KORA

Spark nz
hello tomorrow

Spark New Zealand

FY23 Results Summary

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Results overview

FY23 financial snapshot

Closing the last year of 3-year strategy with revenue, EBITDAI, free cash flow, and NPAT all in growth

$4,491m
20.7% increase vs. reported FY22
REPORTED REVENUE[1]

$1,722m
49.7% increase vs. reported FY22
REPORTED EBITDAI[3]

$1,135m
NM vs. reported FY22
REPORTED NPAT

$3,908m
5.1% increase vs. reported FY22
ADJUSTED REVENUE[1][2]

$1,193m
3.7% increase vs. reported FY22
ADJUSTED EBITDAI[2][3]

$433m
5.6% increase vs. reported FY22
ADJUSTED NPAT[2]

$515m
25.6% increase vs. FY22
CAPEX[3][4]

$489m
12.9% increase vs. FY22
FREE CASH FLOW

27.0c
8% increase vs. FY22
TOTAL FY23 DIVIDEND

(1) Operating revenues and other gains
(2) EBITDAI is adjusted for the impact of the TowerCo gain on sale of $583m included in revenue and the Spark Sport provision of $54m included in operating expenses. Net EBITDAI impact of $529m. NPAT is further adjusted for the $5 million net gain on dilution of the investment in the Connexa group, the tax effect of the Spark Sport provision of $14m and a credit to tax expense of $154m arising from the TowerCo transaction
(3) Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (Capex) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's financial statements
(4) Capex up 25.6% as TowerCo proceeds are invested

FY23 results summary

Focussed execution delivered revenue, EBITDAI, and NPAT growth

REVENUE GROWTH AND COST CONTROL UNDERPINNED EARNINGS AND DIVIDEND GROWTH

- TowerCo transaction and Spark Sport exit resulted in a net EBITDAI gain of $529 million, contributing to reported revenues of $4,491 million, EBITDAI of $1,722 million, and NPAT of $1,135m
- Adjusted revenues increased 5.1% to $3,908 million, underpinned by mobile service revenue growth of 9%
- Future markets of Health and IoT collectively contributed $122 million of revenue
- Delivered adjusted EBITDAI growth of 3.7% to $1,193 million, in line with guidance, with adjusted NPAT up 5.6% to $433 million
- Generated free cash flow of $489 million, towards the top end of aspiration and largely funding the dividend
- Completed 42% of on-market share buy-back, returning $146 million of TowerCo proceeds to shareholders
- Declared H2 FY23 dividend of 13.5 cps and a total FY23 dividend of 27 cps – an increase of 8.0% or 2 cents YoY, in line with guidance
- FY24 free cash flow aspiration of ~$490m-$530m, guiding to a higher total FY24 dividend of 27.5cps

FY21-23 strategy summary

Completed FY21-23 strategy period delivering to guidance and with a strong platform for future growth

STRATEGY DELIVERY BUILDS PLATFORM FOR FUTURE GROWTH

- FY21-23 strategy delivered stronger fundamentals – higher customer and people engagement, consistently growing brand strength, and top-quartile sustainability performance
- Maintained #1 position in mobile and broadband markets and achieved ~30% of broadband base on wireless broadband
- 5G investments maturing and will underpin future growth in consumer and B2B markets
- Effective portfolio management released capital to invest in the high-growth data centre market, with further investment at existing Takanini campus
- Market leading data and AI capability, combined with simplified portfolio, delivered 17% annual improvement in conversion and 9% efficiency gains
- Strong employee engagement at 70%
- Simpler, digital, and data-driven customer experiences improving customer iNPS score to +31 in FY23, a growth of 9 points since FY20
- 3-year TSR CAGR of 9.3%, ranking Spark at #4 against global peers[1]

[1] See slide 31 in appendix

Key market performance

Core market of mobile a stand-out, with strong connection and service revenue growth

▲ $980m	▼ $626m	▼ $436m	▲ $122m
9.0% increase vs. FY22	2.0% decrease vs. FY22	2.2% decrease vs. FY22	1% increase vs. FY22
MOBILE SERVICE REVENUE	BROADBAND REVENUE	CLOUD, SECURITY AND SERVICE MANAGEMENT REVENUE	FUTURE MARKET REVENUE
Service revenue growth driven by strong connection growth, and the return of roaming to 86% of pre-Covid levels	30% of broadband base on wireless broadband, achieving 3-year strategic ambition	Cloud revenue decline driven by ongoing mix shift between private and public cloud. Private cloud revenues stable for three consecutive halves	IoT revenue growth of 33% YoY, underpinned by connectivity growth of 76% to 1.46 million, exceeding FY23 target of ~1.2 million
Launch of new 'Team Up' proposition and price refresh implemented across the portfolio in H2	Maintained broadly stable revenues and connections for three consecutive halves, in line with strategy	New managed hybrid cloud service, CloudIQ, launched in July 2023 to drive incremental revenue and improve cost base	Spark Health revenues impacted by delays, and deferrals caused by health sector reforms
Secured long-term rights to 5G spectrum, 5G now in 77 locations, Standalone trials complete and network build underway	Broadband input costs continue to rise with price increases passed through to customers during the year	Lower service management revenues as health sector digital transformation activity normalises post-Covid. New Enterprise Service Management product launched to improve customer experience and drive incremental revenue	Spark Sport exit completed

Top-quartile sustainability benchmarking delivered through 3-year strategy

Continual improvement across environmental, social, and governance metrics

CREATE A SUSTAINABLE SPARK

Ongoing progress towards gender diversity targets and ethnicity data sharing at 83%. Spark received the Diversity and Inclusion Champion Award at the Deloitte Top 200 Awards in November

Joint Audit Cooperation (JAC) members completed 98 supplier audits collectively in 2022. Spark annual supplier audits in progress, with five to be completed by end of 2023

Scope 1 and 2 emissions down 29.8% vs. FY22 to 13,318 tonnes CO_2e, driven by a higher share of renewables on the grid. Emissions on track against SBTi target pathway

ECONOMIC RECOVERY AND TRANSFORMATION

Working alongside NZ Tech to promote the role of a Technology Roadmap in the next national Emissions Reduction Plan

Digital infrastructure investments progressing to plan, with 5G in 77 locations at end FY23 and an additional $24 million committed to Rural Connectivity Group between 2023-2025

622 marae now digitally connected through the Marae Digital Connectivity Programme

CHAMPION DIGITAL EQUITY

Skinny Jump supporting 27k+ households in need to access the digital world – with $6.3 million worth of free data provided in FY23

Spark Foundation partner Recycle A Device named 2023 NZ Hi-Tech Awards Best Hi-Tech Solution for the Public Good

Spark placed in the top quartile of the Worldwide Benchmarking Alliance's 2023 Digital Inclusion Benchmark

FY23 indicators of success

Key indicators largely on track, performance lift required in Cloud and Health, iNPS growing but lower than target

