

Spark New Zealand

Group result - reported

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Operating revenues and other gains	2,534	1,957	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)
Operating expenses	(1,492)	(1,277)	(1,446)	(1,252)	(1,520)	(1,446)	(1,520)	(74)	(5.1%)
EBITDAI	1,042	680	530	633	419	530	419	(111)	(20.9%)
Finance income	16	16	14	16	15	14	15	1	7.1%
Finance expense	(43)	(56)	(63)	(81)	(75)	(63)	(75)	(12)	(19.0%)
Depreciation and amortisation	(248)	(256)	(251)	(276)	(300)	(251)	(300)	(49)	(19.5%)
Net investment income	(1)	2	(3)	(5)	-	(3)	-	3	100.0%
Net earnings before income tax	766	386	227	287	59	227	59	(168)	(74.0%)
Tax income / (expense)	99	(116)	(70)	(128)	(24)	(70)	(24)	46	65.7%
Net earnings for the period	865	270	157	159	35	157	35	(122)	(77.7%)
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(286)	(252)	34	11.9%
Free cash flows excluding spectrum	115	374	46	284	77	46	77	31	67.4%
Reported EBITDAI margin	41.1%	34.7%	26.8%	33.6%	21.6%	26.8%	21.6%	(5.2pp)	
Reported effective tax rate	(12.9%)	30.1%	30.8%	44.6%	40.7%	30.8%	40.7%	9.9pp	
Capital expenditure to operating revenues and other gains	(9.9%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Reported basic earnings per share (cents)	46.2	14.5	8.6	8.8	1.9	8.6	1.9	(6.7)	(77.9%)
Reported diluted earnings per share (cents)	46.1	14.5	8.5	8.9	1.9	8.5	1.9	(6.6)	(77.6%)

Group result - adjusted

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes significant items (such as gains, expenses, and impairments) individually greater than \$25 million. In the 6 months ended 31 December 2024, transformation costs of \$29m relating to the SPK-26 Operate Programme were deemed significant items to adjust.

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,446)	(1,491)	(45)	(3.1%)
Adjusted EBITDAI	510	683	530	633	448	530	448	(82)	(15.5%)
Finance income	16	16	14	16	15	14	15	1	7.1%
Finance expense	(43)	(56)	(63)	(81)	(75)	(63)	(75)	(12)	(19.0%)
Depreciation and amortisation	(248)	(256)	(251)	(276)	(300)	(251)	(300)	(49)	(19.5%)
Adjusted net investment income	(1)	(3)	(3)	(5)	-	(3)	-	3	100.0%
Adjusted net earnings before income tax	234	384	227	287	88	227	88	(139)	(61.2%)
Adjusted income tax expense	(69)	(116)	(70)	(102)	(32)	(70)	(32)	38	54.3%
Adjusted net earnings for the period	165	268	157	185	56	157	56	(101)	(64.3%)
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(286)	(252)	34	11.9%
Free cash flows excluding spectrum	115	374	46	284	77	46	77	31	67.4%
Adjusted EBITDAI margin	26.2%	34.9%	26.8%	33.6%	23.1%	26.8%	23.1%	(3.7pp)	
Adjusted effective tax rate	29.5%	30.2%	30.8%	35.5%	36.4%	30.8%	36.4%	5.6pp	
Capital expenditure to adjusted operating revenues and other gains	(12.8%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Adjusted basic earnings per share (cents)	8.8	14.4	8.6	10.1	3.1	8.6	3.1	(5.5)	(64.0%)
Adjusted diluted earnings per share (cents)	8.8	14.3	8.5	10.2	3.1	8.5	3.1	(5.4)	(63.5%)

