

## Spark releases FY30 strategy and update on Chair succession

Spark New Zealand (Spark) today released further details of its new five-year business strategy, SPK-30, which refocuses the business on its core of connectivity from a broader digital services ambition.

Spark Chair Justine Smyth said, “Our new strategy focuses Spark on its biggest strength – connecting New Zealanders when and where it matters. Our core connectivity business is our priority for capital allocation, and we will build on our competitive advantages by investing in network and customer experiences that set Spark apart.

“Our ambition is to return Spark to its history of strong performance, while maintaining globally competitive industry returns for our shareholders.”

### SPK-30

Spark’s FY30 ambition is *it’s better with Spark* – which includes a focus on delivering a better network and better customer experiences.

- **Better network:** Spark aims to grow its leadership in reliability and coverage<sup>1</sup> by investing where it matters for customers, proactively resolving network issues through AI, and uplifting regional resilience – including the introduction of satellite-to-mobile services in the second half of FY26.

With the only 5G Standalone network in the country, and as the first company in New Zealand to secure a partnership with API aggregator Aduna, Spark will explore new opportunities to monetise its network investment and deliver new solutions to customers.

- **Better customer experiences:** Spark aims to build on five years of customer satisfaction growth by evolving retail experiences, investing in digital journeys, and empowering all care channels through AI – to serve up the right offer, to the right customer, at the right time.

With this ambition, Spark will then prioritise leading in core connectivity, while simplifying and optimising beyond the core.

- **Lead in core connectivity:** Mobile, broadband, and business connectivity<sup>2</sup> contribute 80% of Spark’s gross margin and will be the priority for capital allocation. Spark will focus on delivering customer choice across all market segments, innovating to deliver new functionality and experiences, and with strong market positions in premium segments, upweight its focus on rewarding and recognising its loyal customers.

Wireless broadband (WBB) remains a priority, with tailwinds supporting growth – including Spark’s 5G rollout now reaching over 50% of the population, spectrum to be re-farmed following the 3G shutdown, and 5G WBB delivering ‘fibre-like’ average speeds of 336Mbps<sup>3</sup>. Spark will also increase its focus on mobile and broadband bundling to support value for customers and retention.

- **Simplify and optimise beyond the core:** In cloud, IT services, and procurement, Spark will focus on transitioning customers on legacy products to more modern and future-proofed solutions, simplifying product offerings, introducing greater levels of AI and automation, and leveraging its new global partnerships to improve customer experiences and efficiency.

<sup>1</sup> Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.

<sup>2</sup> Business connectivity includes managed data and networks, collaboration services, IoT, and voice.

<sup>3</sup> June 2025 Measuring Broadband New Zealand (MBNZ) report.

These priorities will be enabled by a focus on:

- **People and culture:** building a culture focused on customers and performance by growing engagement, investing in targeted capabilities, and empowering Spark through AI.
- **Financial discipline:** value creation will be underpinned by revenue growth in core connectivity, ongoing efficiency through partnerships, AI, and simplification, and disciplined capital management.
- **Technology and AI:** continuing to invest in the AI and technology that underpins marketplace success and empowers Spark's people.
- **Sustainable Spark:** delivering business value by supporting a better digital world that is low impact with high connectivity, and equitable and trusted.

Spark CEO Jolie Hodson said, "In an increasingly digital world, our products and solutions are only becoming more important for New Zealanders and businesses.

"Connectivity is our core business, and our absolute focus in the years ahead. When New Zealanders trust us to keep them connected, we want it to be better with Spark – whether that's through their experience on our network or getting the help they need quickly and easily.

"We make significant investments into our network every year, which was recognised in FY25 when we were awarded the most reliable network with the widest coverage experience by Opensignal. We will continue to invest in being there when it matters for our customers, using AI and automation to proactively resolve issues, and bringing satellite-to-mobile to Spark in the second half of FY26.

"We will also explore new opportunities to monetise our network capabilities by providing our business customers with more sophisticated connectivity solutions, through our 5G Standalone network and our new partnership with global API aggregator Aduna.

"Our financial ambition is to deliver stable, annuity-like returns for our shareholders through consistent annual growth in free cash flow, supporting a sustainable and growing dividend over time. Our return on invested capital of 8.7% outperforms the majority of our global peers<sup>4</sup> and our ambition is to grow this to 11-13% over the next five years.

"As we do this, we will hold ourselves accountable to growing customer satisfaction to best-practice levels, maintaining our network leadership for reliability and coverage, achieving top quartile employee engagement, and continuing to work towards our science-based emissions reduction target.

"With this focus on our core, and the things that matter most to our customers, we approach these next five years with clarity and determination."

### **Chair succession update**

As announced at the end of July, three new Directors will join the Spark Board during FY26. In the context of this significant Board renewal, Chair Justine Smyth has confirmed she will stand for re-election at the upcoming AGM in November, with the intention to serve for a period of up to 12 months.

Smyth continued, "In recognition of my tenure we have a Chair succession process in place, and this remains a focus for the Board. My intention in standing for re-election is to ensure a successful transition to a new Chair and to support ongoing stability for Spark as it embarks on its new strategy."

### **Investor Presentation**

Spark will provide a presentation to investors today at 1:00pm (NZT). The presentation can be accessed live via webcast using the following link: <https://edge.media-server.com/mmc/p/ijt8dwzo>

**Authorised by:**  
Rodney Deacon

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<sup>4</sup> ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation for both continuing and discontinuing operations) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity). Peers are comparable telco companies.

Finance Lead Partner – Investor Relations and Commercial

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# It's better with Spark

SPK-30 Strategy

Chair's address



# Today's agenda



Presentations from:

**Jolie Hodson**

Strategy overview



**Renee Mateparae**

Better network



**Greg Clark**

Lead in core connectivity



**Matt Bain**

Better customer experiences



**Mark Beder**

Business connectivity  
Simplify and optimise beyond the core



**Stewart Taylor**

Enablers  
SPK-30 strategy ambitions



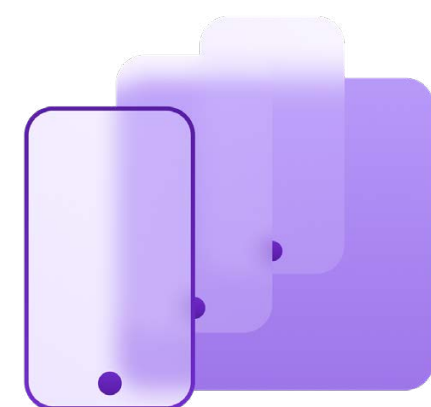
# SPK-26: where we aspired to be by FY26



SPK-26 was focused on growth in core markets, data centres, and high-tech solutions

FY26 Ambition

FY25 Results

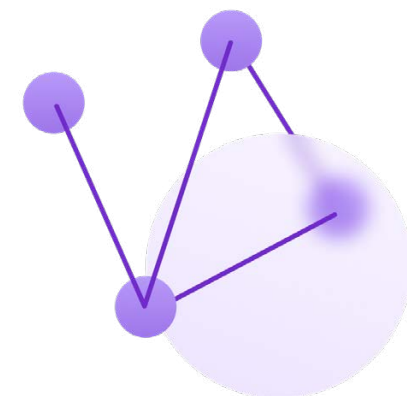


## Digital and data-driven, everywhere

Customer iNPS of +41, outperforming FY26 target of +33

Maintained mobile and broadband market leadership

Digitisation and AI investment supported ~20% reduction in call centre volumes

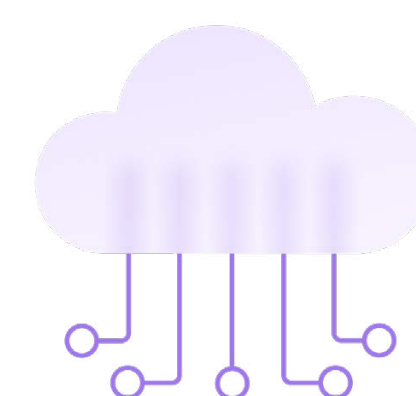


## Digital infrastructure fuelling growth

Realised \$356m in value from non-core assets<sup>1</sup>

TowerCo proceeds partly invested in data centres and 5G Standalone

Up to \$583m in DC Co proceeds and a 25% stake retained for long-term value creation

