

TPG Telecom Results Presentation

For the year ended 31 December 2020



Better Together



TPG Corporation Limited
formerly TPG Telecom Limited
(TPM)



TPG Telecom Group



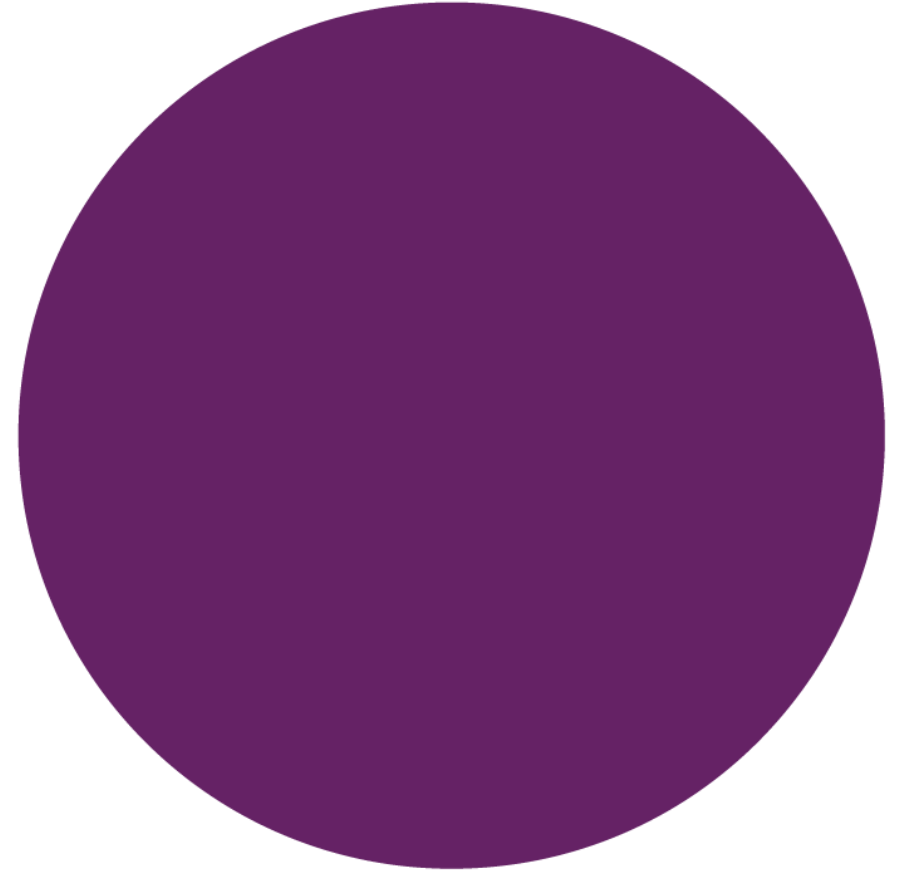
TPG Telecom Limited
formerly Vodafone Hutchison Australia Limited
(VHA)

In this presentation:

- TPG Telecom Limited (formerly Vodafone Hutchison Australia Limited) is referred to as 'TPG Telecom' and 'VHA'.
- TPG Corporation Limited (formerly TPG Telecom Limited) is referred to as 'TPG Corporation' and 'TPM'.
- The merged group is referred to as the 'TPG Telecom Group' and 'Group'.

2020 Highlights & 2021 Strategic Priorities

Iñaki Berroeta
Chief Executive Officer
and Managing Director



How we delivered for customers and shareholders in 2020

Created strong merged company

- Completed merger amid regulatory and COVID related challenges.
- Operating the two legacy entities under a unified senior management team.
- Synergies program on track with good progress on integration activities.

Focused on customers

- Supported more than 220,000 customers in financial hardship during COVID.
- Improved market competition and drove value for consumers, businesses and the public sector as a full-service telecommunications provider.
- Increased customer digital engagement across consumer brands.
- Commenced 5G rollout, on track for 85% population coverage in top six cities by end of 2021.

Demonstrated commercial strength

- Grew fixed broadband base by 6% with 117,000 net subscriber additions.
- Generated \$342¹ million of net cash flow in first six months post-merger.
- Reduced net debt to \$4.2 billion as at 31 December 2020 with over \$1 billion of headroom in debt facilities.
- Delivered maiden dividend of 7.5 cents per share.

Notes

1. Excluding merger transaction costs.

2020 Operational Highlights

Accelerated 5G plans

- Finalised building blocks for 5G future.
- 5G network live in over 350 suburbs.
- Over 425,000 5G enabled smartphones on our mobile network.
- Commenced 5G fixed wireless testing.

Served our customers

- Improved NPS and digital engagement, lowered TIO complaints and won multiple customer satisfaction awards.
- Highest seller of NBN Enterprise Ethernet since July.
- Won major tenders to provide fixed and mobile network services.

Realised substantial merger benefits

- Deployed additional 1800 MHz spectrum benefitting 1.8 million Australians.
- Nearing completion of program to integrate 400+ small cell sites into our mobile network.
- Ahead of schedule on program to connect dark fibre to an additional 700+ mobile sites.
- Migrated around 60% of iiNet customers onto our mobile network.

Delivered innovation

- Introduced market-first Infinite Data mobile plans with endless speeds up to 25Mbps.
- Completed the rollout of Australia's first city-wide 10 Gigabit network to 1000 buildings in Adelaide.
- Launched carbon neutral, digital-native mobile brand, felix.

2020 Financial Headlines

Solid performance against COVID and regulatory headwinds

Revenue

\$4,350m

▲ 24% vs 2019 Reported

\$5,522m

▼ 6% vs 2019 Pro forma

EBITDA

\$1,391m

▲ 18% vs 2019 Reported

\$1,789m

▼ 10% vs 2019 Pro forma

Dividend

7.5cps

NPAT

\$734m

▲ 362% vs 2019 Reported

\$282m

▼ 12% vs 2019 Pro forma

Earnings Per Share

64 cents

▲ 194% vs 2019 Reported

15 cents

▼ 12% vs 2019 Pro forma

Free Cash Flow (Excluding Spectrum)

\$402m

▼ 36% vs 2019 Reported

\$687m

▼ 32% vs 2019 Pro forma

Notes

1. Reported figures reflect a full twelve months' results of the company formerly known as VHA and six months and four days of results from TPG Corporation (the company formerly known as TPG Telecom).
2. Pro forma figures simulate what the Group's results would have been if the merger had been effective throughout the reporting period (including the prior year comparatives).

2021 Strategic Priorities

Capitalising on strengths and opportunities to drive growth

How we will drive growth

Bring more of our products into even more Australian households

Launch 5G fixed wireless services and bring more customers onto our infrastructure

Increase focus on Enterprise, Government and Wholesale

How we will enable growth

Continue rolling out 5G network to reach scale in major cities

Transform IT & Digital to enhance and simplify the customer experience

How we will become stronger

Deliver more of the benefits of the merger to our customers and shareholders

Unify our culture, experience and organisation as one company

2021 Strategic Priorities

How we will drive growth

Bring more of our products into even more Australian households

- Enhance products, inclusions and benefits.
- Offer more value to customers through cross-selling initiatives.
- Simplify and improve customer experience across sales, on-boarding and account management.