Gross margin by product

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Mobile	477	507	496	494	488	496	488	(8)	(1.6%)
Voice	71	62	51	48	42	51	42	(9)	(17.6%)
Broadband	149	149	148	140	140	148	140	(8)	(5.4%)
IT products	136	143	139	136	125	139	125	(14)	(10.1%)
IT services ¹	73	80	66	48	49	66	49	(17)	(25.8%)
Procurement and partners	27	40	24	41	25	24	25	1	4.2%
Data Centres ¹	16	14	21	22	23	21	23	2	9.5%
High-Tech	23	23	22	23	22	22	22	-	-%
Other products	25	58	46	45	37	46	37	(9)	(19.6%)
Total product gross margin	997	1,076	1,013	997	951	1,013	951	(62)	(6.1%)
Other gains	588	28	19	83	23	19	23	4	21.1%
Total gross margin	1,585	1,104	1,032	1,080	974	1,032	974	(58)	(5.6%)

¹Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

Spark New Zealand

Connections

	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H1 FY24 000's	H1 FY25 000's	H1 FY25 vs H1 FY24	
								000's	%
Mobile connections ¹	2,616	2,707	2,760	2,715	2,650	2,760	2,650	(110)	(4.0%)
Voice connections by type ²									
POTS and ISDN ²	112	91	69	59	49	69	49	(20)	(29.0%)
VoIP	60	59	53	51	48	53	48	(5)	(9.4%)
Voice over wireless	14	8	8	6	6	8	6	(2)	(25.0%)
	186	158	130	116	103	130	103	(27)	(20.8%)
Broadband connections by technology									
Copper	79	64	54	43	36	54	36	(18)	(33.3%)
Fibre	423	426	427	428	424	427	424	(3)	(0.7%)
Wireless	202	209	214	216	218	214	218	4	1.9%
	704	699	695	687	678	695	678	(17)	(2.4%)
IoT connections	1,160	1,461	1,799	2,048	2,250	1,799	2,250	451	25.1%

¹Mobile connections excluding MVNO connections but including legacy machine to machine and SIM based SmartWatch connections.

²Voice connections include all voice technology types, including POTS, ISDN, VoIP and wireless voice. Voice connections exclude connections where Spark also provide a bundled broadband service, but include all wholesale voice connections (including those where the underlying customer has a bundled broadband service).

Group FTEs

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
FTE permanent	4,976	5,189	5,356	5,072	4,456	5,356	4,456	(900)	(16.8%)
FTE contractors	182	143	97	70	94	97	94	(3)	(3.1%)
Total FTE	5,158	5,332	5,453	5,142	4,550	5,453	4,550	(903)	(16.6%)

Declared Dividends

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
Ordinary dividends (cents per share)	13.50	13.50	13.50	14.00	12.50	13.50	12.50	(1.00)	(7.4%)
Total dividend (cents per share)	13.50	13.50	13.50	14.00	12.50	13.50	12.50	(1.00)	(7.4%)

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Group operating revenues and other gains

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Telco									
Mobile									
Service revenue	480	500	510	500	491	510	491	(19)	(3.7%)
Non-service revenue	252	238	239	225	248	239	248	9	3.8%
Mobile	732	738	749	725	739	749	739	(10)	(1.3%)
Voice	122	109	94	86	78	94	78	(16)	(17.0%)
Broadband ¹	313	313	309	304	302	309	302	(7)	(2.3%)
Total Telco	1,167	1,160	1,152	1,115	1,119	1,152	1,119	(33)	(2.9%)
IT Revenue									
IT Products									
Cloud ²	105	103	109	116	118	109	118	9	8.3%
Managed data and networks	110	112	112	111	102	112	102	(10)	(8.9%)
Collaboration	39	40	40	40	44	40	44	4	10.0%
IT Products	254	255	261	267	264	261	264	3	1.1%
IT Services ²	87	99	80	76	72	80	72	(8)	(10.0%)
Total IT revenue	341	354	341	343	336	341	336	(5)	(1.5%)
Procurement and partners	319	265	339	209	332	339	332	(7)	(2.1%)
Data centres ²	17	15	22	23	25	22	25	3	13.6%
High-Tech	31	34	35	44	41	35	41	6	17.1%
Other products	71	101	68	68	63	68	63	(5)	(7.4%)
Total operating revenues	1,946	1,929	1,957	1,802	1,916	1,957	1,916	(41)	(2.1%)
Other gains	4	29	19	83	23	19	23	4	21.1%
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)
Net gain on sale of Connexa	584	(1)	-	-	-	-	-	-	NM
Total operating revenues and other gains	2,534	1,957	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)

¹Wireless broadband revenues and connections are included in broadband revenues and connections.

²Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

Operating revenues and other gains by customer segment

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Operating revenues and other gains									
Consumer	797	782	780	757	765	780	765	(15)	(1.9%)
Business	1,019	976	1,037	922	987	1,037	987	(50)	(4.8%)
Wholesale and other	718	199	159	206	187	159	187	28	17.6%
Total	2,534	1,957	1,976	1,885	1,939	1,976	1,939	(37)	(1.9%)

Finance income

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Finance income									
Finance lease interest income	4	4	4	4	4	4	4	-	-%
Other interest income	12	12	10	12	11	10	11	1	10.0%
Total	16	16	14	16	15	14	15	1	7.1%

Net investment income

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Net investment income									
Share of associates' and joint ventures' net losses	(3)	(9)	(8)	(9)	(6)	(8)	(6)	2	25.0%
Interest income on loans receivable from associates and joint ventures	2	6	6	6	6	6	6	-	-%
Impairment of investments	-	-	-	(2)	-	-	-	-	NM
Net disposal and remeasurement of equity accounted investments	-	-	(1)	-	-	(1)	-	1	100.0%
Adjusted net investment income	(1)	(3)	(3)	(5)	-	(3)	-	3	100.0%
Net gain on dilution of the investment in the Connexa group	-	5	-	-	-	-	-	-	NM
Reported net investment income	(1)	2	(3)	(5)	-	(3)	-	3	100.0%

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Group operating expenses

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24	
								\$m	%
Product costs									
Mobile	(255)	(231)	(253)	(231)	(251)	(253)	(251)	2	0.8%
Voice	(51)	(47)	(43)	(38)	(36)	(43)	(36)	7	16.3%
Broadband	(164)	(164)	(161)	(164)	(162)	(161)	(162)	(1)	(0.6%)
IT products ¹	(118)	(112)	(122)	(131)	(139)	(122)	(139)	(17)	(13.9%)
IT services ¹	(14)	(19)	(14)	(28)	(23)	(14)	(23)	(9)	(64.3%)
Procurement and partners	(292)	(225)	(315)	(168)	(307)	(315)	(307)	8	2.5%
Data centres	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(1)	(100.0%)
High-Tech	(8)	(11)	(13)	(21)	(19)	(13)	(19)	(6)	(46.2%)
Other product costs	(46)	(43)	(22)	(23)	(26)	(22)	(26)	(4)	(18.2%)
	(949)	(853)	(944)	(805)	(965)	(944)	(965)	(21)	(2.2%)
Labour	(269)	(242)	(279)	(233)	(271)	(279)	(271)	8	2.9%
Other operating expenses									
Network support costs	(45)	(20)	(40)	(33)	(52)	(40)	(52)	(12)	(30.0%)
Computer costs	(57)	(52)	(52)	(63)	(74)	(52)	(74)	(22)	(42.3%)
Accommodation costs	(23)	(26)	(29)	(29)	(29)	(29)	(29)	-	-%
Electricity - data centres ²	(2)	(2)	(2)	(2)	(3)	(2)	(3)	(1)	(50.0%)
Electricity - non data centres	(15)	(15)	(17)	(17)	(16)	(17)	(16)	1	5.9%
Advertising, promotions and communication	(33)	(23)	(33)	(21)	(31)	(33)	(31)	2	6.1%
Bad debts	(4)	(5)	(7)	(8)	(10)	(7)	(10)	(3)	(42.9%)
Other	(43)	(37)	(43)	(41)	(40)	(43)	(40)	3	7.0%
	(222)	(180)	(223)	(214)	(255)	(223)	(255)	(32)	(14.3%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,446)	(1,491)	(45)	(3.1%)
Spark Sport provision	(52)	(2)	-	-	-	-	-	-	NM
Transformation costs	-	-	-	-	(29)	-	(29)	(29)	NM
Total operating expenses	(1,492)	(1,277)	(1,446)	(1,252)	(1,520)	(1,446)	(1,520)	(74)	(5.1%)

¹Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

²Estimated electricity costs to run Spark Group's dedicated data centres.