Strategic Pillar	Focus Area	Measure	Target 30 June 2023	Status
World class capability	Customer experience	Consumer and small business iNPS	+6 point lift	Not Achieved[1]
	Data-driven insights	Uplift in data-driven marketing campaign conversion	15%[2]	Exceeded
	Smart automated networks	5G roll out	40-50 locations	Exceeded
	Growth mindsets	Employee engagement[3]	70%	Achieved
Grow established markets	Wireless	Mobile service revenue growth	5-8%	Exceeded
	Broadband	Percentage of broadband base on wireless	~30%	Achieved
	Cloud	Cloud, security and service management revenue growth	2-5%	Not Achieved
Accelerate future markets	Spark IoT	Number of connected IoT devices	~1.2m connections	Exceeded
	Spark Health	Growth in Spark Health Digital Platform Revenues	10-15%[4]	Not Achieved
Lowest cost provider	Deliver best cost	EBITDAI margin	~31%	Achieved
Build a sustainable future	Championing digital equity	Skinny Jump connections	+5k	Solid Progress
	Sustainable Spark	Reduction in scope 1 and 2 emissions year-on-year to hit SBTi emissions reduction pathway	18.6% reduction	Exceeded

(1) iNPS grew 2 points vs FY22. iNPS has grown 9 points vs. FY20
(2) Spark consumer base
(3) A new measure introduced in FY23
(4) Excluding procurement and telco revenues

Strategy update

We start FY24 from a position of competitive strength

With strong fundamentals, differentiation, and investment that will fuel long-term, high-quality returns

Strong fundamentals

#1 in key markets, consistent growth in customer and people engagement, brand, sustainability

Data and AI a unique advantage in local market

Competitive lead on personalisation driving higher acquisition and retention

Mobile leading the market

Strong mobile service revenue growth over the last three years

Data centres and high-tech investments to grow margins

Data centres, converged tech, health, and MATTR to grow revenues and margin

Disciplined cost control

Strong track record of adapting to changing conditions and securing best cost

Our purpose

TO HELP ALL OF NEW ZEALAND WIN BIG IN A DIGITAL WORLD

Āwhinatia ngā tāngata katoa o Aotearoa kia matomato te tipu i te ao matihiko

Our values

TŪHONO: we connect

WHAKAMANA: we empower

MATOMATO: we succeed together

MĀIA: we are bold

Spark nz

Our FY24-26 focus

We will empower the people and businesses creating Aotearoa's tomorrow by:

Bringing **New Zealanders the best digital-first experiences, curated to their needs**

- **LEAD** Mobile
- **OPTIMISE** Broadband

Enabling **New Zealand Businesses to grow and become more productive and sustainable through technology**

- **LEAD** SME and Business
- **GROW** High-tech Solutions

Our enablers

- Next evolution technology
- Simple, data-driven organisation
- Innovation culture

Our commitment: to stand together for generations to come

Toitū Sustainability at Spark

- Economic Transformation
- Digital Equity
- Sustainable Spark

Te Korowai Tupu

- Our Māori Strategy

Our FY26 outcomes

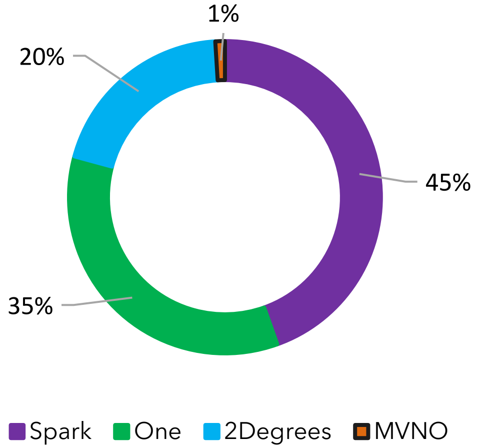
Low / mid single digit CAGR EBITDAI growth	**>10%** Free cash flow growth	**+10 lift** Customer engagement	**Top decile** People engagement	**Top quartile** Sustainability benchmarking

Clear strategy to maintain leadership in key markets

Maintain mobile momentum, continue stabilising broadband, re-align cost base and product focus in cloud

MOBILE

Mobile Service Revenue Market Share[1]



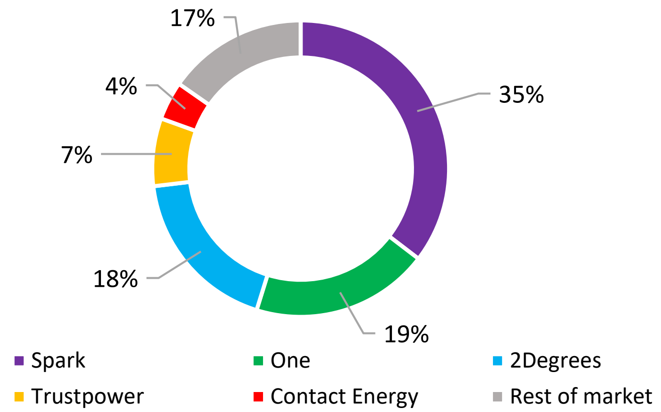
#1 in mobile market share by service revenue and total connections[2]

Mobile service revenue on track to exceed $1bn next year

Tailwinds from 5G rollout enabling higher data use cases and ongoing return of roaming

BROADBAND

Broadband Connection Market Share



#1 in market share by connections and revenue[2]

Higher wholesale access charges continue to put pressure on retail margins in a competitive market

Remain focussed on maintaining base, stabilising revenues, and creating owners' economics through wireless broadband which is now at 30% of the base

SME & BUSINESS

#1 in SME market for telecommunications, with a growing presence in IT and the opportunity to scale further into higher value solutions

Leading end-to-end IT services provider in business, with digital infrastructure asset portfolio complementing a comprehensive product and service offering

Launch of new enterprise service management offering in July 2023, with specialist practices established to enhance customer access to technical expertise

#1 private cloud operator in New Zealand. Launch of hybrid cloud offering, Cloud IQ, in July 2023 as cloud demand continues to grow. Government customers comprise ~70% of private cloud revenues, with the majority of these workloads likely to remain in locally-owned data centres

Focus on simplification and re-aligning cost base of B2B to changed margin profiles to improve profitability in FY24

[1] Mobile service revenue market share does not add to 100% due to rounding
[2] Market share estimates sourced from IDC as at 30 June 2023

Satellite portfolio expansion will create new revenue opportunities

Satellite plays an important role in increasing resilience in Aotearoa and will help close coverage gaps over time

MOBILE

Partnership with Lynk Global announced in June. Spark mobile customers can opt-in to a trial of a text-only satellite-to-mobile service by the end of 2023, with a full rollout envisaged by 2024

Will allow mobile customers to use phones in more areas that aren't easily reached by traditional mobile coverage

BROADBAND

Partnership with ASX-listed Netlinkz announced in May 2023, providing Spark business customers with enterprise-grade Starlink Satellite broadband

A trial is currently underway with select business customers, with a full rollout planned for late-2023

WHOLESALE

Spark operates New Zealand's largest Earth Station in Warkworth

Full suite of satellite services, with connections to several major orbital positions. Dedicated satellite design, planning, and management team delivering best-in-market expertise

Strategic growth investments progressing to plan

Investments into high-tech solutions and data centres on track and will underpin new revenue streams

