

Spark New Zealand

Group result - reported

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

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Operating revenues and other gains	2,521	1,943	1,956	1,864	1,916	1,809	3,820	3,725	(95)	(2.5%)
Operating expenses	(1,485)	(1,269)	(1,437)	(1,242)	(1,510)	(1,162)	(2,679)	(2,672)	7	0.3%
EBITDAI	1,036	674	519	622	406	647	1,141	1,053	(88)	(7.7%)
Finance income	16	16	14	16	15	16	30	31	1	3.3%
Finance expense	(43)	(56)	(63)	(81)	(75)	(74)	(144)	(149)	(5)	(3.5%)
Depreciation and amortisation	(244)	(251)	(244)	(268)	(293)	(297)	(512)	(590)	(78)	(15.2%)
Net investment income	(1)	2	(3)	(5)	-	2	(8)	2	10	NM
Net earnings before income tax	764	385	223	284	53	294	507	347	(160)	(31.6%)
Tax income / (expense)	100	(116)	(69)	(127)	(23)	(72)	(196)	(95)	101	51.5%
Net earnings from continuing operations	864	269	154	157	30	222	311	252	(59)	(19.0%)
Net earnings from discontinuing operations	1	1	2	3	3	5	5	8	3	60.0%
Total net earnings for the period	865	270	156	160	33	227	316	260	(56)	(17.7%)
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Reported EBITDAI margin	41.1%	34.7%	26.5%	33.4%	21.2%	35.8%	29.9%	28.3%	(1.6pp)	
Reported effective tax rate	(13.1%)	30.1%	30.9%	44.7%	43.4%	24.5%	38.7%	27.4%	(11.3pp)	
Capital expenditure to operating revenues and other gains	(9.9%)	(13.6%)	(14.6%)	(12.4%)	(13.2%)	(9.8%)	(13.6%)	(11.5%)	2.1pp	
Reported basic EPS ¹ (cents) from continuing operations	46.1	14.5	8.4	8.7	1.6	12.0	17.0	13.6	(3.4)	(20.0%)
Reported diluted EPS (cents) from continuing operations	46.0	14.5	8.4	8.8	1.6	12.0	17.0	13.6	(3.4)	(20.0%)
Reported basic EPS (cents) from discontinuing operations	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.1	33.3%
Reported diluted EPS (cents) from discontinuing operations	0.1	0.1	0.1	0.3	0.2	0.3	0.3	0.4	0.1	33.3%

¹Earnings per share

Group result - adjusted

Spark’s policy is to present ‘adjusted EBITDAI’ and ‘adjusted net earnings’ when a financial year includes one-off significant items (such as gains, expenses and impairments) individually greater than \$25 million. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of \$71 million, the transformation costs associated with Spark’s SPK-26 Operate Programme amounted to \$53 million and any associated tax impacts were deemed significant to adjust. In the year ended 30 June 2024, the tax effects resulting from the government change to tax depreciation rules for buildings effective for Spark from 1 July 2024 of \$26 million was deemed a significant item to adjust. Adjusted revenue, expenses, EBITDAI and NPAT include the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,761	3,861	3,700	(161)	(4.2%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,149)	(2,698)	(2,640)	58	2.1%
Adjusted EBITDAI	510	683	530	633	448	612	1,163	1,060	(103)	(8.9%)
Finance income	16	16	14	16	15	16	30	31	1	3.3%
Finance expense	(43)	(56)	(63)	(81)	(75)	(74)	(144)	(149)	(5)	(3.5%)
Depreciation and amortisation	(248)	(256)	(251)	(276)	(300)	(304)	(527)	(604)	(77)	(14.6%)
Adjusted net investment income	(1)	(3)	(3)	(5)	-	2	(8)	2	10	NM
Adjusted net earnings before income tax	234	384	227	287	88	252	514	340	(174)	(33.9%)
Adjusted income tax expense	(69)	(116)	(70)	(102)	(32)	(81)	(172)	(113)	59	34.3%
Adjusted net earnings for the period	165	268	157	185	56	171	342	227	(115)	(33.6%)
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Free cash flows excluding spectrum	115	374	46	284	77	253	330	330	-	-%
Adjusted EBITDAI margin	26.2%	34.9%	26.8%	33.6%	23.1%	34.8%	30.1%	28.6%	(1.5pp)	
Adjusted effective tax rate	29.5%	30.2%	30.8%	35.5%	36.4%	32.1%	33.5%	33.2%	(0.3pp)	
Capital expenditure to adjusted operating revenues and other gains	(12.8%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(10.1%)	(13.4%)	(11.6%)	1.8pp	
Adjusted basic EPS ¹ (cents)	8.8	14.4	8.6	10.1	3.1	9.2	18.7	12.3	(6.4)	(34.2%)
Adjusted diluted EPS (cents)	8.8	14.3	8.5	10.2	3.1	9.2	18.7	12.3	(6.4)	(34.2%)