Finance expense

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24	
								\$m	%
Finance expense									
Finance expense on debt	(22)	(28)	(33)	(42)	(41)	(33)	(41)	(8)	(24.2%)
Other interest and finance expenses	(7)	(5)	(8)	(15)	(10)	(8)	(10)	(2)	(25.0%)
Lease interest expense	(15)	(24)	(24)	(24)	(25)	(24)	(25)	(1)	(4.2%)
Leased customer equipment interest expense	(4)	(3)	(4)	(4)	(3)	(4)	(3)	1	25.0%
	(48)	(60)	(69)	(85)	(79)	(69)	(79)	(10)	(14.5%)
Capitalised interest	5	4	6	4	4	6	4	(2)	(33.3%)
	(43)	(56)	(63)	(81)	(75)	(63)	(75)	(12)	(19.0%)

Depreciation and amortisation expense

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24	
								\$m	%
Depreciation and amortisation expense									
Depreciation - property, plant and equipment	(114)	(113)	(112)	(123)	(147)	(112)	(147)	(35)	(31.3%)
Depreciation - right-of-use assets	(36)	(39)	(42)	(47)	(50)	(42)	(50)	(8)	(19.0%)
Depreciation - leased customer equipment assets	(19)	(17)	(17)	(16)	(13)	(17)	(13)	4	23.5%
Amortisation - intangible assets	(79)	(87)	(80)	(90)	(90)	(80)	(90)	(10)	(12.5%)
	(248)	(256)	(251)	(276)	(300)	(251)	(300)	(49)	(19.5%)

Spark New Zealand

Analysis & KPIs - Mobile

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Mobile revenue by type (Consumer and Business)									
Mobile service revenue	472	489	500	489	479	500	479	(21)	(4.2%)
Mobile non-service revenue ¹	231	218	219	199	217	219	217	(2)	(0.9%)
	703	707	719	688	696	719	696	(23)	(3.2%)
Wholesale and other customer segment mobile revenue ²	29	31	30	37	43	30	43	13	43.3%
Total mobile revenue	732	738	749	725	739	749	739	(10)	(1.3%)
Mobile product costs ³	(255)	(231)	(253)	(231)	(251)	(253)	(251)	2	0.8%
Mobile gross margin	477	507	496	494	488	496	488	(8)	(1.6%)
Mobile gross margin %	65.2%	68.7%	66.2%	68.1%	66.0%	66.2%	66.0%	(0.2pp)	
Total mobile revenue by customer segment									
Consumer	486	486	499	480	489	499	489	(10)	(2.0%)
Business	217	221	220	208	207	220	207	(13)	(5.9%)
Wholesale and other	29	31	30	37	43	30	43	13	43.3%
	732	738	749	725	739	749	739	(10)	(1.3%)
Average revenue per user (ARPU) - 6 month active (Consumer and Business)									
	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	\$ per month	%
Total ARPU	31.30	30.78	30.66	30.03	30.17	30.66	30.17	(0.49)	(1.6%)
Pay-monthly ARPU	41.59	41.48	42.14	41.12	40.52	42.14	40.52	(1.62)	(3.8%)
Prepaid ARPU	17.26	16.91	16.09	15.88	16.21	16.09	16.21	0.12	0.7%
Number of mobile connections at period end - 6 month active (Consumer and Business)⁴									
	000's	000's	000's	000's	000's	000's	000's	000's	%
Pay-monthly connections	1,471	1,509	1,525	1,517	1,519	1,525	1,519	(6)	(0.4%)
Prepaid connections	1,118	1,173	1,210	1,173	1,106	1,210	1,106	(104)	(8.6%)
Internal connections	4	4	4	4	4	4	4	-	-%
Total mobile connections	2,593	2,686	2,739	2,694	2,629	2,739	2,629	(110)	(4.0%)

¹Mobile non-service revenue includes handset sales and mobile interconnect.