MOBILE AND EDGE

$40-$60 million 5G Standalone investment progressing to plan with network build commenced, and multi-access edge compute use cases underway. Targeting delivery of 5G Standalone nationwide and 5G connectivity to all towns with a population of >1,500 by the end of FY26

5G densification and Standalone rollout providing greater coverage and capacity, increasing WBB addressable market, and providing new opportunities to monetise the network for business customers

DATA CENTRES

Takanini 10MW campus expansion completed in August 2023 and is 85% contracted and 100% committed. 1MW of capacity is under construction at the Aotea campus and will complete in FY24. Combined this will bring built data centre capacity to 22MW

$250m-$300m of growth capex to be invested in data centres, targeting RoI of 9-10%. Opportunity to invest in further expansion at Takanini site, while also investigating other locations

MATTR

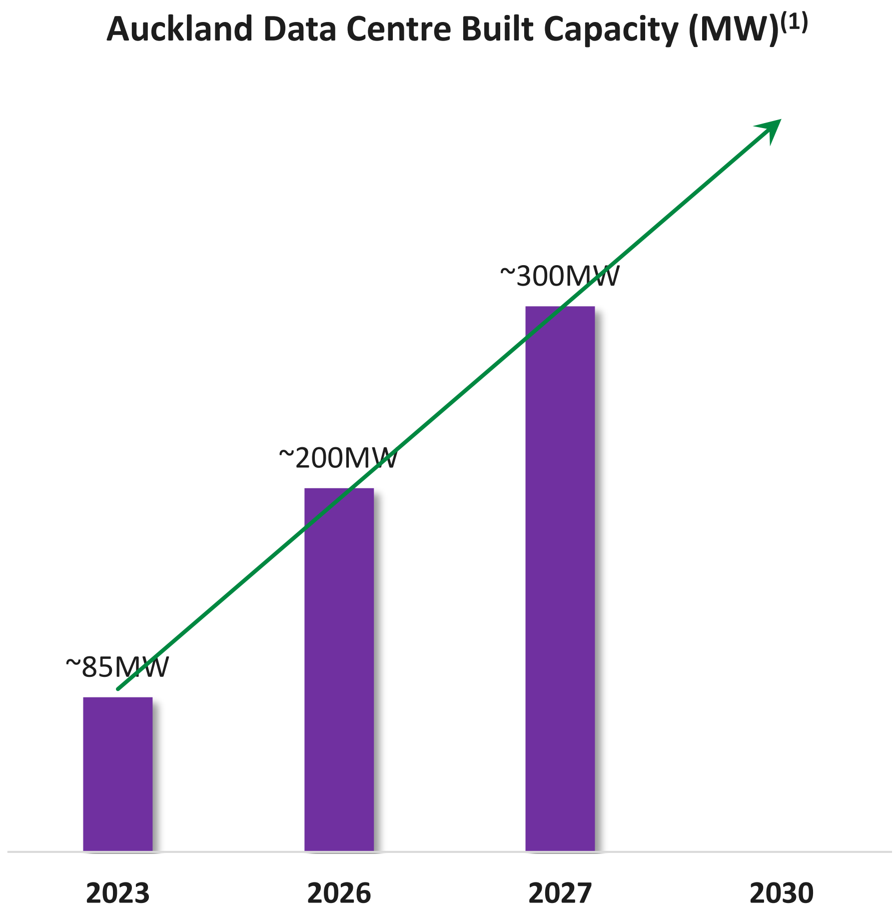
MATTR continues to focus on global markets, with customers across the US, Canada, Switzerland, Australia, and New Zealand. Recently won a multi-year contract with the NSW Government as technology partner for its digital identity and verifiable credentials programme

MATTR generates annuity revenues from platform products via a SaaS model or licencing revenue for software toolkits, with opportunities for further growth

Spark Data Centres

Data centre market in New Zealand

New Zealand’s data centre market is in the early stage of rapid growth



- New Zealand’s data centre market is expected to rapidly expand over the next three to five years
- Amazon, Microsoft, and Google have announced plans to deliver New Zealand data centre ‘regions’ in Auckland over 2023-2025
- Hyperscale cloud providers typically have multiple (often three or more) separate data centre sites within a 'region'. Globally, these tend to be a mix of ‘self-build' by the hyperscaler, alongside leasing capacity from co-location providers like Spark
- Demand for data storage continues to grow as data scales. Generative AI will increase processing capacity requirements
- Private cloud will continue to be required to manage many existing workloads which are either incompatible with modern public cloud environments or require more stringent data protection and sovereignty
- Hybrid cloud will grow as customers need to effectively balance workloads across multiple cloud environments

(1)Based on public commitments and market information on future intentions

Spark's existing data centre capabilities

Spark is well positioned to continue to grow its share of the New Zealand data centre market

Leverage existing data centre business

New Zealand's most extensive network of customer data centres across 16 sites with $24m in data centre portfolio revenue. Existing land and building assets are being leveraged to build out additional capacity

Connectivity is a key differentiator

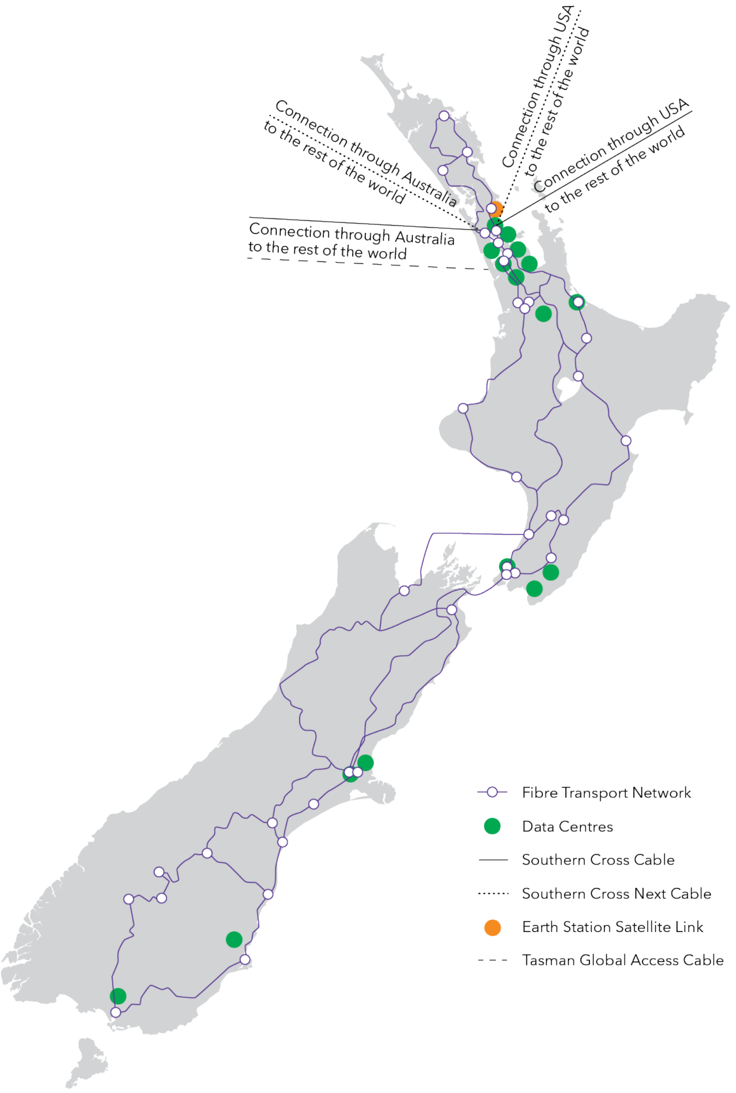
Spark has the ability to provide international (subsea), national, and metro fibre services alongside data centre services. This enables customers to have a single provider on a broader end-to-end service, leveraging Spark's common service, network, and operations teams and reducing handoffs and network risk

