Spark New Zealand

FY26 Results Summary

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FY26 results summary

Mobile growth and cost discipline underpin FY26 result in line with guidance

FY26 result

Revenue stable in subdued economic environment, with mobile service revenue growth offsetting legacy revenue decline. EBITDAI and FCF supported by disciplined cost management

	FY26 Outcome	Change vs FY25
Adjusted Revenue	$3,700 million	No change
Adjusted EBITDAI	$1,035 million	2.4% decrease
Free cash flow	$308 million	18.5% increase

SPK-30 strategy

First year of SPK-30 strategy execution delivered 4.4% overall mobile revenue growth, a return to mobile service revenue growth at +1.1%, and further cost reductions through structural productivity improvements

1. Mobile service revenue back in growth at +1.1%
2. $40m cost reduction delivered
3. Strategic review of Digital Services announced
4. $462m in proceeds from completed DC transaction

Dividend and capital management

100% of FCF delivering a total FY26 dividend of 16cps, while data centre proceeds and disciplined capital management returned debt to targeted levels

Net debt to EBITDA ratio returned to ~1.7x[(1)]

FY26 total dividend of 16cps, 50% imputed

(1) Calculation of net debt/EBITDA consistent with S&P methodology

FY26 financial snapshot

Adjusted EBITDAI impacted by digital services, legacy voice, and part-year data centre contribution – mobile momentum, cost reduction and portfolio management to drive improvement in FY27

Adjusted revenue (1) (2)
$3,700 million
Flat vs. FY25

Reported revenue (4)
$3,949 million
6.0% increase vs. FY25

Adjusted EBITDAI (2) (3)
$1,035 million
2.4% decrease vs. FY25

Reported EBITDAI (3) (4)
$1,295 million
23.0% increase vs. FY25

Adjusted NPAT (2)
$225 million
0.9% decrease vs. FY25

Reported NPAT
$499 million
91.9% increase vs. FY25

BAU Capex (3)
$401 million
Flat vs. FY25

Free cash flow (3)
$308 million
18.5% increase vs. FY25

FY26 final dividend
Final dividend of 8cps, taking total FY26 dividend to 16cps, 50% imputed

(1) Operating revenues and other gains
(2) Adjusted results include the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale, and in FY25 remove the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's detailed FY26 financial statements.

(3) 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. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs.

(4) Reported results include continuing operations and removes the results of the data centre business, which is classified as a discontinued operation. This means data centre net earnings are disclosed separately in the financial statements.

SPK-30

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

Turning SPK-30 into results for shareholders

Differentiating Spark to deliver annuity-like returns and growing dividends for shareholders over time

01 Focused where returns are highest

SPK-30 FOCUS

Focus on core connectivity · Simplify and optimise beyond the core

FY26 PROGRESS

- **Core revenue growth:** 4.4% mobile revenue growth; price-driven categories stabilising, with mobile service revenue growing 1.1%
- **Product innovation:** Satellite, roaming, mobile propositions
- **Cost reduction:** structural productivity improvements delivering further significant cost savings
- **Portfolio management:** Data centre transaction completed with 25% shareholding retained to participate in future value growth; Digital Services strategic review underway

DELIVERS

Capital and resources aligned to the areas of highest shareholder return

02 Investing to differentiate and grow

SPK-30 FOCUS

Better network · Better customer experiences

FY26 PROGRESS

- **Network leadership:** Widest-coverage award retained(1), with greater security and resilience built in
- **Advanced capability:** 5G+ monetisation opportunities; 3G exit enabling spectrum recycling into 5G
- **CX growth:** six consecutive years of iNPS growth(2); digital CX ARPU lifting; AI-enabled care reducing time to serve

DELIVERS

Investment behind what differentiates Spark with customers and drives growth

03 Built on strong fundamentals

SPK-30 FOCUS

Enablers: financial discipline, people, tech and AI, sustainability

FY26 PROGRESS

- **Financial discipline:** driving strong FCF growth; FY30 cost out ambitions on track
- **AI enabled:** AI maturing from individual use cases to enterprise-wide process efficiency
- **Strong business fundamentals:** employee engagement up 11pp; 59% reduction in scope 1 and 2 emissions against FY20 baseline

DELIVERS

Cost discipline, leading AI and partnerships, high performing teams, and a strong licence to operate

Why Spark

- New Zealand's largest telco, with market-leading positions(3)
- Refocused on what we do best – our core of connectivity
- Focused on stable, annuity-like returns, predictable free cash flow, and growing dividends for shareholders over time

(1) Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(2) Spark interaction net promoter score (iNPS) increased from +40 in FY25 to +42 in FY26

(3) IDC New Zealand mobile service revenue and broadband market share report as at 30 June 2026

Network competitiveness enhanced by satellite-to-mobile

Satellite extends Spark's coverage to the edge, building on the competitive advantages of its terrestrial mobile network

Our terrestrial network provides New Zealand's widest coverage[1]

Widest coverage

99% of New Zealanders reached today across 4G and 5G[2] – the widest coverage experience, independently verified by Opensignal[1]

Reliable indoors

Mobile networks perform inside homes, offices, and basements

High customer density

Terrestrial towers carry thousands of active users per square kilometre in high-demand areas

Speed that holds up

350MHz of mobile spectrum gives real headroom for sustained, high throughput

+

Satellite adds

The best coverage just got better

Satellite-to-mobile extends capability beyond the terrestrial network – reaching remote areas and blackspots where towers can't, so customers stay connected at the very edge