²Includes MVNO revenue.

³Includes handset, interconnect and cellphone tower access costs.

⁴Excludes MVNO connections and legacy machine to machine, but includes SIM based SmartWatch connections.

Spark New Zealand

Analysis & KPIs - Voice

Revenue by type	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Access	45	37	33	29	25	33	25	(8)	(24.2%)
Calling	59	54	48	44	41	48	41	(7)	(14.6%)
Other voice revenue	18	18	13	13	12	13	12	(1)	(7.7%)
Total voice revenue	122	109	94	86	78	94	78	(16)	(17.0%)
Voice product costs ¹	(51)	(47)	(43)	(38)	(36)	(43)	(36)	7	16.3%
Voice gross margin	71	62	51	48	42	51	42	(9)	(17.6%)
Voice gross margin %	58.2%	56.9%	54.3%	55.8%	53.8%	54.3%	53.8%	(0.5pp)	
Voice connections by type	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	%
POTS and ISDN	112	91	69	59	49	69	49	(20)	(29.0%)
VoIP	60	59	53	51	48	53	48	(5)	(9.4%)
Voice over wireless	14	8	8	6	6	8	6	(2)	(25.0%)
Total voice connections	186	158	130	116	103	130	103	(27)	(20.8%)
Voice connections by customer segment	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	%
Consumer	46	32	28	24	20	28	20	(8)	(28.6%)
Business	111	104	90	82	74	90	74	(16)	(17.8%)
Wholesale and other	29	22	12	10	9	12	9	(3)	(25.0%)
Total voice connections	186	158	130	116	103	130	103	(27)	(20.8%)

¹Includes voice access (baseband), interconnect, and international calling costs.

Analysis & KPIs - Broadband

Total broadband revenue	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total broadband revenue	313	313	309	304	302	309	302	(7)	(2.3%)
Broadband product costs ²	(164)	(164)	(161)	(164)	(162)	(161)	(162)	(1)	(0.6%)
Broadband gross margin	149	149	148	140	140	148	140	(8)	(5.4%)
Broadband gross margin %	47.6%	47.6%	47.9%	46.1%	46.4%	47.9%	46.4%	(1.5pp)	
Broadband connections by technology	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	%
Copper	79	64	54	43	36	54	36	(18)	(33.3%)
Fibre	423	426	427	428	424	427	424	(3)	(0.7%)
Wireless	202	209	214	216	218	214	218	4	1.9%
Total broadband connections	704	699	695	687	678	695	678	(17)	(2.4%)
Broadband connections by customer segment	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	%
Consumer	594	589	584	580	570	584	570	(14)	(2.4%)
Business	104	102	102	100	98	102	98	(4)	(3.9%)
Wholesale and other	6	8	9	7	10	9	10	1	11.1%
Total broadband connections	704	699	695	687	678	695	678	(17)	(2.4%)

²Includes broadband access (UBA/UCLL/Fibre) and modem costs.

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Analysis & KPIs - Data centres

