

Spark New Zealand

Group result - reported

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Operating revenues and other gains	1,824	1,799	1,796	1,797	1,890	1,830	3,593	3,720	127	3.5%
Operating expenses	(1,327)	(1,189)	(1,296)	(1,178)	(1,352)	(1,218)	(2,474)	(2,570)	(96)	(3.9%)
EBITDAI	497	610	500	619	538	612	1,119	1,150	31	2.8%
Finance income	18	18	17	17	14	12	34	26	(8)	(23.5%)
Finance expense	(46)	(48)	(43)	(38)	(37)	(37)	(81)	(74)	7	8.6%
Depreciation and amortisation expense	(237)	(250)	(262)	(259)	(257)	(263)	(521)	(520)	1	0.2%
Net investment income	(1)	2	-	(1)	(1)	-	(1)	(1)	-	-%
Net earnings before income tax	231	332	212	338	257	324	550	581	31	5.6%
Tax expense	(69)	(78)	(65)	(104)	(78)	(93)	(169)	(171)	(2)	(1.2%)
Net earnings for the period	162	254	147	234	179	231	381	410	29	7.6%
Capital expenditure excluding spectrum	244	124	190	159	218	192	349	410	61	17.5%
Free cash flows excluding spectrum	50	388	113	320	183	113	433	296	(137)	(31.6%)
Reported EBITDAI margin	27.2%	33.9%	27.8%	34.4%	28.5%	33.4%	31.1%	30.9%	(0.2%)	
Reported effective tax rate	29.9%	23.5%	30.7%	30.8%	30.4%	28.7%	30.7%	29.4%	(1.3%)	
Capital expenditure to operating revenues and other gains	13.4%	6.9%	10.6%	8.8%	11.5%	10.5%	9.7%	11.0%	1.3%	
Reported basic and earnings per share (cents)	8.8	13.9	8.0	12.5	9.6	12.4	20.6	21.9	1.3	6.3%

Gross margin by product

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Mobile	405	424	407	430	437	467	837	904	67	8.0%
Voice	123	119	87	93	86	79	180	165	(15)	(8.3%)
Broadband	175	166	166	173	166	152	339	318	(21)	(6.2%)
Cloud, security and service management	173	175	179	179	176	167	358	343	(15)	(4.2%)
Procurement and partners	20	25	20	23	26	27	43	53	10	23.3%
Managed data, network and services	70	68	72	73	65	72	145	137	(8)	(5.5%)
Other product	15	33	28	42	33	47	70	80	10	14.3%
Total product gross margin	981	1,010	959	1,013	989	1,011	1,972	2,000	28	1.4%
Other gains	4	31	4	24	16	10	28	26	(2)	(7.1%)
Total gross margin	985	1,041	963	1,037	1,005	1,021	2,000	2,026	26	1.3%

Connections

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Mobile connections ¹	2,500	2,519	2,431	2,421	2,445	2,503	2,421	2,503	82	3.4%
Voice connections by type ²										
POTS and ISDN	288	220	197	168	140	113	168	113	(55)	(32.7%)
VoIP	54	61	69	69	69	66	69	66	(3)	(4.3%)
Voice over wireless	26	24	23	24	20	17	24	17	(7)	(29.2%)
	368	305	289	261	229	196	261	196	(65)	(24.9%)
Broadband connections by technology										
Copper	211	186	157	131	113	95	131	95	(36)	(27.5%)
Fibre	340	367	381	395	402	415	395	415	20	5.1%
Wireless ³	141	156	166	178	187	194	178	194	16	9.0%
	692	709	704	704	702	704	704	704	-	-%
IoT Connections	239	271	372	476	623	832	476	832	356	74.8%

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

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

³ FY21 wireless broadband connections have been restated to include data only connections of 2,394.