Spectrum underpins it all

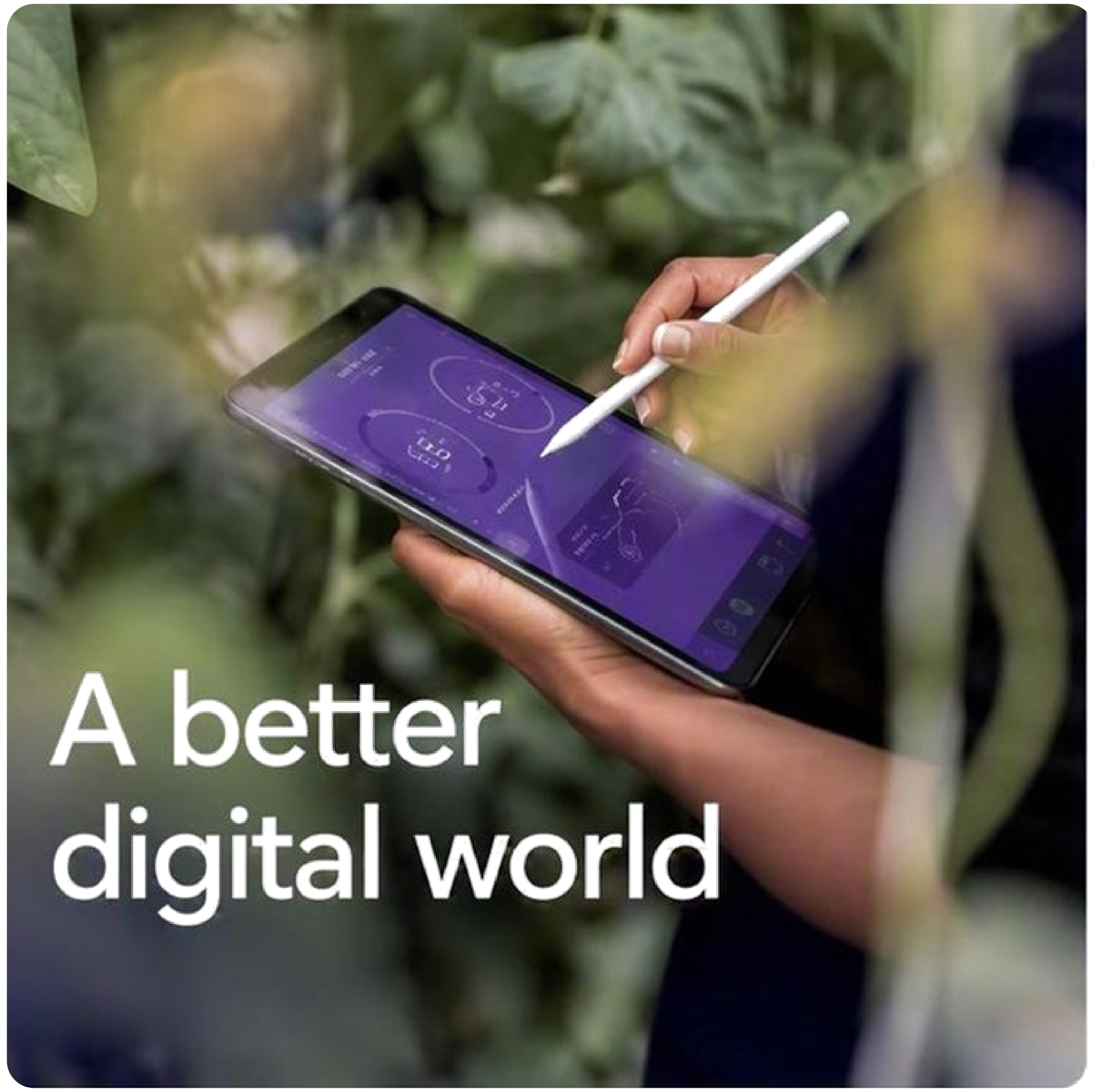
Spark holds management rights to 350MHz of spectrum, including the largest holding of sub-1GHz spectrum – supporting our leadership in overall mobile coverage experience in New Zealand

(1) Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(2) Spark's network connects 99% of the population across New Zealand, in areas where people work and live. Population coverage is calculated by measuring the percentage of address points that fall within the predicted coverage area generated by Spark's propagation model.

Sustainability performance

Supporting a lower-carbon, more connected Aotearoa through our operations, network, and technology



Reducing emissions and waste

- **Science-based target on track** – scope 1 and 2 emissions tracking 59% below FY20 baseline and ahead of our FY30 target of a 56% reduction
- **Renewable energy at scale** – 72 GWh of electricity consumption matched to new renewable generation through our Genesis Energy partnership, reducing reported scope 2 emissions 34%
- **Scope 3 supplier engagement target of 70% achieved –** with 71% of spend now with suppliers who have science-based targets
- **Reducing e-waste** – device trade-ins and recycling up 42% through RE:MOBILE

Responsible supply chain

- **Supplier audits** – five JAC[1] audits completed at partner sites in India and manufacturing sites in China, with broader programme of supplier risk assessment and screening ongoing

Closing the digital divide

- **Affordable connectivity** – Skinny Jump not-for-profit broadband now reaches over 38,000 households
- **Community partnerships** – new Spark Foundation partnerships with Netsafe and South Auckland Creative and Tech Hub

(1) Independent supplier audits conducted through the Joint Alliance for CSR (JAC), an international association of telecommunications operators working together to assess and improve labour standards, health and safety, environmental, ethics, and management systems of the industry's supply chains

Our SPK-30 strategy ambitions

Good progress in first year of new strategy creating strong foundation for future EBITDAI growth

Financial Ambition(1)

	FY30	FY26 Update
Productivity	Annualised savings of $150m-$180m (from FY24 baseline)	$101m at end FY26
Adjusted EBITDAI	Low single digit CAGR from FY25-FY30	EBITDAI -2.4% in FY26
Capex	Capex to revenue ratio of 10-12%	BAU Capex 10.8%(2) in FY26
Free cash flow	Mid-single digit CAGR from FY25-FY30	FCF of $308m up 18.5% in FY26
ROIC(3)	11-13%	Reported 13.8% vs 8.7% in FY25 Adjusted 8.4%, flat to FY25

Non-Financial Ambition (1)

	FY30	FY26 Update
Customer	>45+ iNPS (industry best practice)	42+, up 2pts from FY25
Network	Maintain: Most reliable network, with widest coverage experience	Maintained #1 for widest coverage experience, tied #1 for reliability(4)
Employee	Top quartile employee engagement	Up 11pp from FY25
Sustainability	Reduce absolute scope 1 and 2 GHG emissions 56% by 2030 from a FY20 baseline year	Scope 1 and 2 emissions tracking 59% below our FY20 baseline – ahead of the pathway to our 2030 science based target

Looking ahead | Mobile and cost momentum • Diminishing legacy products • Portfolio management → **Supporting EBITDAI and ROIC growth in future years**

(1) 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) BAU Capex as a percentage of operating revenues and other gains

(3) Reported 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). Adjusted ROIC removes the FY26 one off data centre gain on sale and FY25 one offs due to Connexa gain on sale and transformation costs.