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Data centre revenue ¹	17	15	22	23	25	22	25	3	13.6%
Data centre product cost	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(1)	(100.0%)
Data centre gross margin	16	14	21	22	23	21	23	2	9.5%
Data centre gross margin%	94.1%	93.3%	95.5%	95.7%	92.0%	95.5%	92.0%	(3.5pp)	
Data centre KPIs	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
Data centre capacity built (in MW)	11	11	22	22	22	22	22	-	-%
Data centre capacity under construction (in MW)	11	11	1	1	1	1	1	-	-%
Data centre development pipeline (in MW)	19	19	70	70	118	70	118	48	68.6%
Total capacity (in MW)	41	41	93	93	141	93	141	48	51.6%
Weighted average lease term with options (WALE)	16.6	16.6	16.5	16.5	16.7	16.5	16.7	0.2	1.2%
Contracted utilisation dedicated data centres ²	84%	84%	88%	88%	87%	88%	87%	(1.0pp)	
Target power usage effectiveness (PUE)	N/A	N/A	1.2	1.2	1.2	1.2	1.2	-	-%
PUE - Legacy data centre assets	1.54	1.56	1.57	1.57	1.60	1.57	1.60	(0.03)	(1.9%)

¹Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

²Includes contracted and reserved racks at dedicated data centres and exchanges.

Analysis & KPIs - IT products

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Cloud revenue ¹	105	103	109	116	118	109	118	9	8.3%
Cloud product costs ¹	(39)	(33)	(38)	(47)	(61)	(38)	(61)	(23)	(60.5%)
Cloud gross margin	66	70	71	69	57	71	57	(14)	(19.7%)
Cloud gross margin%	62.9%	68.0%	65.1%	59.5%	48.3%	65.1%	48.3%	(16.8pp)	
Managed data and networks revenue	110	112	112	111	102	112	102	(10)	(8.9%)
Managed data and networks product costs ³	(64)	(64)	(67)	(66)	(59)	(67)	(59)	8	11.9%
Managed data and networks gross margin	46	48	45	45	43	45	43	(2)	(4.4%)
Managed data and networks gross margin %	41.8%	42.9%	40.2%	40.5%	42.2%	40.2%	42.2%	2.0pp	
Collaboration revenue	39	40	40	40	44	40	44	4	10.0%
Collaboration product costs	(15)	(15)	(17)	(18)	(19)	(17)	(19)	(2)	(11.8%)
Collaboration gross margin	24	25	23	22	25	23	25	2	8.7%
Collaboration gross margin %	61.5%	62.5%	57.5%	55.0%	56.8%	57.5%	56.8%	(0.7pp)	

¹Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

³Includes wide area network access, international data, network backhaul and videoconferencing platform costs.

Analysis & KPIs - IT services

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Service management revenue ¹	76	79	68	64	61	68	61	(7)	(10.3%)
Security revenue	11	20	12	12	11	12	11	(1)	(8.3%)
Service management and security revenue	87	99	80	76	72	80	72	(8)	(10.0%)
Service management and security product costs	(14)	(19)	(14)	(28)	(23)	(14)	(23)	(9)	(64.3%)
Service management and security gross margin	73	80	66	48	49	66	49	(17)	(25.8%)
Service management and security gross margin %	83.9%	80.8%	82.5%	63.2%	68.1%	82.5%	68.1%	(14.4pp)	

¹Prior periods have been restated due to inconsistent classification of certain products across various subsidiary entities. These product misalignments have been corrected and restated for FY23-24.

Analysis & KPIs - Procurement and partners

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H1 FY24 \$m	H1 FY25 \$m	H1 FY25 vs H1 FY24 \$m	%
Procurement and partners revenue	319	265	339	209	332	339	332	(7)	(2.1%)
Procurement and partners product costs	(292)	(225)	(315)	(168)	(307)	(315)	(307)	8	2.5%
Procurement and partners gross margin	27	40	24	41	25	24	25	1	4.2%
Procurement and partners gross margin %	8.5%	15.1%	7.1%	19.6%	7.5%	7.1%	7.5%	0.4pp	