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Group FTE's

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
FTE permanent	5,119	4,983	4,961	4,889	4,921	4,924	4,889	4,924	35	0.7%
FTE contractors	200	146	121	150	190	208	150	208	58	38.7%
Total FTE	5,319	5,129	5,082	5,039	5,111	5,132	5,039	5,132	93	1.8%

Dividends

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Ordinary dividends (cents per share)	12.50	12.50	12.50	12.50	12.50	12.50	25.00	25.00	-	-%
Special dividends (cents per share)	-	-	-	-	-	-	-	-	-	-%
	12.50	12.50	12.50	12.50	12.50	12.50	25.00	25.00	-	-%

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Group operating revenues and other gains

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Operating revenues										
Mobile										
Service revenue	425	423	420	432	441	458	852	899	47	5.5%
Non-service revenue	228	212	231	228	237	215	459	452	(7)	(1.5%)
	653	635	651	660	678	673	1,311	1,351	40	3.1%
Voice										
Access	95	85	62	67	57	52	129	109	(20)	(15.5%)
Calling	79	81	71	67	70	68	138	138	-	-%
Other voice revenue	23	23	21	20	19	19	41	38	(3)	(7.3%)
	197	189	154	154	146	139	308	285	(23)	(7.5%)
Broadband ¹	345	335	337	333	324	315	670	639	(31)	(4.6%)
Cloud, security and service management	209	211	217	226	224	222	443	446	3	0.7%
Procurement and partners	207	200	236	178	301	237	414	538	124	30.0%
Managed data, network and services	134	143	140	142	140	143	282	283	1	0.4%
Other operating revenue ²	75	55	57	80	61	91	137	152	15	10.9%
Total operating revenues	1,820	1,768	1,792	1,773	1,874	1,820	3,565	3,694	129	3.6%
Other gains	4	31	4	24	16	10	28	26	(2)	(7.1%)
Total operating revenues and other gains	1,824	1,799	1,796	1,797	1,890	1,830	3,593	3,720	127	3.5%

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

² Other operating revenues includes revenues from Consumer, Business, Wholesale and other customer segments.

Operating revenues and other gains by customer segment

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Operating revenues and other gains										
Consumer	824	757	769	779	777	757	1,548	1,534	(14)	(0.9%)
Business	901	916	935	897	1,018	952	1,832	1,970	138	7.5%
Wholesale and other	99	126	92	121	95	121	213	216	3	1.4%
	1,824	1,799	1,796	1,797	1,890	1,830	3,593	3,720	127	3.5%

Finance income

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Finance income										
Finance lease interest income	7	6	6	7	6	3	13	9	(4)	(30.8%)
Other interest income	11	12	11	10	8	9	21	17	(4)	(19.0%)
	18	18	17	17	14	12	34	26	(8)	(23.5%)

Net investment income

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Net investment income										
Dividend income	-	-	-	-	-	-	-	-	-	-%
Share of associates' and joint ventures' net losses	(1)	2	-	(1)	(1)	-	(1)	(1)	-	-%
	(1)	2	-	(1)	(1)	-	(1)	(1)	-	-%

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Group operating expenses

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Product costs										
Mobile	248	211	244	230	241	206	474	447	(27)	(5.7%)
Voice	74	70	67	61	60	60	128	120	(8)	(6.3%)
Broadband	170	169	171	160	158	163	331	321	(10)	(3.0%)
Cloud, security and service management	36	36	38	47	48	55	85	103	18	21.2%
Procurement and partners	187	175	216	155	275	210	371	485	114	30.7%
Managed data, network and services	64	75	68	69	75	71	137	146	9	6.6%
Other product costs	60	22	29	38	28	44	67	72	5	7.5%
	839	758	833	760	885	809	1,593	1,694	101	6.3%
Labour	268	245	256	237	263	232	493	495	2	0.4%
Other operating expenses										
Network support costs	37	32	44	42	44	21	86	65	(21)	(24.4%)
Computer costs	49	49	51	50	55	56	101	111	10	9.9%
Accommodation costs	33	30	32	35	30	35	67	65	(2)	(3.0%)
Advertising, promotions and communication	47	31	44	28	34	26	72	60	(12)	(16.7%)
Bad debts	7	10	(1)	(6)	3	1	(7)	4	11	NM
Impairment expense	-	2	-	2	2	-	2	2	-	-%
Other	47	32	37	30	36	38	67	74	7	10.4%
	220	186	207	181	204	177	388	381	(7)	(1.8%)
Total operating expenses	1,327	1,189	1,296	1,178	1,352	1,218	2,474	2,570	96	3.9%