¹Earnings per share

Declared Dividends

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
Ordinary dividends (cents per share)	13.50	13.50	13.50	14.00	12.50	12.50	27.50	25.00	(2.50)	(9.1%)
Total dividend (cents per share)	13.50	13.50	13.50	14.00	12.50	12.50	27.50	25.00	(2.50)	(9.1%)

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Group operating revenues and other gains

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Connectivity										
Mobile service revenue	480	500	510	500	491	496	1,010	987	(23)	(2.3%)
Mobile non-service revenue	252	238	239	225	248	218	464	466	2	0.4%
Total mobile	732	738	749	725	739	714	1,474	1,453	(21)	(1.4%)
Voice	122	109	94	86	78	72	180	150	(30)	(16.7%)
Broadband ¹	313	313	309	304	302	306	613	608	(5)	(0.8%)
Managed data and networks ²	110	112	112	111	102	99	223	201	(22)	(9.9%)
Collaboration ²	39	40	40	40	44	42	80	86	6	7.5%
Total connectivity	1,316	1,312	1,304	1,266	1,265	1,233	2,570	2,498	(72)	(2.8%)
Other										
Cloud ^{2,3}	105	103	109	116	118	117	225	235	10	4.4%
IT Services ³	87	99	80	76	72	72	156	144	(12)	(7.7%)
Procurement and partners	319	265	339	209	332	206	548	538	(10)	(1.8%)
Data centres ³	17	15	22	23	25	25	45	50	5	11.1%
High-tech	31	34	35	44	41	43	79	84	5	6.3%
Other products	71	101	68	68	63	57	136	120	(16)	(11.8%)
Total other	630	617	653	536	651	520	1,189	1,171	(18)	(1.5%)
Adjusted operating revenues	1,946	1,929	1,957	1,802	1,916	1,753	3,759	3,669	(90)	(2.4%)
Other gains	4	29	19	83	23	8	102	31	(71)	(69.6%)
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,761	3,861	3,700	(161)	(4.2%)
Adjusting items - Net gain on sale/divestment of Connexa	584	(1)	-	-	-	71	-	71	71	NM
Operating revenues from discontinuing operations	(13)	(14)	(20)	(21)	(23)	(23)	(41)	(46)	(5)	(12.2%)
Reported operating revenues and other gains	2,521	1,943	1,956	1,864	1,916	1,809	3,820	3,725	(95)	(2.5%)

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

²The total of these three products falls under IT products as referenced in the financial statements.

³Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Group operating expenses

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Product costs										
Total mobile	(255)	(231)	(253)	(231)	(251)	(206)	(484)	(457)	27	5.6%
Voice	(51)	(47)	(43)	(38)	(36)	(32)	(81)	(68)	13	16.0%
Broadband	(164)	(164)	(161)	(164)	(162)	(169)	(325)	(331)	(6)	(1.8%)
Managed data and networks ¹	(64)	(64)	(67)	(66)	(59)	(58)	(133)	(117)	16	12.0%
Collaboration ¹	(15)	(15)	(17)	(18)	(19)	(18)	(35)	(37)	(2)	(5.7%)
Cloud ¹	(39)	(33)	(38)	(47)	(61)	(50)	(85)	(111)	(26)	(30.6%)
IT services ¹	(14)	(19)	(14)	(28)	(23)	(26)	(42)	(49)	(7)	(16.7%)
Procurement and partners	(292)	(225)	(315)	(168)	(307)	(166)	(483)	(473)	10	2.1%
Data centres	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(3)	(1)	(50.0%)
High-tech	(8)	(11)	(13)	(21)	(19)	(20)	(34)	(39)	(5)	(14.7%)
Other product costs	(46)	(43)	(22)	(23)	(26)	(21)	(45)	(47)	(2)	(4.4%)
Total product costs	(949)	(853)	(944)	(805)	(965)	(767)	(1,749)	(1,732)	17	1.0%
Labour	(269)	(242)	(279)	(233)	(271)	(172)	(512)	(443)	69	13.5%
Other operating expenses										
Network support costs	(45)	(20)	(40)	(33)	(52)	(27)	(73)	(79)	(6)	(8.2%)
Computer costs	(57)	(52)	(52)	(63)	(74)	(58)	(115)	(132)	(17)	(14.8%)
Accommodation costs	(23)	(26)	(29)	(29)	(29)	(26)	(58)	(55)	3	5.2%
Electricity - data centres ²	(2)	(2)	(2)	(2)	(3)	(4)	(4)	(7)	(3)	(75.0%)
Electricity - non data centres	(15)	(15)	(17)	(17)	(16)	(18)	(34)	(34)	-	-%
Advertising, promotions and communication	(33)	(23)	(33)	(21)	(31)	(27)	(54)	(58)	(4)	(7.4%)
Bad debts	(4)	(5)	(7)	(8)	(10)	(9)	(15)	(19)	(4)	(26.7%)
Other	(43)	(37)	(43)	(41)	(40)	(41)	(84)	(81)	3	3.6%
	(222)	(180)	(223)	(214)	(255)	(210)	(437)	(465)	(28)	(6.4%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,149)	(2,698)	(2,640)	58	2.1%
Spark Sport provision	(52)	(2)	-	-	-	-	-	-	-	NM
Transformation costs	-	-	-	-	(29)	(24)	-	(53)	(53)	NM
Operating expenses from discontinuing operations	7	8	9	10	10	11	19	21	2	10.5%
Reported operating expenses	(1,485)	(1,269)	(1,437)	(1,242)	(1,510)	(1,162)	(2,679)	(2,672)	7	0.3%