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Statement of cash flows

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Cash flows from operating activities									
Receipts from customers	1,975	1,815	1,972	1,739	1,977	1,972	1,977	5	0.3%
Receipts from interest	16	13	13	15	15	13	15	2	15.4%
Payments to suppliers and employees	(1,460)	(1,270)	(1,519)	(1,134)	(1,566)	(1,519)	(1,566)	(47)	(3.1%)
Payments for income tax	(120)	(70)	(101)	(88)	(78)	(101)	(78)	23	22.8%
Payments for interest on debt	(23)	(32)	(31)	(49)	(46)	(31)	(46)	(15)	(48.4%)
Payments for interest on leases	(15)	(22)	(23)	(23)	(24)	(23)	(24)	(1)	(4.3%)
Payments for interest on leased customer equipment assets	(4)	(3)	(4)	(3)	(3)	(4)	(3)	1	25.0%
Net cash flows from operating activities	369	431	307	457	275	307	275	(32)	(10.4%)
Cash flows from investing activities									
Proceeds from sale of property, plant and equipment	1	10	14	20	2	14	2	(12)	(85.7%)
Proceeds from sale of business	894	(1)	-	4	-	-	-	-	NM
Proceeds from long-term investments	-	-	-	7	-	-	-	-	NM
Receipts from finance leases	1	2	1	-	-	1	-	(1)	(100.0%)
Receipts from loans receivable	-	11	10	-	3	10	3	(7)	(70.0%)
Payments for purchase of business, net of cash acquired	-	-	(2)	(3)	(2)	(2)	(2)	-	-%
Payments for, and advances to, long-term investments	(2)	(1)	(1)	-	-	(1)	-	1	100.0%
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(246)	(229)	(347)	(235)	(228)	(347)	(228)	119	34.3%
Payments for spectrum intangible assets	-	(6)	-	(8)	-	-	-	-	NM
Payments for capitalised interest	(5)	(4)	(6)	(4)	(4)	(6)	(4)	2	33.3%
Net cash flows from investing activities	643	(218)	(331)	(219)	(229)	(331)	(229)	102	30.8%
Cash flows from financing activities									
Net proceeds from/(repayments of) debt	(517)	54	489	21	190	489	190	(299)	(61.1%)
Payments for dividends	(234)	(252)	(249)	(245)	(160)	(249)	(160)	89	35.7%
Payments for share buy-back	-	(146)	(159)	-	-	(159)	-	159	100.0%
Payments for leases	(31)	(33)	(38)	(40)	(44)	(38)	(44)	(6)	(15.8%)
Receipts from lease incentive	-	-	-	-	22	-	22	22	NM
Payments for leased customer equipment assets	(15)	(22)	(20)	(14)	(11)	(20)	(11)	9	45.0%
Net cash flows from financing activities	(797)	(399)	23	(278)	(3)	23	(3)	(26)	NM
Net cash flows	215	(186)	(1)	(40)	43	(1)	43	44	NM
Opening cash position	71	286	100	99	59	100	59	(41)	(41.0%)
Closing cash position ¹	286	100	99	59	102	99	102	3	3.0%

¹H1 FY25 closing cash position includes cash of \$100m and cash classified as assets held for sale of \$2m.

Analysis & KPIs - Free cash flows and movement in working capital

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Reported EBITDAI	1,042	680	530	633	419	530	419	(111)	(20.9%)
<i>Less</i>									
Adjusting items and non cash other gains	536	11	20	58	(6)	20	(6)	(26)	NM
EBITDAI for free cash flow	506	669	510	575	425	510	425	(85)	(16.7%)
<i>Less</i>									
Cash paid on maintenance capital expenditure	(200)	(128)	(261)	(89)	(169)	(261)	(169)	92	35.2%
Cash paid on interest	(26)	(44)	(45)	(60)	(58)	(45)	(58)	(13)	(28.9%)
Cash paid on tax payments	(120)	(70)	(101)	(88)	(78)	(101)	(78)	23	22.8%
Cash paid on leases	(45)	(53)	(57)	(54)	(43)	(57)	(43)	14	24.6%
Total cash payments on items above	(391)	(295)	(464)	(291)	(348)	(464)	(348)	116	25.0%
Free cash flow	115	374	46	284	77	46	77	31	67.4%
Change in working capital									
Change in receivables	59	(126)	27	(78)	80	27	80	53	NM
Change in payables	(3)	53	(20)	65	41	(20)	41	61	NM
Change in inventory	(1)	28	(27)	18	(25)	(27)	(25)	2	7.4%
Change in contract assets	(3)	(30)	(8)	12	(6)	(8)	(6)	2	25.0%
Change in prepayments (excluding CAPEX)	(22)	31	(45)	36	(66)	(45)	(66)	(21)	(46.7%)
Total change in working capital - (increase)/decrease	30	(44)	(73)	53	24	(73)	24	97	NM
Cash paid on growth capital expenditure	(51)	(105)	(92)	(140)	(57)	(92)	(57)	35	38.0%
Free cash flow including working capital and growth cash capex	94	225	(119)	197	44	(119)	44	163	NM