(4) Spark ranked 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

Connectivity Performance

Mobile performance overview

Overall mobile revenue up 4.4%, mobile service revenue returns to growth at 1.1%

- Overall mobile revenue up 4.4% to $1.5b, driven by strong device growth
- Overall mobile service revenue grew 1.1% to $998m:
  - **Consumer and SME** mobile service revenue up 1.4% – driven by strong pay monthly ARPU growth and further stabilisation in prepaid connections
  - **Enterprise and Government** mobile service revenue decline driven by ongoing competitive pricing pressure, while the rate of decline has more than halved compared with the prior year and connections are broadly flat
  - **Wholesale** revenue continues to grow through Spark-owned messaging products and MVNO partnerships

	FY25	FY26	% change
Total Mobile Revenue	$1,453m	$1,517m	4.4%
Mobile Service Revenue			
Total	$987m	$998m	1.1%
Consumer and SME	$861m	$873m	1.4%
Enterprise and Government	$100m	$93m	(7.0%)
Wholesale	$26m	$32m	23.1%
Connections and ARPU – Consumer and SME			
Pay monthly connections	1,205k	1,198k	(0.6%)
Prepaid connections	1,112k	1,072k	(3.6%)
Pay monthly ARPU	$44.46	$46.08	3.6%
Prepaid ARPU	$16.10	$15.98	(0.7%)
Connections and ARPU – Enterprise and Government			
Connections	312k	310k	(0.6%)
ARPU	$26.74	$24.82	(7.2%)

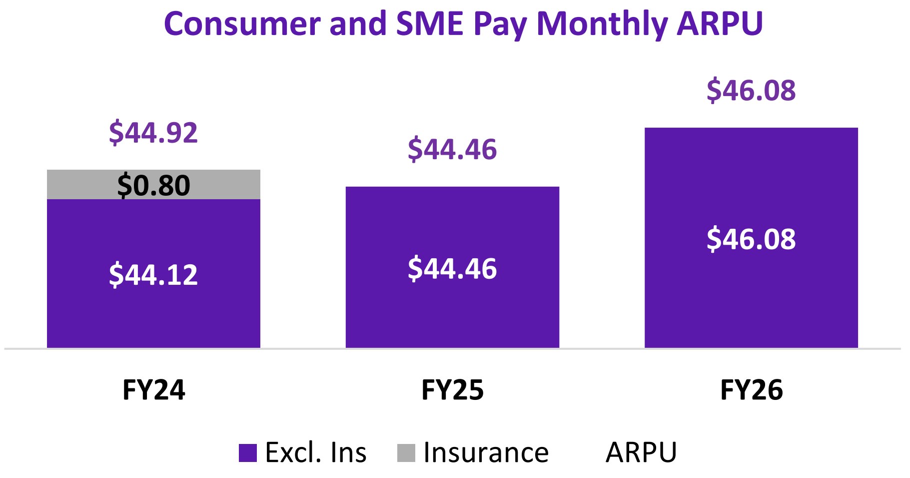
Mobile performance detail

Further stabilisation in overall connections despite 3G shutdown, with positive ARPU trends across the portfolio

Consumer and SME Pay Monthly

Increasing ARPU on broadly flat connections

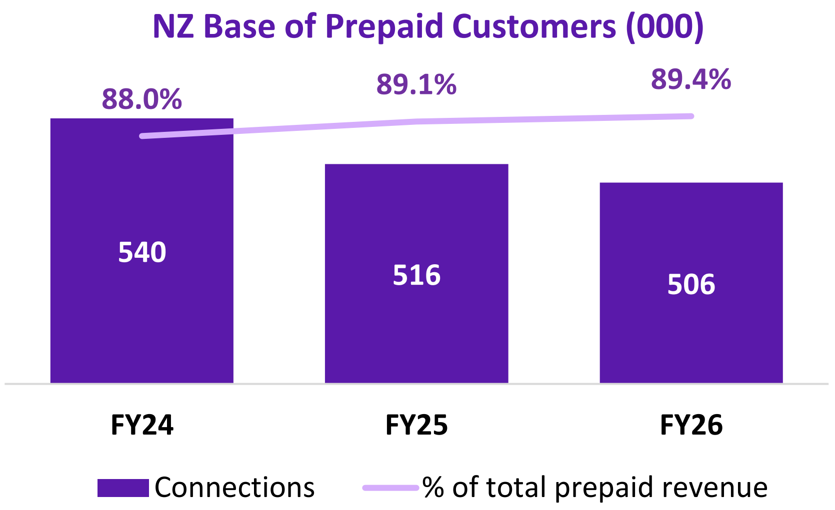
- Product innovation pipeline building more value into pay monthly – Kids Plan, roaming, satellite
- Maintained pay monthly base – with small decline in connections attributable to 3G closure
- Strong ARPU growth (+3.6%) supported by plan and pricing refresh, providing greater value for money
- IFP acquisitions up ~15%, supporting higher ARPU acquisition and retention



Consumer Prepaid

Resilient ARPU in competitive market

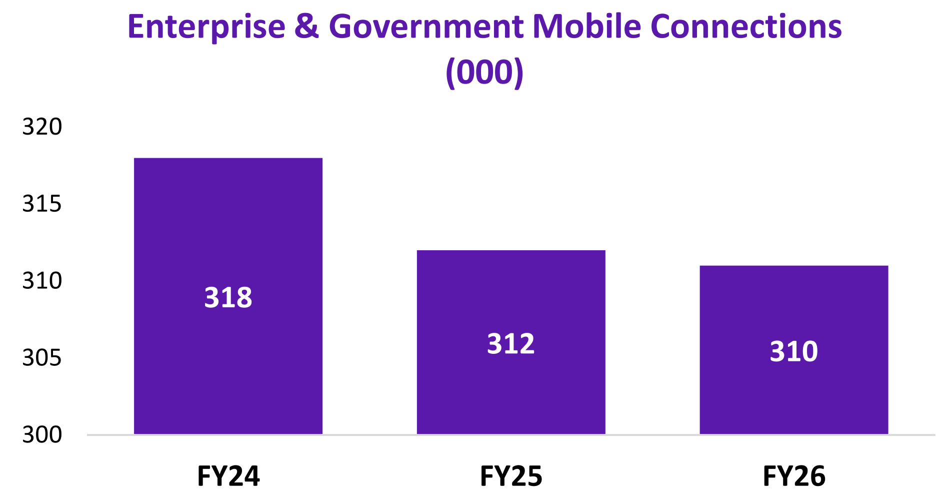
- More competitive prepaid line-ups launched across Spark and Skinny
- Overall connections down 3.6%, compared to 5.2% in FY25 – ~25% of the decline driven by 3G closure
- NZ base contributes ~89% of prepaid revenue(1)
- ARPU proved resilient, holding broadly flat despite intense price competition (up 1.1% in NZ base)
- Skinny grew ~2%, supported by launch of 52-week plans



Enterprise and Government

Connections stable, ARPU decline slowed

- Product innovation in roaming and satellite improving pay monthly proposition for enterprise and government
- Connections broadly flat on FY25 – small decline attributable to low value 3G connections
- Rate of ARPU decline has slowed, reducing by $1.92 (7.2%) in FY26 compared with $3.26 (10.9%) in FY25
- Customer wins and re-signs include ANZ Bank, Oranga Tamariki, and Contact Energy