¹Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

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

Group FTEs

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
FTE permanent	4,976	5,189	5,356	5,072	4,456	3,792	5,072	3,792	(1,280)	(25.2%)
FTE contractors	182	143	97	70	94	55	70	55	(15)	(21.4%)
Total FTE	5,158	5,332	5,453	5,142	4,550	3,847	5,142	3,847	(1,295)	(25.2%)

Spark New Zealand

Gross margin by product

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total mobile	477	507	496	494	488	508	990	996	6	0.6%
Voice	71	62	51	48	42	40	99	82	(17)	(17.2%)
Broadband	149	149	148	140	140	137	288	277	(11)	(3.8%)
Managed data and networks ¹	46	48	45	45	43	41	90	84	(6)	(6.7%)
Collaboration ¹	24	25	23	22	25	24	45	49	4	8.9%
Cloud ¹	66	70	71	69	57	67	140	124	(16)	(11.4%)
IT services ¹	73	80	66	48	49	46	114	95	(19)	(16.7%)
Procurement and partners	27	40	24	41	25	40	65	65	-	-%
Data centres ¹	16	14	21	22	23	24	43	47	4	9.3%
High-tech	23	23	22	23	22	23	45	45	-	-%
Other products	25	58	46	45	37	36	91	73	(18)	(19.8%)
Adjusted product gross margin	997	1,076	1,013	997	951	986	2,010	1,937	(73)	(3.6%)
Other gains	4	29	19	83	23	8	102	31	(71)	(69.6%)
Adjusted gross margin	1,001	1,105	1,032	1,080	974	994	2,112	1,968	(144)	(6.8%)
Gross margin from discontinuing operations	13	14	20	20	23	22	40	45	5	12.5%
Gain on sale/divestment of Connexa	584	(1)	-	-	-	71	-	71	71	NM
Reported gross margin	1,598	1,118	1,052	1,100	997	1,087	2,152	2,084	(68)	(3.2%)

¹Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Finance expense & income

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Finance expense										
Finance expense on debt	(22)	(28)	(33)	(42)	(41)	(38)	(75)	(79)	(4)	(5.3%)
Other interest and finance expenses	(7)	(5)	(8)	(15)	(10)	(10)	(23)	(20)	3	13.0%
Lease interest expense	(15)	(24)	(24)	(24)	(25)	(26)	(48)	(51)	(3)	(6.3%)
Leased customer equipment interest expense	(4)	(3)	(4)	(4)	(3)	(3)	(8)	(6)	2	25.0%
	(48)	(60)	(69)	(85)	(79)	(77)	(154)	(156)	(2)	(1.3%)
Capitalised interest	5	4	6	4	4	3	10	7	(3)	(30.0%)
	(43)	(56)	(63)	(81)	(75)	(74)	(144)	(149)	(5)	(3.5%)
Finance income										
Finance lease interest income	4	4	4	4	4	4	8	8	-	-%
Other interest income	12	12	10	12	11	12	22	23	1	4.5%
	16	16	14	16	15	16	30	31	1	3.3%

