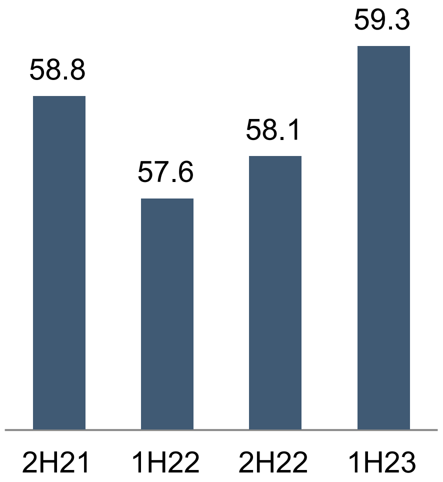
1. Reflects change in intercarrier Multimedia Messaging Service fees in 2022, which is offset against lower domestic intercarrier costs within cost of provision of telecommunication services, which decreased $0.5 per user across Postpaid and Prepaid compared with 1H22.
2. In 2H21,1H22 and 2H22 periods, Prepaid ARPU restated to reflect removal of approximately 70,000 inactive customers on long-dated plans from Lebara base at December 2022 to align with classification in other TPG Telecom brands

Fixed broadband ARPU breakdown

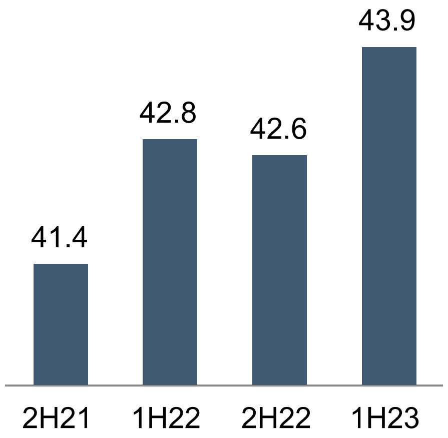
NBN ARPU ($/month)



Vision network ARPU ($/month)



Fixed Wireless ARPU ($/month)



1. ARPU = Average revenue per user. ARPU represents average of service revenue, net of discounts and excluding GST.
2. Multi-service credits are proportionately allocated between products.
3. Fixed ARPU restated to reflect a minor classification change of revenue categories and alignment with mobile ARPU calculation of average base.

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