Launch 5G fixed wireless services and bring more customers onto our infrastructure

- On track to begin offering 5G fixed wireless services in 1H21.
- Continue to invest in our FTTB, HFC and VDSL networks.
- Enhance fixed broadband features including 4G backup on more products.
- Manage NBN plan mix to maximise margins.

Increase focus on Enterprise, Government and Wholesale

- Increase brand awareness in business and public sectors.
- Accelerate cross-selling activities.
- Drive on-net sales in our expanding fibre footprint.
- Maintain ranking as highest seller of NBN Enterprise Ethernet.
- Increase focus on IoT and 5G offerings.
- Improve network asset utilisation and drive long term value in partnership agreements.

2021 Strategic Priorities

How we will enable growth

Continue rolling out 5G network to reach scale in major cities

- 5G live in more than 350 suburbs.
- On track to achieve 85% population coverage in the top 6 cities by the end of 2021, deploying 3.6 GHz and 700 MHz spectrum and a standalone core.
- Enhance 4G experience by increasing capacity using combined spectrum assets and multi-beam deployment, and expand VoLTE capability.

Transform IT & Digital to enhance and simplify the customer experience

- Modernise digital tools to give customers more choice about how they interact with us and manage their accounts.
- Increase system automation for frontline agents to enhance in-store and contact centre interactions.
- Progress the rationalisation of legacy IT systems to enable convergence, on-net initiatives and seamless customer experiences.

2021 Strategic Priorities

How we will become stronger

Deliver more of the benefits of the merger to our customers and shareholders

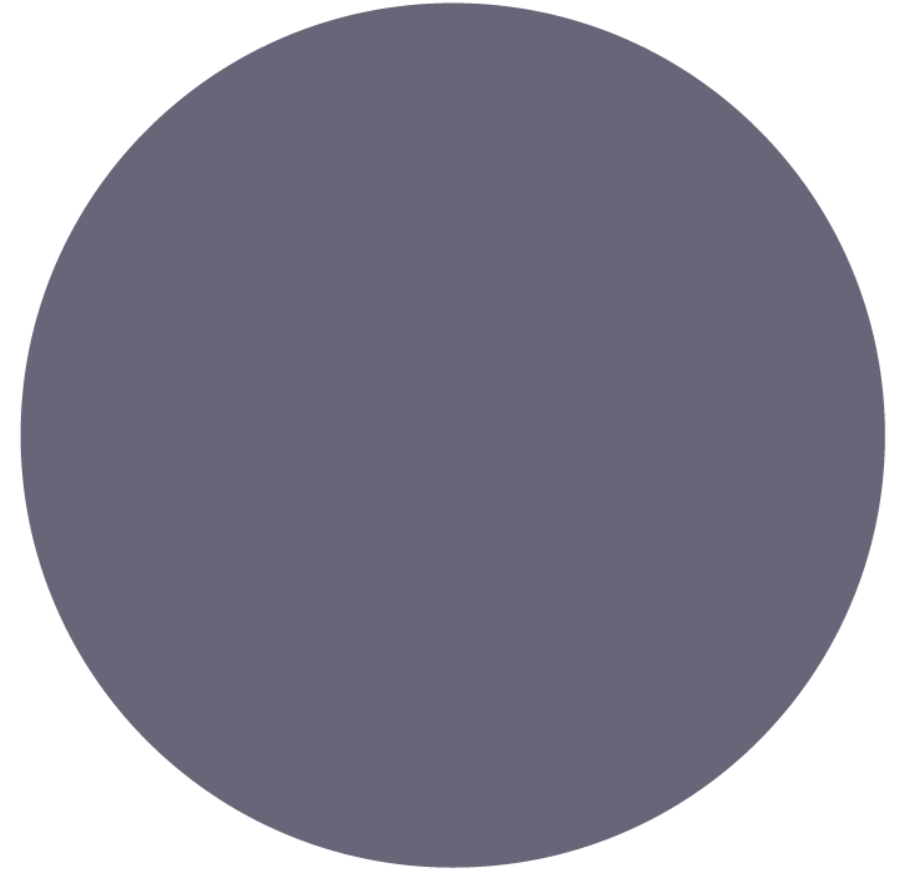
- Complete migration of iiNet mobile base to our mobile network.
- Complete delivery of mobile network backhaul savings.
- Bring NBN customers onto 5G fixed wireless services.
- Continue cross-selling mobile and fixed services.
- Deliver other cost efficiencies across technology, infrastructure, property and marketing.

Unify our culture, experience and organisation as one company

- Continue to harmonise our culture, ways of working and employee experience.
- Develop skills, talent and leadership across the company.
- Enhance our employer value proposition.
- Maintain a safe and flexible working environment.