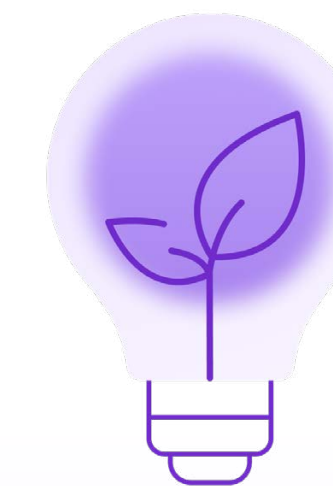


## Home of high-tech solutions

Lower business spending impacted market for new tech investment

Seeking investment partner for MATTR

First 5G Standalone network in New Zealand in productisation, IoT delivered ~26% revenue CAGR



## Innovative, diverse, sustainable

Spark included in Dow Jones Best-In-Class Index (Australasia)

Median gender pay gap reduced 5pp from FY21 to 23% (vs. target of 10pp by FY26)

Overall engagement impacted by transformation, positive progress on broader culture measures

While progress was made against strategic priorities, changes in the economic environment impacted earnings performance and shareholder returns. ROIC reduced to 8.7%, which continues to outperform the majority of global peers.

# What has changed since we set our last strategy

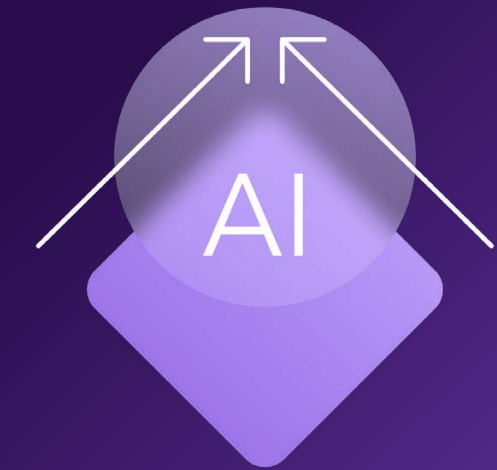


## Changed economic environment



Inflationary environment with lower customer spending and population growth, driving greater levels of price competition in key markets.

## Accelerated and democratised AI



Generative AI enabling widespread adoption and new opportunities for productivity, customer experiences, and data centre capacity growth, while agentic AI rapidly maturing.

# What we have done to respond



## Refocused on core connectivity for our customers

Customer satisfaction at an all time high

Refreshed mobile product and pricing

Increasing brand investment

5G rollout at >50% population coverage

US-based satellite provider in the second half of FY26

## Transformed operating model and scalable cost base

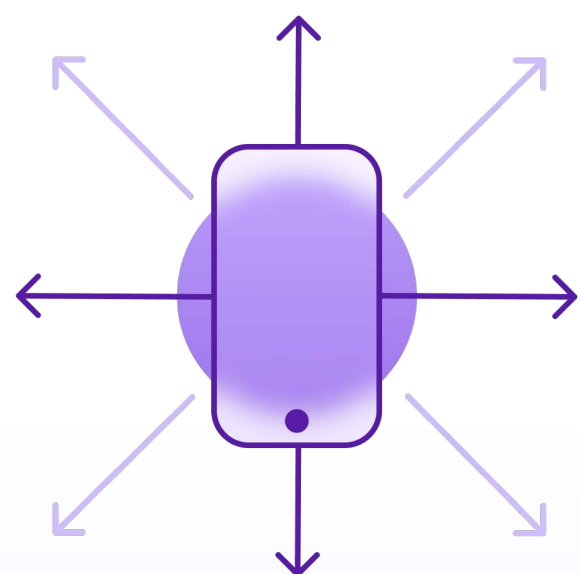
Introduced a simpler, leaner operating model

Simplified non-core asset portfolio

Established four global partnerships to accelerate AI, improve efficiency, and access global best-practice

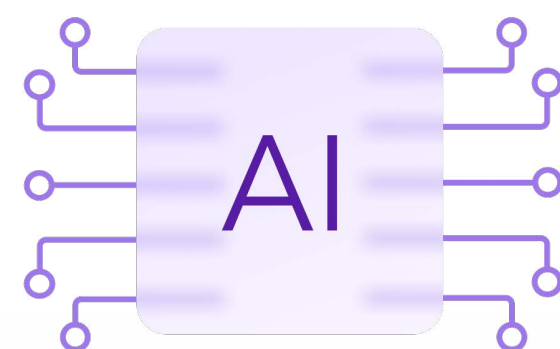
Delivered significant labour and opex reductions

# Our strategic context ahead



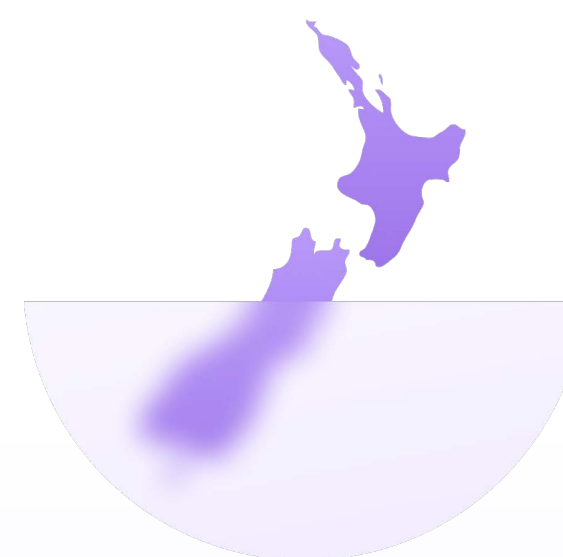
## Demand will continue to increase

Connectivity is becoming more central to customers' lives - driving ongoing demand for data



## New tech brings new opportunities

Rapid AI advancements and new global partnerships provide an opportunity to do things differently



## NZ economy remains subdued

Economic conditions predicted to remain subdued in the near term, while cyclical pressures expected to ease in time



## Competitive environment will continue to change

Ability to adapt organisation and cost base at pace critical to success

# SPK-30 builds on our competitive advantages



## Leaders in the market

**No.1 market share<sup>1</sup>**

in mobile and broadband

**Most reliable mobile network**

with the widest coverage experience<sup>2</sup>

**Most trusted brand in our sector<sup>3</sup>**

## Satisfied, loyal customers

**High customer loyalty in mobile base**

**Five year growth in customer satisfaction**



**2.6m+**

Mobile connections

**660k+**

Broadband connections

**110k+**

SME customers

**+40**

iNPS<sup>4</sup>

**1,100+**

Enterprise and government customers

## Significant and valuable asset base

**99%**

of NZers reached by 4G network

**2.3m+**

Connections to IoT network

**2.2k+**

Mobile sites<sup>5</sup>

**350MHz**

Highest value spectrum holdings

**Digital Infrastructure**

data centre and subsea cable shareholdings

## Strong return on investment

**8.7% ROIC in FY25, outperforming most global peers<sup>6</sup>**

1. Mobile service revenue market share and broadband connection market share sourced from IDC as at 30 June 2025  
 2. Opensignal Awards - "New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 - August 29, 2024" © 2024 Opensignal Limited

3. TRA brand reputation monitor April-June 2025.  
 4. Interaction net promoter score  
 5. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2025

6. ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity). Peers are comparable telecommunications companies

# SPK-30 Strategy

## Our Purpose

To help all of  
New Zealand  
win big in a  
digital world



## Our Ambition

It's better  
with Spark

Better network  
Better customer  
experiences



## Our Strategic Choices

- 1 Lead in core connectivity
- 2 Simplify and optimise beyond the core



## Our Enablers



People and culture



Technology and AI



Financial discipline



Sustainable Spark



Our ambition

**It's better with Spark**

# Grounded in what matters to our customers

## Better network

Network quality attributes account for 4 of the top 5 most important considerations when a customer is choosing a provider

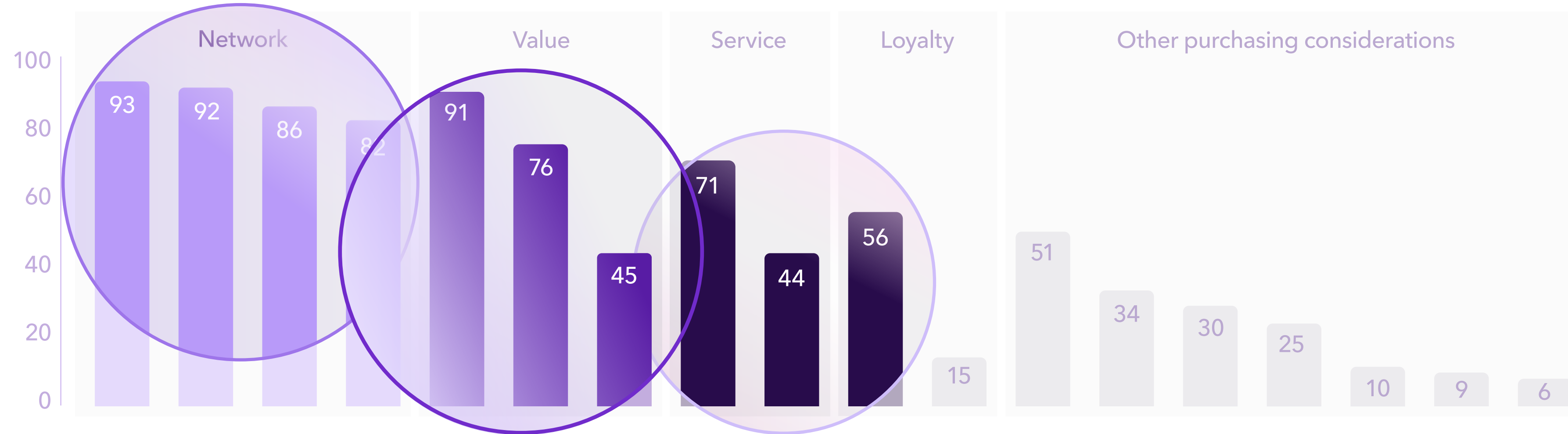


## Better customer experiences

Following network and value, customer experience is the next most important factor to customers when choosing a provider



## Value for money



Source: Consumer Survey (Jun '25), N = 4440

# Where we will invest for growth

## Lead in core connectivity



### STRATEGIC CONTEXT

- Contributes 80% of Spark's gross margin
- Spark the clear market leader in connectivity
- Connectivity products often bundled by customers
- Customer demand for data continues to grow
- Leading 5G Standalone investment creates new commercialisation opportunities

### OUR STRATEGIC CHOICES

## Connectivity will be the #1 focus of future capital allocation

- Strengthen mobile market leadership
- Grow broadband bundling and wireless 5G
- Deliver advanced connectivity solutions

### Mobile

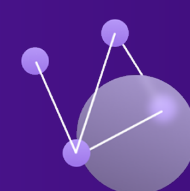


### Broadband

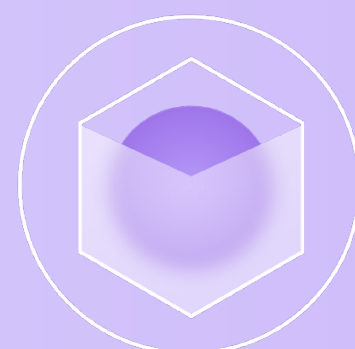


### Business connectivity

Fixed networks, IoT, collaboration, voice



## Simplify and optimise beyond the core



### STRATEGIC CONTEXT

- Contributes 20% of Spark's gross margin
- Leading market positions in cloud and IT
- More fragmented competitive environment than connectivity
- Changing mix and demand impacting profitability

### OUR STRATEGIC CHOICES

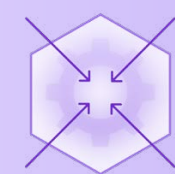
## In adjacent segments we will:

- Optimise for changing markets
- Simplify and exit legacy
- Leverage AI, automation, and global partnerships for efficiency and better customer experiences

### Cloud

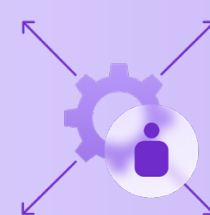


### Procurement



### IT Services

Service management and data and AI consulting



# Data centre partnership creating shareholder value in short and long-term

## High quality data centre partner secured

Pacific Equity Partners (PEP) partnership secures a funding pathway to build out the planned 130MW+ development pipeline

## Realising value in the short and long term

Realises value in the short term, while enabling Spark to continue participating in the growing market through a 25% retained stake

## Strong multiple compared to similar transactions

Transaction values 'DC Co' at \$705m<sup>1</sup>, and represents an EV/EBITDA multiple of 30.8x<sup>2</sup> based on FY25 pro-forma EBITDA

Spark expects to receive initial cash proceeds of ~\$486m<sup>3</sup> at completion, with additional deferred cash proceeds of up to ~\$98 million contingent on the achievement of performance-based objectives by the end of the CY27 (totaling ~\$583m if the full earn-out is achieved)

## Enables capital investment focus on core business

Proceeds will be used to reduce group net debt

Once the transaction is complete and DC Co's standalone funding facilities are in place, Spark's annual capital contribution to fund the development pipeline is expected to be modest

## DC Co - transaction features

'DC Co' created to hold all data centre assets and operations (including resource consents), funded through a mix of equity and debt at completion

DC Co will have its own Board, management team, and debt financing facilities (non-recourse to Spark)

Spark expects to spend \$50m-\$70m capex in H1 26 prior to assumed transaction completion date<sup>4</sup>

DC Co will be equity accounted from completion - estimated to be 1 January 2026<sup>4</sup>

Earnings and cashflow generated by DC Co will be reinvested in the growth of the business