Finance expense

Finance expense										
Finance expense on debt	25	28	21	22	23	22	43	45	2	4.7%
Other interest and finance expense	7	5	6	4	4	7	10	11	1	10.0%
Lease interest expense	15	16	15	11	10	9	26	19	(7)	(26.9%)
Leased customer equipment interest expense	3	3	4	4	3	4	8	7	(1)	(12.5%)
	50	52	46	41	40	42	87	82	(5)	(5.7%)
Capitalised interest	(4)	(4)	(3)	(3)	(3)	(5)	(6)	(8)	(2)	(33.3%)
	46	48	43	38	37	37	81	74	(7)	(8.6%)

Depreciation and amortisation expense

Depreciation and amortisation expense										
Depreciation - property, plant and equipment	119	114	124	118	116	118	242	234	(8)	(3.3%)
Depreciation - right-of-use assets	28	36	35	42	40	40	77	80	3	3.9%
Depreciation - leased customer equipment assets	15	12	19	17	18	19	36	37	1	2.8%
Amortisation of intangible assets	75	88	84	82	83	86	166	169	3	1.8%
	237	250	262	259	257	263	521	520	(1)	(0.2%)

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Analysis & KPI's - Mobile

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Mobile revenue by type (Consumer and Business)										
Mobile service revenue	421	419	415	427	435	451	842	886	44	5.2%
Mobile non-service revenue ¹	216	197	223	221	229	205	444	434	(10)	(2.3%)
	637	616	638	648	664	656	1,286	1,320	34	2.6%
Wholesale and other customer segment mobile revenue ²	16	19	13	12	14	17	25	31	6	24.0%
Total mobile revenue	653	635	651	660	678	673	1,311	1,351	40	3.1%
Mobile product costs ³	(248)	(211)	(244)	(230)	(241)	(206)	(474)	(447)	27	5.7%
Mobile gross margin	405	424	407	430	437	467	837	904	67	8.0%
Mobile gross margin %	62.0%	66.8%	62.5%	65.2%	64.5%	69.4%	63.8%	66.9%	3.1%	
Total mobile revenue by customer segment										
Consumer	443	419	438	441	454	444	879	898	19	2.2%
Business	194	197	200	207	210	212	407	422	15	3.7%
Wholesale and other	16	19	13	12	14	17	25	31	6	24.0%
	653	635	651	660	678	673	1,311	1,351	40	3.1%
Average revenue per user (ARPU) - 6 month active (Consumer and Business)										
	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	%
Total ARPU	28.48	28.05	28.51	29.66	30.19	30.84	29.09	30.52	1.42	4.9%
Pay-monthly ARPU	42.82	41.19	39.97	40.31	40.17	41.01	40.14	40.60	0.46	1.1%
Prepaid ARPU	13.28	13.37	14.36	15.42	16.26	16.47	14.89	16.37	1.48	9.9%
Number of mobile connections at period end - 6 month active (Consumer and Business) ⁴										
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Pay-monthly connections	1,287	1,330	1,355	1,386	1,416	1,437	1,386	1,437	51	3.7%
Prepaid connections	1,181	1,161	1,047	1,008	1,001	1,038	1,008	1,038	30	3.0%
Internal connections	4	4	4	4	4	4	4	4	-	-%
Total mobile connections	2,472	2,495	2,406	2,398	2,421	2,479	2,398	2,479	81	3.4%

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

² Includes MVNO revenue.

³ Includes handset, interconnect and cellphone tower access costs.

⁴ Excludes MVNO connections but includes SIM based SmartWatch connections.

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Analysis & KPI's - Voice

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Revenue by type	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Access	95	85	62	67	57	52	129	109	(20)	(15.5%)
Calling	79	81	71	67	70	68	138	138	-	-%
Other voice revenue	23	23	21	20	19	19	41	38	(3)	(7.3%)
Total voice revenue	197	189	154	154	146	139	308	285	(23)	(7.5%)
Voice product costs ¹	(74)	(70)	(67)	(61)	(60)	(60)	(128)	(120)	8	6.4%
Voice gross margin	123	119	87	93	86	79	180	165	(15)	(8.3%)
Voice gross margin %	62.4%	63.0%	56.5%	60.4%	58.9%	56.8%	58.4%	57.9%	(0.5%)	