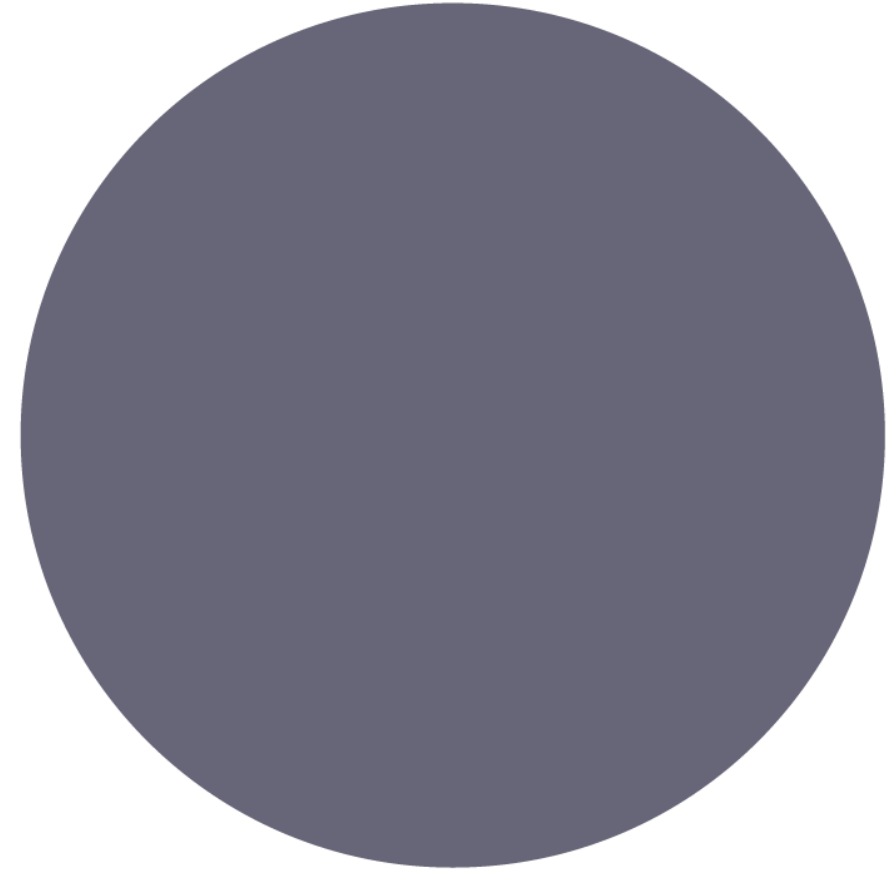
2020 Financial Results

Stephen Banfield
Chief Financial Officer



2020 Financial Results

- The merger of TPG Telecom Limited (formerly Vodafone Hutchison Australia Limited (VHA)) and TPG Corporation Limited (formerly TPG Telecom Limited) became effective for accounting purposes following court approval on 26 June 2020.
- The Group's statutory income and cash flow statements for 2020 therefore include:
 - a full twelve months' results of the company formerly known as VHA; and
 - six months and four days of results from TPG Corporation (the company formerly known as TPG Telecom).
- In the following slides, alongside the statutory 'reported' results, pro forma results are also provided to simulate what the Group's results would have been if the merger had been effective throughout the reporting period (including the prior year comparatives).
- A reconciliation of the reported to pro forma income statements for 2020 and 2019 are set out on slides 14 and 35 respectively.



Group Summary Results

		REPORTED			PRO FORMA ¹		
		2020	2019	% CHANGE	2020	2019	% CHANGE
Service revenue	\$m	3,479	2,406	45%	4,651	4,792	(3%)
Handset revenue	\$m	871	1,107	(21%)	871	1,107	(21%)
Total revenue	\$m	4,350	3,513	24%	5,522	5,899	(6%)
EBITDA	\$m	1,391	1,178	18%	1,789	1,984	(10%)
NPAT	\$m	734	(280)	362%	282	321	(12%)
EPS	cps	64	(68)	194%	15	17	(12%)
Free cash flow (excl spectrum)	\$m	402	625	(36%)	687	1,014	(32%)
Dividends declared	cps	7.5	-	NM	NA	NA	NA

Notes

1. Refer to reconciliations from reported to pro forma results on slides 14, 24 and 35.

The increase in reported results reflects:

- the fact that 2019 includes no contribution from TPG Corporation, compared to a contribution for six months and four days in 2020; and
- an \$820m one-off accounting credit to income tax expense in 2020.

Pro forma results simulate what the Group's results would have been if the merger had been effective from 1 January 2019 (i.e. both 2019 and 2020 include a full 12 months' contribution from TPG Corporation).

The decline in pro forma EBITDA for 2020 (as set out in the EBITDA bridge on slide 16) is driven primarily by:

- a decline in mobile subscribers and ARPU;
- other impacts of COVID on mobile; and
- NBN margin erosion.

Reconciliation of Reported to Pro Forma Income Statement

\$m	2020 REPORTED INCOME STATEMENT	1H20 PRO FORMA ADJUSTMENTS ¹	ADD BACK: 2H20 MERGER TRANSACTION COSTS ²	LESS: 2H20 ONE-OFF INCOME TAX CREDIT ³	ADD BACK: ACQUIRED CUSTOMER BASE AMORTISATION ⁴	2020 PRO FORMA INCOME STATEMENT
Revenue	4,350	1,172				5,522
Other income	11	-				11
Cost of provision of telco services	(1,388)	(630)				(2,018)
Cost of handsets sold	(855)	-				(855)
Employee benefits expense	(328)	(111)				(439)
Other operating expenses	(399)	(44)	11			(432)
EBITDA	1,391	387	11			1,789
Depreciation and amortisation	(1,188)	(153)			82	(1,259)
Results from operations	203	234	11		82	530
Net financing costs	(289)	101				(188)
Profit/(loss) before income tax	(86)	335	11		82	342
Income tax expense	820	(278)		(602)		(60)
Profit/(loss) after tax	734	57	11	(602)	82	282

Notes

- Adjustments set out in the Group's 1H20 presentation to primarily (a) replace four days' contribution from TPG Corporation with a full six months; (b) eliminate merger transaction costs; (c) adjust interest expense to reflect post-merger debt structure; and (d) remove one-off income tax credit.
- Adjustment to add back one-off merger transaction costs included in the Group's 2H20 reported results.
- In 2H20, certain tax losses previously not recognised in VHA's accounts have been brought to account as a deferred tax asset, giving rise to a one-off accounting credit to income tax expense in the Group's accounts. This has been excluded from the pro forma results. The \$60m income tax expense in the pro forma income statement represents the income tax expense incurred by TPG Corporation in 2020 up until it joined the TPG Telecom tax consolidated group upon merger completion in July 2020.
- Adjustment to add back acquired customer base intangible amortisation, being a non-cash expense arising from the merger acquisition accounting.

Pro Forma Income Statement vs Prior Year

\$m	2020 PRO FORMA INCOME STATEMENT ¹	2019 PRO FORMA INCOME STATEMENT ²	2020 MOVEMENT
Service revenue	4,651	4,792	(141)
Handset revenue	871	1,107	(236)
Total revenue	5,522	5,899	(377)
Other income	11	10	1
Cost of provision of telco services	(2,018)	(1,931)	(87)
Cost of handsets sold	(855)	(1,101)	246
Employee benefits expense	(439)	(447)	8
Other operating expenses	(432)	(446)	14
EBITDA	1,789	1,984	(195)
Depreciation and amortisation	(1,259)	(1,316)	57
Results from operations	530	668	(138)
Net financing costs	(188)	(209)	21
Profit/(loss) before income tax	342	459	(117)
Income tax expense	(60)	(138)	78
Profit/(loss) after tax	282	321	(39)