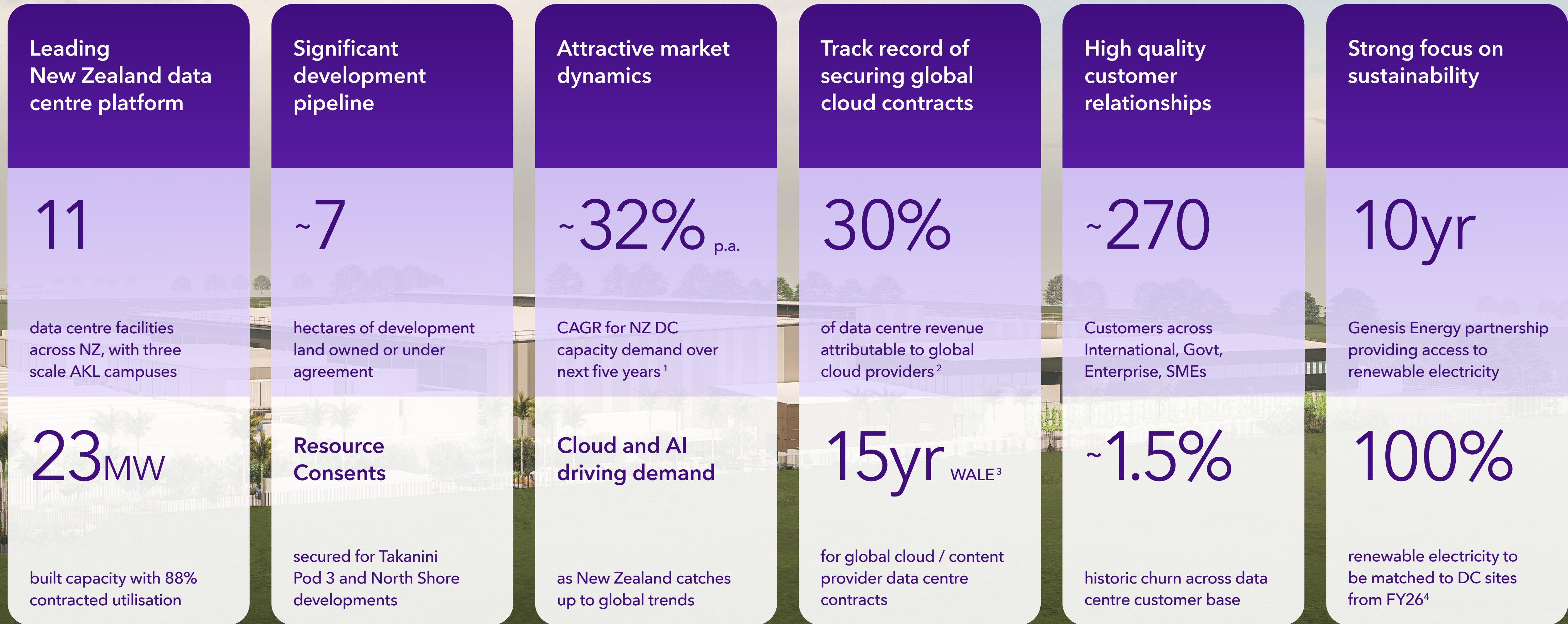
1. Headline enterprise value comprising base enterprise value of \$575 million and up to a further \$130 million of earn-out enterprise value

2. Assumes FY25 pro forma EBITDA of \$22.9m for Spark data centre business within the transaction perimeter

3. Final net proceeds subject to completion adjustments

4. Timing is an estimate only. The transaction is subject to regulatory and customary consents including Overseas Investment Office approval, with a targeted completion date of 31 December 2025

# DC Co is well positioned to capture its share of this growth

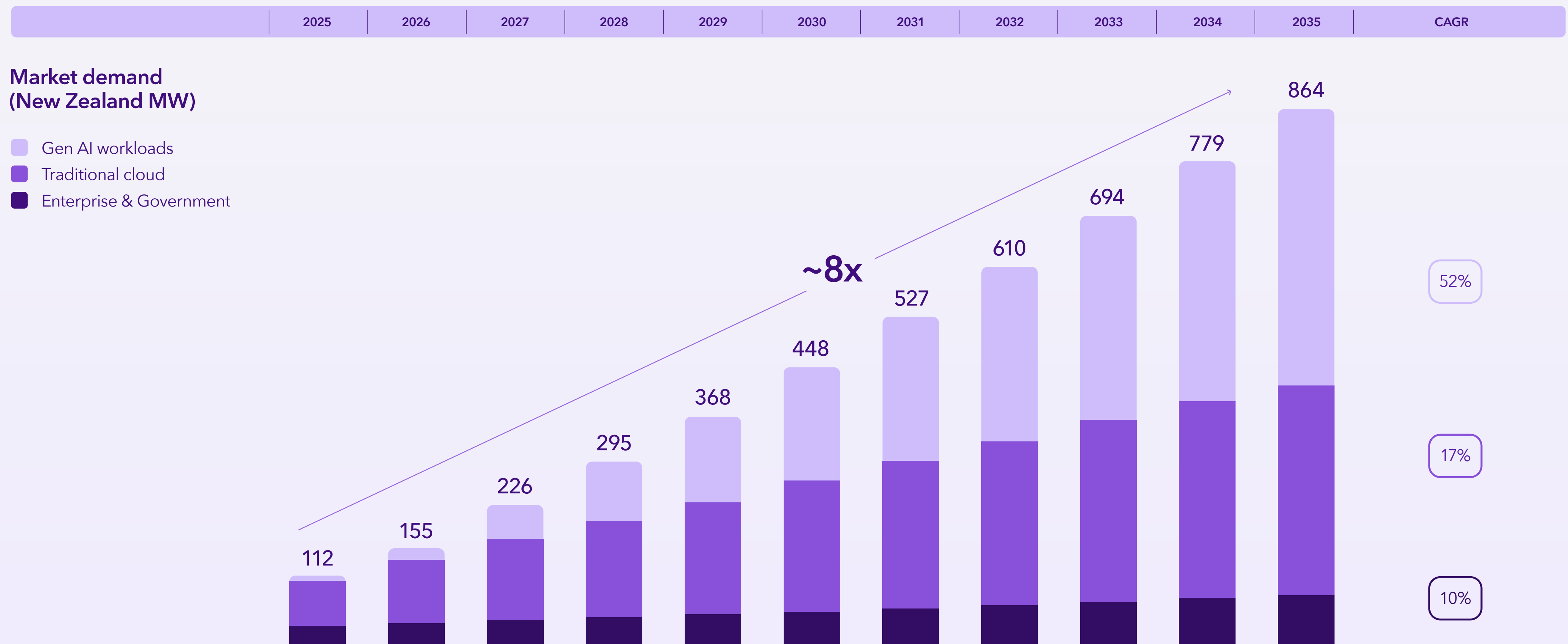


1. Spark estimate  
 2. Recurring revenue as at H1 25

3. Based on a total contract value weighted average of remaining lease years for global cloud/content provider contracts as at 30 June 2025

4. The Genesis renewable energy partnership, and REC matching, is expected to cover all current sites with the exception of Takanini Pod 2 and the University of Waikato which are recent additions to the portfolio

# Forecast demand is expected to grow ~8x over the next 10 years<sup>1</sup>



1. Based on Spark estimates

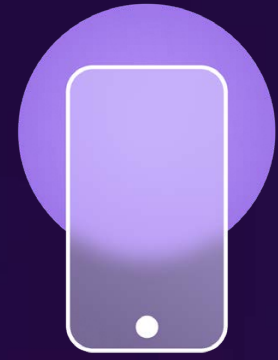
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Our strategic choices

Lead in core  
connectivity



# Lead in core connectivity



## Mobile

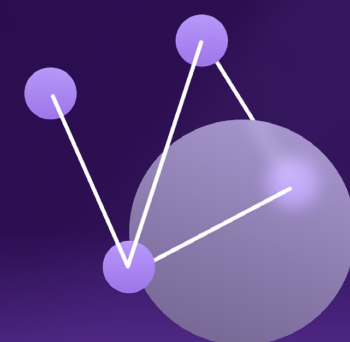
#1 Focus

The centre of our core is mobile, making it our priority for capital allocation. Focus on strengthening our market leadership.



## Broadband

Focus on bundling with mobile to improve retention, and growing wireless broadband as 5G rollout matures.



## Business connectivity

Focus on growing our position as the preferred connectivity provider for businesses, big and small, in New Zealand.