Existing capabilities

Spark has extensive technical, engineering, security, and infrastructure capabilities which are leveraged to provide a high-quality data centre service. We operate a large Security Operations Centre providing 24/7 monitoring and response on physical and cyber security

Customer relationships

As a leader in cloud Spark has an advantage over pure play data centre operators, with the ability to create additional value for hyperscale and international customers as a sales channel to market. Spark can also provide data centre customers with a holistic suite of IT and telco capabilities alongside cloud services



Spark operates the most extensive network of data centres nationwide

Diversity of assets meet requirements of hyperscalers, Government, business and SME customers

	HYPERSCALE CLOUD	CARRIER HOTEL	METRO	EDGE
Total site MW load	Up to 50MW	2-10MW	0.5-5MW	<0.5MW
Typical customer profile	Hyperscale and other cloud / international providers, enterprise, Government co-location	High-value interconnect and Content Delivery Network, enterprise and Government co-location	Enterprise and Government co-location Edge compute	Local co-location Interconnect Edge compute
Business model	Economics driven by scale, and build and operational efficiency	Premium pricing based on location and interconnect density and attractiveness	Smaller regional data centres targeted primarily at local customers, supports broader Spark services	Small local data centres for local presence and lowest latency. Emerging Edge opportunity
Locations	Auckland – Takanini Campus Auckland – additional campus (planned)	Auckland CBD – Aotea Campus – Mayoral Drive and Airedale	Auckland x2 sites Wellington x2 sites Christchurch x4 sites	Hamilton Tauranga Nelson Dunedin Invercargill

Data centre investment will continue to scale in FY24

Generating long-term annuity revenues with inflationary pricing protections and supportive tailwinds

METRIC	DEFINITION	FY22	FY23	FY24 Projection
Capacity built	Total site load commissioned	10MW	11MW	22MW
Capacity under construction	Total site load in design and construction	12MW	11MW	5MW
Development pipeline	Land held, concept for development	19MW	19MW	14MW
Weighted Average Lease Expiry	Represents customers in new purpose-built data centres only	-	16.5 years	~16.5 years
Rack utilisation	Contracted and reserved racks across dedicated data centres and exchanges	87%	84%	Target 88%
Target PUE	Target power usage efficiency for new purpose-built data centres only	-	-	<1.2
Revenue	Total data centre portfolio revenue	$23m	$24m	~$35m
Capital expenditure	Capital investment in new purpose-built data centres	$31m	$114m	~$80-$100m[1]

- Takanini 10MW campus expansion completed in August 2023 and is 85% contracted and 100% committed. 1MW of capacity is under construction at the Aotea campus and will complete in FY24. Combined this will bring built data centre capacity to 22MW
- Land is held at existing sites for an additional 19MW of further development. Of this land, 5MW will be developed as the next stage of construction at Takanini in FY24
- Capital deployed to the end FY23 is connected to investments that are fully committed to customers. This revenue will begin to scale in FY24, and will grow for several years until full billing
- Takanini construction completed on-budget and within ~20 months of the first groundwork. The build is highly efficient, with free air-cooled solution minimising electricity and water use (design PUE <1.2) with flexibility to incorporate liquid cooling for higher density as required
- $250m-$300m of growth capex funded via TowerCo proceeds has been earmarked for data centre investment over the next three years, targeting a RoI of 9-10%. Investment decisions to proceed to build further space will be driven by achieving acceptable returns, and customer uptake

