

# Income Statement

For the year ended 30 June 2025

Telstra Group	Note	Year ended 30 June	
		2025	2024
		\$m	\$m
<b>Income</b>			
Revenue (excluding finance income)	2.2	23,125	22,928
Other income	2.2	485	554
		<b>23,610</b>	<b>23,482</b>
<b>Expenses</b>			
Labour		3,990	4,291
Goods and services purchased		8,212	8,441
Net impairment losses on financial assets		118	92
Other expenses	2.3	2,666	3,114
		<b>14,986</b>	<b>15,938</b>
<b>Share of net loss from joint ventures and associated entities</b>	6.5	<b>(17)</b>	<b>(16)</b>
		<b>15,003</b>	<b>15,954</b>
<b>Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)</b>		<b>8,607</b>	<b>7,528</b>
Depreciation and amortisation	2.3	4,691	4,479
<b>Earnings before interest and income tax expense (EBIT)</b>		<b>3,916</b>	<b>3,049</b>
Finance income	2.2	103	112
Finance costs	2.3	742	696
<b>Net finance costs</b>		<b>639</b>	<b>584</b>
<b>Profit before income tax expense</b>		<b>3,277</b>	<b>2,465</b>
Income tax expense	2.4	934	677
<b>Profit for the year</b>		<b>2,343</b>	<b>1,788</b>
<b>Profit for the year attributable to:</b>			
Equity holders of Telstra Entity		2,172	1,622
Non-controlling interests		171	166
		<b>2,343</b>	<b>1,788</b>
<b>Earnings per share (cents per share)</b>		<b>cents</b>	<b>cents</b>
Basic	2.5	18.9	14.1
Diluted	2.5	18.8	14.0

The notes following the financial statements form part of the financial report.

# Statement of Comprehensive Income

Telstra Financial Report 2025

For the year ended 30 June 2025

Telstra Group	Note	Year ended 30 June	
		2025	2024
		\$m	\$m
<b>Profit for the year attributable to:</b>			
Equity holders of Telstra Entity		2,172	1,622
Non-controlling interests		171	166
		<b>2,343</b>	<b>1,788</b>
<b>Items that will not be reclassified to the income statement</b>			
<b>Retained profits</b>			
Actuarial loss on defined benefit plans attributable to equity holders of Telstra Entity	5.3	(19)	(34)
Income tax on actuarial loss on defined benefit plans		8	10
Cumulative gain from the fair value of equity investments at fair value through other comprehensive income transferred to retained earnings on disposal		85	-
<b>Fair value of equity instruments reserve</b>			
Changes in the fair value of equity investments at fair value through other comprehensive income		58	(14)
Cumulative gain from the fair value of equity investments at fair value through other comprehensive income transferred to retained earnings on disposal		(85)	-
<b>Foreign currency translation reserve</b>			
Translation differences of foreign operations attributable to non-controlling interests		1	(3)
		<b>48</b>	<b>(41)</b>
<b>Items that may be subsequently reclassified to the income statement</b>			
<b>Foreign currency translation reserve</b>			
Translation differences of foreign operations attributable to equity holders of Telstra Entity		(302)	(38)
<b>Cash flow hedging reserve</b>			
Changes in cash flow hedging reserve	4.5	(47)	62
Share of other comprehensive income of equity accounted investments		(1)	(2)
Income tax on movements in the cash flow hedging reserve	4.5	14	(19)
<b>Cost of hedging reserve</b>			
Changes in the value of the cost of hedging reserve		(20)	(29)
Income tax on movements in the cost of hedging reserve		6	9
		<b>(350)</b>	<b>(17)</b>
<b>Total other comprehensive income</b>		<b>(302)</b>	<b>(58)</b>
<b>Total comprehensive income for the year</b>		<b>2,041</b>	<b>1,730</b>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of Telstra Entity		1,869	1,567
Non-controlling interests		172	163

The notes following the financial statements form part of the financial report.