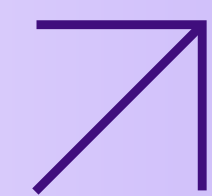
# Mobile today



Spark is the #1 mobile provider in New Zealand<sup>1</sup>

# #1

#1 mobile provider - 41.4% market share<sup>1</sup>



High levels of customer loyalty in premium segments

# 2.6m<sup>+</sup>

Mobile customers

# #1

by connections in Enterprise and Government<sup>2</sup>

# > 85%

Consumer and SME accounts for >85% of mobile service revenue

Unique two brand structure provides choice for customers



Value



Price

Mobile contributes:

# ~40%

Revenue

# ~52%

Gross margin

# MVNO<sup>3</sup>

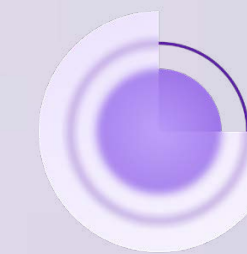
New MVNO platform launching early 2026

1. Based on Spark's leading mobile service revenue market share, as measured by IDC as at 30 June 2025

2. As measured by IDC as at 30th June 2025

3. Mobile Virtual Network Operators offer mobile services by leasing network access from traditional mobile network operators rather than owning their own infrastructure

# Mobile tomorrow



## Strategic context

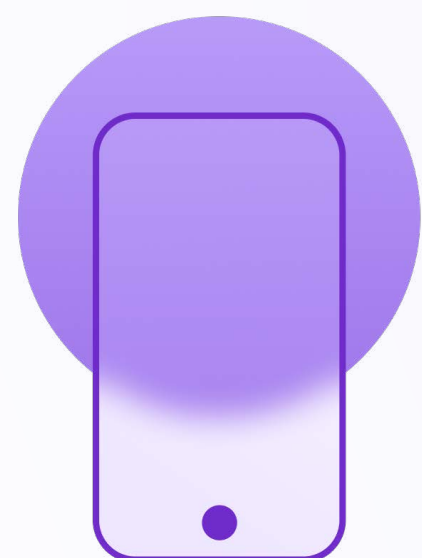
Growing customer demand for data

High levels of Spark customer loyalty in premium segments

Consumer market growth linked to population growth

Business mobile fleets reduced in line with workforces - connections stabilising and growth to return in line with improved economic conditions

Ongoing business ARPU pressure in near term from intensified competitive pricing



### More customer choice

Continued investment in value brand Skinny and business mobile to compete across all market segments

### Rewarding and recognising customers

Rewarding and recognising high-value, loyal customers to support retention and trade-up into higher value segments

## FY30 focus

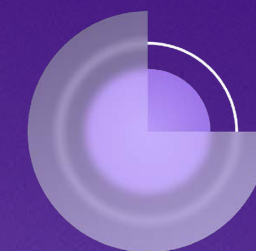
### Meeting changing customer needs

Product innovation delivering new functionality, digital experiences, and new technologies (inc. satellite)

### Better network experiences where it matters most

Directing our network investment to meet customers where they are

# Broadband today

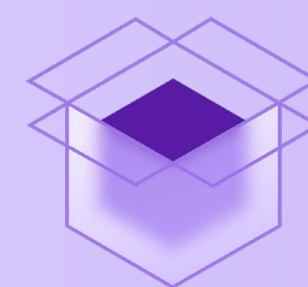


Spark is the #1 Broadband provider in New Zealand<sup>1</sup>

# #1

#1 in market - ~32% market share<sup>1</sup>

# Easy



Wireless Broadband (WBB) a convenient and mobile option for customers

# 32%

WBB 32% of broadband base

# 660k<sup>+</sup>

Broadband customers



5G WBB delivers superior speeds to 4G WBB<sup>2</sup>

# 336 vs 63Mbps

# 59%

WBB market share<sup>3</sup>

Unique two brand structure provides choice for customers



Value



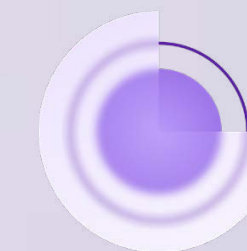
Price

1. Based on Spark's leading broadband connection market share, as measured by IDC as at 30 June 2025

2. June 2025 MBNZ report

3. As measured by IDC as at 31 March 2025

# Broadband tomorrow



## Strategic context

Mature and commoditised market - growth expected to follow migration and housing development

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WBB delivers material margin benefits

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Tailwinds supporting WBB growth - with ongoing 5G rollout and spectrum re-farming post 3G exit boosting capacity

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Around 50% of Spark households bundle mobile and broadband - a growth and retention opportunity

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Better value for customers and retention for Spark through broadband and mobile bundling

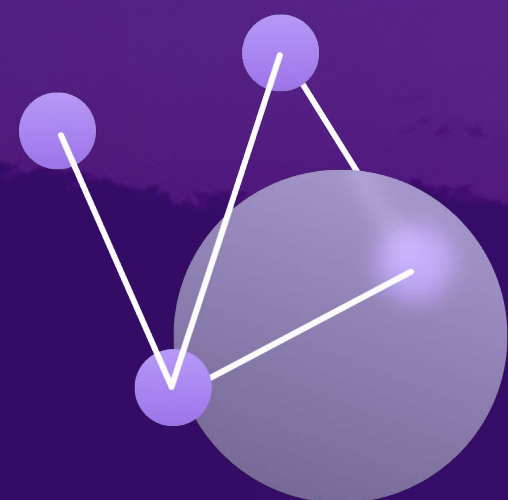
### FY30 focus

Better experiences for customers and margins for Spark as 5G rollout matures

# Business connectivity today



Spark is a leading connectivity provider for businesses in New Zealand



~80%

of our business customer base purchase connectivity products and services

1st

Spark has built New Zealand's first 5G Standalone network

2.37m<sup>+</sup>

Devices connected to our Internet of Things (IoT) networks

71<sup>+</sup>

SME business hubs deliver high customer satisfaction scores<sup>1</sup>

1,100<sup>+</sup>

Enterprise and government customers

110k<sup>+</sup>

Small-medium business customers

99%

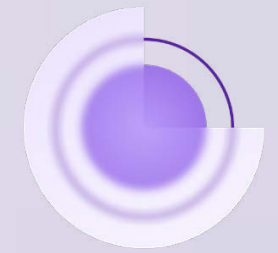
of NZers reached by 4G network, and >50% of the population reached by 5G network<sup>2</sup>

99%

of New Zealanders reached by our IoT networks

1. SME business hub interaction net promoter score increased 5 points in FY25  
2. Towns with a population over 1,500

# Business connectivity tomorrow

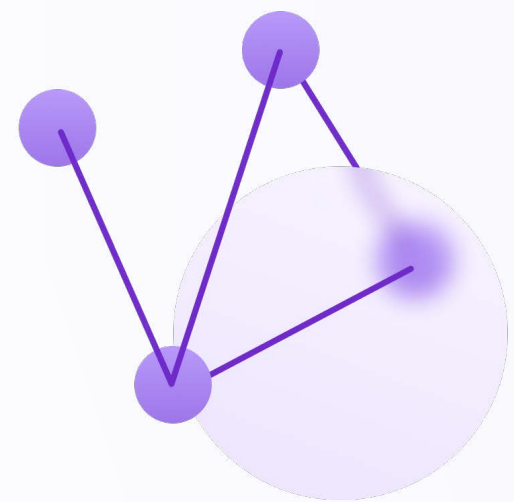


## Strategic context

Business connectivity continues to be a core foundational layer

Customers are modernising their connectivity solutions

Strong customer preference to purchase multiple connectivity products from one provider



### Modernised customer solutions

Transition customers from legacy to modernised solutions

## FY30 focus

### Advanced connectivity customer solutions

New advanced connectivity solutions that solve complex business problems

### AI-enabled customer experiences

Leveraging AI and automation to create easier digital self-service for customers

Our strategic choices

**Simplify  
and optimise  
beyond the core**

# Beyond the core - our business solutions today



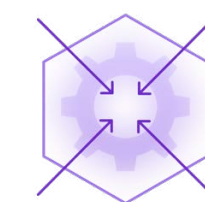
## Strategic context

Leading market positions in cloud, IT Services, Data and AI

Scale business compared to many global peers, with higher profitability

More fragmented competitive environment than connectivity

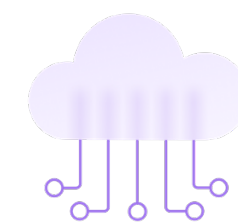
Changing mix and demand impacting profitability