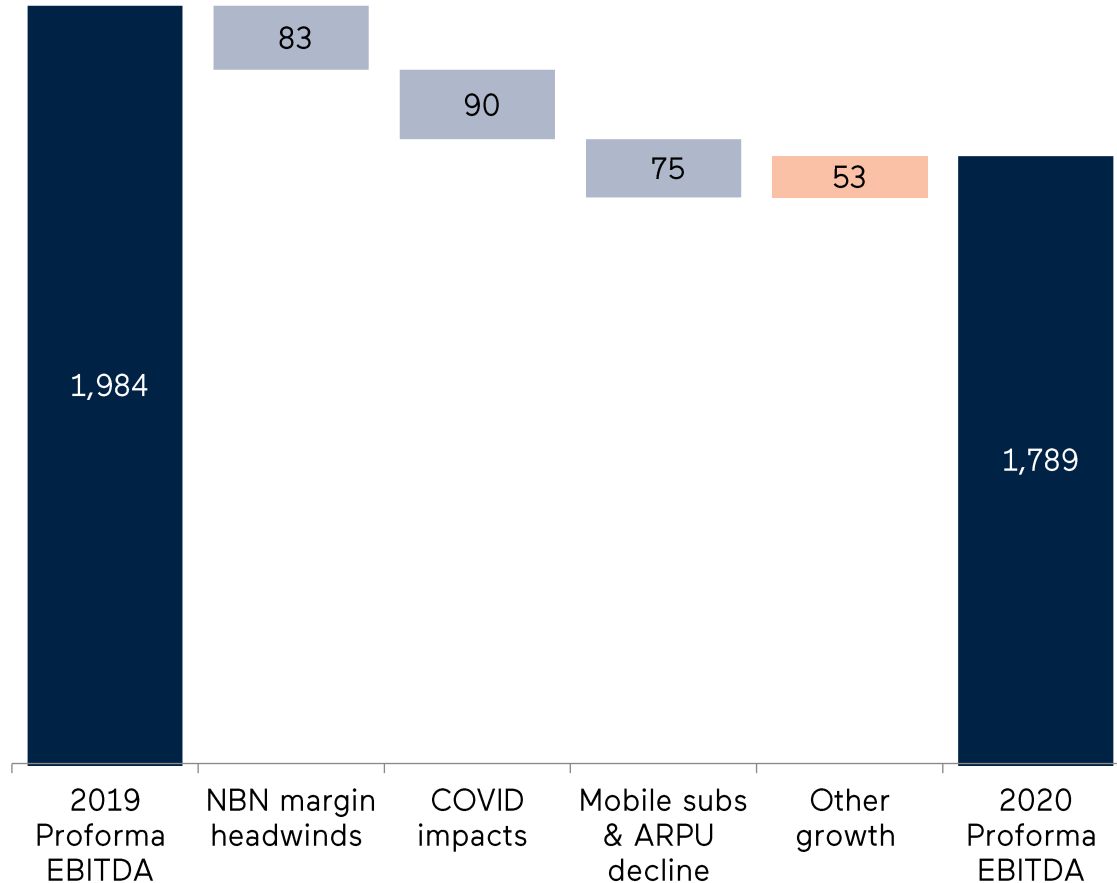
- Drivers of EBITDA movements set out in EBITDA bridge on slide 16.
- Decrease in 2020 pro forma depreciation and amortisation primarily due to reduced level of capital expenditure and commissions.
- Decrease in proforma 2020 net financing costs primarily due to decrease in interest rates in 2020 and repayment of debt in 2H20.
- Decrease in 2020 pro forma income tax expense due to TPG Corporation tax expense being incurred only up until it joined the TPG Telecom tax consolidated group upon merger completion in July 2020.

Notes

1. As per slide 14.
2. As per slide 35.

2019 to 2020 Pro Forma EBITDA Bridge

EBITDA \$m



NBN margin headwinds comprise:

- \$73m from DSL to NBN migration driven by 356k decline in average DSL subscribers in 2020 (115k DSL subscribers remaining as at 31-Dec-20); and
- \$10m decline in PSTN voice GP (down to \$8m total GP for 2020).

COVID impacts comprise primarily:

- Mobile margin declines from international roaming and visitor revenue;
- Mobile GP declines from relief provided to customers; and
- Mobile subscriber decline attributable to COVID.

Mobile subs & ARPU decline

- Refer to slides 20 and 22.

Other growth

- Driven primarily by opex savings and fixed broadband subscriber growth.

Segment Summary

\$m	CONSUMER SEGMENT	CORPORATE SEGMENT	OTHER	GROUP
Revenue				
2020 pro forma	4,549	973		5,522
2019 pro forma	4,864	1,035		5,899
Movement	(315)	(62)		(377)
EBITDA				
2020 pro forma	1,304	484	1	1,789
2019 pro forma	1,474	500	10	1,984
Movement	(170)	(16)	(9)	(195)
EBITDA %				
2020 pro forma	29%	50%		32%
2019 pro forma	30%	48%		34%

Consumer Segment comprises:

- the legacy VHA business excluding its wholesale and business customers; and
- the legacy TPM Consumer Segment.

Corporate Segment comprises:

- the legacy TPM Corporate Segment (which includes business, enterprise, government and wholesale customers); and
- the legacy VHA wholesale and business customers.

Consumer Segment

\$m	HANDSET REVENUE	MOBILE POSTPAID	MOBILE PREPAID	FIXED BROADBAND	OTHER SERVICE REVENUE	TOTAL
Revenue						
2020 pro forma	815	1,459	494	1,678	103	4,549
2019 pro forma	1,042	1,579	545	1,553	145	4,864
Movement	(227)	(120)	(51)	125	(42)	(315)
EBITDA						
2020 pro forma						1,304
2019 pro forma						1,474
Movement						(170)
EBITDA %						
2020 pro forma						29%
2019 pro forma						30%

- 72% of Consumer Segment revenue decrease attributable to lower handset sales.
- Mobile and fixed broadband revenue movements driven by subscriber and ARPU movement (refer to slides 20 to 22).
- Other service revenue includes an \$11m decline from Tech2 (\$48m in 2020 vs \$59m in 2019), which contributed negative EBITDA in 2H20. Subsequent to the year-end, the Group has disposed of its 60% interest in Tech2.
- The balance of the decline in other service revenue primarily relates to fixed voice.