[1] Including land acquisition

Financials

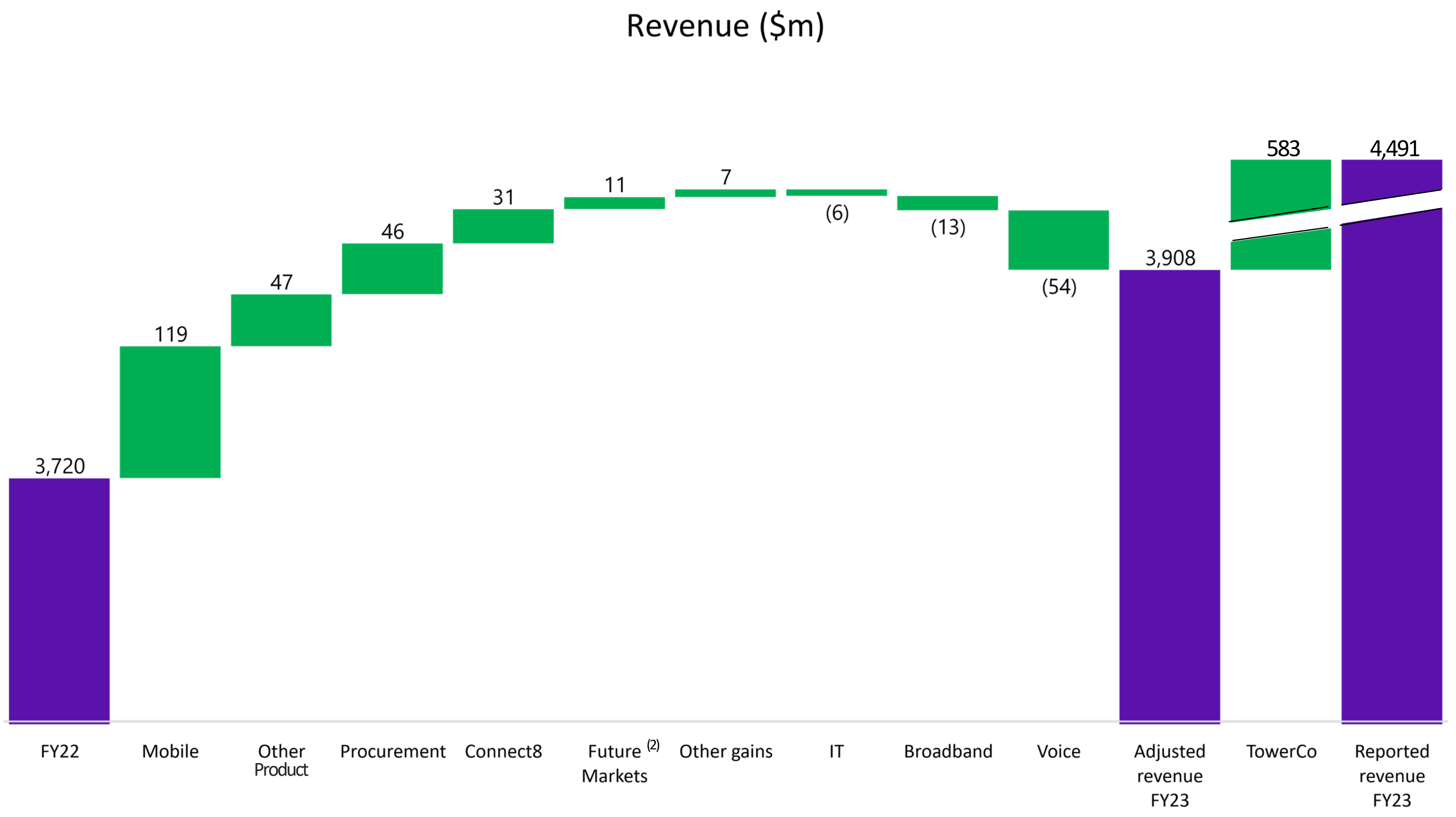
Financials

	REPORTED FY22 $m	REPORTED FY23 $m	CHANGE	REPORTED FY22 $m	ADJUSTED FY23 $m	CHANGE
Operating revenues and other gains	3,720	4,491	20.7%	3,720	3,908	5.1%
Operating expenses	(2,570)	(2,769)	(7.7%)	(2,570)	(2,715)	(5.6%)
EBITDAI	1,150	1,722	49.7%	1,150	1,193	3.7%
Finance income	26	32	23.1%	26	32	23.1%
Finance expense	(74)	(99)	(33.8%)	(74)	(99)	(33.8%)
Depreciation and amortisation	(520)	(504)	3.1%	(520)	(504)	3.1%
Net investment income	(1)	1	NM	(1)	(4)	NM
Net earnings before tax expense	581	1,152	98.3%	581	618	6.4%
Tax expense	(171)	(17)	90.1%	(171)	(185)	(8.2%)
Net earnings after tax expense	410	1,135	NM	410	433	5.6%
Capital expenditure[1]	410	515	25.6%	410	515	25.6%
Free cash flow	433	489	12.9%	433	489	12.9%
EBITDAI margin	30.9%	38.3%	7.4pp	30.9%	30.5%	(0.4pp)
Effective tax rate	29.4%	1.5%	(27.9pp)	29.4%	29.9%	0.5pp
Capital expenditure to operating revenues and other gains	11.0%	11.5%	0.5pp	11.0%	13.2%	2.2pp
Basic Earnings per Share	21.9c	60.7c	38.8c	21.9c	23.2c	1.3c
Total Dividend per Share	25.0c	27.0c	2c	25.0c	27.0c	2c

[1]Excluding expenditure on mobile spectrum

FY23 revenue[1] performance

Top line revenue growth underpinned by ongoing strength in mobile

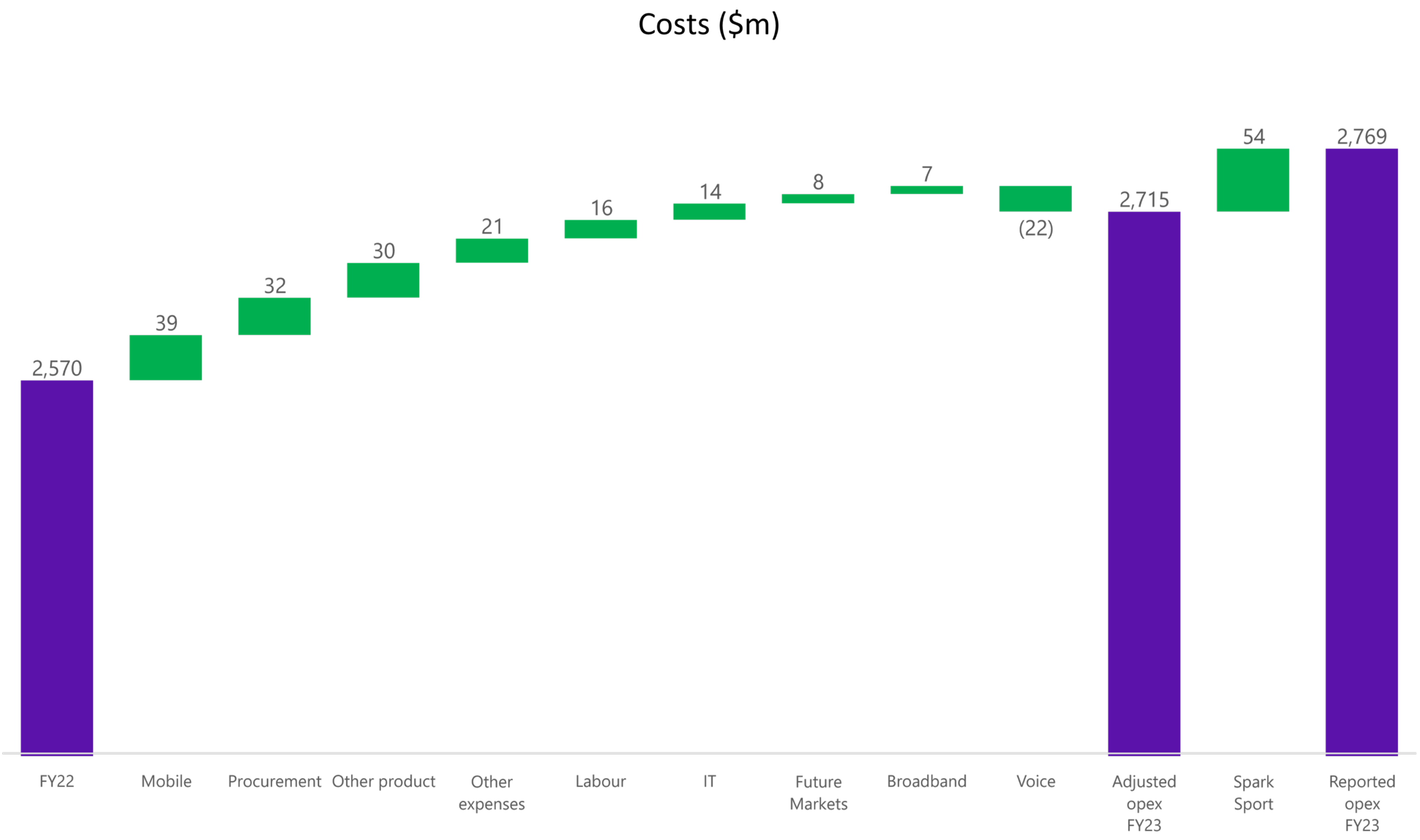


- Ongoing growth in mobile service revenue, boosted by connection growth, product innovation, and return of roaming
- Increase in other product revenue due to Entelar Group growth, growth in MATTR, and new public safety network (Hourua) revenues
- Higher software procurement, primarily in health sector
- Full year contribution from Connect 8 following 100% acquisition
- Future Markets revenue growth in IoT (33% YoY) driven by connectivity growth
- Broadband revenue decline stabilising, with benefits of retail price increase implemented in H1 flowing through
- Lower cloud, security, and service management revenue, primarily due to lower project activity as we cycled the Covid-19 period that included a higher level of activity in the health sector
- Higher voice revenue decline as calling volumes across 0800 and fixed to mobile normalise post-Covid. Future headwinds from voice expected to moderate as it trends below ~5% of total revenues
- Other gains includes sale of mobile network equipment and other assets, and gains on lease modifications and terminations