## Procurement

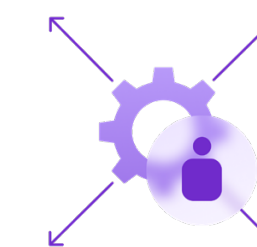
Resale of hardware and software licenses

## Considered adjacent to core



## Cloud

Public, private, and hybrid cloud solutions



## IT Services

Service management and data and AI consulting

# Beyond the core - our business solutions tomorrow



### Cloud

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### IT Services

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### Procurement

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- Leverage global partnerships to enhance service offerings and returns
- Simplify portfolios by sunseting and exiting legacy offerings
- A focus on digital first, automated, and AI-enabled journeys and solutions
- Highly utilised and targeted professional services

# Extensive portfolio of valuable assets



## Domestic connectivity assets

- Spectrum:** 350MHz highest value spectrum holdings
- Active mobile assets:** on 2,250+ mobile sites, providing 4G to 99% and 5G to >50% of the population
- IoT networks:** largest dedicated IoT network, providing coverage to 99% of the population
- Data centre asset:** 25% shareholding in DC Co, a leading data centre provider with a 130MW+ development pipeline<sup>1</sup>
- National fibre routes:** spanning ~9400km and connecting mobile network across 35 exchanges
- Entelar:** field services for civil works, fibre and mobile networks; supply chain; and IT field services

Core assets provide competitive advantage in connectivity and network resilience

## International connectivity assets

- Subsea cables:** connecting New Zealand to the world through our investment in Southern Cross which owns and operates high speed undersea cables between New Zealand, Australia, United States and the Pacific Islands, and the Tasman Global Access fibre-optic submarine cable between Australia and New Zealand
- Satellite:** purpose-built Satellite Earth Station in Warkworth that supports Pacific and maritime connectivity

Valuable extensions to our networks that provide Spark with owner's economics on high-growth routes

## Digital connectivity assets

- MATTR:** solutions to securely prove identity and share trusted information, giving users control over their personal data with digital credentials. Spark has commenced a process to introduce new investors
- Cloud infrastructure:** one of the largest private cloud operators in New Zealand, trusted to host and store workloads for SMEs, enterprise, and government customers

Businesses that operate in adjacent categories to core connectivity

## Our approach

Core assets. Retain and invest.

Non-core assets. We will continue to consider ownership options over time.

1. Subject to completion of transaction

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Our ambition

# Better Network

# Better network

## Reliable and trusted network



Grow our leadership in reliability and coverage:

**Investing where it matters for our customers:** network upgrades and expansion based on our customers' real-world experiences using our network

**Proactively resolving network issues:** leveraging our global partners to accelerate our use of AI, advanced analytics, and automation, to detect and resolve network issues proactively for our customers

**Uplifting regional resilience:** improve redundancy through investment in regional coverage, self-healing networks, disaster recovery solutions and satellite connectivity

## New value from advanced technologies



Create new commercialisation opportunities:

**New customer solutions:** leverage leading 5G Standalone network investment to bring new capabilities to our business customers - such as network slicing and private networks

**New commercial models:** participate in the global shift to create new commercial models for 'Network as a service' that are API-based and globally standardised

# Customer focused connectivity

Reliable and trusted network



## Reliable connectivity

Delivering customers the performance they need, whenever and wherever they need it



## Proactive resolution

Leveraging AI and automation to detect and resolve issues proactively, before our customers even know there's a problem



## Resilient infrastructure

Investing in regional digital infrastructure to improve redundancy and resilience



## Safe and secure

Protecting our customers through proactive threat detection and network security monitoring tools

# Leveraging our position as the only telco with a 5G Standalone network in New Zealand

New value from advanced technologies



## Personalised and prioritised customer experiences

Dedicated network slices for prioritised services

Ultra reliable, low-latency connectivity

Broad range of use cases across sectors and businesses

5G private network underway with cargo and port customers

## Commercialisation opportunities

New commercial models from Network-as-a-service and Network APIs

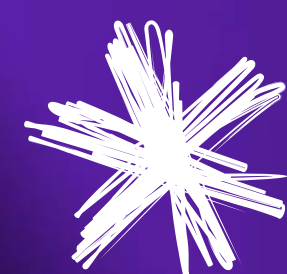
Access new customers through global API aggregators

Enables Spark to capture early demand from high value enterprise clients

Ability to explore consumer use cases in future years

# New commercialisation opportunities from global API aggregators

**Spark is the first  
New Zealand company  
to join global API  
aggregator Aduna**



**Spark<sup>nz</sup>**



**Aduna**

Initial focus on SIM swap detection  
and number verification APIs – supporting  
businesses to reduce fraud

Businesses and developers use  
APIs to build into their applications

Onward providers

 **Aduna**

Aduna creates common APIs for entities running  
developer platforms (onward providers)

Spark creates standard APIs

Our ambition

# Better customer experiences

# Better customer experiences



## There when it matters



Deliver a consistent, reliable network usage experience for our customers - moving from reactive to proactive assistance



## Simple and easy to deal with



Upweight our focus on digital channel, automation, and AI investment to reduce friction and time to serve for our customers, and improve self-service capability and sales conversion