Depreciation and amortisation expense

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Depreciation and amortisation expense										
Depreciation - property, plant and equipment	(114)	(113)	(112)	(123)	(147)	(138)	(235)	(285)	(50)	(21.3%)
Depreciation - right-of-use assets	(36)	(39)	(42)	(47)	(50)	(55)	(89)	(105)	(16)	(18.0%)
Depreciation - leased customer equipment assets	(19)	(17)	(17)	(16)	(13)	(14)	(33)	(27)	6	18.2%
Amortisation - intangible assets	(79)	(87)	(80)	(90)	(90)	(97)	(170)	(187)	(17)	(10.0%)
Adjusted depreciation and amortisation expense	(248)	(256)	(251)	(276)	(300)	(304)	(527)	(604)	(77)	(14.6%)
Depreciation and amortisation expense from discontinuing operations	4	5	7	8	7	7	15	14	(1)	(6.7%)
Reported depreciation and amortisation expense	(244)	(251)	(244)	(268)	(293)	(297)	(512)	(590)	(78)	(15.2%)

Net investment income

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Net investment income										
Share of associates' and joint ventures' net losses	(3)	(9)	(8)	(9)	(6)	-	(17)	(6)	11	64.7%
Interest income on loans receivable from associates and joint ventures	2	6	6	6	6	2	12	8	(4)	(33.3%)
Impairment of investments	-	-	-	(2)	-	-	(2)	-	2	100.0%
Net disposal and remeasurement of equity accounted investments	-	-	(1)	-	-	-	(1)	-	1	100.0%
Adjusted net investment income	(1)	(3)	(3)	(5)	-	2	(8)	2	10	NM
Net gain on dilution of the investment in the Connexa group	-	5	-	-	-	-	-	-	-	NM
Reported net investment income	(1)	2	(3)	(5)	-	2	(8)	2	10	NM

Spark New Zealand

Core Connectivity

Analysis & KPIs - Mobile

Consumer & SME	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
Pay monthly										
Connections (k)	1,146	1,175	1,189	1,193	1,202	1,199	1,193	1,199	6	0.5%
ARPU (\$)	44.36	44.49	45.51	44.36	44.25	45.12	44.93	44.68	(0.25)	(0.6%)
Prepaid										
Connections (k)	1,118	1,173	1,210	1,173	1,106	1,112	1,173	1,112	(61)	(5.2%)
ARPU (\$)	17.26	16.91	16.09	15.88	16.21	16.00	15.99	16.10	0.11	0.7%
Total Consumer & SME mobile service revenue (\$m)	410	427	438	431	428	433	869	861	(8)	(0.9%)
Enterprise & Government										
Pay monthly										
Connections (k)	325	334	336	324	317	318	324	318	(6)	(1.9%)
ARPU (\$)	32.16	31.05	30.49	29.45	26.68	25.81	30.44	26.22	(4.22)	(13.9%)
Total Enterprise & Government mobile service revenue (\$m)	62	62	62	58	51	49	120	100	(20)	(16.7%)
Wholesale & other ¹										
Mobile service revenue (\$m)	8	11	10	11	12	14	21	26	5	23.8%
Total mobile service revenue	480	500	510	500	491	496	1,010	987	(23)	(2.3%)
Total mobile										
	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Mobile service revenue	480	500	510	500	491	496	1,010	987	(23)	(2.3%)
Mobile non-service revenue ²	252	238	239	225	248	218	464	466	2	0.4%
Total mobile revenue	732	738	749	725	739	714	1,474	1,453	(21)	(1.4%)
Mobile product costs ³	(255)	(231)	(253)	(231)	(251)	(206)	(484)	(457)	27	5.6%
Mobile gross margin	477	507	496	494	488	508	990	996	6	0.6%
Mobile gross margin %	65.2%	68.7%	66.2%	68.1%	66.0%	71.1%	67.2%	68.5%	1.3pp	
Connections										
	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	000's	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	1,517	1,517	1,517	-	-%
Prepaid connections	1,118	1,173	1,210	1,173	1,106	1,112	1,173	1,112	(61)	(5.2%)
Internal connections	4	4	4	4	4	3	4	3	(1)	(25.0%)
Total mobile connections ⁴	2,593	2,686	2,739	2,694	2,629	2,632	2,694	2,632	(62)	(2.3%)
Total ARPU (\$)	31.30	30.78	30.66	30.03	30.17	30.41	30.35	30.29	(0.06)	(0.2%)

¹Includes MVNO revenue, but excludes other customer segment mobile revenue which is now captured in non-service revenue.

²Mobile non-service revenue includes handset sales and mobile interconnect.

³Includes handset, interconnect and cellphone tower access costs.

⁴Mobile connections excluding MVNO connections but including legacy machine to machine and SIM based SmartWatch connections and internal connections.