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Voice connections by type	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
POTS and ISDN	288	220	197	168	140	113	168	113	(55)	(32.7%)
VoIP	54	61	69	69	69	66	69	66	(3)	(4.3%)
Voice over wireless	26	24	23	24	20	17	24	17	(7)	(29.2%)
Total voice connections²	368	305	289	261	229	196	261	196	(65)	(24.9%)

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Voice connections by customer segment	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Consumer	93	49	58	60	47	37	60	37	(23)	(38.3%)
Business	161	157	149	138	132	119	138	119	(19)	(13.8%)
Wholesale and other	114	99	82	63	50	40	63	40	(23)	(36.5%)
Total voice connections²	368	305	289	261	229	196	261	196	(65)	(24.9%)

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

² Excludes Cloud Telephony which has been moved to Managed Networks.

Analysis & KPI's - Broadband

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total broadband revenue	345	335	337	333	324	315	670	639	(31)	(4.6%)
Broadband product costs ³	(170)	(169)	(171)	(160)	(158)	(163)	(331)	(321)	10	3.0%
Broadband gross margin	175	166	166	173	166	152	339	318	(21)	(6.2%)
Broadband gross margin %	50.7%	49.6%	49.3%	52.0%	51.2%	48.3%	50.6%	49.8%	(0.8%)	

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Broadband connections by technology	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Copper	211	186	157	131	113	95	131	95	(36)	(27.5%)
Fibre	340	367	381	395	402	415	395	415	20	5.1%
Wireless ⁴	141	156	166	178	187	194	178	194	16	9.0%
Total broadband connections	692	709	704	704	702	704	704	704	-	-%

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Broadband connections by customer segment	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Consumer	591	605	598	595	593	595	595	595	-	-%
Business	100	103	103	105	105	104	105	104	(1)	(1.0%)
Wholesale and other	1	1	3	4	4	5	4	5	1	25.0%
Total broadband connections	692	709	704	704	702	704	704	704	-	-%

³ Includes broadband access (UBA/UCLL/Fibre), modem and e-mail platform support costs.

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Analysis & KPI's - Cloud, Security and Service management

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Cloud revenue	111	114	113	116	119	114	229	233	4	1.7%
Security revenue	18	19	19	20	18	19	39	37	(2)	(5.1%)
Service management revenue	80	78	85	90	87	89	175	176	1	0.6%
Cloud, Security and Service management revenue	209	211	217	226	224	222	443	446	3	0.7%
Cloud, Security and Service management product costs	(36)	(36)	(38)	(47)	(48)	(55)	(85)	(103)	(18)	(21.2%)
Cloud, Security and Service management gross margin	173	175	179	179	176	167	358	343	(15)	(4.2%)
Cloud, Security and Service management gross margin %	82.8%	82.9%	82.5%	79.2%	78.6%	75.2%	80.8%	76.9%	(3.9%)	
Contribution margin (approximated) % ¹	34.4%	39.3%	34.6%	38.5%	34.8%	37.4%	38.5%	37.4%	(1.1%)	
Cloud KPI's	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Number of private cloud clients ²	361	347	329	359	346	346	359	346	(13)	(3.6%)
Number of public cloud clients	293	305	304	335	335	353	335	353	18	5.4%
Power usage efficiency for dedicated data-centre sites			1.50	1.48	1.49	1.50	1.48	1.50	0.02	1.4%
Megawatt hours for dedicated data centre sites			22,091	22,874	21,664	22,181	44,965	43,845	(1,120)	(2.5%)
Security KPI's	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Number of security clients ²	1,191	1,183	1,153	1,174	1,110	1,107	1,174	1,107	(67)	(5.7%)
Average monthly revenue per security client	2,519	2,677	2,746	2,839	2,703	2,861	2,839	2,861	22	0.8%
Service management KPI's	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
Number of service management clients ²	681	730	671	694	712	688	694	688	(6)	(0.9%)
Average monthly revenue per service management client	19,579	17,808	21,113	21,614	20,365	21,560	21,614	21,560	(54)	(0.2%)

¹ Contribution margin is defined as reported gross margin less labour and other costs that are directly attributable to the implementation and ongoing support of specific contract services.

² The client count measures for private cloud, security and service management have been retrospectively updated following improvements in the classification of clients that consume more than one variant of a service across the Spark Group.

