

Infratil Investor Day

5 March 2024

Jason Paris
Chief Executive Officer



Solid performance in a competitive but stable market



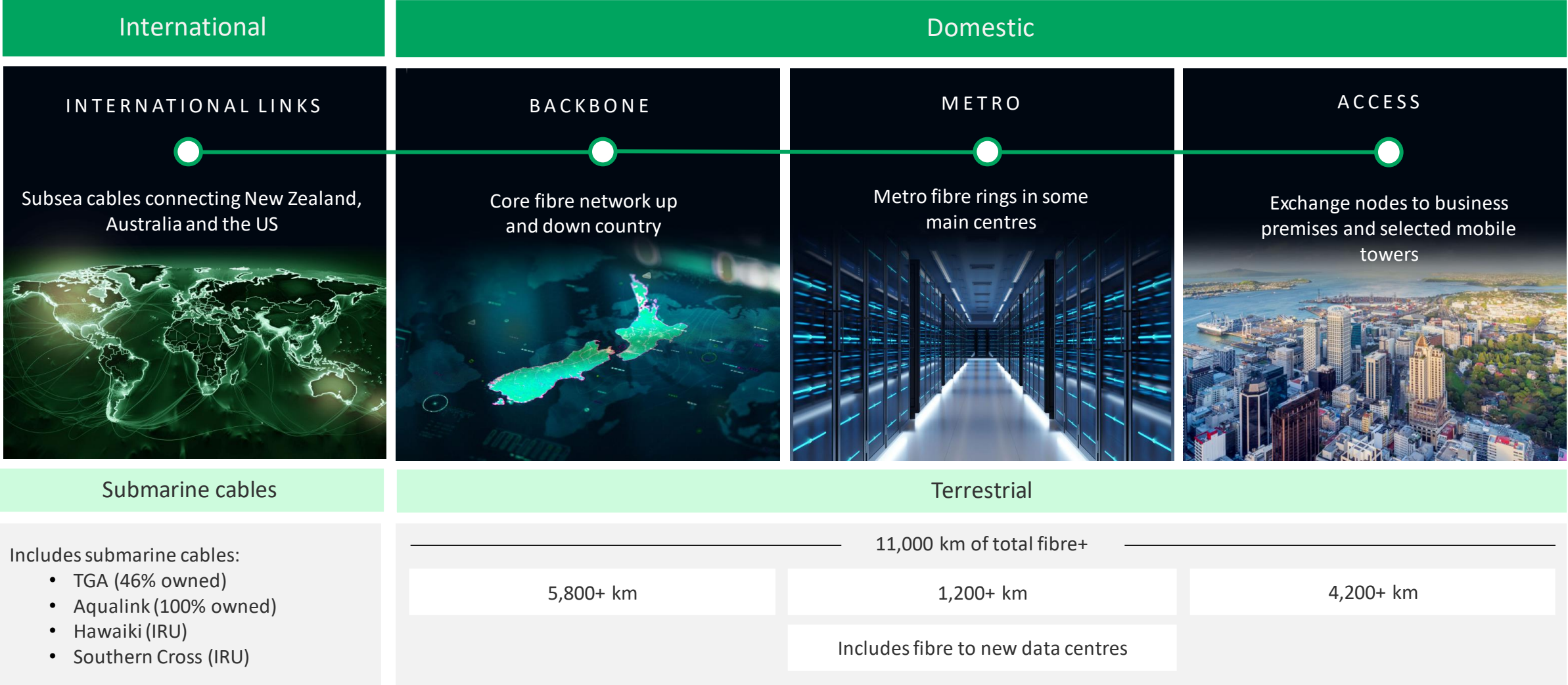
- Competitive but stable mobile market structure continues, fixed pricing intensity remains
- Full upgrade of our mobile network to 4G/5G, extending our coverage with SpaceX and our 3G and 2G shut down are all on track
- Our wholesale MVNO platform is performing well, with over 30,000 mobile and FWA customers enjoying it
- The rebrand has been well received by New Zealanders and almost all of One NZ's key metrics are now ahead of Vodafone NZ's including awareness and non-customer consideration
- The simplification of our business continues with 85% of our consumer base now on in market plans, 100% of our prepaid base has been migrated to a new IT platform and service interactions have reduced by 1 million over the last two years
- An organisational redesign to deliver significant additional operational efficiencies is nearly complete
- AI continues to drive material benefits with an up to 7x uplift in performance across areas that AI has been deployed. We are now scaling AI across the business to drive cost as well as revenue benefits