(1) NZ base: prepaid customers who purchase a recurring value pack, excluding travel packs and casual (non-pack) customers

Market growth and share

SPK-30 materially improving market share trajectory in a growing market

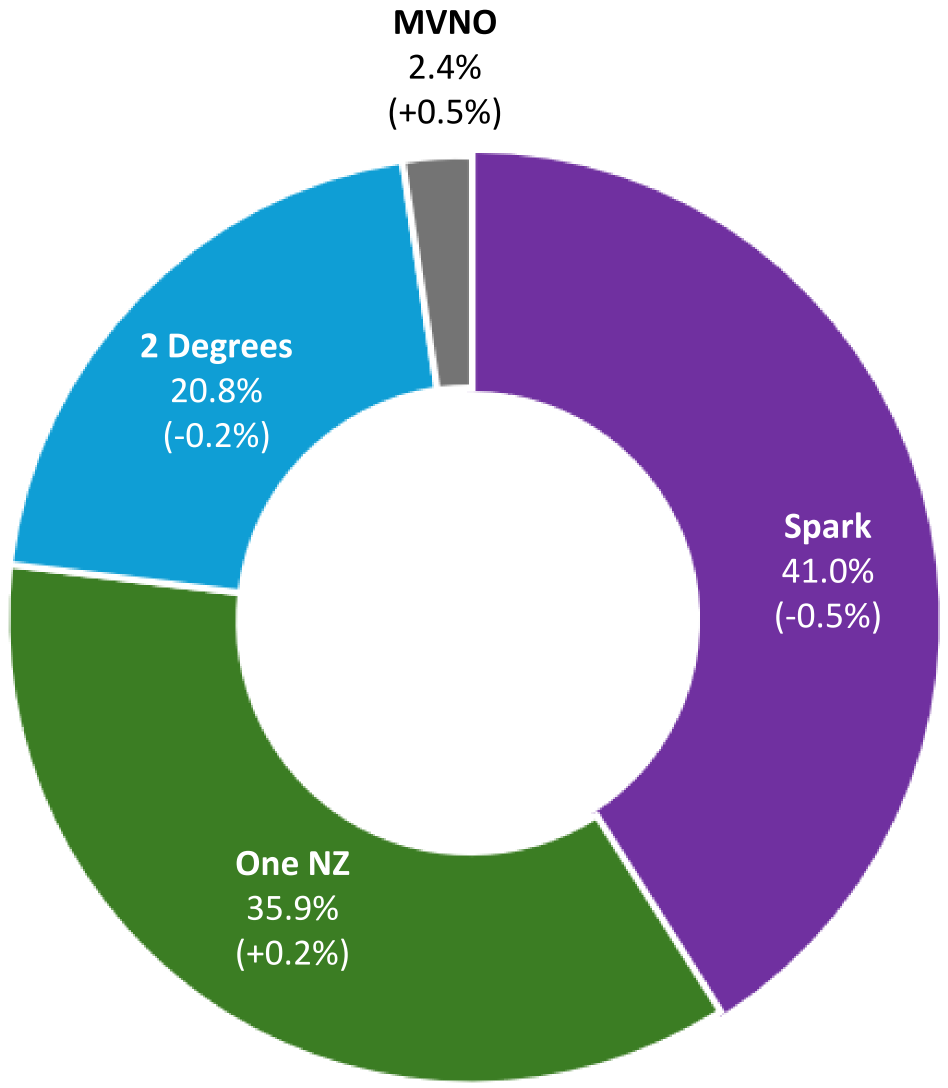
Total mobile market performance[1]

- FY26 mobile market estimated growth of 1.9%, compared to +1.3% in FY25

Spark mobile and share performance[1]

- On a YoY basis, Spark's market share decline has significantly slowed – from 1.8pp between FY24 and FY25 to 0.5pp between FY25 and FY26
- Spark mobile service revenue share was broadly flat from H1, with #1 position maintained

YoY mobile service revenue market share movements[1]



(1) All comparisons are market share estimates sourced from IDC as at 30 June 2026

From FY26 delivery to a strong FY27 pipeline

Building on FY26 momentum with a strong programme of connectivity activity into FY27

FY26

- **New plans** delivering more choice for customers
- **Launched** satellite, roaming, long-term and kids plans
- **Network coverage** leadership maintained(1)
- **5G+ launched**, over half a billion scam attempts blocked(2)
- **Digital acquisition** up 30%, call centre volumes down 81k
- **Customer satisfaction** up for the sixth year running

BETTER…

VALUE

NETWORK

CX

FY27

- **New pay-monthly** and device upgrade propositions
- **Reward and recognition** that differentiates
- **24hr cell tower battery** back-up for ~1.7m addresses(3)
- **5G+** productised
- **New app** launching
- **New store fitouts** expanding across NZ

(1) Spark ranked first for overall coverage experience and 5G coverage experience in Opensignal's October 2025 NZ Mobile Network Experience report

(2) A subset of this number includes an annual projection of data measured over a three-month period. With ever-increasing numbers of online threat, it is likely that this number is much higher

(3) Spark and Connexa awarded a contract by the National Infrastructure Funding and Financing. 1.7m addresses includes overlapping coverage into neighbouring areas. Upgrades will start in the second half of 2026 and are expected to be completed by June 2027

Broadband and Business Connectivity

Holding margin in broadband, while business connectivity impacted by divestment, legacy transition, and hardware sales timing

Broadband:

- Total connections down 4.8% in highly competitive, price driven market
- Decline driven by fixed-line technologies, with fibre and copper accounting for approximately 75% and wireless 25% – moderating impact on margin
- Broadband gross margin up $1m through product cost management
- Wireless refresh launching in H1 FY27 to further improve competitiveness and bundling

Voice:

- Legacy voice revenues declined in line with long term trend, now only 3.2% of overall revenue

Business Connectivity:

- FY26 revenue impacted by divestment of Digital Island, transition from legacy managed data and network products to modern solutions (rate of decline halved from FY25), and the phasing of hardware sales in IoT, partially offset by the reclassification of some revenues from private cloud
- Gross margin declined at a slower rate of 6.6%, due to targeted cost reductions and fewer lower margin IoT hardware sales
- Large-scale collaboration migrations completed in FY26, and significant progress made in exiting legacy data and networks and security products
- IoT connections grew 5.1% to 2.5m devices, driven by 5G-enabled use cases such as logistics monitoring for ports and warehouses, and electricity metering

	FY25	FY26	% change
Broadband and Business Connectivity Revenue			
Broadband	$608m	$596m	(2.0%)
Voice	$150m	$126m	(16.0%)
Business Connectivity[1]	$363m	$327m	(9.9%)