Analysis & KPIs - IoT¹

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Total IoT connections	1,160	1,461	1,799	2,048	2,250	2,376	2,048	2,376	328	16.0%
Total IoT revenue										
	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total IoT revenue	14	16	20	26	25	23	46	48	2	4.3%
IoT product costs	(6)	(9)	(9)	(17)	(13)	(13)	(26)	(26)	-	-%
IoT gross margin	8	7	11	9	12	10	20	22	2	10.0%
IoT gross margin %	57.1%	43.8%	55.0%	34.6%	48.0%	43.5%	43.5%	45.8%	2.4pp	

¹IoT is defined as core connectivity but is currently classified within the High-tech product in revenue and expenses.

Spark New Zealand

Other connectivity

Analysis & KPIs - Voice

Voice connections by type	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
POTS and ISDN	112	91	69	59	49	39	59	39	(20)	(33.9%)
VoIP	60	59	53	51	48	49	51	49	(2)	(3.9%)
Voice over wireless	14	8	8	6	6	5	6	5	(1)	(16.7%)
Total voice connections	186	158	130	116	103	93	116	93	(23)	(19.8%)
	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total voice revenue	122	109	94	86	78	72	180	150	(30)	(16.7%)
Voice product costs ¹	(51)	(47)	(43)	(38)	(36)	(32)	(81)	(68)	13	16.0%
Voice gross margin	71	62	51	48	42	40	99	82	(17)	(17.2%)
Voice gross margin %	58.2%	56.9%	54.3%	55.8%	53.8%	55.6%	55.0%	54.7%	(0.3pp)	

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

Analysis & KPIs - Broadband

Broadband connections by technology	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Copper	79	64	54	43	36	26	43	26	(17)	(39.5%)
Fibre	423	426	427	428	424	422	428	422	(6)	(1.4%)
Wireless	202	209	214	216	218	213	216	213	(3)	(1.4%)
Total broadband connections	704	699	695	687	678	661	687	661	(26)	(3.8%)
	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Total broadband revenue	313	313	309	304	302	306	613	608	(5)	(0.8%)
Broadband product costs ²	(164)	(164)	(161)	(164)	(162)	(169)	(325)	(331)	(6)	(1.8%)
Broadband gross margin	149	149	148	140	140	137	288	277	(11)	(3.8%)
Broadband gross margin %	47.6%	47.6%	47.9%	46.1%	46.4%	44.8%	47.0%	45.6%	(1.4pp)	

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

Analysis & KPIs - Managed data and networks

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Managed data and networks revenue	110	112	112	111	102	99	223	201	(22)	(9.9%)
Managed data and networks product costs ³	(64)	(64)	(67)	(66)	(59)	(58)	(133)	(117)	16	12.0%
Managed data and networks gross margin	46	48	45	45	43	41	90	84	(6)	(6.7%)
Managed data and networks gross margin %	41.8%	42.9%	40.2%	40.5%	42.2%	41.4%	40.4%	41.8%	1.4pp	

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

Analysis & KPIs - Collaboration

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Collaboration revenue	39	40	40	40	44	42	80	86	6	7.5%
Collaboration product costs	(15)	(15)	(17)	(18)	(19)	(18)	(35)	(37)	(2)	(5.7%)
Collaboration gross margin	24	25	23	22	25	24	45	49	4	8.9%
Collaboration gross margin %	61.5%	62.5%	57.5%	55.0%	56.8%	57.1%	56.3%	57.0%	0.7pp	

Spark New Zealand

Other

Analysis & KPIs - Data centres¹

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Data centre revenue ²	17	15	22	23	25	25	45	50	5	11.1%
Data centre product cost	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(3)	(1)	(50.0%)
Data centre gross margin	16	14	21	22	23	24	43	47	4	9.3%
Data centre gross margin%	94.1%	93.3%	95.5%	95.7%	92.0%	96.0%	95.6%	94.0%	(1.6pp)	
Data centre KPIs	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
Data centre capacity built (in MW)	11	11	22	22	22	23	22	23	1	4.5%
Data centre capacity under construction (in MW)	11	11	1	1	1	-	1	-	(1)	(100.0%)
Data centre development pipeline (in MW)	19	19	70	70	118	130	70	130	60	85.7%
Total capacity (in MW)	41	41	93	93	141	153	93	153	60	64.5%
Weighted average lease term with options (WALE) ³	16.9	16.9	16.4	15.9	15.4	14.9	16.2	15.1	(1.1)	(6.8%)
Contracted utilisation dedicated data centres ⁴	84%	84%	88%	88%	88%	87%	88%	88%	-%	
Target power usage effectiveness (PUE)	N/A	N/A	1.2	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	1.60	1.57	1.60	(0.03)	(1.9%)

¹This represents a total data centre view, the majority of which has been classified a discontinuing operation in the Financial Statements.

²Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

³Based on a total contract value weighted average of remaining lease years for global cloud/content provider contracts. Prior periods have been restated to reflect a change in reporting methodology, now considering the remaining contract terms rather than the contract length at commencement.

⁴Includes contracted and reserved racks at dedicated data centres and exchanges.

Analysis & KPIs - Cloud

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Cloud revenue ¹	105	103	109	116	118	117	225	235	10	4.4%
Cloud product costs ¹	(39)	(33)	(38)	(47)	(61)	(50)	(85)	(111)	(26)	(30.6%)
Cloud gross margin	66	70	71	69	57	67	140	124	(16)	(11.4%)
Cloud gross margin%	62.9%	68.0%	65.1%	59.5%	48.3%	57.3%	62.2%	52.8%	(9.4pp)	

¹Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Analysis & KPIs - IT services

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Service management revenue ¹	76	79	68	64	61	55	132	116	(16)	(12.1%)
Security revenue	11	20	12	12	11	17	24	28	4	16.7%
Service management and security revenue	87	99	80	76	72	72	156	144	(12)	(7.7%)
Service management and security product costs	(14)	(19)	(14)	(28)	(23)	(26)	(42)	(49)	(7)	(16.7%)
Service management and security gross margin	73	80	66	48	49	46	114	95	(19)	(16.7%)
Service management and security gross margin %	83.9%	80.8%	82.5%	63.2%	68.1%	63.9%	73.1%	66.0%	(7.1pp)	

¹Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Analysis & KPIs - Procurement and partners

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Procurement and partners revenue	319	265	339	209	332	206	548	538	(10)	(1.8%)
Procurement and partners product costs	(292)	(225)	(315)	(168)	(307)	(166)	(483)	(473)	10	2.1%
Procurement and partners gross margin	27	40	24	41	25	40	65	65	-	-%
Procurement and partners gross margin %	8.5%	15.1%	7.1%	19.6%	7.5%	19.4%	11.9%	12.1%	0.2pp	

Spark New Zealand

Statement of cash flows

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	FY24 \$m	FY25 \$m	FY25 vs FY24 \$m	%
Cash flows from operating activities										
Receipts from customers	1,975	1,815	1,972	1,739	1,977	1,717	3,711	3,694	(17)	(0.5%)
Receipts from interest	16	13	13	15	15	14	28	29	1	3.6%
Payments to suppliers and employees	(1,460)	(1,270)	(1,519)	(1,134)	(1,566)	(1,145)	(2,653)	(2,711)	(58)	(2.2%)
Payments for income tax	(120)	(70)	(101)	(88)	(78)	(108)	(189)	(186)	3	1.6%
Payments for interest on debt	(23)	(32)	(31)	(49)	(46)	(44)	(80)	(90)	(10)	(12.5%)
Payments for interest on leases	(15)	(22)	(23)	(23)	(24)	(26)	(46)	(50)	(4)	(8.7%)
Payments for interest on leased customer equipment assets	(4)	(3)	(4)	(3)	(3)	(3)	(7)	(6)	1	14.3%
Net cash flows from operating activities	369	431	307	457	275	405	764	680	(84)	(11.0%)
Cash flows from investing activities										
Proceeds from sale of property, plant and equipment	1	10	14	20	2	-	34	2	(32)	(94.1%)
Proceeds from sale of business	894	(1)	-	4	-	8	4	8	4	100.0%
Proceeds from long-term investments	-	-	-	7	-	326	7	326	319	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)	-	(5)	(2)	3	60.0%
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)	(204)	(582)	(432)	150	25.8%
Payments for spectrum intangible assets	-	(6)	-	(8)	-	(10)	(8)	(10)	(2)	(25.0%)
Payments for capitalised interest	(5)	(4)	(6)	(4)	(4)	(3)	(10)	(7)	3	30.0%
Net cash flows from investing activities	643	(218)	(331)	(219)	(229)	117	(550)	(112)	438	79.6%
Cash flows from financing activities										
Net proceeds from/(repayments of) debt	(517)	54	489	21	190	(387)	510	(197)	(707)	NM
Payments for dividends	(234)	(252)	(249)	(245)	(160)	(142)	(494)	(302)	192	38.9%
Payments for share buy-back	-	(146)	(159)	-	-	-	(159)	-	159	100.0%
Payments for leases	(31)	(33)	(38)	(40)	(44)	(48)	(78)	(92)	(14)	(17.9%)
Receipts from lease incentive	-	-	-	-	22	-	-	22	22	NM
Payments for leased customer equipment assets	(15)	(22)	(20)	(14)	(11)	(13)	(34)	(24)	10	29.4%
Net cash flows from financing activities	(797)	(399)	23	(278)	(3)	(590)	(255)	(593)	(338)	NM
Net cash flows	215	(186)	(1)	(40)	43	(68)	(41)	(25)	16	39.0%
Opening cash position	71	286	100	99	59	102	100	59	(41)	(41.0%)
Closing cash position ¹	286	100	99	59	102	34	59	34	(25)	(42.4%)