On track to deliver at the mid-range of EBITDA guidance within a challenging economic environment



- Consumer/SME mobile, Wholesale and cost results all continue to be strong
- Some softening in the Enterprise segment due to a depressed macro-economic environment has stopped us achieving the higher end of guidance
- We have successfully executed a series of pricing adjustments without materially impacting customer acquisition or churn. More pricing moves are planned for this year and over the medium term we continue to consider CPI based pricing
- Our new store format is performing well. General merchandise margin has grown 178% YoY and 15% YoY in Pay Monthly mobile acquisitions. Investment in Regional Hyperlocal format stores have delivered 97% YoY growth in Mobile Pre to Post compared to only 18% YoY growth in similar regional stores
- Further top line growth and margin expansion being targeted via mobile, higher utilisation of our fixed networks, ICT, wholesale and accessories

Strong demand for our fibre assets will see us establish a separate fibre entity to maximise usage and value



Investing in our mobile network to deliver service revenue growth



Nationwide 4G/5G upgrade programme on track

- 99.5% of the population and 60% of the geography of New Zealand will be covered by our upgraded 4G/5G network in CY 2025
- 3G is being retired CY 2025 and 2G retiring by CY 2026. The spectrum re-farmed for increased 4G/5G performance
- These moves are increasing our FWA capacity and are improving our mobile market share

