



13 January 2022

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**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**Restatement of prior periods' product reporting framework**

As foreshadowed at our FY21 results announcement and to align with our T25 strategy, Telstra is changing its product reporting framework. The new framework includes:

- More transparency across our infrastructure business with InfraCo Fixed and Amplitel (InfraCo Towers) on a standalone basis
- Mobile and Fixed product EBITDA margins after including intercompany infrastructure costs

In order to assist the market when reviewing Telstra's 2022 half-year results to be released on 17<sup>th</sup> February 2022, a detailed income statement and summary product EBITDA for the financial years ending 2020 and 2021 are available from the Telstra Investor site:

[www.telstra.com.au/aboutus/investors/financial-information/financial-results](http://www.telstra.com.au/aboutus/investors/financial-information/financial-results)

The figures have been restated for the new product reporting framework. The restatement relates to product reporting only and does not impact income, expenses, EBITDA or profit measures at an aggregate Telstra level.

We remain committed to all financial ambitions under our previous reporting framework. At our half-year 2022 results on 17<sup>th</sup> February 2022, we will update how our previous product specific forward-looking statements translate into the new reporting framework.

A presentation regarding the new product reporting framework is attached.

Our auditor has performed agreed-upon procedures over the restatement as part our half-year 2022 financial reporting process.

Authorised for lodgement by:

**Sue Laver**  
Company Secretary



# Restatement of prior periods' product reporting

Vicki Brady – Chief Financial Officer

January 2022

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## Restatement of prior periods' product reporting

- **We are changing our product reporting framework disclosures as flagged at our FY21 results**
  - In order to assist the market when reviewing Telstra's 2022 half-year results to be released on 17<sup>th</sup> February 2022, a detailed income statement and summary product EBITDA for the financial years ending 2020 and 2021 are available from the Telstra Investor site: [www.telstra.com.au/aboutus/investors/financial-information/financial-results](http://www.telstra.com.au/aboutus/investors/financial-information/financial-results)
  - The figures have been restated for the new product reporting framework. The restatement relates to product reporting only and does not impact income, expenses, EBITDA or profit measures at an aggregate Telstra level.
- **The restated product reporting framework aligns with our T25 strategy and provides:**
  - More transparency across our infrastructure business with InfraCo Fixed and Amplitel (InfraCo Towers) on a standalone basis
  - Mobile and fixed product EBITDA margins after including intercompany infrastructure costs
- **Financial ambitions**
  - We remain committed to all financial ambitions under our previous reporting framework
  - At our half-year 2022 results we will update how our previous product specific forward-looking statements translate into the new reporting framework

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## Restated reporting framework includes the following underlying categories



- **Mobile.** Our mobile related business across all customer segments (i.e. C&SB, Enterprise and Wholesale). Includes intercompany infrastructure costs
- **Fixed – Consumer & Small Business (C&SB).** Our fixed business related to C&SB customers including connectivity, content & services. Includes intercompany infrastructure costs
- **Fixed – Enterprise.** Our fixed business related to Enterprise customers, including data access and connectivity, and network applications and services (NAS). Includes intercompany infrastructure costs
- **Fixed – Active Wholesale.** Our fixed business related to Active Wholesale. Includes intercompany infrastructure costs
- **International.** Our international business
- **InfraCo Fixed.** Our passive infrastructure business excluding Towers. Includes intercompany infrastructure revenue and operational and maintenance costs
- **Amplitel.** Our 51% owned towers business. Includes intercompany infrastructure revenue and operational and maintenance costs
- **Other** including Health, intercompany operational and maintenance revenue and corporate adjustments. Corporate adjustments may include items not related to products

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## Example – FY21 Underlying EBITDA



	Previous		New		Change		Explanation
	EBITDA	margin	EBITDA	margin	EBITDA	margin	
Mobile	\$3,647m	39%	\$3,297m	35%	-\$350m	-4%	• New intercompany infrastructure costs
Fixed – C&SB	\$273m	6%	\$139m	3%	-\$134m	-3%	• New intercompany infrastructure costs
Fixed – Enterprise	\$887m	24%	\$645m	17%	-\$242m	-7%	• New intercompany infrastructure costs
Fixed – Active Wholesale	\$621m	46%	\$231m	39%	-\$390m	-7%	• New intercompany infrastructure costs • Passive Wholesale and Commercial & Recoverable Works (CRW) moved to InfraCo Fixed and Amplitel
International	\$336m	23%	\$336m	23%	-	-	• Product category name change only
InfraCo Fixed	-		\$1,673m	65%	\$1,673m	n/m	• New product including: • Intercompany infrastructure revenue • Recurring nbn DA • Passive Wholesale and CRW • Intercompany operational & maintenance costs • EBITDA after leasing (EBITDAaL) FY21 \$1,609m, FY20 \$1,660m
Amplitel	-		\$300m	89%	\$300m	n/m	• New product including: • Intercompany infrastructure revenue • Passive Wholesale and CRW • Intercompany operational & maintenance costs • EBITDAaL FY21 \$243m, FY20 \$244m
Recurring NBN DA	\$860m	95%	-	-	-\$860m	n/m	• Moved into InfraCo Fixed
Other	\$65m	n/m	\$68m	n/m	\$3m	n/m	• Intercompany operational & maintenance revenue
<b>Total Underlying<sup>1</sup></b>	<b>\$6,689m</b>	<b>31%</b>	<b>\$6,689m</b>	<b>31%</b>	<b>-</b>	<b>-</b>	

1. Underlying EBITDA excludes net one-off nbn DA receipts less nbn net C2C and guidance adjustments. FY21 underlying EBITDA includes depreciation of mobile lease right-of-use assets.

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