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 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	FY24 \$m	FY25 \$m	FY25 vs FY24 \$m	%
Reported EBITDAI	1,036	674	519	622	406	647	1,141	1,053	(88)	(7.7%)
EBITDAI from discontinuing operations	6	6	11	11	13	12	22	25	3	13.6%
Adjusting items and non cash other gains	(536)	(11)	(20)	(58)	6	(54)	(78)	(48)	30	38.5%
EBITDAI for free cash flow	506	669	510	575	425	605	1,085	1,030	(55)	(5.1%)

Less

Cash paid on maintenance capital expenditure	(200)	(128)	(261)	(89)	(169)	(124)	(350)	(293)	57	16.3%
Cash paid on interest	(26)	(44)	(45)	(60)	(58)	(59)	(105)	(117)	(12)	(11.4%)
Cash paid on tax payments	(120)	(70)	(101)	(88)	(78)	(108)	(189)	(186)	3	1.6%
Cash paid on leases	(45)	(53)	(57)	(54)	(43)	(61)	(111)	(104)	7	6.3%
Total cash payments on items above	(391)	(295)	(464)	(291)	(348)	(352)	(755)	(700)	55	7.3%
Free cash flow	115	374	46	284	77	253	330	330	-	-%

Change in working capital

Change in receivables	59	(126)	27	(78)	80	(57)	(51)	23	74	NM
Change in payables	(3)	53	(20)	65	41	(50)	45	(9)	(54)	NM
Change in inventory	(1)	28	(27)	18	(25)	32	(9)	7	16	NM
Change in contract assets	(3)	(30)	(8)	12	(6)	4	4	(2)	(6)	NM
Change in prepayments (excluding CAPEX)	(22)	31	(45)	36	(66)	58	(9)	(8)	1	11.1%
Total change in working capital - (increase)/decrease	30	(44)	(73)	53	24	(13)	(20)	11	31	NM

Cash paid on growth capital expenditure	(51)	(105)	(92)	(140)	(57)	(70)	(232)	(127)	105	45.3%
Free cash flow including working capital and growth cash capex	94	225	(119)	197	44	170	78	214	136	NM

Analysis & KPIs - Reconciliation to new free cash flow definition

	H1 FY23 \$m	H2 FY23 \$m	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	FY24 \$m	FY25 \$m	FY25 vs FY24 \$m	%
Adjusted free cash flow (FY25 definition)	115	374	46	284	77	253	330	330	-	-%
Include: Working capital	30	(44)	(73)	53	24	(13)	(20)	11	31	NM
Additional BAU cash capex	-	-	-	-	-	-	-	-	-	NM
Adjusted free cash flow (new definition)	145	330	(27)	337	101	240	310	341	31	10.0%

Spark New Zealand

Group capital expenditure (Capex)

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
Maintenance Capex¹										
Cloud	(11)	(8)	(24)	(13)	(9)	(2)	(37)	(11)	26	70.3%
Fixed network & International cable capacity	(35)	(58)	(55)	(10)	(37)	(26)	(65)	(63)	2	3.1%
IT systems	(62)	(54)	(80)	(67)	(73)	(75)	(147)	(148)	(1)	(0.7%)
Mobile network	(77)	(21)	(65)	(24)	(91)	(29)	(89)	(120)	(31)	(34.8%)
Property	(11)	(12)	(7)	(4)	(4)	(3)	(11)	(7)	4	36.4%
Other	(4)	(6)	(4)	(6)	(1)	-	(10)	(1)	9	90.0%
Total maintenance capex excluding spectrum	(200)	(159)	(235)	(124)	(215)	(135)	(359)	(350)	9	2.5%
Growth Capex¹										
5G Acceleration & SA Readiness	-	(42)	(32)	(74)	(23)	(28)	(106)	(51)	55	51.9%
Data centres	(50)	(64)	(19)	(22)	(14)	(14)	(41)	(28)	13	31.7%
Converged Tech	-	-	-	(12)	-	-	(12)	-	12	100.0%
Total growth capex excluding spectrum	(50)	(106)	(51)	(108)	(37)	(42)	(159)	(79)	80	50.3%
Total capex excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Mobile spectrum	-	-	(23)	-	-	-	(23)	-	23	100.0%
Total capex including spectrum	(250)	(265)	(309)	(232)	(252)	(177)	(541)	(429)	112	20.7%
Cash Capex										
Growth	(51)	(105)	(92)	(140)	(57)	(70)	(232)	(127)	105	45.3%
Maintenance	(200)	(128)	(261)	(89)	(169)	(124)	(350)	(293)	57	16.3%
Total cash capex excluding spectrum	(251)	(233)	(353)	(229)	(226)	(194)	(582)	(420)	162	27.8%

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.