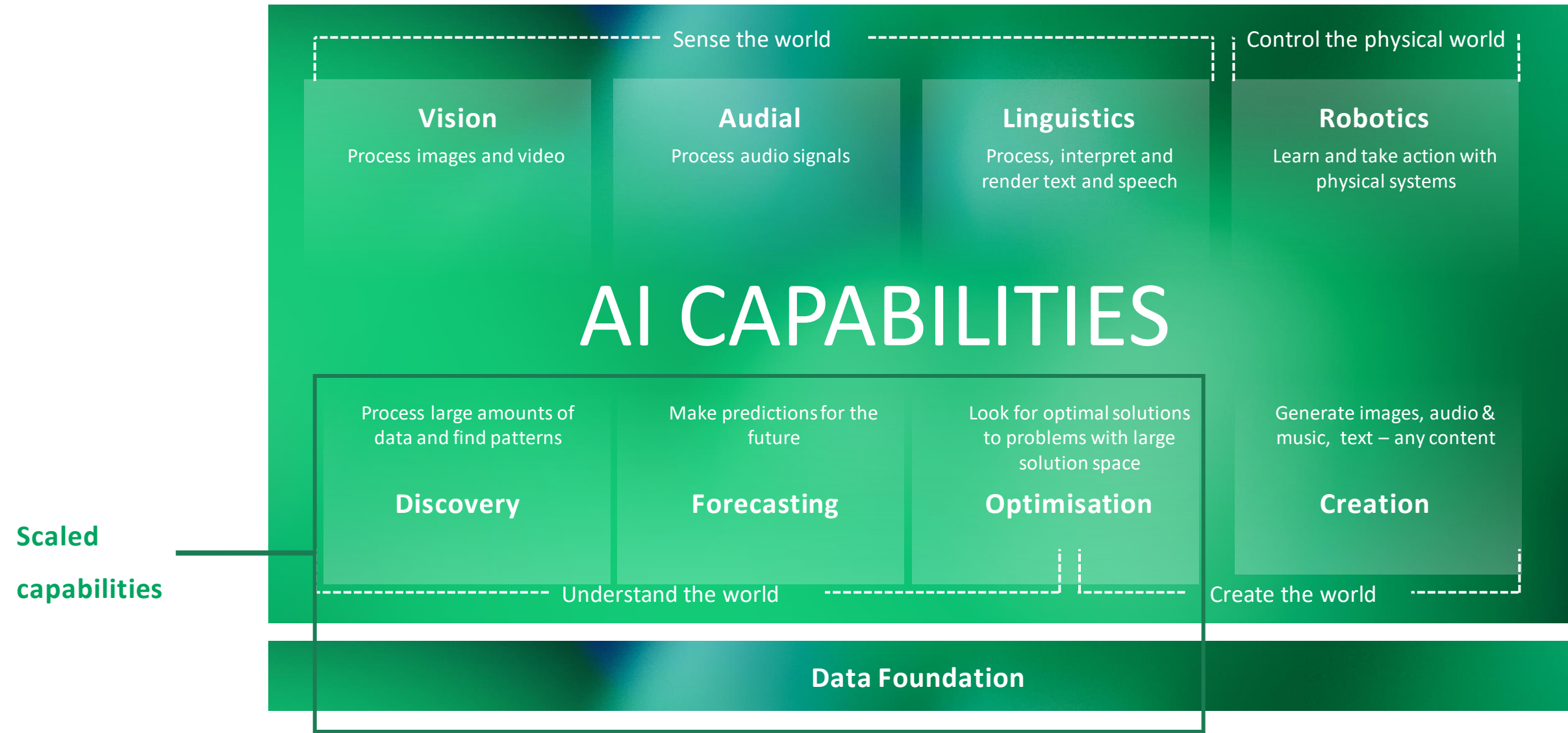


World leading satellite to mobile connectivity with SpaceX

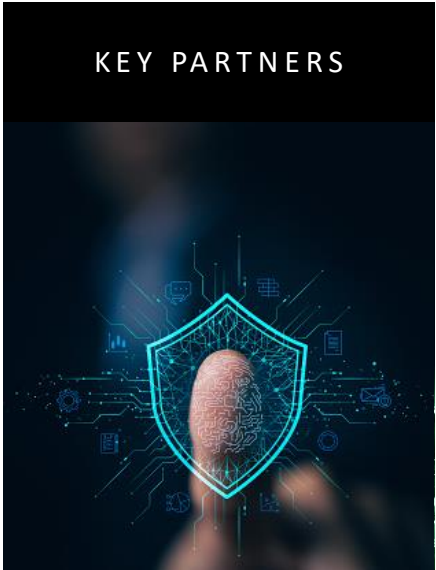
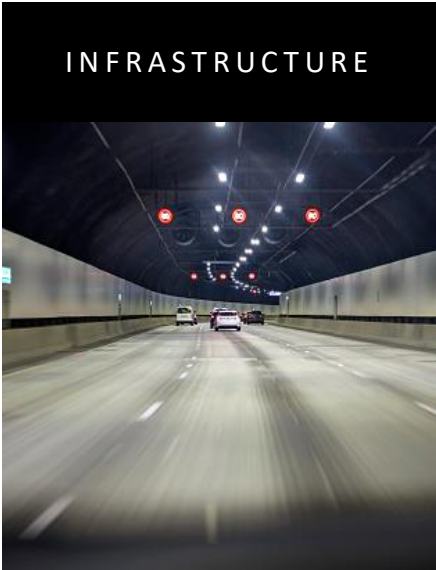
- SpaceX partnership will give our customers geographic and maritime coverage (across New Zealand with line of sight to the sky) and provide additional resilience for natural disasters - messaging CY 2024, voice, data and IoT CY 2025
- Highly sophisticated systems e.g., inter satellite laser links, collision avoidance, significant redundancy and advanced phase array antennas developed, with a proven track record - 5,000 satellites deployed

Enhanced and differentiated mobile network security

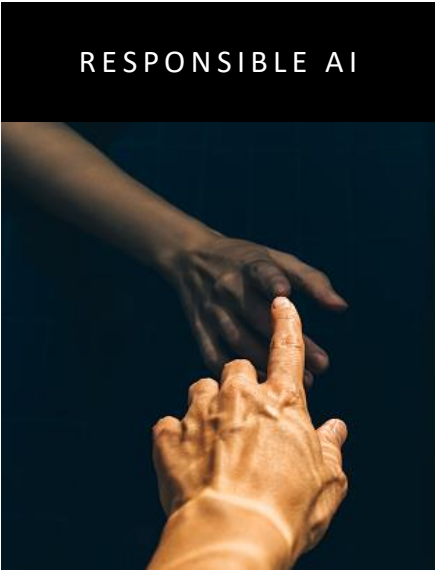
- Have successfully deployed New Zealand's emergency services communications network – exclusively sold by One NZ & Spark
- Deployed Malware Free Networks, blocking thousands of scams monthly