[1]Operating revenues and other gains
[2]Future Markets: Spark Sport and IoT (Health revenues included in IT)

FY23 operating cost performance

Higher costs primarily in support of revenue growth coupled with inflationary environment



- Increase in product costs mainly due to growth in procurement and higher mobile handset costs and volumes
- Other product costs increase driven by full year impact of Connect 8 cost base post-acquisition, and higher Spark Sport costs
- Increase in labour costs driven by insourcing field services, full year contribution of Connect 8, and investment in high-tech growth businesses
- Other operating expenses increase driven by:
  - Increased accommodation costs due to corporate site maintenance post-Covid restrictions;
  - Operating charges related to Connexa leases; and
  - Higher travel expense following the easing of travel restrictions, albeit lower than pre-Covid travel levels

FY23 capital investment[1]

Capital investment of $515m in line with guidance, TowerCo proceeds funding investment in future growth

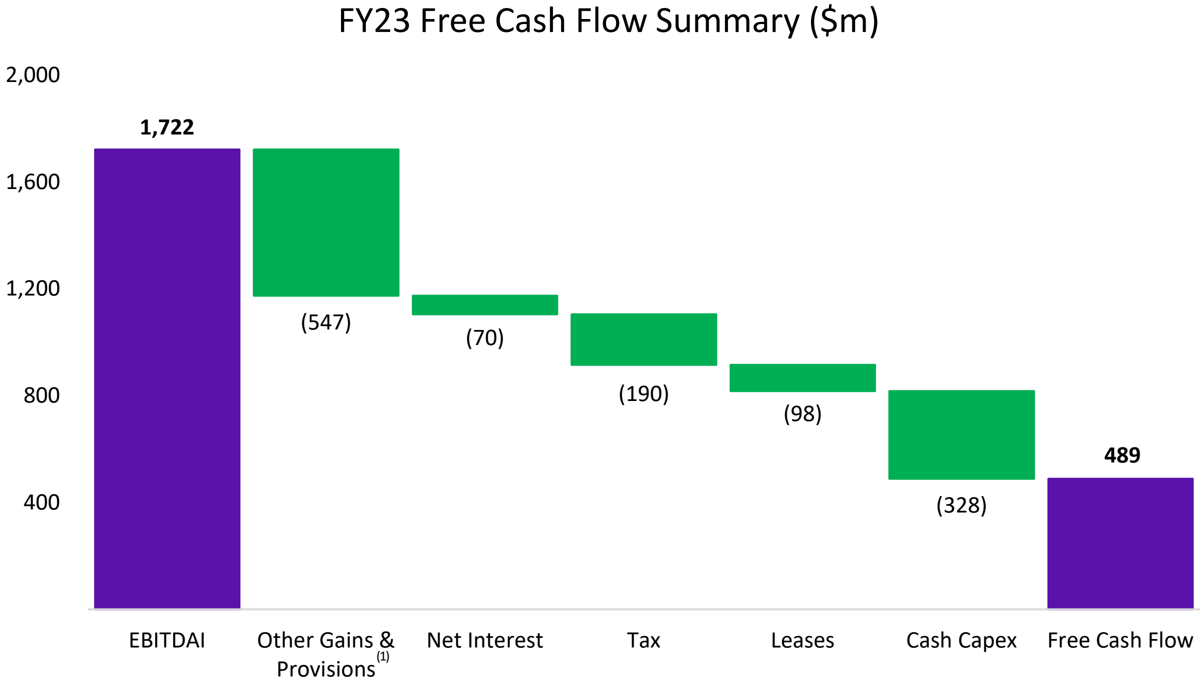
Capital expenditure[1] ($m)	FY22	FY23
Maintenance capital expenditure		
Cloud	15	19
Converged Communications Network	22	17
International cable construction and capacity purchases	7	25
IT systems	150	116
Mobile network	100	98
Core sustain and resiliency	53	69
Other	7	15
Total maintenance capital expenditure	**354**	**359**
Growth capital expenditure		
5G acceleration	25	42
Data centres	31	114
Total growth capital expenditure	**56**	**156**
Total capital expenditure	**410**	**515**
Total capital expenditure to adjusted operating revenue and other gains	11.0%	13.2%

- Significant progress in 5G rollout, now in 77 locations
- Increase in core sustain and resiliency investment, supporting continuation of core network expansion and further bolstering network resilience
- Higher international capacity purchases to meet demand for data with new SX Next cable live, providing customers with greater access to global connectivity
- Growth capex of $156m in support of future revenue growth and long-term returns:
    - Phase 1 of investment in data centre expansion through site enhancement and increased capacity at Mayoral Drive and expansion of Takanini data centre completed
    - Investment in 5G Standalone and multi-access edge compute trials to explore proof-of-concepts for new use cases in preparation for nationwide rollout
    - $101m of TowerCo proceeds allocated in FY23 with the remaining $249m to be invested during FY24-FY26 in line with strategy

[1]Excluding expenditure on mobile spectrum. Capital expenditure is a non-GAAP measure and is defined in note 2.5 of Spark's financial statements

FY23 free cash flow

Delivered free cash flow of $489m towards the top end of aspiration



- Free cash flow of $489m up $56m vs. FY22
- Favourable H2 free cash flow performance due to lower cash capex
- Growth in free cash flow supporting total FY23 dividend of 27 cps, an increase of 2cps vs. FY22
- FY24 free cash flow driven by:
  - EBITDAI growth of ~2%-6%; and
  - Capital investment in line with plan
- FY24 free cash flow aspiration of ~$490m-$530m supporting a growing dividend, with FY24 total dividend guidance increasing to 27.5 cps (100% imputed)

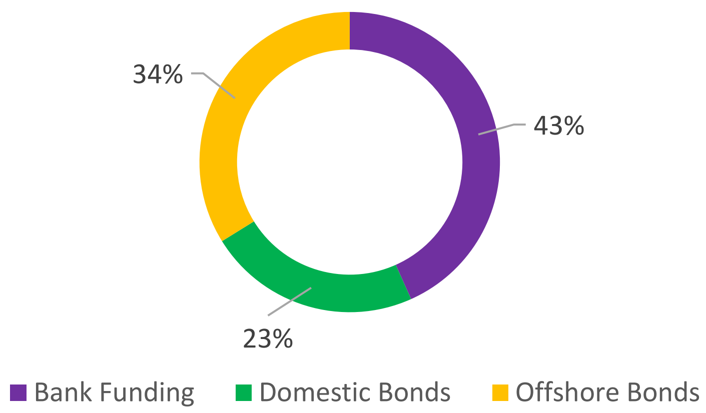
[(1)] Other gains and provisions of $547m predominantly related to the TowerCo gain on sale and outside of free cash flow