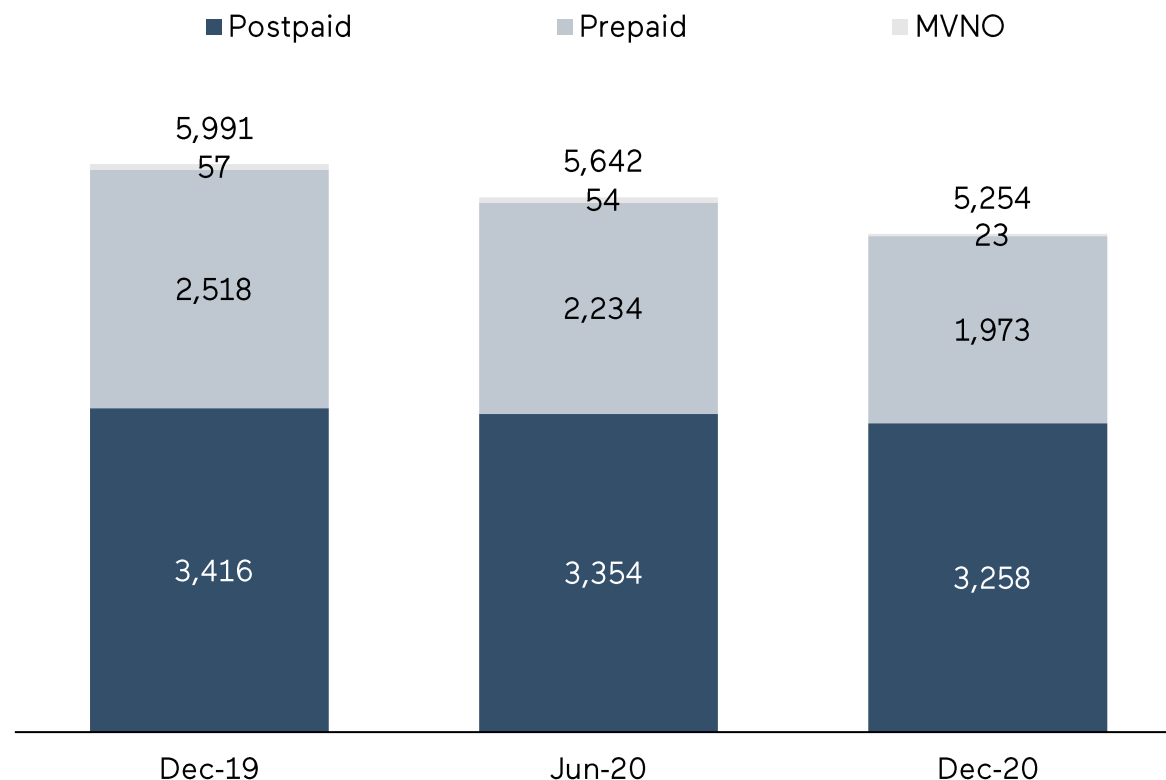
Corporate Segment

\$m	HANDSET REVENUE	MOBILE	DATA AND INTERNET	FIXED VOICE	LEGACY IINET	OTHER	TOTAL
Revenue							
2020 pro forma	56	237	522	110	35	13	973
2019 pro forma	65	261	535	112	45	17	1,035
Movement	(9)	(24)	(13)	(2)	(10)	(4)	(62)
EBITDA							
2020 pro forma							484
2019 pro forma							500
Movement							(16)
EBITDA %							
2020 pro forma							50%
2019 pro forma							48%

- Decline in pro forma Corporate Segment revenues despite positive sales momentum.
- Mobile revenue declines reflect significant COVID impact.
- Fixed revenues impacted by price erosion and loss of low-margin NBN wholesale business, as well as some COVID related cancellations.
- Continued EBITDA margin improvement.

Mobile Subscribers

SUBSCRIBERS ('000)



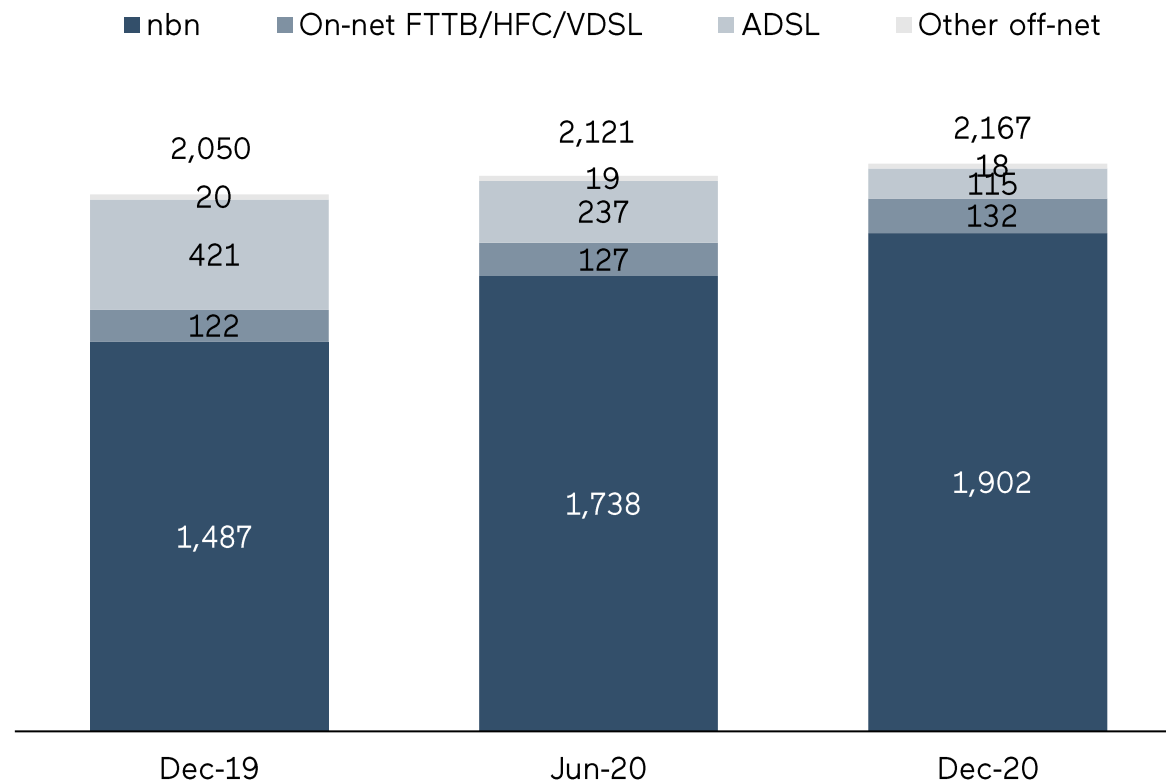
- Postpaid and prepaid subscribers declined by 158k and 545k respectively in 2020.
- Includes impact of COVID.
- Chart now includes all TPG and iiNet mobile subscribers (including in the prior period columns) regardless of whether the subscribers were on-net (i.e. on the Vodafone network) or off-net at the time.
- 45k TPG/iiNet subscribers were off-net as at 31 December 2020 (down from 110k as at 30 June 2020).

Notes

1. Prepaid & MVNO subscribers are calculated based on 'registered subscribers' and prior periods have been restated on a comparable basis.
2. Registered subscribers include all subscribers who have had a chargeable event in the previous six months. Management believes this provides a more reliable basis for measurement.
3. At each date, the numbers shown include subscribers of both VHA and TPG Corporation.
4. TPG Corporation subscribers are included within prepaid.

Fixed Broadband Subscribers

SUBSCRIBERS ('000)



- 117k net fixed broadband subscriber growth in 2020.
- 415k net NBN subscriber growth in 2020.
- 10k increase in subscribers on Group's on-net infrastructure.
- 5% of subscriber base remaining on DSL as at 31 December 2020.