Analysis & KPI's - Procurement and partners

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Procurement and partners revenue	207	200	236	178	301	237	414	538	124	30.0%
Procurement and partners product costs	(187)	(175)	(216)	(155)	(275)	(210)	(371)	(485)	(114)	(30.7%)
Procurement and partners gross margin	20	25	20	23	26	27	43	53	10	23.3%
Procurement and partners gross margin %	9.7%	12.5%	8.5%	13.0%	8.6%	11.4%	10.4%	9.9%	(0.5%)	

Analysis & KPI's - Managed data, network and services

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Collaboration	30	35	33	35	38	40	68	78	10	14.7%
Managed data and networks	104	108	107	107	102	103	214	205	(9)	(4.2%)
Managed data, network and services revenue	134	143	140	142	140	143	282	283	1	0.4%
Managed data, network and services product costs ³	(64)	(75)	(68)	(69)	(75)	(71)	(137)	(146)	(9)	(6.6%)
Managed data, network and services gross margin	70	68	72	73	65	72	145	137	(8)	(5.5%)
Managed data, network and services gross margin %	52.2%	47.6%	51.4%	51.4%	46.4%	50.3%	51.4%	48.4%	(3.0%)	

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

Spark New Zealand

Statement of cash flows

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	%
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Cash flows from operating activities										
Cash received from customers	1,861	1,733	1,828	1,719	1,901	1,755	3,547	3,656	109	3.1%
Interest receipts	17	17	16	16	13	11	32	24	(8)	(25.0%)
Payments to suppliers and employees	(1,399)	(1,104)	(1,321)	(1,137)	(1,327)	(1,279)	(2,458)	(2,606)	(148)	(6.0%)
Payments for income tax	(82)	(58)	(118)	(70)	(93)	(67)	(188)	(160)	28	14.9%
Payments for interest on debt	(26)	(26)	(23)	(23)	(23)	(25)	(46)	(48)	(2)	(4.3%)
Payments for interest on leases	(14)	(16)	(16)	(10)	(10)	(9)	(26)	(19)	7	26.9%
Payments for interest on leased customer equipment assets	(3)	(3)	(4)	(4)	(3)	(3)	(8)	(6)	2	25.0%
Net cash flows from operating activities	354	543	362	491	458	383	853	841	(12)	(1.4%)
Cash flows from investing activities										
Proceeds from sale of property, plant and equipment	13	-	-	6	-	-	6	-	(6)	(100.0%)
Proceeds from sale of business	-	23	8	22	-	-	30	-	(30)	(100.0%)
Proceeds from long-term investments	-	-	-	6	3	1	6	4	(2)	(33.3%)
Receipts from finance leases	2	4	2	4	2	1	6	3	(3)	(50.0%)
Receipts from loans receivable	-	-	-	1	-	-	1	-	(1)	(100.0%)
Payments for purchase of businesses net of cash acquired	(11)	-	-	(25)	-	(7)	(25)	(7)	18	72.0%
Payments for, and advances to, long-term investments	(30)	(5)	(4)	(9)	(39)	(20)	(13)	(59)	(46)	NM
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(270)	(117)	(212)	(118)	(216)	(209)	(330)	(425)	(95)	(28.8%)
Payments for spectrum intangible assets	-	-	-	(51)	-	-	(51)	-	51	100.0%
Payments for capitalised interest	(4)	(4)	(3)	(3)	(3)	(5)	(6)	(8)	(2)	(33.3%)
Net cash flows from investing activities	(300)	(99)	(209)	(167)	(253)	(239)	(376)	(492)	(116)	(30.9%)
Cash flows from financing activities										
Net proceeds from/(repayments of) debt	207	(177)	100	(138)	99	115	(38)	214	252	NM
Payments for dividends	(229)	(230)	(167)	(163)	(225)	(224)	(330)	(449)	(119)	(36.1%)
Payments for leases	(19)	(23)	(20)	(36)	(33)	(36)	(56)	(69)	(13)	(23.2%)
Payments for leased customer equipment assets	(13)	(15)	(16)	(18)	(25)	(21)	(34)	(46)	(12)	(35.3%)
Net cash flows from financing activities	(54)	(445)	(103)	(355)	(184)	(166)	(458)	(350)	108	23.6%
Net cash flows	-	(1)	50	(31)	21	(22)	19	(1)	(20)	NM
Opening cash position	54	54	53	103	72	93	53	72	19	35.8%
Closing cash position	54	53	103	72	93	71	72	71	(1)	(1.4%)