We have invested in AI & Data foundations and are well positioned to reimagine the business with Generative AI








We have been delivering machine learning AI use cases for several years and see significant potential to extend using generative AI



We are using AI systems in a safe, trustworthy, and ethical way

Scaling AI within One New Zealand

	Marketing	Service	Network	Enterprise	Workforce
					
Last 12 months	<ul style="list-style-type: none"> • Single view of mass customers • Churn, up-sell, cross-sell predictions being made, some campaigns automated 	<ul style="list-style-type: none"> • Generative AI for call analytics that help identify and fix the causes of service 	<ul style="list-style-type: none"> • Machine learning powered network issue detection and fixes • Network analytics driving network rollout 	<ul style="list-style-type: none"> • Proof of concept using generative AI and large language models to extract contract information to inform next best sales action 	<ul style="list-style-type: none"> • Trained 250+ employees on AI • Developed Responsible AI Guardrails
Next 12 months	<ul style="list-style-type: none"> • All campaigns automated using Machine learning to provide personalised offers 	<ul style="list-style-type: none"> • AI powered self service via app and web 	<ul style="list-style-type: none"> • Self optimising, self healing network examples with real time energy optimisation 	<ul style="list-style-type: none"> • AI powered leads, AI powered account managers, automated next best action recommendations 	<ul style="list-style-type: none"> • Co-pilots deployed and AI being used across teams daily
3 years time	<ul style="list-style-type: none"> • Always-on AI powered campaigns delivered to customers in real time e.g., location based 	<ul style="list-style-type: none"> • Always-on AI powered service that proactively predicts and resolves issues in advance 	<ul style="list-style-type: none"> • AI driven automated network build and upgrade programme with a fully self optimising, self healing network 	<ul style="list-style-type: none"> • AI powered engagement & operations 	<ul style="list-style-type: none"> • AI performing repetitive tasks

Accelerating our customer transformation through business simplification and IT modernisation



	Examples of progress made to date		What we're planning to accelerate in FY2025
Product simplification	Only three in-market pay monthly mobile plans Prepaid plans reduced by 80%	➤	Simplification of consumer broadband plans to less than five, Enterprise mobile to align with consumer and SME. Enterprise fixed products halved
Customer migration	85% of consumer mobile customers on in-market plans 100% of prepaid customers migrated to new IT	➤	Migration of 100% of our consumer and SME customers onto simplified plans. Enterprise to follow
Service improvements	1 million annual reduction in service interactions to our contact centres	➤	Redesigning our customer journeys to enable 100% self-service via our app
IT modernisation	Contact center platform replaced, migration of pre-paid platform, new network APIs in place, wholesale telco-in-a-box platform launched and customers live	➤	Data platform consolidation, CRM replacement, ordering and fulfilment automation, customer identity management
Product and platform decommissioning	Removal of 100% of legacy calling platforms	➤	Copper product shutdown, legacy IT platform shutdown

A smaller, more highly skilled work force is emerging



- Organisational Health metrics in the world's top quartile
- Compelling vision, culture, results and owners are attracting and retaining the best talent from Aotearoa, New Zealand and internationally



- Proven higher performing ways of working are embedded e.g. agile/waterfall
- Completing a reorganisation that reflects our company wide business improvements



- Significant and ongoing rationalisation of our back office, enabled by:
 - Simplification of processes, delayering and reduced hierarchy, centralisation of like functions to realise synergies/remove duplication and offshoring of some back-office activities
- Significant and ongoing rationalisation of our service areas due to:
 - Reduced call volumes, higher first-time resolution and reduced transfers and improved capability and tools



- Increased investment in future value creating areas continues e.g. Network, Sales, Data/AI, Security
- AI productivity work stream now being scaled to drive significant further productivity improvement

