

## TPG Telecom 2023 AGM report

ASX code	TPG
Meeting date	Friday, 3 May 2024
Type of meeting	Physical AGM that could also be viewed via webcast
Monitor	Peter Gregory and Partha Sarathy
Pre AGM-meeting	With Helen Nugent, Lead Independent Director, Vanessa Hicks, Group Executive Customer and People Experience and James Hall, General Manager Strategy and Capital Markets.

### Meeting Statistics

Number of holdings represented by ASA	42
Number of shares represented by ASA	261,395
Value of shares represented by ASA	\$1.163 million
Total number attending meeting	50 Shareholders attended the AGM. 42 people viewed the webcast
Market capitalisation	\$8.3 billion
ASA open proxies voted	ASA voted in favour of all the resolutions except the re-election of Jack Teoh

### ***TPG reaches high point in current investment cycle and recent Optus deal to extend network coverage to 98.4% of Australia***

The [Chairman and CEO](#) addressed the meeting. [A transcript of the AGM is available here.](#)

FY 2023 was a strong year for the Group. The total service revenue increased by 4.3% to \$4.6 billion, and EBITDA grew by 7.6% to \$1.9 billion notwithstanding cost increases seen across the economy. The mobile business was a standout growing by 9.3% and outpacing the industry. The fixed wireless business also continued to grow. TPG is also of the view that given it has reached a high point in the current investment cycle, cash earnings should increase from FY25 and accelerate thereafter.

The CEO explained the recently announced Multi Operator Core Network (MOCN) agreement with Optus for coverage in regional areas (subject regulatory approvals). This will extend TPG's reach to 98.4% of the nation's population, increasing its geographic coverage from 400,000 to 1 million sq km and assisting in competing for regional customers. Over the initial 11-year period, TPG will pay Optus a net \$1.2 billion, which is about a third of the cost TPG would have otherwise incurred in capital expenditure to achieve similar coverage. It is expected that MOCN will be operational in early 2025.

TPG re-affirmed its forward guidance of EBITDA (excluding material one-offs) of \$1.95b-\$2.025b and capex to reduce by \$30 million to \$1.05b because of MOCN.

### Responses to ASA questions

- a. The business going forward:

The CEO shared that TPG now has a significant amount of management from both of the merged parties who combined have a depth of knowledge and experience and are collectively working to create a strong TPG culture.

He agreed that the industry is dynamic, both in the structure of the industry and new technologies, such as artificial intelligence, that will drive increased data usage. He is committed to watching these developments and making sure that shareholders are informed on how TPG respond to these factors.

b. Remuneration Report:

ASA congratulated TPG on the quality of its Remuneration Report but requested that the board include Total Shareholder Return in the LTI to give closer alignment with the interests of individual shareholders.

c. Election of Directors:

ASA asked for a board skills matrix that shows the skills of individual directors. It was agreed this will be looked at for next year.

Tony Moffatt described how his knowledge and history with TPM has provided a valuable resource in understanding, for the board and management, of how the TPM business was built. He has enthusiastically contributed to the board as it has navigated the integration of the two companies.

Frank Sixt described his extensive experience in mergers of telecommunications companies and of his contributions to financial matters before boards he has served on. He is confident that he has the capacity to carry out this TPG responsibilities.

Jack Teoh talked of his exposure to the fast-evolving telecommunication space starting from when he was a student working in the TPM call center, followed by operational roles in the company data centers. He has had retail experience in Australia's third-largest optical retailer.

Most resolutions were carried with over 96% support. The 3 grant of rights to the CEO resolutions received 80.9% to 84.3% support. Note that only 23% of shares are held outside of the 4 major shareholders (Vodafone, Hutchison, the Teoh family and Soul Patts)

Following the AGM, we further discussed the critical role TPG's networks can play in the opportunities presented by the Internet of Things (IoT) and Artificial Intelligence with directors. Better sharing of plans in this space will, we expect, will increase shareholder confidence.

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