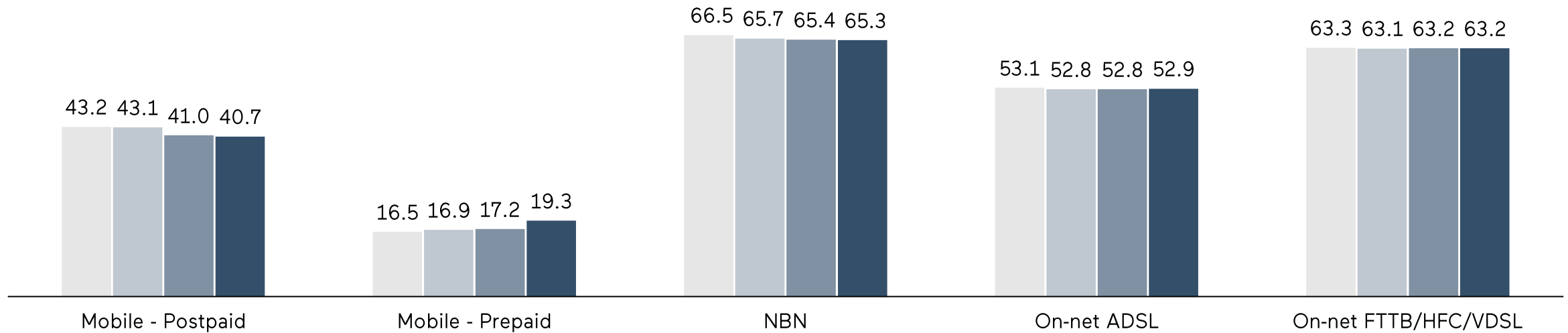
Notes

1. At each date, the numbers shown include subscribers of both VHA and TPG Corporation.

Average Revenue Per User (ARPU)

ARPU \$/MONTH

1H19 2H19 1H20 2H20



- Step down in postpaid ARPU in 1H20, driven by COVID, continued throughout 2H20.
- The loss of prepaid subscribers in 2H20 has been weighted towards lower value customers, resulting in prepaid ARPU uplift.
- Fixed broadband ARPUs have remained steady.

Notes

1. ARPU represents a rolling six month average of service revenue, net of discounts and excluding GST.
2. Multi-service credits have been proportionately re-allocated from postpaid mobile to NBN for Vodafone branded services. Prior periods have been restated on a comparable basis. This change has resulted in a small retrospective increase in reported postpaid mobile ARPU and a reduction in reported NBN ARPU.
3. ARPU calculations incorporate both VHA and TPG Corporation subscribers throughout each period.

Cash Flow

\$m	REPORTED		PRO FORMA	
	2020 CASH FLOW	2019 CASH FLOW	2020 CASH FLOW ¹	2019 CASH FLOW ²
Operating cash flow	1,188	1,296	1,563	2,076
Tax paid	-	-	(56)	(165)
Mobile spectrum payments	(204)	(76)	(688)	(412)
Other capital expenditure	(619)	(542)	(706)	(788)
Lease principal payments	(130)	(112)	(114)	(109)
Merger costs	(37)	(17)	-	-
Net financing costs	(239)	(287)	(213)	(200)
Net cash flow	(41)	262	(214)	402
Net cash flow excl spectrum	163	338	474	814
Operating free cash flow	198	549	(1)	602
Operating free cash flow excl spectrum	402	625	687	1,014

Notes

1. As per slide 24.
2. 2019 pro forma cash flow as per Merger Scheme Booklet.
3. Excludes merger transaction costs.

- Negative net cash flow for 2020 driven by spectrum payments (final instalments for 700MHz spectrum and one-off payment for 3.6GHz spectrum).
- In 2H20 (ie the first six months post merger), net cash flow was \$342m³ positive.
- The decline in pro forma 2020 operating cash flow was driven by the EBITDA decline plus a material negative working capital movement for VHA between 2H19 and 1H20 due to the timing of supplier payments.
- Operating cashflow for 2H20 was \$870m (in line with 2H20 pro forma EBITDA).
- Increase in pro forma financing costs in 2020 attributable to one-off debt facility establishment costs.

Reconciliation of Reported to Pro Forma Cash Flow

\$m	2020 REPORTED CASH FLOW	1H20 PRO FORMA ADJUSTMENTS ¹	ADD BACK: 2H20 MERGER TRANSACTION COSTS ²	2020 PRO FORMA CASH FLOW
Operating cash flow	1,188	375		1,563
Tax paid	-	(56)		(56)
Mobile spectrum payments	(204)	(484)		(688)
Other capital expenditure	(619)	(87)		(706)
Lease principal payments	(130)	16		(114)
Merger costs	(37)	14	23	-
Net financing costs	(239)	26		(213)
Net cash flow	(41)	(196)	23	(214)

Notes

- Adjustments set out in the Group's 1H20 presentation to primarily (a) replace four days' contribution from TPG Corporation with a full six months; (b) eliminate merger transaction costs; and (c) adjust interest expense to reflect post-merger debt structure.
- Adjustment to add back one-off merger transaction costs included in the Group's 2H20 reported results.

Net Debt

\$m	
Proforma net debt as at 30-Jun-20	4,557
2H20 net debt movement	(344)
Net debt as at 31-Dec-20	4,213
<hr/>	
Debt facility	5,250
Headroom as at 31-Dec-20	1,040¹
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Net debt : EBITDA leverage ratio as at 31-Dec-20	2.60

- Net debt reduced by \$344m in first six months post merger.
- Net debt calculated as borrowings (excluding AASB16 leases) less cash.
- EBITDA used in covenant calculation is pre-AASB16 as per terms of debt facility.
- Financial covenants are tested on a 12 month rolling basis. First testing date 30 June 2021.
- The Group's debt has a maturity profile of 2.5 to 4.5 years as at 31 December 2020.

Notes

1. Headroom shown is \$3m greater than the difference between the net debt and debt facility amounts because net debt includes \$3m of leases.

Dividends

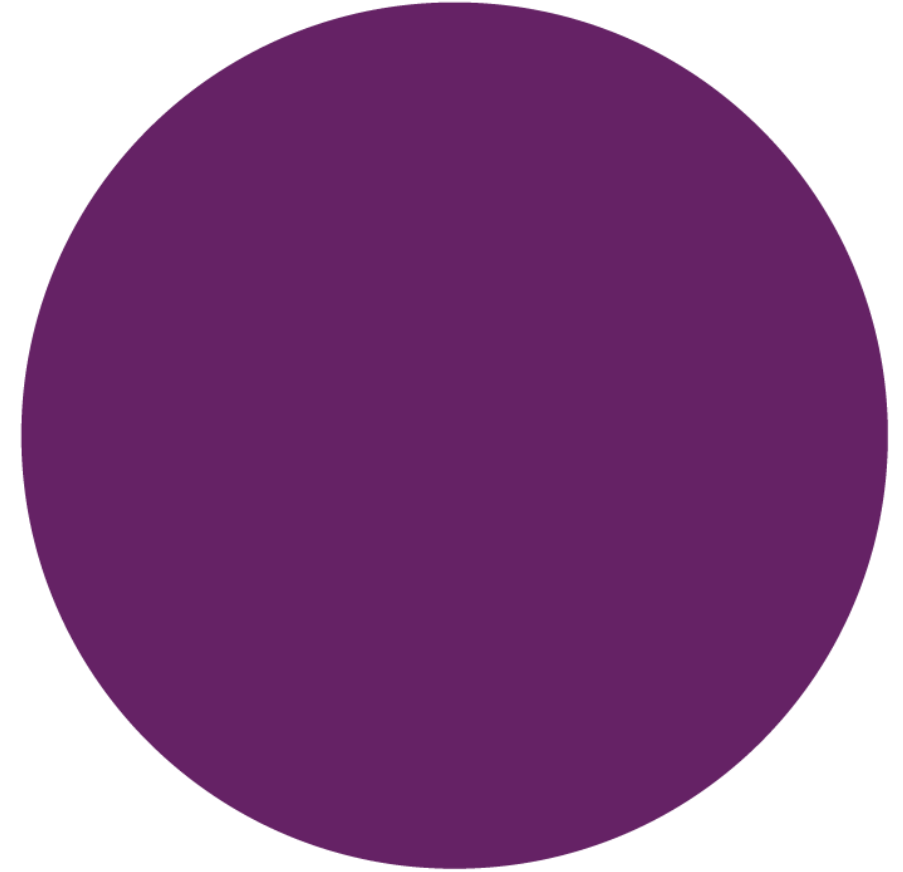
\$m	2H20
Group NPAT	651
Non-cash adjustments:	
One-off merger related costs	11
Amortisation of acquired intangibles	82
Spectrum amortisation	128
Non-cash tax	(594)
Adjusted NPAT	278
Dividend at 50% of Adjusted NPAT	139
Number of ordinary shares (millions)	1,859
Dividend per share (cents)	7.5