## I am valued

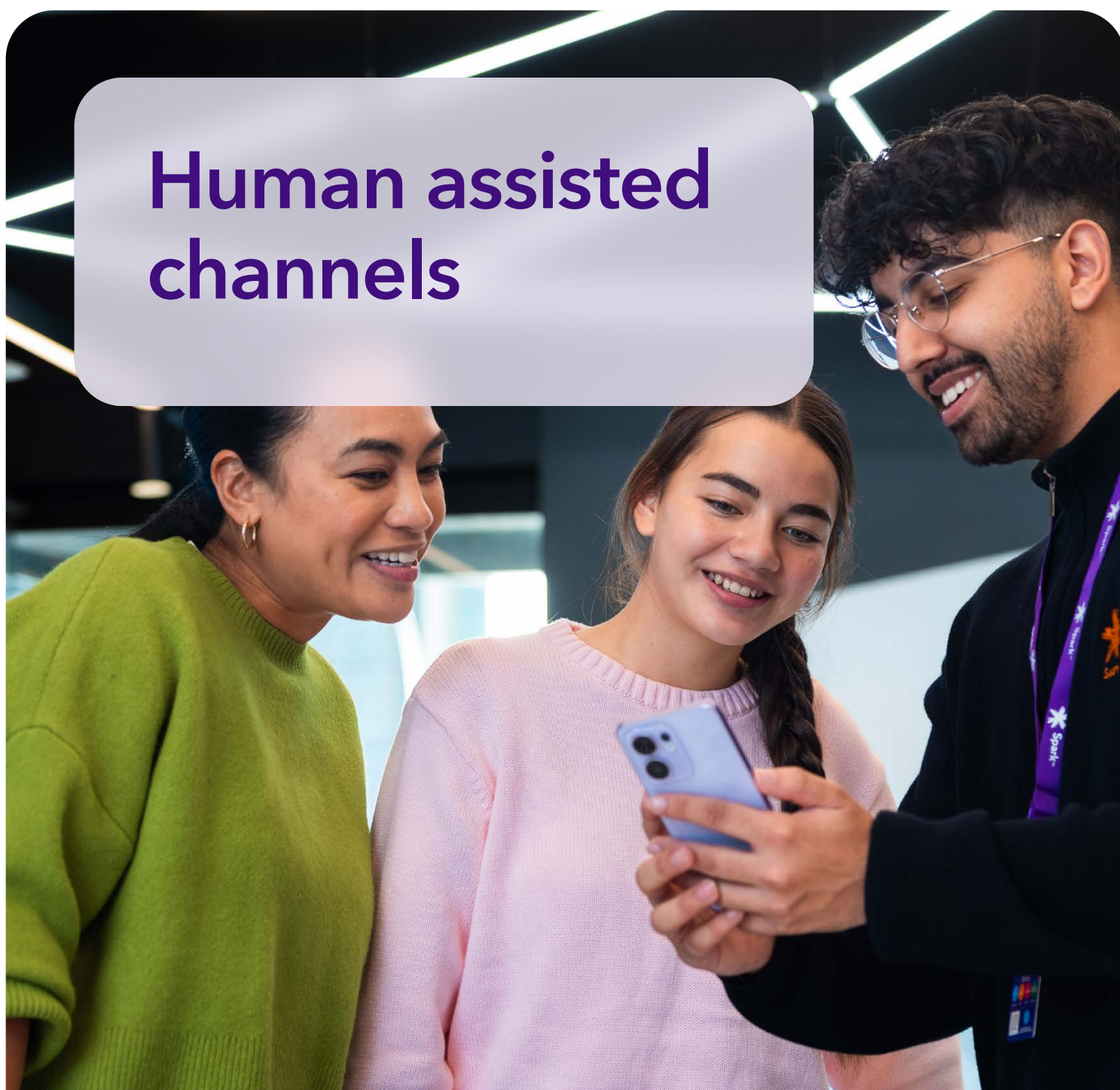


Customers are recognised and rewarded through our products and services, communications, and experiences that differentiate us from the pack

# Our path to better customer experiences



## Human assisted channels



Evolving retail experiences  
Empowering frontline teams through AI

## Digital channels



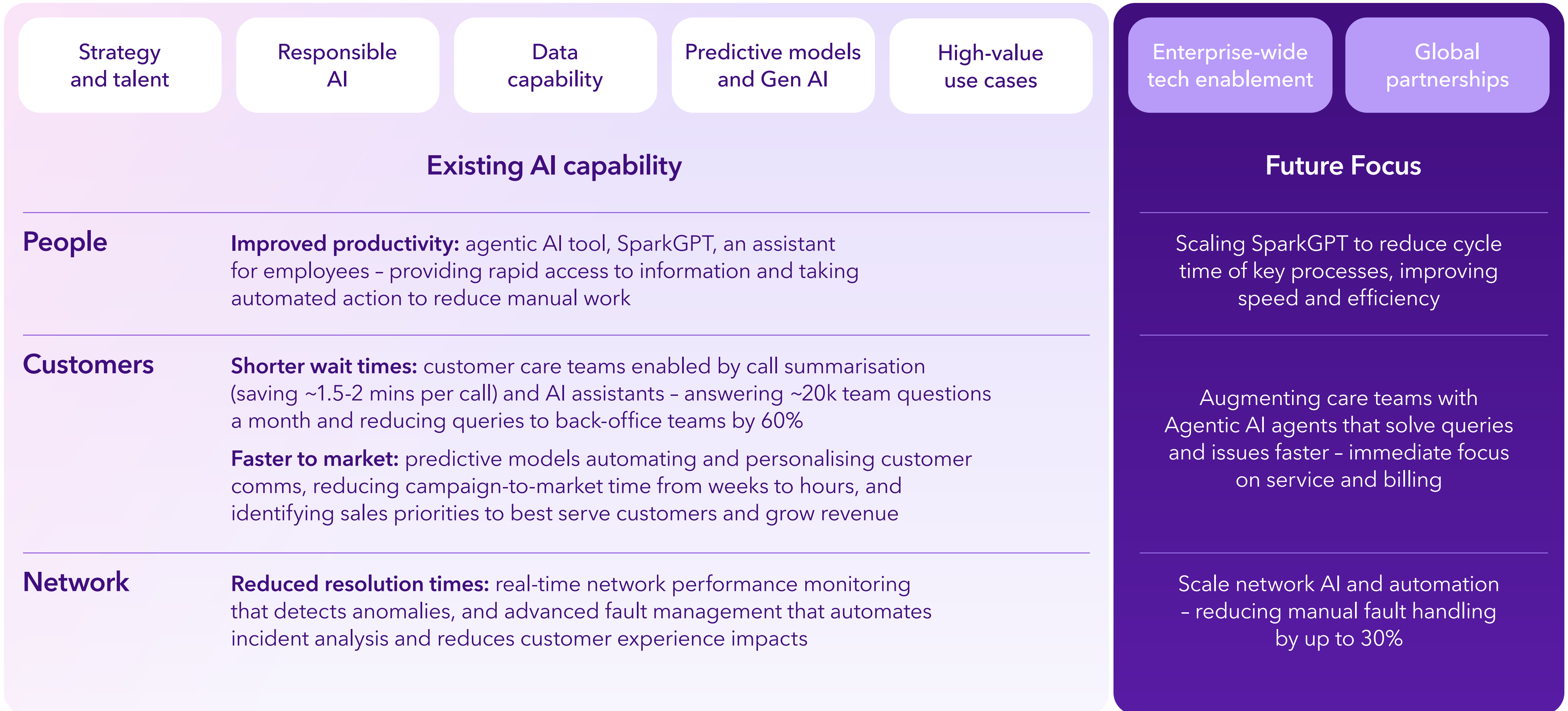
Improve acquisition through spark.co.nz  
MySpark app - recognition and personalised offers

## Powered by AI



Serving up the right offer to the right customer at the right time  
Automating customer self service and issue resolution

# Spark a leader in AI and automation capability in New Zealand



# Our enablers



## People and culture

Building a culture focused on customers and performance by growing engagement, investing in targeted capabilities, and empowering Spark through AI.



## Financial discipline

Disciplined capital and cost management, supporting improved shareholder returns.



## Technology and AI

Continuing to invest in the AI and technology that underpins our marketplace success and empowers our people.



## Sustainable Spark

Delivering business value by supporting a better digital world that is low impact with high connectivity, and equitable and trusted.

# Our plan for long-term value creation

## Revenue growth

Customer demand for data and pricing driving mobile service revenue growth

Focus on customer lifetime value across connectivity

5G Standalone investment supporting new monetisation opportunities

## Efficiency

Simplifying and optimising non-core

New global partnerships bring scale advantages

Lean operating model, AI investment, and cost management

## Disciplined capital management

Predictable free cash flow

Capital investment prioritised to network and customer experiences

Growing dividends over time for our shareholders

# Capital Management Framework

## 1 Maintaining financial strength

Focused on a strong balance sheet, targeting metrics consistent with current credit rating

## 2 Investment and portfolio management

BAU Capex - used to sustain and grow the core business organically (excluding spectrum)

Strategic Capex - capital investment outside the core business that meet Spark's hurdle rates

Investment and M&A for growth must meet hurdle rates

**Hurdle rates:**  
NPV positive and ROIC greater than cost of capital

Long-run Capex to revenue ratio of 10-12%

## 3 Sustainable shareholder returns

Dividend payout ratio of 70-100% of Free Cash Flow (FCF)

Dividend Reinvestment Plan utilised when appropriate, currently suspended

Growth in return on invested capital

### Definitions:

**Free Cash Flow:** Reported EBITDAI, less adjusting items and non-cash gains or losses; BAU Capex; interest costs; tax; lease costs; impact of changes in working capital, and excluding strategic and spectrum Capex

**Strategic Capex:** Capex that is allocated to key strategic projects outside the core business that is expected to meet specific return thresholds (for example, data centres)

