



TPG Telecom
Annual General Meeting
6 May 2021

CEO and Managing Director's Address

Next week, it will be ten months since the merger was implemented and during that time much has been achieved or is underway.

We have accelerated our 5G mobile network rollout, with services now available in more than 500 suburbs in cities and major centres and with more than half a million customers using 5G mobile devices on our network.

At the recent millimetre wave auction, we secured spectrum holdings in all available licence areas which will significantly increase capacity for our fixed wireless and 5G mobile services.

And today, I am pleased to announce that we will begin inviting selected customers to access our 5G fixed wireless services next month. Take-up of our fixed wireless services has been encouraging as we expand the service across more brands and channels.

We have launched felix - Australia's first telco brand – powered by 100 per cent renewable electricity, and we have set a target that by 2025 we will have 100 per cent renewable electricity powering the company's entire Australian operations. Over the coming years we will increase our focus on environmental sustainability.

We continue to strengthen our enterprise propositions leveraging new NBN products and our significant fibre assets and build capabilities. In the last quarter, we have been awarded contracts with two major companies which have national and international operations.

Fibre roll out to our mobile sites is ahead of schedule and we have integrated in excess of 400 small cells enhancing coverage and capacity in our network.

We are also working on our cultural program and teams integration as we continue to leverage our culture as a primary company asset.

We now have a harmonised approach to remuneration and workplace policies which support employees to be at their best. Company engagement is tracking above expectation, and more of our office spaces, systems and processes are coming together as our integration progresses.

I thank all our people for their commitment and enthusiasm and for working hard every day – often in challenging circumstances throughout 2020 – for our customers, shareholders and the future of TPG Telecom.

Strategic Priorities

All of these significant achievements are delivering consistently on our strategy which with the Board's unanimous backing, is allowing us to deliver the opportunities from the merger.



We have three growth priorities:

- First, to grow our share of converged households. Having brought our mobile and fixed broadband capabilities together, we are able to provide a richer portfolio of products to each of our customers.
- Second, to make the most of our extensive network infrastructure assets by providing compelling on-net broadband services to more customers.
- and finally, to drive competition and growth in Enterprise, Government and Wholesale, with whole-of-business telecommunications solutions.

To support these priorities, we will continue rolling out 5G on our wireless network and transform IT and Digital to improve customer experience, simplify the business and improve our company's efficiency.

Underpinning this is our cost synergy program with a target of \$70 million in 2021 alone – along with organisational integration.

Investing in Our Network

At the end of last year we renewed our tower arrangements with Axicom allowing us to upgrade our Axicom sites to 5G. It will also increase the speed of our 5G roll out with more than 400 Axicom sites to be upgraded with 5G equipment.

We are on track to reach 85 per cent 5G population coverage in the top six cities of Sydney, Melbourne, Brisbane, Perth, Adelaide and Canberra by the end of the year.

Our increased scale allows us to offer more compelling propositions to customers across our mobile and fixed products supporting customer needs and driving growth.

A good example is our strong result at the recent 26 GHz spectrum auction.

The millimetre wave spectrum we acquired will complement our current spectrum holdings and allow us to deliver an excellent 5G experience for customers. The spectrum will be used to offer 5G fixed services to the mass market as an NBN alternative, and to boost performance for 5G mobile services. The \$108.2 million fee for the spectrum, which we intend to pay in five equal annual instalments from this year, was an excellent outcome for shareholders.

While upgrading to the next generation of mobile technology, we continue to focus on improving our network.

Watching video is what customers do most on their devices – and our mobile network has been built for video.

For the first quarter in 2021 our 4G and 5G network was ranked number one of the Australian mobile networks for video experience by Open Signal, a leader in measuring user experience of mobile devices.

And for 5G alone, Open Signal ranked our network equal winner on all key experience metrics of 5G video Experience, 5G Games Experience and 5G Voice App Experience.

In the same period - from January to March this year - we were also recognised as being number one for consistent quality, uplink speeds and latency across common coverage areas by independent network benchmarking firm, Tutela.



With our fixed and mobile capabilities and scale, we are driving stronger competition in the consumer and enterprise segments.

We are scaling up cross-selling initiatives capitalising on the high NPS of our customers across our multi-brand portfolio.

TPG Telecom Executive Team

Leading our people at TPG Telecom is a highly experienced and driven Executive Team leveraging on the talent of TPG and VHA and also incorporating new talent from the market.

I want to acknowledge Steve Banfield who has decided to leave the company in November.

Steve has been part of the TPG group for over 20 years and he has decided it's time to move on. I thank him for his considerable contribution to TPG.

It has been a pleasure working with Steve during the merger integration where he has brought the finance teams together and produced the first set of results and annual report of the merged company.

I look forward to working with Steve during a smooth transition to his successor which we will announce in due course.

Better and Stronger Together

As we move through 2021, and reflect on last year, 2020 was a year that shaped us.

We had clear priorities to complete the merger, fast track the deployment of our 5G network, maintain our focus to provide great services to our customers, drive financial performance, and build a strong company for the future.

We are privileged to be in the telecommunications industry which was so critical to the lives of all Australians throughout 2020.

The challenges in 2020 were significant. The mobile market contracted for the first time ever due to global travel restrictions and we were impacted by the ongoing migration of services to the NBN.

We navigated these external challenges while completing the merger, integrating the two businesses and recovering from the merger approval delay and 5G vendor restrictions.

Our 2020 results demonstrate that even during a period of unprecedented challenges, the company fundamentals are strong.

As the merger was effective from 26 June 2020, reported figures for 2020 include twelve months of the company formerly named Vodafone Hutchison Australia combined with six months and four days' of TPG Corporation.

The Group's reported revenue increased 24 per cent to \$4.35 billion and EBITDA increased 18 per cent to \$1.39 billion.

Reported net profit after tax was \$734 million which includes a one-off \$820 million accounting credit to income tax expense.



Proforma results - which simulate what the Group's results would have been if the merger had been effective throughout 2019 and 2020 - show that Proforma revenue decreased six per cent to \$5.52 billion and EBITDA decreased 10 per cent to \$1.79 billion.

Our people are our greatest asset and they have been essential to the support of our customers and to deliver for our shareholders during our merger progress.

Canning has already touched on our result for shareholders, including the dividend.

Last year, we helped more than 220 thousand customers in financial hardship through initiatives such as Vodafone's \$10 Stay Connected plan and other relief measures.

We also maintained a strong focus on providing a great experience for customers.

From a cultural integration point of view, and I am pleased at how well our people are working together to deliver our strategic priorities.

Together we are building a new culture at TPG Telecom. It will be a culture with customers at the heart and one which encompasses the best parts of the two businesses.

In a physical sense, have brought our people together, including the consolidation of four office buildings in Sydney and Melbourne.

And our hybrid working model is supporting our people to be at their best, providing a flexibility and a safe working environment.

Closing

In closing, we have moved into 2021 with increased momentum and confidence.

We are already a third of the way through 2021 and we are tracking well against our forecast for the year.

The merged TPG Telecom is a better and stronger company – for customers, shareholders and our people.

Thank you, to you our shareholders, for your continued support.