MARKET RELEASE – Wednesday, 18 February 2026

Mobile momentum and cost out return Spark to profit growth in H1 FY26

- H1 FY26 vs. H1 FY25 results:
  - Reported revenue[1,2] of $1,893m declined 1.2%; adjusted revenue[3] of $1,917m declined 1.1%
  - Reported EBITDAI[1,4] of $448m increased 10.3%; adjusted EBITDAI[3] of $471m increased 5.1%
  - Reported NPAT[5] of $64m increased 82.9%; adjusted NPAT[3] of $73m increased 30.4%
- Disciplined execution of SPK-30 strategy delivered 1.6% mobile service revenue growth and $51 million in net cost-out
- H1 FY26 dividend of 8 cents per share declared
- FY26 guidance reaffirmed[9]

Spark New Zealand (Spark) today announced its H1 FY26 results, demonstrating continued performance stabilisation and growing momentum in core connectivity.

Spark Chair Justine Smyth said, "The first half of FY26 has delivered a clear step up in Spark's performance, as we build momentum towards our SPK-30 strategy ambitions.

"We continued to improve mobile performance while delivering significant net cost reductions, which underpinned a return to profit growth. Our data centre transaction completed on 30 January 2026, and the proceeds will reduce net debt in the second half.

"The Board has declared a first half dividend of 8 cents per share and reaffirmed full year guidance."

The Board reaffirmed Spark's FY26 EBITDAI guidance range of $1,010 million to $1,070 million[9], free cash flow of $290 million to $330 million[9], and declared a total H1 FY26 dividend of 8 cents per share, 50% imputed.

H1 FY26 operating performance highlights

Overall revenue reduced slightly, as mobile and broadband revenue growth was offset by declines in legacy revenues. When combined with significant net cost reductions, both EBITDAI and NPAT grew on a reported and adjusted basis.

- **Mobile service revenue** grew 1.6% to $499m, supported by strong ARPU[6] growth in the highest value segment of consumer and SME pay monthly, and ongoing connection and ARPU stabilisation in consumer prepaid and enterprise and government
- **Broadband revenue** further stabilised, growing 0.3% to $303m
- **Cloud revenue** grew 1.7% to $120m as customers scaled public cloud usage
- **Other connectivity revenue** declined 10.4% to $163m due to the divestment of Digital Island and migration off legacy services
- **Cost out programme** delivered $51m in net savings, driven by labour reductions and product cost savings and partially offset by higher opex from planned marketing spend to support business growth and the new technology delivery model
- **Capex** of $271m increased $19m, as Spark invested $54m of strategic capex into data centres. Business as usual (BAU) capex of $217m reduced 9% as the 5G rollout matures
- **Free cash flow** increased 84% to $107m, primarily driven by EBITDAI growth and lower cash tax payments

Spark CEO Jolie Hodson said, "Today's result shows that focused execution in the first six months of our new five-year strategy is building momentum.

"Mobile remains central to our SPK-30 strategy, and we have delivered a return to revenue growth and ongoing connection stabilisation. Our strategic focus on delivering a better network and better customer experiences is central to our success, and we were pleased to maintain network coverage leadership[7] off the back of more than 100 cell site upgrades and new builds during the half.

"In the coming six months we plan to add over 100 additional builds and upgrades, revamp our international roaming experience, and launch satellite-to-mobile text and data services, including calling over satellite-enabled apps like WhatsApp.

"We are also investing significantly in customer experience improvements, with our measure of customer satisfaction rising five points[8] off the back of refreshed products, faster support, and new app and safety features.

"We are continuing to expand our use of AI to support better network and customer experiences – with AI coding helping us get products to market more quickly, agentic AI reducing set up time by around 60% on some business products, and AI now identifying customers with more complex needs so they can be escalated to our care team for faster resolution.

"We continue to make progress towards our sustainability ambitions – our science-based emissions reduction target is on track, we've maintained our top quartile position in the S&P Corporate Sustainability Assessment, and our not-for-profit broadband product, Skinny Jump, now supports over 34,500 households that would otherwise not be able to connect to the digital world.

"I am particularly pleased to see employee engagement improving, up nine points from H2 FY25, and I would like to recognise our Spark whānau for their hard work and ongoing commitment to Spark and our customers.

"As the broader economy shows early signs of stabilisation, we remain focused on disciplined execution to keep driving market momentum and efficiency, which positions us well for the future."

FY26 guidance[10]

Spark reaffirmed guidance for FY26, subject to no material adverse change in operating outlook. FY26 guidance reflects the deconsolidation of data centres from 30 January 2026.

- **Adjusted EBITDAI:** $1,010 million-$1,070 million
- **Free cash flow:** $290 million-$330 million
- **BAU capital expenditure:** $380 million-$410 million
- **Strategic capital expenditure (data centres):** ~$55 million[11]
- **Dividend payout ratio:** 100% of FY26 free cash flow

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Footnotes:

(1) Operating revenues and other gains
(2) Reported revenue and EBITDAI exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements
(3) Adjusted revenue, EBITDAI and NPAT include the data centre business in H1 FY26 and H1 FY25. Adjusted EBITDAI and NPAT exclude $9m of transaction costs in H1 FY26 incurred in relation to the sale of the data centre business

(which will form part of the gain on sale calculation in H2 FY26) and $29m of transformation costs (and associated tax impact) incurred in the implementation of the SPK-30 strategy in H1 FY25.

(4) Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's FY25 Annual Report. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs

(5) Net Profit After Tax

(6) Average revenue per user

(7) Spark has reaffirmed its leadership in mobile connectivity, ranking first for overall coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability. As awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(8) December 2025 score of +41 – up 5 points since December 2024

(9) Subject to no material adverse change in operating outlook

(10) FY26 Guidance reflects the completion of the data centres transaction in January 2026 with the data centres accounted for as an associate (i.e. earnings below the EBITDAI line) for the remainder of FY26. Any gain on sale from the data centres transaction is excluded from the adjusted EBITDAI

(11) There was $1m of capex spent on data centres in January 2026 before completion, adding to the $54m spent in H1 FY26

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