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Group capital expenditure

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Maintenance Capex									
Cloud	(11)	(8)	(24)	(13)	(9)	(24)	(9)	15	62.5%
Fixed network & International cable capacity	(35)	(58)	(55)	(10)	(37)	(55)	(37)	18	32.7%
IT systems	(62)	(54)	(80)	(67)	(73)	(80)	(73)	7	8.8%
Mobile network	(77)	(21)	(65)	(24)	(91)	(65)	(91)	(26)	(40.0%)
Property	(11)	(12)	(7)	(4)	(4)	(7)	(4)	3	42.9%
Other	(4)	(6)	(4)	(6)	(1)	(4)	(1)	3	75.0%
Total maintenance capital expenditure excluding spectrum	(200)	(159)	(235)	(124)	(215)	(235)	(215)	20	8.5%
Growth Capex									
5G Acceleration & SA Readiness	-	(42)	(32)	(74)	(23)	(32)	(23)	9	28.1%
Data centres	(50)	(64)	(19)	(22)	(14)	(19)	(14)	5	26.3%
Converged Tech	-	-	-	(12)	-	-	-	-	NM
Total growth capital expenditure excluding spectrum	(50)	(106)	(51)	(108)	(37)	(51)	(37)	14	27.5%
Total capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(286)	(252)	34	11.9%
Total capital expenditure excluding spectrum to operating revenue and other gains	(9.9%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Total capital expenditure excluding spectrum to adjusted operating revenue and other gains	(12.8%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(14.5%)	(13.0%)	1.5pp	
Mobile spectrum	-	-	(23)	-	-	(23)	-	23	100.0%
Total capital expenditure including spectrum	(250)	(265)	(309)	(232)	(252)	(309)	(252)	57	18.4%
Cash Capex									
Growth	(51)	(105)	(92)	(140)	(57)	(92)	(57)	35	38.0%
Maintenance	(200)	(128)	(261)	(89)	(169)	(261)	(169)	92	35.2%
Total cash capital expenditure excluding spectrum	(251)	(233)	(353)	(229)	(226)	(353)	(226)	127	36.0%

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront.

Analysis & KPI's - Capital expenditure depreciation and amortisation

On adoption of NZ IFRS 16 *Leases*, assets associated with capacity arrangements which were previously recognised within intangible assets have been reclassified to right-of-use assets.

Payments for capacity purchases remain within Spark's definition of capital expenditure. Total depreciation on property, plant and equipment, depreciation on capacity right-of-use assets and amortisation of intangible assets is reconciled below:

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H1 FY24	H1 FY25	H1 FY25 vs H1 FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Depreciation - property, plant and equipment	(114)	(113)	(112)	(123)	(147)	(112)	(147)	(35)	31.3%
Depreciation - right-of-use assets ¹	(11)	(11)	(12)	(12)	(12)	(12)	(12)	-	-%
Amortisation - intangible assets	(79)	(87)	(80)	(90)	(90)	(80)	(90)	(10)	(12.5%)
Total capital expenditure depreciation and amortisation	(204)	(211)	(204)	(225)	(249)	(204)	(249)	(45)	(22.1%)

¹Includes depreciation on capacity right-of-use assets only as these are included within Spark's definition of capital expenditure.