Prioritising ESG to help create an awesome Aotearoa



We launched our new Sustainability Strategy in August 2023, following a materiality assessment to prioritise ESG (Environment, Social, Governance) topics

Environment

- Achieved environmental certification, via Toitū Envirocare, demonstrating robust greenhouse gas (GHG) emissions measurement and reporting
- From 1 April 2024 all electricity purchased by One NZ will be renewable meaning zero Scope 2 emissions for power usage
- Limited e-waste by enabling customers to reuse old mobile phones via Trade-In offering

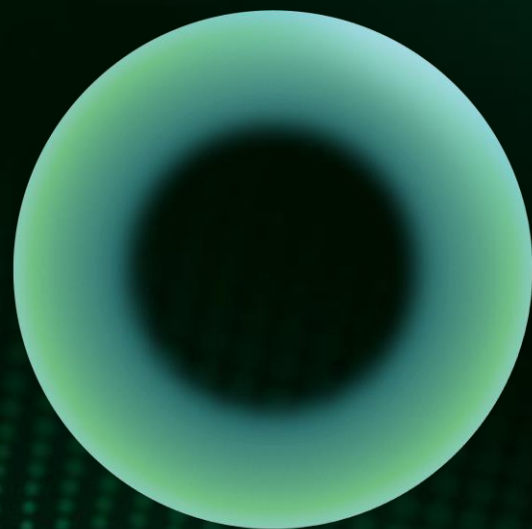
Social

- Proactively deployed network technology that has blocked over 1 million child sexual exploitation material sites from our network
- Through our charity, One Aotearoa Foundation, progressed digital equity initiatives including laptops for schools and connecting families

Governance

- Sixth cohort of employees completed indigenous leadership programme, Kāwai, to help create pathways for current and future Māori and Pasifika leaders
- Achieved 12-point year-on-year uplift in international sustainability benchmarking survey, GRESB

- ❑ World class infrastructure. Continue to invest in our mobile and fixed infrastructure to maximise value from strong ongoing demand
- ❑ Top line growth. Growth in core connectivity, complemented by targeted growth in adjacencies, including ICT
- ❑ Simplified business. Products and plans dramatically reduced, 100% of customers migrated to in market plans, IT modernised and legacy removed
- ❑ Customer experience excellence. AI enabled and automated digital sales and service
- ❑ High performing, lean operating model. Deploying AI to drive year on year cost reduction across all facets of the business, leading to a smaller, more capable workforce
- ❑ A highly trusted brand. A great corporate citizen, contributing positively to New Zealand's future by always doing the right thing for its people, customers and country
- ❑ Strong shareholder returns. Generating increased equity value and cash over the medium term



one.nz

One NZ Half Year FY24 Performance (Appendix)

One NZ (millions)	HY2024	HY2023	FY2023
Consumer & SME	333	305	623
Enterprise	53	54	108
Mobile	385	359	731
Consumer & SME - Fixed & ICT	165	169	336
Enterprise - Fixed & ICT	129	129	258
Wholesale & other	105	102	209
Recurring revenue	784	759	1,533
Procurement & one-off revenue	180	231	451
Total revenue	964	990	1,984
Direct cost	(392)	(432)	(837)
Gross margin	572	558	1,147
Operating expenses	(292)	(300)	(619)
EBITDAF**	279	258	528
EBITDA Margin	29%	26%	27%
Capital Expenditure (excl. Spectrum)	123	125	304
Capital Efficiency (excl. Spectrum, Saas)	13%	13%	15%

On track to meet FY24 EBITDA Guidance of \$580-\$620 million, estimated growth of 14%

- Mobile service revenue grows with strong trading momentum, roaming returning and customers continuing to shift toward higher value plans
- Enterprise revenue declining due to calling and economic conditions leading to softer trading and some large customers moving from legacy to in-market pricing
- Wholesale revenue uplift due to increased network utilisation and fixed line capacity growth from hyperscale data centres
- Procurement revenue declines largely relating to lower margin device revenue
- Operating expenditure reduced due to cost out initiatives which are targeted to accelerate in H2, in addition to not incurring brand launch costs
- EBITDA expansion continues towards 30% target in near term