Dividend declared:

- 7.5 cents per share
- Payable on: 14 April 2021
- Record date: 17 March 2021

2021 Outlook

Iñaki Berroeta
Chief Executive Officer
and Managing Director



Our 2021 Focus

Continue to provide a great customer experience across our networks and service channels, supporting customers through COVID and beyond.

Focus on continued integration and synergies program.

Achieve scale in 5G rollout across Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra and Gold Coast.

Launch 5G fixed wireless and maximise value from other fixed access infrastructure.

Bring more of our products to even more households, businesses and the public sector through increased sales initiatives.

Create a more sustainable business.

2021 Headwinds

Navigating the challenging landscape

Margin erosion due to the NBN

Final year of material headwinds from DSL to NBN migration and loss of remaining fixed voice subscribers.

▼ ~\$60m vs 2020

Ongoing impact of COVID-19

Absence of international roaming and international visitor revenue expected to persist throughout 2021.

▼ ~\$20m vs 2020

New federal government levy on high speed broadband services

On-net high speed broadband services incur the new Regional Broadband Scheme levy of \$7.10 per service per month.

▼ ~\$11m vs 2020

2021 Outlook

Building momentum and driving performance

Fixed broadband mitigations gaining ground

- Launch 5G fixed wireless services, ramp up other on-net initiatives.
- Continue to manage NBN plan mix.
- Maintain high level of preparedness to respond to COVID disruptions.

Building on improved mobile momentum

- Merged company in stronger position to respond to ongoing mobile competition and price deflation.
- 5G network rollout to support subscriber and ARPU growth.

Growing Enterprise and Government

- Build brand awareness of our full-service telecommunications portfolio.
- Grow through on-net data in the existing fibre footprints, NBN Enterprise Ethernet, and mobiles, including mobile back up.

Accelerating synergy delivery

- Target \$70 million in merger synergies through opex savings.

Synergies Outlook

Extracting value from merger

2021 cost synergies¹

- iiNet mobile subscriber migration
- Mobile site backhaul opex savings
- Other opex savings

~\$70m savings in 2021

~\$14m savings in 2021

~\$6m savings in 2021

~\$50m savings in 2021

Medium-term cost synergies¹

~\$125-150m annual savings by 2023

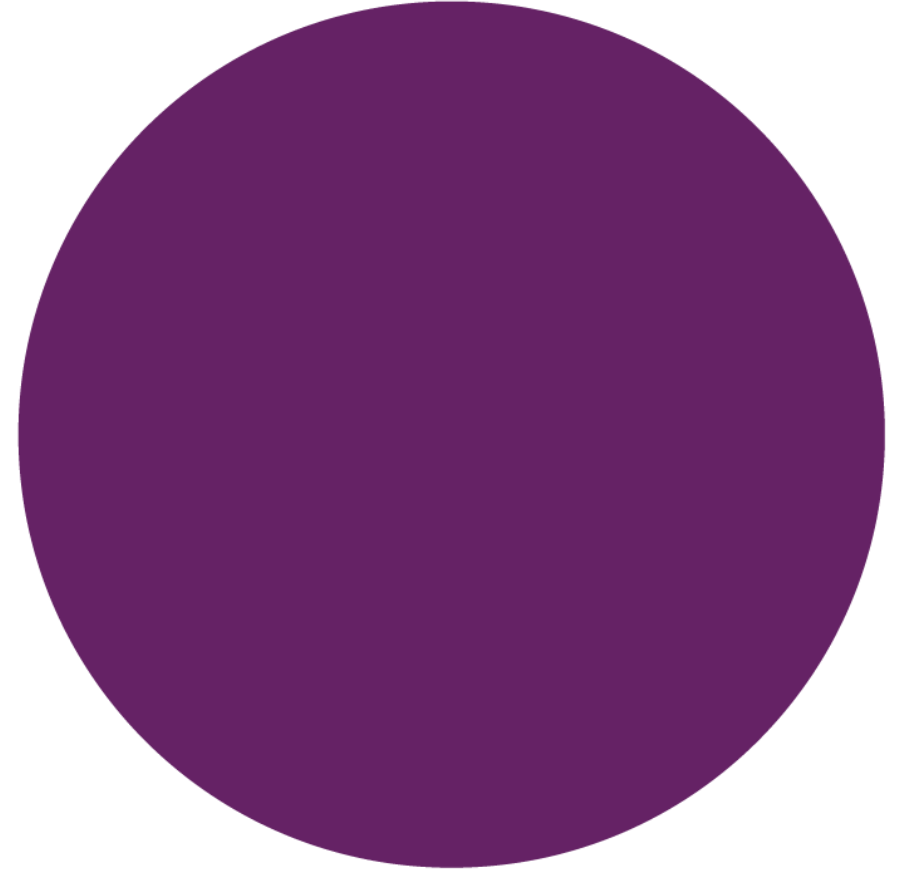
On-net fixed service opportunity

Significant opportunity; successful migration of every 100k NBN customers back onto on-net infrastructure represents ~\$50m p.a. savings.²