¹From FY26 maintenance and growth capex will be classified as BAU and strategic capex as illustrated below.

Group capital expenditure (Capex) - updated to align to new capital management framework

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%
BAU Capex										
Cloud	(11)	(8)	(24)	(13)	(9)	(2)	(37)	(11)	26	70.3%
Fixed network & International cable capacity	(35)	(58)	(55)	(10)	(37)	(26)	(65)	(63)	2	3.1%
IT systems	(62)	(54)	(80)	(67)	(73)	(75)	(147)	(148)	(1)	(0.7%)
Mobile network	(77)	(21)	(65)	(24)	(91)	(29)	(89)	(120)	(31)	(34.8%)
Property	(11)	(12)	(7)	(4)	(4)	(3)	(11)	(7)	4	36.4%
Other	(4)	(6)	(4)	(6)	(1)	-	(10)	(1)	9	90.0%
5G Acceleration & SA Readiness	-	(42)	(32)	(74)	(23)	(28)	(106)	(51)	55	51.9%
Converged tech	-	-	-	(12)	-	-	(12)	-	12	100.0%
Total BAU capex excluding spectrum	(200)	(201)	(267)	(210)	(238)	(163)	(477)	(401)	76	15.9%
Strategic Capex										
Data centres	(50)	(64)	(19)	(22)	(14)	(14)	(41)	(28)	13	31.7%
Total capex excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Mobile spectrum	-	-	(23)	-	-	-	(23)	-	23	100.0%
Total capex including spectrum	(250)	(265)	(309)	(232)	(252)	(177)	(541)	(429)	112	20.7%
Cash Capex										
BAU	(201)	(169)	(334)	(207)	(212)	(162)	(541)	(374)	167	30.9%
Strategic	(50)	(64)	(19)	(22)	(14)	(32)	(41)	(46)	(5)	(12.2%)
Total cash capex excluding spectrum	(251)	(233)	(353)	(229)	(226)	(194)	(582)	(420)	162	27.8%

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.

Spark New Zealand

Reconciliation of reported to adjusted net earnings

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes one-off significant items (such as gains, expenses and impairments) individually greater than \$25 million. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of \$71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to \$53 million and any associated tax impacts were deemed significant to adjust. In the year ended 30 June 2024, the tax effects resulting from the government change to tax depreciation rules for buildings effective for Spark from 1 July 2024 of \$26 million was deemed a significant item to adjust. Adjusted revenue, expenses, EBITDAI and NPAT include the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.

FY25	Reported (continuing operations)	Discontinuing operations ¹	Adjusting items ²	Total adjusted
Operating revenues and other gains	3,725	46	(71)	3,700
Operating expenses	(2,672)	(21)	53	(2,640)
Total EBITDAI	1,053	25	(18)	1,060
Net finance income	(118)	0	-	(118)
Depreciation and amortisation	(590)	(14)	-	(604)
Net investment income	2	-	-	2
Total net earnings before tax	347	11	(18)	340
Net tax expense	(95)	(3)	(15)	(113)
Net earnings	252	8	(33)	227

FY24	Reported (continuing operations)	Discontinuing operations ¹	Adjusting Items ³	Total adjusted
Operating revenues and other gains	3,820	41	-	3,861
Operating expenses	(2,679)	(19)	-	(2,698)
Total EBITDAI	1,141	22	-	1,163
Net finance income	(114)	-	-	(114)
Depreciation and amortisation	(512)	(15)	-	(527)
Net investment income	(8)	-	-	(8)
Total net earnings before tax	507	7	-	514
Net tax expense	(196)	(2)	26	(172)
Net earnings	311	5	26	342

¹The data centre business has been classified as a discontinuing operation in FY25, see note 1.5 of the financial statements for further details.

²Adjustments for the gain on sale of Connexa of \$71m other gains and the \$53m one-off costs in association with the implementation of SPK-26 Operate Programme.

³Adjustment for tax effects of zero-rating of tax depreciation on buildings.