(1) Includes IoT, Managed data and networks, collaboration, and security

Digital Services Performance

Digital Services: a scaled business adjacent to our core

Market leadership

A leading provider of digital services to New Zealand's B2B market

Recurring revenue

Majority-recurring revenue across a diversified digital services mix

Intellectual property

CloudIQ (hybrid cloud), ServiceFlex (IT services), and Qrious (Data and AI)

Data sovereignty

Provides data-sovereign storage in New Zealand

Global partnerships

Relationships with all hyperscalers, partnerships with Microsoft, Infosys, HPE

Long-term tailwinds

Long-term shift to cloud and business digitisation continues to drive demand

Cloud • IT Services • Adjacent products

Strategic review of Digital Services

A strategic review of Digital Services marks the logical next step in the execution of SPK-30

Performance context

- **Leading market position:** with significant scale, customer base and recurring revenue
- **Simplification progressed:** significant progress made simplifying product sets and labour, and establishing global partnerships that support efficiency and access to global IP
- **Legacy transition:** exiting legacy IT products and migrating customers to modern ServiceFlex product
- **Cyclical challenges:** New Zealand economic recovery slower than anticipated, maintaining pressure on business and government spending
- **Structural change in cloud:** long-term trend of private cloud shifting to public cloud – opportunity to add higher value managed services layer to improve margin and retention

Strategic review

- Strategic review of Digital Services underway to assess options to maximise shareholder value
- The next logical step under SPK-30, which focuses Spark on leading in core connectivity and simplification beyond the core
- External adviser appointed; review expected to complete in H1 FY27
- No certainty the review will result in a transaction, nor as to terms or value

Digital services performance summary

Public cloud growth and legacy migration continue to reshape revenue mix

Cloud:

- Overall cloud revenues held broadly steady at $233m
- Public cloud revenue grew 20%, benefiting from long-term demand tailwinds
- Private cloud revenue declined 12%, impacted by a one-off $9m reclassification of revenue following integration of CCL. Remains a differentiated offering for sovereign data protected customer requirements and represents ~60% of cloud revenues
- Industry-wide transition from private to public cloud is expected to maintain margin pressure in the near term

IT Service Management:

- Revenue declined 10.3% to $104m due to the continued migration of customers from legacy services to Spark's modern ServiceFlex platform, alongside subdued project work
- Proactively reducing labour costs faster than revenue decline to mitigate impact
- Capex needs are small and steady, reflecting the capital-light nature of a services business

Other Digital Services:

- Revenue grew 2.9% to $35m, with further improvement in gross margin driven by product cost reductions

	FY25	FY26	% change
Digital Services Revenue(1)			
Cloud	$235m	$233m	(0.9%)
IT Service Management	$116m	$104m	(10.3%)
Other Digital Services(2)	$34m	$35m	2.9%
Total Digital Services	$385m	$372m	(3.4%)

(1) The performance of products and services that now comprise Digital Services is disclosed in a separate page in the Detailed Financials document that was released to the market on 20 August 2026

(2) Includes adjacent products such as Data Analytics and AI, Digital Identity, and Ubiquity

Financial summary

FY26 financial summary

	REPORTED[1] FY25	REPORTED[1] FY26	CHANGE	ADJUSTED[2] FY25	ADJUSTED[2] FY26	CHANGE
Operating revenues and other gains	3,725	3,949	6.0%	3,700	3,700	-
Operating expenses	(2,672)	(2,654)	(0.7%)	(2,640)	(2,665)	0.9%
EBITDAI	1,053	1,295	23.0%	1,060	1,035	(2.4%)
Net financing cost	(118)	(118)	-	(118)	(118)	-
Depreciation and amortisation	(590)	(602)	2.0%	(604)	(602)	(0.3%)
Net investment income/(expense)	2	(1)	NM	2	(1)	NM
Net earnings before tax expense	347	574	65.4%	340	314	(7.6%)
Tax expense	(95)	(88)	(7.4%)	(113)	(89)	(21.2%)
Net earnings after tax expense	252	486	92.9%	227	225	(0.9%)
Net earnings from discontinuing operation	8	13	62.5%	-	-	-
Total net earnings after tax expense	260	499	91.9%	227	225	(0.9%)
BAU capital expenditure	401	401	-	401	401	-
Free cash flows excluding spectrum	-	-	-	260	308	18.5%
EBITDAI margin	28.3%	32.8%	4.5%pts	28.6%	28.0%	(0.6)%pts
Effective tax rate	27.4%	15.3%	(12.1)%pts	33.2%	28.3%	(4.9)%pts
BAU capex to operating revenues and other gains	10.8%	10.2%	(0.6)% pts	10.8%	10.8%	-%pts
Total earnings per share (cents)	13.6	25.7	89.0%	12.3	11.9	(3.3%)
Total dividend per share (cents)	25.0	16.0	(36.0%)	25.0	16.0	(36.0%)

(1) Reported revenue, expenses, EBITDAI and NPAT exclude the results of the data centre business which has been classified as a discontinued operation in the Financial Statements.

(2) Adjusted results include the earnings of the data centre business up until the sale, and in FY26 excludes the $278 million gain on sale from the data centres, and in FY25 excludes the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs.

FY26 financial summary

Reported EBITDAI up 23.0% on data centre transaction; mobile revenue growth and productivity benefits supporting performance

Reported result vs. FY25

- Reported revenue and other gains up 6.0%, or $224m, to $3,949m
- Reported EBITDAI up 23.0%, or $242m, to $1,295m, mainly due to the gain on sale of the data centre business included in reported results
- Net financing costs of $118m flat to FY25, while tax expense of $88m was 7.4% lower, primarily due to lower underlying EBITDAI as the data centre gain on sale is non-assessable
- Discontinued earnings of $13m related to the contribution from the data centre business – up 62.5% as assets held for sale are no longer depreciated
- BAU capital expenditure flat at $401m as the 5G mobile rollout matures
- Reported NPAT up 91.9% to $499m

Adjusted(1) result vs. FY25

- Adjusted revenue and other gains of $3,700m flat to FY25, driven by growth in mobile revenue and offset by lower legacy voice and other connectivity revenue, and five fewer months of data centre contribution following the sale partway through the year
- Legacy voice revenue continues to become a smaller part of the portfolio, now only contributing 3.2% of total revenue
- Operating expenses of $2,665m were $25m higher than FY25, driven by:
  - Product cost increase of $30m, mainly through higher sales of products such as mobile devices ($65m), and offset by product cost savings of $35m;
  - Net labour savings of $58m; and
  - Higher opex of $53m, due to technology partnership costs, increased marketing to support growth, severance, and legacy exit costs
- As a result, adjusted EBITDAI was down 2.4%, or $25m, to $1,035m
- Adjusted NPAT down 0.9% to $225m

(1) Adjusted results include the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale, and in FY25 remove the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's detailed FY26 financial statements.