Net debt

Lower net debt reflecting proceeds from the TowerCo transaction

Net Debt as at 30 June	FY22	FY23
Net debt at hedged rates	$1,522m	$1,039m
Net debt at hedge rates including lease liabilities	$1,866m	$1,817m
Debt Ratios[1]		
Borrowing costs	3.5%	5.5%
Weighted average debt maturity	4.1 years	3.9 years
Debt servicing	1.6x	1.4x
Gearing	56%	48%
Interest cover	20x	16x

Sources of long term debt as at 30 June 2023[2]



- Reported net debt at hedged rates of $1,039m. Decrease in net debt reflects the receipt of TowerCo proceeds offset by:
  - Higher growth capex with $101m of TowerCo proceeds invested into data centres and acceleration of 5G Standalone and multi-access edge compute
  - On-market share buy-back returning $146m of TowerCo proceeds to shareholders during the period
- Net debt expected to increase in FY24 as further TowerCo proceeds are invested in capital projects in line with strategy and on-market share buy-back is completed
- Capital management framework remains unchanged with a focus on maximising shareholder value by growing dividends over time, investing for growth, and maintaining financial strength and flexibility

Debt profile as at 30 June 2023:

- Committed bank facilities of $640m, of which $525m was undrawn
- A $100m wholesale bond matured 10 March 2023 and was not refinanced due to the receipt of TowerCo proceeds during this period
- Next long-term debt maturity NZ$125m retail bond expiring on 7 March 2024

[1]See slide 36 for calculation methodology
[2]Includes undrawn debt

FY24 indicators of success

FY24 indicators of success

Measure	Target 30 June 2024
Mobile service revenue growth	~5%
Additional sites that are 5G capable	+180-200 sites
Wireless broadband connections	+10k-15k
IT and procurement revenue growth	~2%
High-tech revenue growth	~$25-$35m
IoT connections	~2.0 million
Gross cost reduction	~$40-60m
Customer iNPS	+3 points
Lift in employee engagement	+5 points
Reduce Scope 1 and Scope 2 GHG emissions against FY20 baseline	Maintain at or under 22.4% below FY20 baseline

Guidance[1]

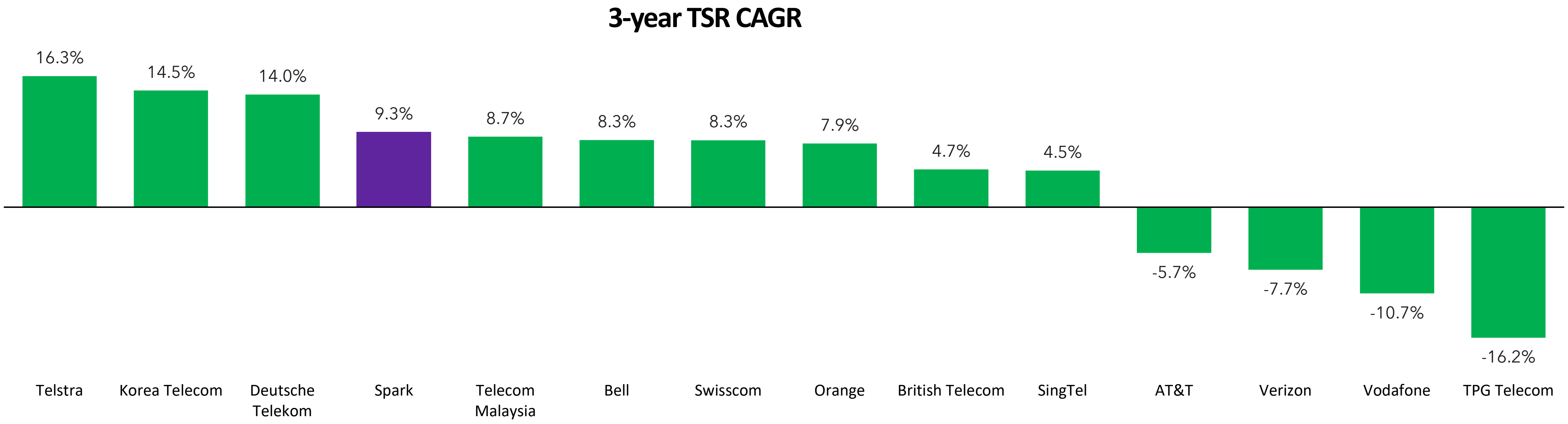
	FY23 Actual	FY24 Guidance
EBITDAI	$1,193m[2]	$1,215m-$1,260m
Capital expenditure[3]	$515m	~$510m-$530m
Dividend per share	Total 27.0cps (100% imputed)	Total 27.5cps (100% imputed)

[1]Subject to no adverse change in operating outlook
[2]FY23 EBITDAI is adjusted for the impact of TowerCo gain on sale of $583m included in revenue and the Spark Sport provision of $54m included in operating expenses. Net EBITDAI impact of $529m.
[3]Total capital expenditure including growth capex and excluding expenditure on mobile spectrum

Appendix

TSR[1] vs. international peers[2]

Ranked #4 for total shareholder returns against international peers over the last three-years



(1)TSR calculated as share price and dividend per share (reinvested at the ex-dividend date). Three-year TSR over Spark's FY21-FY23 period (1 July 2020 to 30 June 2023)

(2)Peer group is not exhaustive but is a selected group of primarily integrated telco operators that are deemed the closest peers to Spark in terms of market exposure

Mobile performance

Stand out revenue growth with #1 market position maintained

Mobile Performance ($m)	FY22	FY23	%
Mobile service revenue	899	980	9.0%
Mobile non-service revenue	452	490	8.4%
Mobile Revenue	**1,351**	**1,470**	**8.8%**
Mobile Gross Margin	904	984	8.8%
Pay Monthly connections	1,437	1,509	5.0%
Prepaid connections[(1)]	1,038	1,194	15.0%
Pay Monthly ARPU	40.60	41.54	2.3%
Prepaid ARPU	16.37	16.89	3.2%

- Continued strong growth in mobile with service revenue up 9% YoY, with roaming and inbound travellers contributing 3.3%. Roaming averaged 86% pre-Covid levels across FY23
- Spark continues to lead the market in mobile revenue share (45%), pay monthly connection share, and prepaid connection share[(2)], with our dual brand strategy meeting a wide range of customer needs at both the value and high-usage ends of the market
- Strong Prepaid connection growth due to return of travellers and seasonal workers
- Price increases implemented across the portfolio in H2
- ARPU growth supported by the return of roaming
- Partnership announced with global satellite provider Lynk to trial satellite-to-mobile connectivity for Spark mobile customers as early as the end of 2023

[(1)]6-month base
[(2)] Market share estimates sourced from IDC as at 30 June 2023

Broadband performance

Broadband revenue stabilised and #1 market position maintained

Broadband Performance ($m)	FY22	FY23	%
Broadband revenue	639	626	(2.0%)
Broadband Gross Margin	318	298	(6.3%)
Copper connections	95	64	(32.6%)
Fibre connections	415	426	2.7%
Wireless connections	194	209	7.7%
ARPU	$74.68	$74.36	(0.4%)