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

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
EBITDAI	497	610	500	619	538	612	1,119	1,150	31	2.8%
<i>Excluding</i>										
Other gains and impairments	4	29	4	22	14	10	26	24	(2)	(7.7%)
EBITDAI ex. other gains and impairments	493	581	496	597	524	602	1,093	1,126	33	3.0%
<i>Less</i>										
Cash paid on capital expenditure	274	121	215	121	219	214	336	433	97	28.9%
Cash paid on interest	26	28	27	21	23	26	48	49	1	2.1%
Cash paid on tax payments	82	58	118	70	93	67	188	160	(28)	(14.9%)
Cash paid on leases	30	34	34	50	56	56	84	112	28	33.3%
Total cash payments on capital expenditure, interest, tax and lease	412	241	394	262	391	363	656	754	98	14.9%
Underlying free cash flows	81	340	102	335	133	239	437	372	(65)	(14.9%)
<i>Less increases in working capital</i>										
Change in receivables	(45)	50	(92)	104	(42)	104	12	62	50	NM
Change in payables	12	(43)	61	(45)	(63)	78	16	15	(1)	(6.3%)
Change in inventory	41	(46)	(11)	(20)	29	14	(31)	43	74	NM
Change in contract assets	(7)	(9)	(11)	(2)	(5)	3	(13)	(2)	11	84.6%
Change in prepayments (excluding CAPEX)	19	(18)	12	(27)	37	(37)	(15)	-	15	100.0%
Total change in working capital - increase/(decrease)	20	(66)	(41)	10	(44)	162	(31)	118	149	NM
<i>Less</i>										
Non-cash adjustments	11	18	30	5	(6)	(36)	35	(42)	(77)	NM
Free cash flows	50	388	113	320	183	113	433	296	(137)	(31.6%)
<i>Less</i>										
Spectrum	-	-	-	51	-	-	51	-	(51)	(100.0%)
Free cash flows (including spectrum)	50	388	113	269	183	113	382	296	(86)	(22.5%)
Cash conversion	94%	108%	102%	97%	110%	79%	97%	79%	-18%	

Spark New Zealand

Group capital expenditure

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Cloud	16	8	9	11	7	8	20	15	(5)	(25.0%)
Converged Communications Network (CCN)	11	7	15	12	11	11	27	22	(5)	(18.5%)
International cable construction and capacity purchases	-	11	1	8	1	6	9	7	(2)	(22.2%)
IT systems	70	53	64	53	87	63	117	150	33	28.2%
Mobile network	92	24	58	48	74	51	106	125	19	17.9%
Core sustain and resiliency	50	15	34	21	26	27	55	53	(2)	(3.6%)
Data centres				1	9	22	1	31	30	NM
Other	5	6	9	5	3	4	14	7	(7)	(50.0%)
Total capital expenditure excluding spectrum	244	124	190	159	218	192	349	410	61	17.5%
Total capital expenditure excluding spectrum to operating revenue and other gains	13.4%	6.9%	10.6%	8.8%	11.5%	10.5%	9.7%	11.0%		
Mobile spectrum	-	-	-	51	-	-	51	-	(51)	(100.0%)
Total capital expenditure including spectrum	244	124	190	210	218	192	400	410	10	2.5%
Total capital expenditure including spectrum to operating revenue and other gains	13.4%	6.9%	10.6%	11.7%	11.5%	10.5%	11.1%	11.0%		

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront. Refer to note 2.5 in the financial statements.

Analysis & KPI's - Capital expenditure depreciation and amortisation

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

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22	H2 FY22	FY21	FY22	FY21 vs FY22	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Depreciation - property, plant and equipment	119	114	124	118	116	118	242	234	(8)	(3.3%)
Depreciation - right-of-use assets ¹	10	11	11	11	11	11	22	22	-	-%
Amortisation of intangible assets	75	88	84	82	83	86	166	169	3	1.8%
Total capital expenditure depreciation and amortisation	204	213	219	211	210	215	430	425	(5)	(1.2%)

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