Cost reduction programme

FY26 productivity programme delivered $40m of benefits across product costs and labour/opex

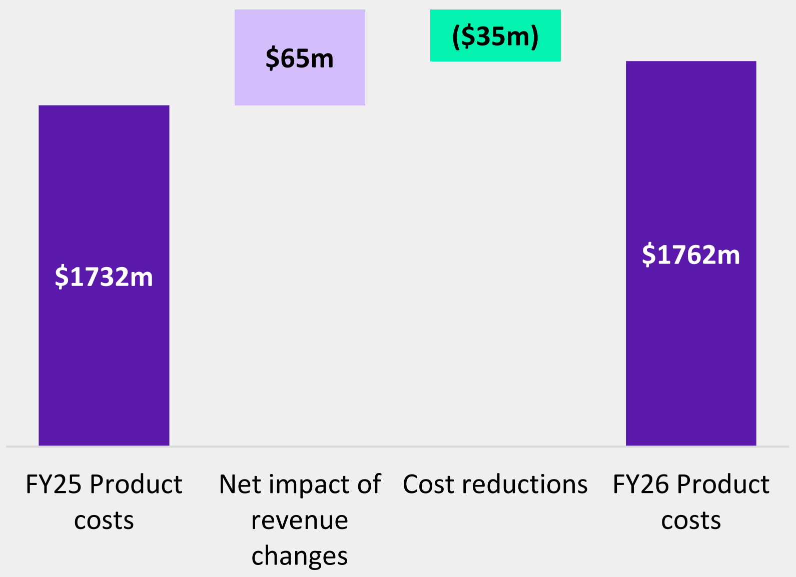
Delivery since H1

- Long-term cost reduction programme embedding structural productivity improvements across the business
- FY26 productivity benefit of $40m, in line with $40m-$50m target
- $35m from sustainable product cost reductions, as Spark simplifies and legacy becomes a smaller part of the business
- $58m in labour savings, partially offset by $53m in other opex movements
- As noted in February, savings were weighted to H1, with H2 slowing as expected opex increases came through and labour benefits largely landed in H2 FY25

Product costs

- $35m in product cost savings from improved buying terms with major suppliers, exit of legacy products, and simplification
- Partially offsetting the net impact of increased costs as we sold more mobile devices and services

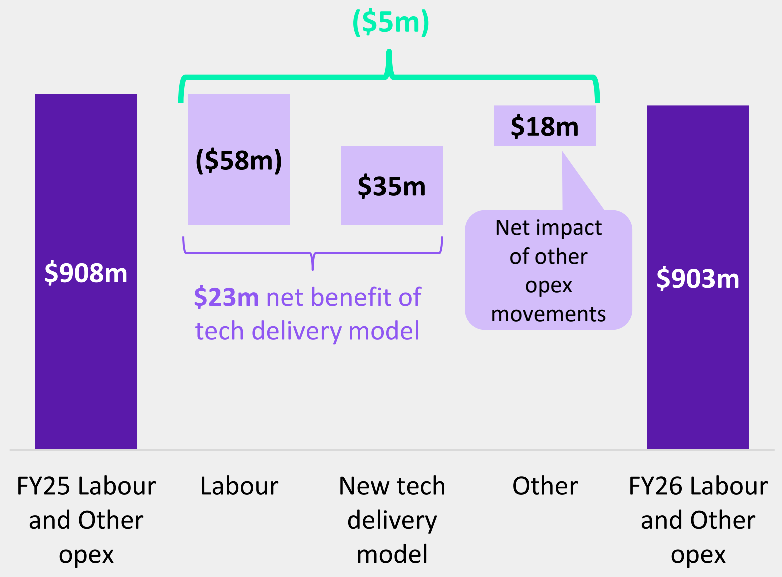
Product Costs FY25 - FY26



Labour and other opex

- $23m net benefit of the technology delivery model:
  - $58m of labour savings and business simplification, less $35m increase in other opex through partnerships
- Offset by a net $18m increase in other opex, including:
  - Inflationary pressures, as well as higher H1 marketing costs ($11m) to support growth, severances ($9m), and legacy shutdown costs ($6m). These cost increases are not expected to repeat at the same rate in future years
  - $6m in cost reductions from data centre transaction

Labour and Other opex FY25-FY26



Cost reduction programme continued

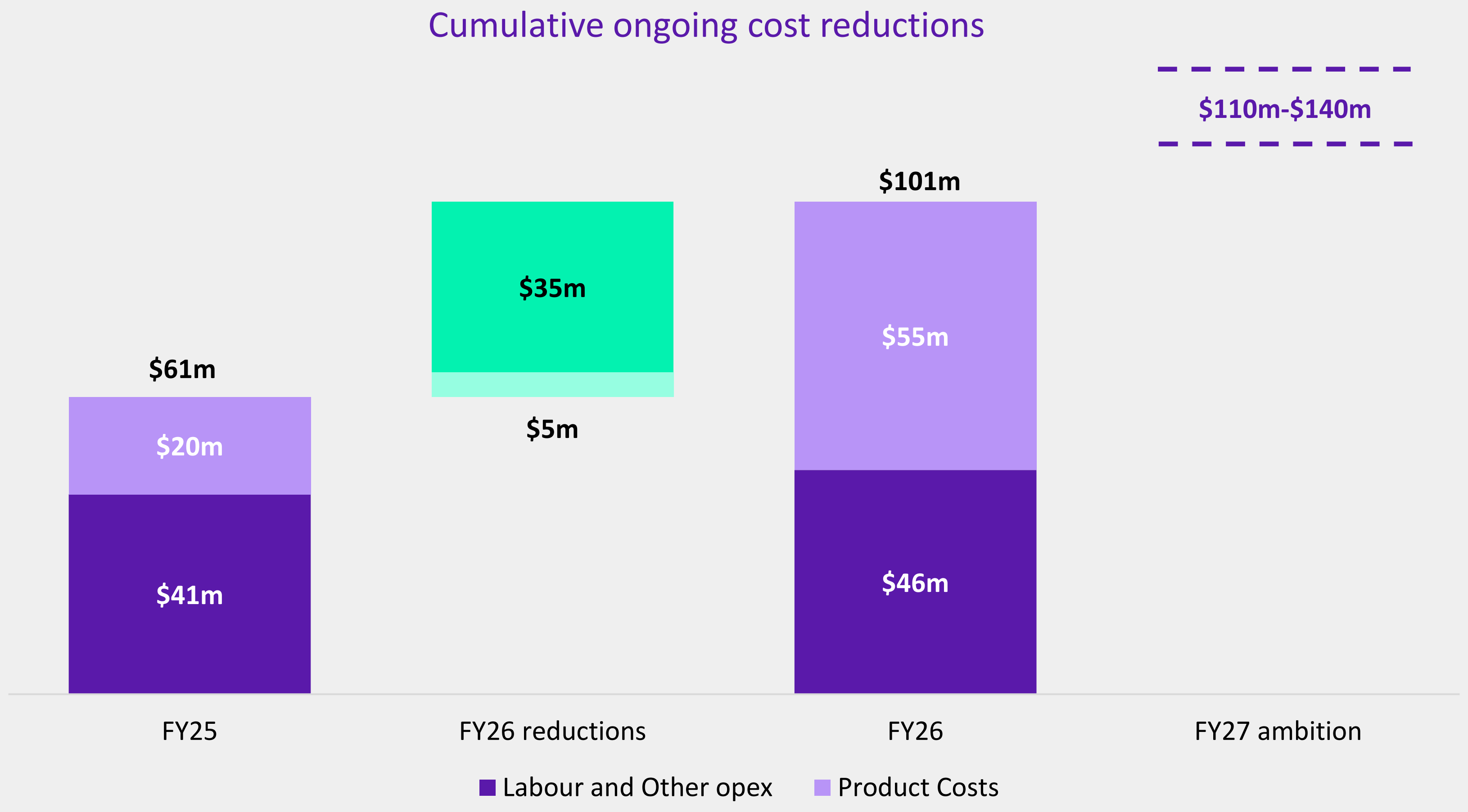
On track to meet FY27 ambition of $110m-$140m of annualised savings(1)