# Statement of Financial Position

As at 30 June 2025

Telstra Group	Note	As at 30 June	
		2025	2024
		\$m	\$m
<b>Current assets</b>			
Cash and cash equivalents	2.6	1,012	1,046
Trade and other receivables and contract assets	3.3	3,677	3,828
Deferred contract costs	3.6	108	140
Inventories	3.7	485	518
Derivative financial assets	4.4	230	232
Current tax receivables	2.4	246	35
Prepayments		347	308
Assets classified as held for sale	6.4	390	-
<b>Total current assets</b>		<b>6,495</b>	<b>6,107</b>
<b>Non-current assets</b>			
Trade and other receivables and contract assets	3.3	1,157	1,342
Deferred contract costs	3.6	773	794
Inventories	3.7	100	162
Investments – accounted for using the equity method	6.5	222	636
Investments – other		381	33
Property, plant and equipment	3.1	20,651	20,867
Intangible assets	3.1	11,775	12,421
Right-of-use assets	3.2	2,681	2,666
Derivative financial assets	4.4	481	211
Deferred tax assets	2.4	51	74
Defined benefit asset	5.3	201	237
<b>Total non-current assets</b>		<b>38,473</b>	<b>39,443</b>
<b>Total assets</b>		<b>44,968</b>	<b>45,550</b>
<b>Current liabilities</b>			
Trade and other payables	3.8	4,212	4,626
Employee benefits	5.1	677	721
Other provisions	7.2	130	349
Lease liabilities	3.2	502	530
Borrowings	4.4	4,314	3,698
Derivative financial liabilities	4.4	82	97
Current tax payables	2.4	56	28
Contract liabilities and other revenue received in advance	3.4	1,487	1,477
Liabilities classified as held for sale	6.4	61	-
<b>Total current liabilities</b>		<b>11,521</b>	<b>11,526</b>
<b>Non-current liabilities</b>			
Other payables	3.8	28	10
Employee benefits	5.1	141	130
Other provisions	7.2	217	196
Lease liabilities	3.2	2,597	2,578
Borrowings	4.4	10,582	10,162
Derivative financial liabilities	4.4	91	176
Deferred tax liabilities	2.4	1,843	1,783
Defined benefit liabilities	5.3	9	14
Contract liabilities and other revenue received in advance	3.4	1,623	1,623
<b>Total non-current liabilities</b>		<b>17,131</b>	<b>16,672</b>
<b>Total liabilities</b>		<b>28,652</b>	<b>28,198</b>
<b>Net assets</b>		<b>16,316</b>	<b>17,352</b>

# Statement of Financial Position (continued)

Telstra Financial Report 2025

As at 30 June 2025

Telstra Group	Note	As at 30 June	
		2025	2024
		\$m	\$m
<b>Equity</b>			
Share capital	4.3	2,345	3,095
Reserves	4.3	1,766	2,135
Retained profits		9,788	9,692
<b>Equity available to Telstra Entity shareholders</b>		<b>13,899</b>	<b>14,922</b>
Non-controlling interests		2,417	2,430
<b>Total equity</b>		<b>16,316</b>	<b>17,352</b>

The notes following the financial statements form part of the financial report.

# Statement of Cash Flows

For the year ended 30 June 2025

Telstra Group	Note	Year ended 30 June	
		2025	2024
		\$m	\$m
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax (GST))		25,647	25,196
Payments to suppliers and employees (inclusive of GST)		(17,540)	(17,386)
Government grants received for operating activities		197	185
<b>Net cash generated from operations</b>		<b>8,304</b>	<b>7,995</b>
Income taxes paid	2.4	(980)	(946)
<b>Net cash provided by operating activities</b>	2.6	<b>7,324</b>	<b>7,049</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,375)	(2,288)
Payments for intangible assets		(1,499)	(2,776)
<b>Capital expenditure (before investments)</b>		<b>(3,874)</b>	<b>(5,064)</b>
Payments for shares in controlled entities (net of cash acquired)		(125)	(389)
Payments for equity accounted investments		(53)	(47)
Payments for other financial assets held as investments		(145)	(32)
<b>Total capital expenditure (including investments)</b>		<b>(4,197)</b>	<b>(5,532)</b>
Proceeds from sale of property, plant and equipment		129	146
Proceeds from sale of equity accounted investments		134	-
Proceeds from sale of other financial assets held as investments		131	-
Proceeds from sale and leaseback		52	98
Distributions received from equity accounted investments		26	64
Receipts of the principal portion of finance lease receivables		67	70
Government grants received for investing activities		79	62
Interest received		69	65
Repayment of loans by associated entity		152	35
Other		(10)	2
<b>Net cash used in investing activities</b>		<b>(3,368)</b>	<b>(4,990)</b>
<b>Operating cash flows less investing cash flows</b>		<b>3,956</b>	<b>2,059</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		6,066	9,465
Repayment of borrowings		(5,441)	(7,829)
Payment of principal portion of lease liabilities	3.2	(632)	(643)
Share buy-back	4.3	(751)	-
Purchase of shares for employee share plans		(18)	(19)
Finance costs paid		(871)	(726)
Dividends/distributions paid to non-controlling interests		(180)	(167)
Dividends paid to equity holders of Telstra Entity	4.2	(2,137)	(2,022)
Other		(33)	(1)
<b>Net cash used in financing activities</b>		<b>(3,997)</b>	<b>(1,942)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(41)</b>	<b>117</b>
Cash and cash equivalents at the beginning of the year		1,046	932
Effects of exchange rate changes on cash and cash equivalents		7	(3)
<b>Cash and cash equivalents at the end of the year</b>	2.6	<b>1,012</b>	<b>1,046</b>

