

## Telstra 2024 AGM report

ASX code	TLS
Meeting date	Tuesday, 15 October 2024
Type of meeting	Physical, with webcast only. Questions two days in advance
Monitor	Mike Robey assisted by Mike Muntisov and Sue Howes
Pre AGM-meeting	Yes, with Chair Craig Dunn and IR manager Nathan Burley

### Meeting Statistics

Number of holdings represented by ASA	1,273
Number of shares represented by ASA	18,296,741
Value of shares represented by ASA	\$70.81m
Total number attending meeting	286
Market capitalisation	\$44.9 billion
ASA open proxies voted	ASA voted in favour of all resolutions

*Monitor Shareholding: The individuals (or their associates) involved in the preparation of this voting intention have no shareholding in this company.*

This was the first AGM chaired by Mr Dunn, who outlined the results highlighting the improved underlying result for FY24, despite the NPAT being affected by underperformance of the enterprise segment and \$715m in one-off costs associated with the restructure. The transition along the path of the T25, Telstra's 5-year plan, progresses well and the shift to digital can be seen in the financial report. The Chair's address can be found [here](#).

While the Chair was unfailingly polite and patient with several shareholder customers who wished to air their grievances with service issues, this unfortunately returned the AGM to the grizzle fest of past years. The meeting took around 3.5 hours. This could be a result of the meeting being held in Sydney this year and thus these shareholders not having had access to the service counter of the 2023 meeting – which perhaps could have been a good idea for this meeting.

We raised concerns about undersea cables that could be sabotaged, with some being placed in Hong Kong. The Chair responded that the company was conscious of the risks in some parts of the world. These are long-term investments that are not easily changed. Undersea cable still moves 97 per cent of the world's data and is potentially exposed to some sort of risk. This is why Telstra has more than one option available. So if the company were to lose one it would have capacity to deal with that.

Mr Chestnutt spoke well to his re-election and received just below 99% for votes. The new auditor was very close to 100% for.

The voting on the remuneration plan (and grant of restricted shares to the CEO) showed some variance with around 15% against for the report and the grant of restricted shares. The

explanation for this seems to be dissatisfaction with the underlying results used in determining remuneration outcomes excluding the restructuring costs and enterprise business write-down.

Steven Mayne asked an interesting question regarding the sale of TPG assets to Vocus. The Chair commented that Telstra did not participate in this sale process and suspect the ACCC would not have approved it in any case.

ASA requested improvements to granularity in the Board skills matrix and the Chair indicated this would be considered.

Guidance was provided:

## FY25 guidance



	FY24	FY25 guidance <sup>1</sup>
Underlying EBITDA <sup>2</sup>	\$8.2b	<b>\$8.5b to \$8.7b</b>
Business-as-usual capex <sup>3</sup>	\$3.4b	<b>\$3.2b to \$3.4b</b>
Strategic investment <sup>5</sup>	\$0.3b	<b>\$0.3b to \$0.5b</b>
Free cashflow after lease payments (FCFaL) <sup>4</sup> before strategic investment <sup>5</sup>	\$3.2b	<b>\$3.0b to \$3.4b</b>

Underlying EBITDA<sup>2</sup> guidance range tightened – previously \$8.4b to \$8.7b

1. This guidance excludes material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management.  
 2. Underlying EBITDA excludes guidance adjustments.  
 3. BAU capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, externally funded capex and capitalised leases.  
 4. Free cashflow after lease payments defined as 'operating cash flows' less 'investing cash flows' less 'payments for lease liabilities' and excludes spectrum and guidance adjustments. FY25 FCFaL guidance includes around \$300m cash outflow related to FY24 restructuring costs.  
 5. Strategic investment capex is measured on an accrued basis and relates to the intercity fibre network and Viasat projects.

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Full year 2024 results

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