- Spark continues to lead the market in broadband revenue and broadband connection market share[1]
- Revenue has stabilised with the last three consecutive halves delivering a consistent level of revenue
- During the year Local Fibre Company CPI input price increases were passed on to customers
- Overall connections declined 5k as copper line withdrawals accelerated. Growth was achieved across the fibre and wireless base with wireless now representing 30% of the total broadband base
- During the year Spark announced a partnership with Netlinkz to supply business-grade Starlink satellite broadband connectivity to enterprise customers

[1]Market share estimates sourced from IDC as at 30 June 2023

Cloud, Security and Service Management performance

Signs of stablisation emerging, realigning market focus to hybrid cloud and cost base to new margin profile

Cloud, Security and Service Management Performance ($m)	FY22	FY23	%
Cloud revenue	233	228	(2.1%)
Security revenue	37	45	21.6%
Service management revenue	176	163	(7.4%)
Cloud, Security and Service Management Revenue	**446**	**436**	**(2.2%)**
Cloud, Security and Service management Gross Margin	343	328	(4.4%)

- Cloud revenue impacted by private cloud repricing and the continued shift in revenue mix from private to public volumes. Focused on resetting the cloud cost base to reflect changed margin profiles
- Private cloud revenues stable for the last three consecutive halves. Government customers comprise ~70% of private cloud revenues and the majority of these existing workloads are likely to remain hosted and delivered from locally-owned data centres
- Overall, the hybrid cloud market is growing, and it is expected that this volume growth will help offset price pressure over time
- New hybrid cloud service, CloudIQ, launched in July 2023 with a strong pipeline of signed business. Enables businesses to integrate and orchestrate diverse cloud environments across on-premise, private, and public cloud
- Service Management impacted by cycling the Covid-19 period that included a higher level of activity in the health sector
- Overall Cloud, Security and Service Management revenue is showing signs of stabilisation with H2 revenue in line with prior year

Spark Business

Digital Island

Changes to external reporting

Operating revenue disclosure changes

Current	FY22	FY23	FY22 vs FY23		New	FY22	FY23	FY22 vs FY23		Variance FY22	Variance FY23	Variance FY22 vs FY23	
	$m	$m	$m	%		$m	$m	$m	%	$m	$m	$m	Note
Operating revenues					**Operating revenues**								
					Telco								
Mobile					Mobile								
Service revenue	899	980	81	9.0%	Service revenue	899	980	81	9.0%				
Non-service revenue	452	490	38	8.4%	Non-service revenue	452	490	38	8.4%				
	1,351	1,470	119	8.8%	Mobile	1,351	1,470	119	8.8%	-	-	-	
Voice													
Access	109	82	(27)	(24.8%)									
Calling	138	113	(25)	(18.1%)									
Other voice revenue	38	36	(2)	(5.3%)									
	285	231	(54)	(18.9%)	Voice	285	231	(54)	(18.9%)	-	-	-	
Broadband (1)	639	626	(13)	(2.0%)	Broadband (1)	639	626	(13)	(2.0%)	-	-	-	
					Total Telco	2,275	2,327	52	2.3%				
					IT products								
Cloud	233	228	(5)	(2.1%)	Cloud	214	208	(6)	(2.8%)	(19)	(20)	(1)	Removal of Data centres
Managed data and network	205	208	3	1.5%	Managed data and network	220	222	2	0.9%	15	14	(1)	Addition of Network Security
Collaboration	78	79	1	1.3%	Collaboration	78	79	1	1.3%	-	-	-	
					Total IT products revenue	512	509	(3)	(0.6%)				
					IT services								
Service management	176	163	(13)	(7.4%)	Service management and security	198	194	(4)	(2.0%)	22	31	9	Addition of Security (excl. Network security)
Security	37	45	8	21.6%						(37)	(45)	(8)	Security split into Network security (under Managed data and network) and Other Security (under Service management and security)
Procurement and partners	538	584	46	8.6%	Procurement and partners	538	584	46	8.6%	-	-	-	
					Total IT Revenue	1,248	1,287	39	3.1%				
					Data centres	23	24	1	4.3%	23	24	1	Data centres (moved from Cloud) and Co-Location (moved from 'Other')
					High-Tech excl. Health (3)	57	65	8	14.6%	57	65	8	Qrious, IOT, MATTR moved from 'Other'
Other product revenues (2)	152	241	89	58.6%	Other product revenues (2)	91	172	81	88.6%	(61)	(69)	(8)	Qrious, IOT, MATTR moved to 'High-Tech excl. Health' and Co-location moved to 'Data centres'
Total operating revenues	**3,694**	**3,875**	**181**	**4.9%**	**Total operating revenues**	**3,694**	**3,875**	**181**	**4.9%**	-	-	-	
Other gains	26	33	7	26.9%	Other gains	26	33	7	26.9%				
Adjusted operating revenues and other gains	**3,720**	**3,908**	**188**	**5.1%**	**Adjusted operating revenues and other gains**	**3,720**	**3,908**	**188**	**5.1%**				

(1) Wireless broadband revenues and connections are included in broadband revenues and connections
(2) Included in other product is revenue from mobile infrastructure, Qrious, Internet of Things, Spark Sport and exchange building sharing arrangements
(3) Health revenues are included across general product categories above

Glossary

Glossary

TowerCo (Connexa)	TowerCo was the interim name of the company which operated Spark's mobile towers business. As a result of the sale of a 70% stake in that company to the Ontario Teachers' Pension Plan Board, the new independent business branded itself as Connexa during FY23. Connexa is now the home of Spark's 'passive' mobile assets, which includes the towers and light-poles that carry our 'active' assets, such as our radio equipment.
Entelar Group	As a result of the TowerCo divestment, in FY23 we created a new business, Entelar Group, to bring together our mobile infrastructure business, Connect 8, our mobile repair and supply chain business, Entelar, and our own supply chain, devices, and field services teams. Entelar Group provides services such as fibre and mobile builds, service and field delivery, integrated supply chain, IT distribution, and mobile repair, testing and service capabilities for Spark and other customers, including Connexa.
MATTR	MATTR, a standalone Spark subsidiary company, provides infrastructure for verifiable data and digital trust. MATTR provides enterprises, governments, and people next generation capabilities to support trusted digital interactions, and new privacy respecting, convenient ways for people and organisations to hold their own digital credentials securely on their device and be able to selectively share their verifiable credentials with different relying parties either in person or over the internet.
CCL	CCL is Spark's cloud and digital transformation subsidiary, servicing enterprise customers including government departments, local governments, DHBs energy providers, insurers, and special projects with end-to-end IT management, cloud platforms, and technology services.
Digital Island	A Spark subsidiary, Digital Island provides internet, data, mobile, land lines and cloud PBX solutions to New Zealand businesses.
Qrious	Qrious is Spark's data, analytics, and AI subsidiary and is part of Spark Business Group.

Disclaimer

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

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

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