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SPK-30

# Our SPK-30 strategy ambitions

Rangitahi

# Our SPK-30 strategy ambitions



## FY30 Financial Ambition<sup>1</sup>

<b>Productivity</b>	Annualised savings of \$150m-\$180m by FY30 (from FY24 baseline)
<b>EBITDAI</b>	Low single digit CAGR from FY25-FY30
<b>Capex</b>	Capex to revenue ratio 10-12%
<b>Free cash flow</b>	Mid single digit CAGR from FY25-FY30
<b>ROIC<sup>3</sup></b>	11-13% by FY30

## FY30 Non-Financial Ambition

<b>Customer</b>	>45+ iNPS (industry best practice)
<b>Network</b>	Maintain: Most reliable network, with widest coverage experience <sup>2</sup>
<b>Employee</b>	Top quartile employee engagement
<b>Sustainability</b>	Reduce absolute scope 1 and 2 GHG emissions 56% by 2030 from a FY20 baseline year

1. Note: Financial and non-financial ambitions should not be relied upon by investors as guidance. Annual guidance will be provided for each year at the FY results briefing

2. As awarded by Opensignal annually

3. ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity)

# Recap: SPK-30 strategy



To grow competitive advantage and shareholder returns

## Our new strategy:

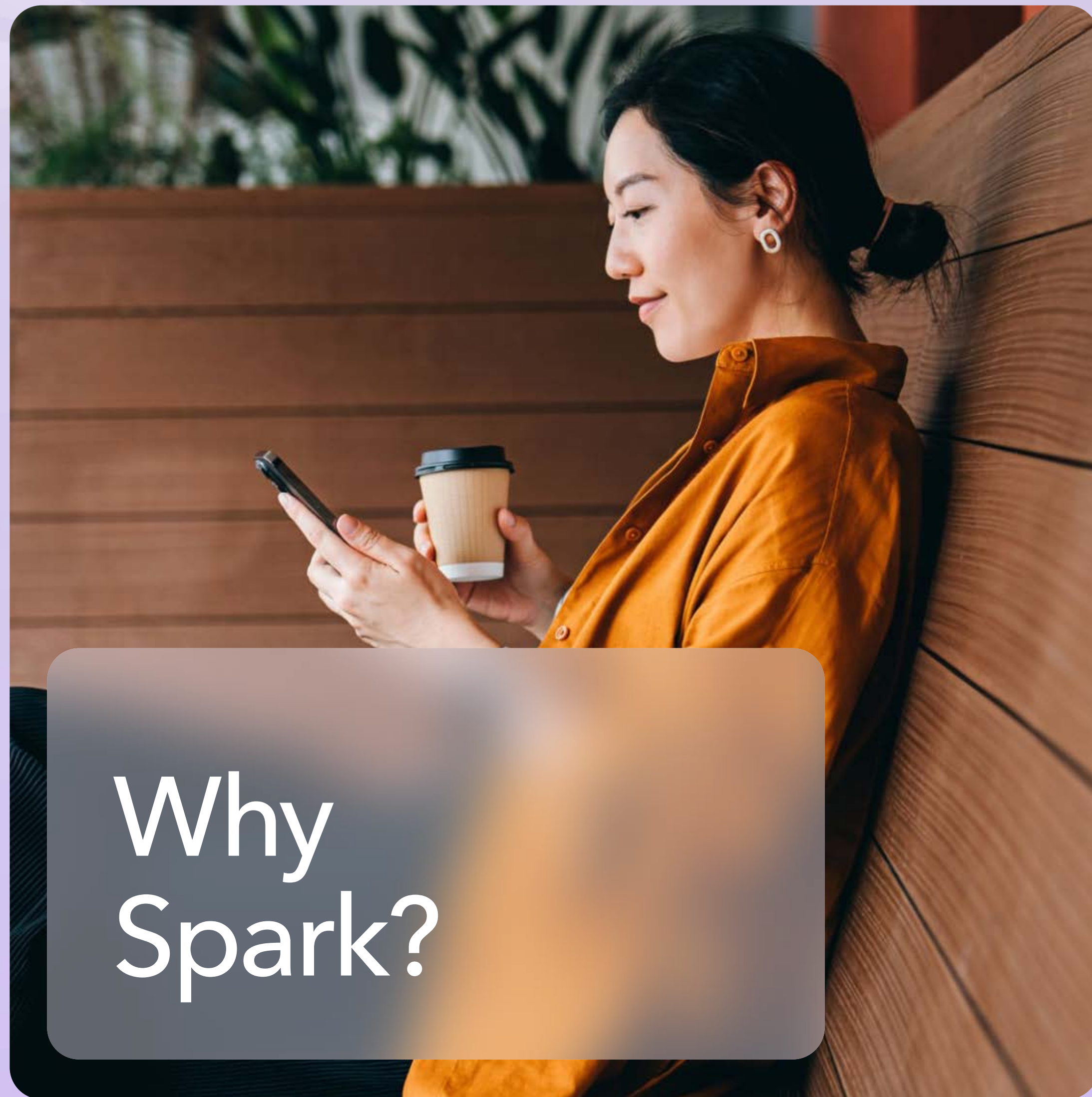
- 1 Refocuses Spark on our core business of connectivity - and in particular mobile - from a broader digital services ambition
- 2 Prioritises capital allocation to our core business, as new data centre partnership provides clarity on development pipeline funding
- 3 Is grounded in what matters most to our customers - our mobile network and customer experiences
- 4 Future proofs a scalable cost base through partnerships and AI

## This creates

More reasons for customers to join and stay loyal to Spark  
A performance driven culture, delivering great customer and people experiences

## This will deliver

Stable annuity-like returns, with predictable free cash flow and growing dividends over time for our shareholders



# Why Spark?

Positive tailwinds driving connectivity growth

A bar chart with three bars of increasing height, with an upward-pointing arrow above the tallest bar.

Leading market positions across all connectivity segments

A white mobile phone icon with eight arrows pointing outwards from its center, representing connectivity.

Leading AI capability and global partnerships

The letters "AI" inside a white diamond shape, with two arrows pointing upwards from the top corners.

Proven track record of cost discipline and adaptation

A white hand holding a coin with a dollar sign on it, with two downward-pointing arrows on either side.

Portfolio management supporting shareholder returns

A white document icon with a bar chart on it, representing financial reports or portfolio management.

Stable, annuity-like returns and growing dividends over time

A white piggy bank icon, symbolizing savings and stable returns.

# Appendix






# A better digital world



**Low-impact, high connectivity**

We will reduce our environmental impact and enable Aotearoa to do the same through technology



**Equitable and trusted**

We will champion digital equity and build trust in our digital products and services

**In our business**

**Reduce our environmental impact, with a focus on efficiency and emissions reduction**

**KPI:** Reduce Scope 1 and 2 emissions 56% and achieve 100% renewable electricity by FY30

**Deliver trusted digital products with a focus on privacy, data ethics, and responsible AI**

**KPI:** Maintain top quartile performance in the WBA Digital Equity Benchmark

**Suppliers and partners**

**Engage our suppliers to address our upstream environmental impacts**

**KPI:** 70% of suppliers by spend with science-based targets by 2026 (absolute scope 3 ambition to be established for FY30)

**Engage our suppliers to identify and address social risks in their businesses**

**KPI:** Five annual JAC<sup>1</sup> audits driving issue identification and remediation

**Customers and communities**

**Support Aotearoa's transition to a resilient, low-emissions future**

**KPI:** maintain leading performance for reliability and coverage (as measured by Opensignal annually)

**Champion digital equity with a focus on access, skills, and wellbeing**

**KPI:** Extend the reach of our not-for-profit broadband service Skinny Jump

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