Pathway to FY27 target

- Run-rate benefits from FY26 labour reductions and additional simplification benefits from the organisational structure change announced in July
- Other opex broadly flat, with inflationary pressures offset by the cost reduction programme
- Further product cost savings expected from improved buying terms, legacy product exits, and simplification
- On track to deliver FY27 ambition of $110m-$140m of annualised savings[1]

Cost reduction progress since FY25

- Cumulative ongoing cost reductions have built from $61m in FY25 to $101m in FY26



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

Delivering against our Capital Management Framework

FY26 capital management in line with new framework established in August 2025

	Objective	FY26 outcome
01	**Maintaining financial strength** • Strong balance sheet • Targeted metrics consistent with current credit rating	• Net Debt/EBITDA ratio of ~1.7x(1) at 30 June 2026, down from 2.2x at 30 June 2025
02	**Investment and portfolio management** • BAU capex – used to sustain and grow the core business organically (capex to revenue ratio of 10-12%) • Strategic capex – capital investment outside the core that meets Spark's hurdle rates	• FY26 BAU capex of $401m, 10.8% of adjusted revenue • FY26 strategic capex of $66m(2), representing capex committed as part of the data centre transaction
03	**Sustainable shareholder returns** • Dividend payout ratio of 70-100% of free cash flow • Dividend reinvestment plan utilised when appropriate • Growth in return on invested capital	• FY26 dividend of 16 cps, representing 100% of free cash flow • DRP reinstated with 0% discount on shares issued in lieu of dividend • ROIC of 8.4%(3) in FY26, flat to FY25 (FY26 Reported ROIC 13.8% vs 8.7% in FY25)

(1) Calculation of net debt/EBITDA consistent with S&P methodology
(2) Committed capex brought forward, reflected in the data centre sale proceeds
(3) Adjusted Return on Invested Capital excludes gain on sale of data centre in FY26, and Connexa gain and transformation costs in FY25

Capital expenditure

FY26 BAU investment aligned to SPK-30 priorities – network leadership and resilience, better CX, and efficiency through tech and AI

Total FY26 capex (excl. spectrum)(1)

$467m ▲ 9% YoY

Driven by data centre strategic capex prior to 75% divestment

FY26 BAU capex

$401m Flat on FY25

In line with $380m–$410m guidance; 10.8% of adjusted revenue

FY26 strategic capex

$66m ▲ 135% YoY

Committed capex brought forward, which was then reflected in the data centre sale proceeds

Significant BAU capex categories and outcomes		FY25	FY26	YoY change	
Fixed network and international cables	• Increased capacity for fibre, transport and IP networks to meet forecasted demand for data growth • Core networks expansion and resilience programme to improve reliability	$63m	$88m	+40%	Infrastructure and international cable capacity purchases
Mobile network	• Increased capacity by upgrading 236 existing sites with 4G and 5G • Extended coverage with 81 new sites built across New Zealand	$171m	$140m	(18%)	Normalised post 5G Standalone mobile core build
IT systems and AI	• Sustaining and licensing core business systems focused on automation and enterprise efficiency • Expanding AI investment to embed intelligence across operations, accelerating automation, and service transformation	$148m	$155m	+5%	Strategic investment in automation and AI platforms for long-term efficiency

(1) FY26 spectrum capex of $7m on 20 MHz of 5G spectrum acquired from Tū Ātea

Free cash flow

Free cash flow growth supporting a total FY26 dividend of 16cps

- FCF increased 18.5% to $308m and supported a total FY26 dividend 16cps
- EBITDAI for FCF down 2.6% to $1,003m due to partial year's contribution from data centres and underlying performance
- Cash paid on BAU Capex consistent with FY25, with a higher weighting to network and infrastructure spend
- Reduction in cash tax paid, as prepaid tax asset utilised during the year – expected to further benefit FCF in future years
- Cash paid on leases increased $37m, cycling the FY25 lease incentive of $12m together with increased mobile sites. It is expected that FY27 cash leases will continue to increase but by a lower amount
- Change in working capital delivered a $45m improvement in FCF