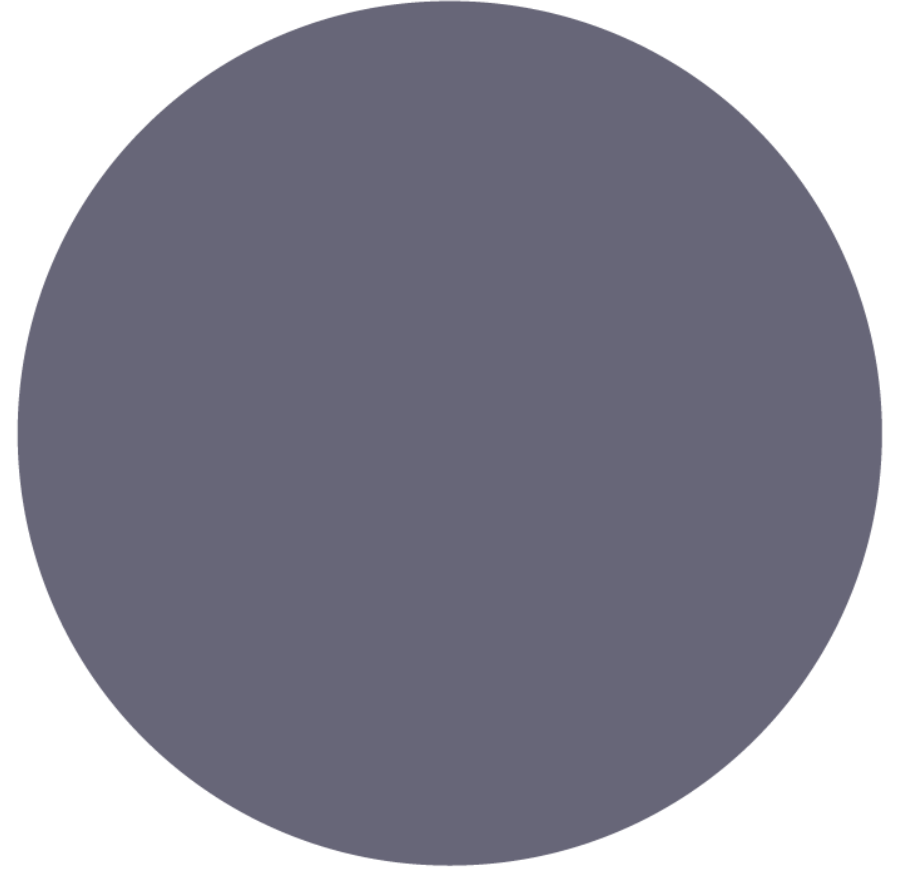
Notes

1. Excludes fixed wireless opportunity and revenue synergies.
2. At an average wholesale cost to the NBN of ~\$45 per month per customer.

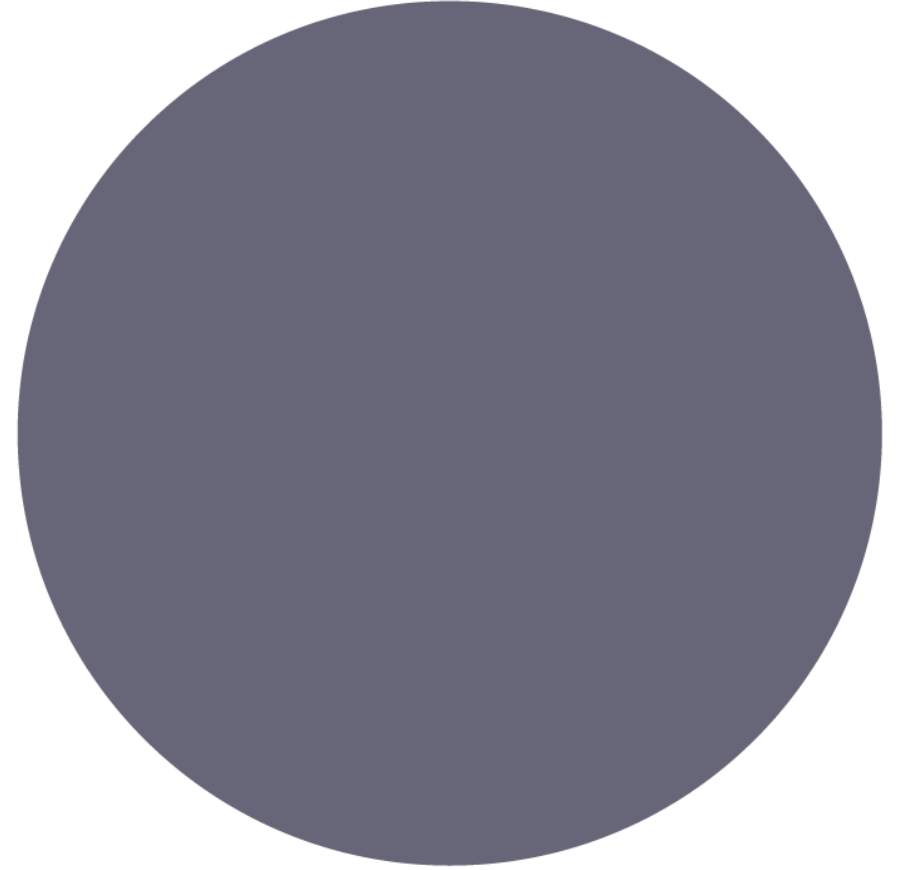
Thank you



Q&A



Appendix



Reconciliation of Reported to Pro Forma 2019 Income Statement

\$m	2019 PRO FORMA INCOME STATEMENT PER MERGER SCHEME BOOKLET	ADJUSTMENT 1	ADJUSTMENT 2	REVISED 2019 PRO FORMA INCOME STATEMENT
Revenue	5,899	-	-	5,899
Other income	10	-	-	10
Cost of provision of telco services	(1,931)	-	-	(1,931)
Cost of handsets sold	(1,101)	-	-	(1,101)
Employee benefits expense	(454)	7	-	(447)
Other operating expenses	(446)	-	-	(446)
EBITDA	1,977	7	-	1,984
Depreciation and amortisation	(1,347)	(7)	38	(1,316)
Results from operations	630	-	38	668
Net financing costs	(209)	-	-	(209)
Profit/(loss) before income tax	421	-	38	459
Income tax expense	(127)	-	(11)	(138)
Profit/(loss) after tax	294	-	27	321

Notes:

Section 10 of the Merger Scheme Booklet contained a pro forma 2019 income statement.

In order to provide a like-for-like comparison between 2019 and 2020 pro forma results, a couple of adjustments have been made to the pro formas that were in the Scheme Booklet, as set out in this table.

Adjustment 1

The alignment of accounting policies following the merger has led to certain costs being recategorised from operating costs to intangible amortisation. Although the pro forma workings in the merger Scheme Booklet identified and adjusted most accounting policy alignment matters, this item was not captured. This adjustment is therefore made to re-state the 2019 pro forma numbers on a comparable basis to the 2020 numbers.

Adjustment 2

TPG Corporation's pre-merger accounts contained acquired customer base intangible amortisation relating to its prior acquisitions of iiNet and AAPT. This was not removed in the 2019 pro forma income statement in the Scheme Booklet. However, in order to provide a more meaningful comparison of the operating results of 2019 and 2020, it has been determined to be more appropriate to exclude acquired customer base intangible amortisation from both the 2020 and 2019 pro forma income statements. This adjustment, therefore, adds back the \$38m expense included in the 2019 accounts.

Disclaimer

This presentation contains certain forward-looking and unaudited information. Such information is based on estimates and assumptions that, whilst considered reasonable by the Group at the date of preparation, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information.

COVID is likely to continue affecting parts of the Group's business. However, the dynamic nature and continuing uncertainty surrounding COVID makes it impossible to accurately predict or forecast the extent of the impact on the Group's business or future financial or other performance.