The notes following the financial statements form part of the financial report.

## Section 2. Our performance (continued)

### 2.4 Income taxes (continued)

#### 2.4.5 Recognition and measurement (continued)

For our investments in controlled entities, joint ventures and associated entities, recognition of deferred tax liabilities is required unless we are able to control the timing of our temporary difference reversal and it is probable that the temporary difference will not reverse.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carried forward unused tax losses and tax credits, can be utilised.

Deferred tax assets and deferred tax liabilities are offset in the statement of financial position where they relate to income taxes levied by the same taxation authority and to the extent that we intend to settle our current tax assets and liabilities on a net basis.

### 2.5 Earnings per share

This note outlines the calculation of Earnings per Share (EPS), which is the amount of post-tax profit attributable to each share. EPS excludes profit attributable to non-controlling interests and takes into account the average number of shares weighted by the number of days on issue.

We calculate basic and diluted EPS. Diluted EPS reflects the effects of the equity instruments allocated to our employee share schemes under the Telstra Growthshare Trust.

Telstra Group	Year ended 30 June	
	2025	2024
	\$m	\$m
<b>Earnings used in the calculation of basic and diluted EPS</b>		
<b>Profit for the year attributable to equity holders of Telstra Entity</b>	<b>2,172</b>	<b>1,622</b>
<b>Weighted average number of ordinary shares</b>	<b>Number of shares (millions)</b>	
Weighted average number of ordinary shares used in the calculation of basic EPS	11,514	11,543
Dilutive effect of certain employee share instruments	10	10
<b>Weighted average number of ordinary shares used in the calculation of diluted EPS</b>	<b>11,524</b>	<b>11,553</b>
	<b>cents</b>	<b>cents</b>
Basic EPS	18.9	14.1
Diluted EPS	18.8	14.0

When we calculate the basic EPS, we adjust the weighted average number of ordinary shares to exclude the shares held in trust by Telstra Growthshare Trust (Growthshare).

Information about equity instruments issued under Growthshare can be found in note 5.2.

### 2.6 Notes to the statement of cash flows

#### 2.6.1 Reconciliation of profit to net cash provided by operating activities

Table A provides a reconciliation of profit to net cash provided by operating activities.

Table A Telstra Group	Year ended 30 June	
	2025	2024
	\$m	\$m
Profit for the year	2,343	1,788
<b>Add/(subtract) items classified as investing/financing activities</b>		
Finance income	(103)	(112)
Finance costs	742	696
Net gain on disposal of property, plant and equipment and intangible assets	(93)	(137)
Net gain on disposal of businesses, controlled entities and equity accounted investments	(5)	-
Revenue of a dealer-lessor	(20)	(46)
Net gain on lease related transactions	(96)	(113)
Government grants received relating to investing activities	(30)	(24)
<b>Add/(subtract) non-cash items</b>		
Depreciation and amortisation	4,691	4,479
Share-based payments	25	19
Defined benefit plan expense	47	43
Share of net loss from joint ventures and associated entities	17	16
Impairment losses (excluding inventories, trade and other receivables, and deferred contract costs)	55	251
Effects of exchange rate changes	14	25
Other	(34)	(58)
<b>Cash movements in operating assets and liabilities</b>		
Decrease/(increase) in trade and other receivables and contract assets	280	(24)
Decrease/(increase) in inventories	85	(108)
Increase in prepayments and other assets	(77)	(5)
Decrease in deferred contract costs	42	267
(Decrease)/increase in trade and other payables	(138)	212
Decrease in contract liabilities and other revenue received in advance	(118)	(59)
Decrease in net tax liability	(39)	(260)
(Decrease)/increase in provisions	(264)	199
<b>Net cash provided by operating activities</b>	<b>7,324</b>	<b>7,049</b>