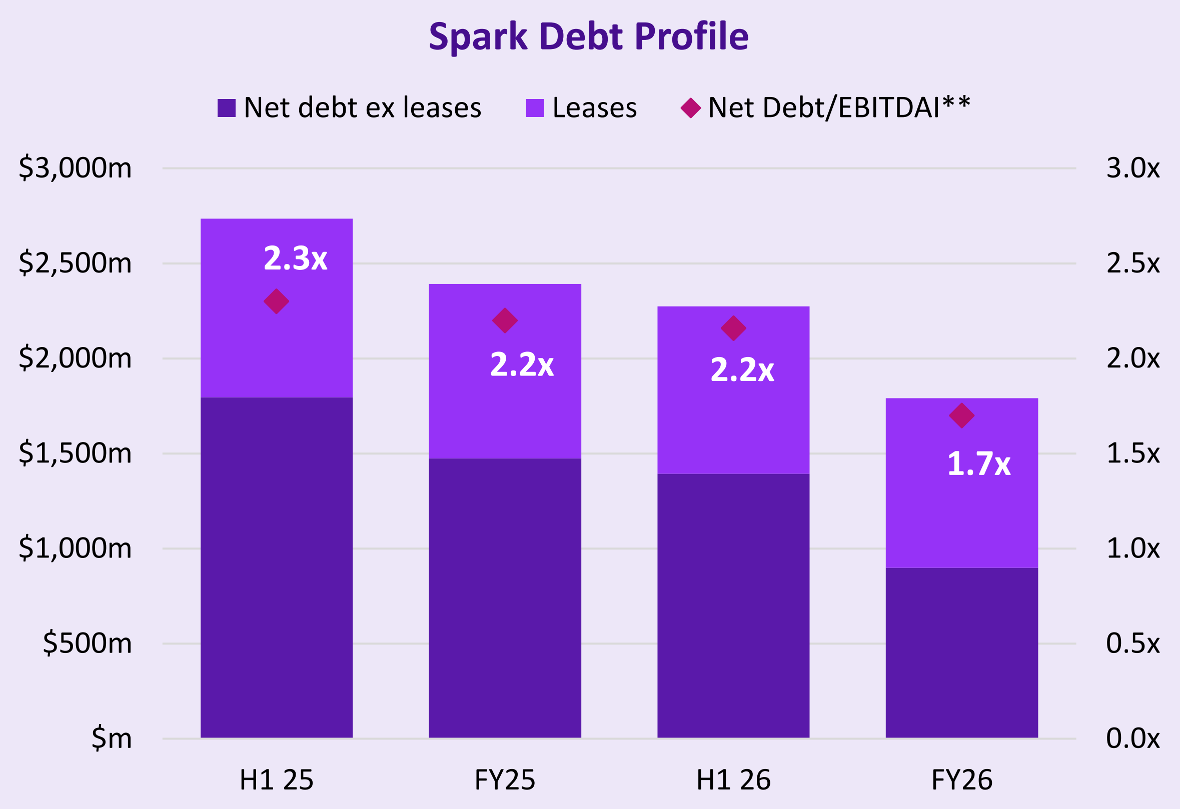
Free cash flow calculation	FY25 ($m)	FY26 ($m)	Change ($m)	Change (%)
Reported EBITDAI	1,053	1,295	242	23.0%
Add EBITDAI from discontinuing operations	25	18	(7)	(28.0%)
Less adjusting items and non-cash gains	(48)	(310)	(262)	NM
EBITDAI for free cash flow	1,030	1,003	(27)	(2.6%)
Less				
Cash paid on BAU capex	(374)	(380)	(6)	(1.6)%
Cash paid on interest	(117)	(103)	14	12.0%
Cash paid on tax payments	(186)	(127)	59	31.7%
Cash paid on leases	(104)	(141)	(37)	(35.6)%
Change in working capital	11	56[1]	45	NM
Total cash payments on items above	(770)	(695)	75	9.7%
Free cash flow	**260**	**308**	**48**	**18.5%**
Cash paid on strategic capex	(46)	(62)	(16)	(34.8)%
Free cash flow less strategic capex	214	246	32	15.0%

(1) Change in working capital has been adjusted by $219m to reflect the sale of IFP receivable book during FY26

Debt

Balance sheet strengthened, with core net debt down 35% to $898m

- Free Cash Flow growth and proceeds from the sale 75% of the data centre business reduced core net debt $494m (or 35%) to $898m
- With lease liabilities consistent at ~$883m, total net debt including leases decreased to $1,781m, with the net debt to EBITDA ratio now at ~1.7x
- Spark remains focused on a strong balance sheet, targeting metrics consistent with current credit rating



**Calculation of net debt/EBITDA consistent with S&P methodology

Net debt	FY25 ($m)	FY26 ($m)
Net debt at hedged rates	$1,475	$898
Net debt at hedged rates including lease liabilities	$2,392	$1,781
Debt ratios		
Borrowing costs (annualised)	5.6%	5.5%(1)
Weighted average debt maturity (years)	3.1	3.1
Debt servicing(2)	2.2x	~1.7x
Gearing	61%	52%
Interest cover	8x	8x

(1) Following the sale of the IFP receivables book reported finance costs include the initial loss on sale of the transaction – this has been excluded to improve comparability with prior periods

(2) Debt servicing is calculated as (Net debt at hedge rates including lease liabilities - captive finance adjustments)/(Adjusted EBITDAI - captive finance adjustments) which Spark estimates aligns to S&P's credit rating calculation

Guidance

FY27 Guidance[1]

	FY26 Actual	FY27 Guidance
Adjusted EBITDAI	$1,035m[2]	$1,010m-$1,080m
BAU capex	$401m	$350m-$380m
Free cash flow	$308m	$300m-$350m
Dividend	16 cps	90%-100% of FCF supported by a target[3] FY27 dividend range of 16-18 cps

(1) Subject to no material adverse change in operating outlook
(2) Adjusted FY26 EBITDAI includes the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale

(3) The target FY27 dividend range of 16-18 cps is intended to provide investors with greater clarity on the expected dividend outcome than a payout ratio alone, while maintaining the discipline of linking dividends to free cash flow generation. Final dividend decisions remain subject to Board approval.

Appendix

FY26 reported and adjusted earnings reconciliation

- FY25 and FY26 Reported revenue and EBITDAI exclude the results of the data centre business which is classified as a discontinued operation in the Financial Statements
- To assist in comparability, and reporting in a manner consistent with market guidance, adjusted revenue, EBITDAI, and NPAT include the earnings of the data centre business up until the sale for both years, while FY26 excludes the $278 million gain on sale of data centres, and in FY25 excludes the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs
- The table below provides a reconciliation of reported to adjusted earnings

	FY25				FY26			
	Reported per Financial Statements	Discontinued operation	Adjusting items	Total Adjusted	Reported per Financial Statements	Discontinued operation	Adjusting items	Total Adjusted
Operating revenues and other gains	3,725	46	(71)	3,700	3,949	29	(278)	3,700
Operating expenses	(2,672)	(21)	53	(2,640)	(2,654)	(11)	-	(2,665)
EBITDAI	**1,053**	**25**	**(18)**	**1,060**	**1,295**	**18**	**(278)**	**1,035**
Net finance income	(118)	-	-	(118)	(118)	-	-	(118)
Depreciation and amortisation	(590)	(14)	-	(604)	(602)	-	-	(602)
Net investment income	2	-	-	2	(1)	-	-	(1)
Net earnings before tax	347	11	(18)	340	574	18	(278)	314
Net tax expense	(95)	(3)	(15)	(113)	(88)	(5)	4	(89)
Net earnings	**252**	**8**	**(33)**	**227**	**486**	**13**	**(274)**	**225**

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