

Annual General Meeting FY17

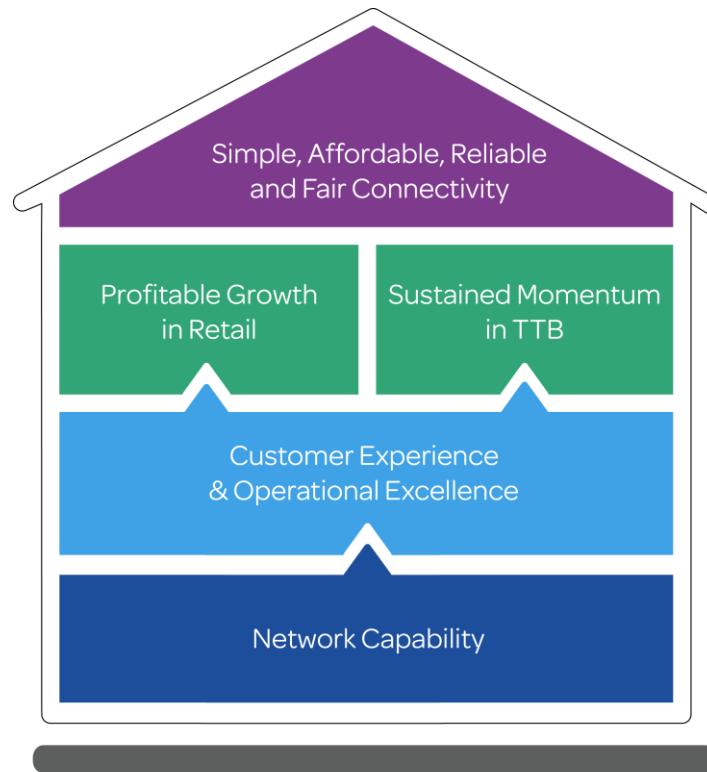
TalkTalk

19th July 2017

Tristia Harrison - CEO
FY17 Performance Review

UK's leading value for money connectivity provider

Ruthlessly prioritise our core strengths



Grow the Retail base



Sustain momentum in B2B



Step change in customer experience and operational efficiencies



Fixed network investment

Less capital intensive priorities

Summary Profit & Loss

	FY17	FY16
	£'m	£'m
Headline Revenue	1,783	1,838
Gross Profit	949	993
Operating costs & SAC	(645)	(733)
Headline EBITDA	304	260
Margin	17.0%	14.1%
Profit after tax	100	79
Headline EPS (Basic)	10.5p	8.4p
Dividend per share	10.29p	15.87p

- Revenue: strong growth in B2B, offset by contraction of Consumer base in first three quarters
- EBITDA growth 17%: lower operating costs and reduced SAC
- Headline EPS +28.6% to 10.8p
- Final dividend 5p; full year dividend 10.29p

Strong foundations for delivering future retail growth

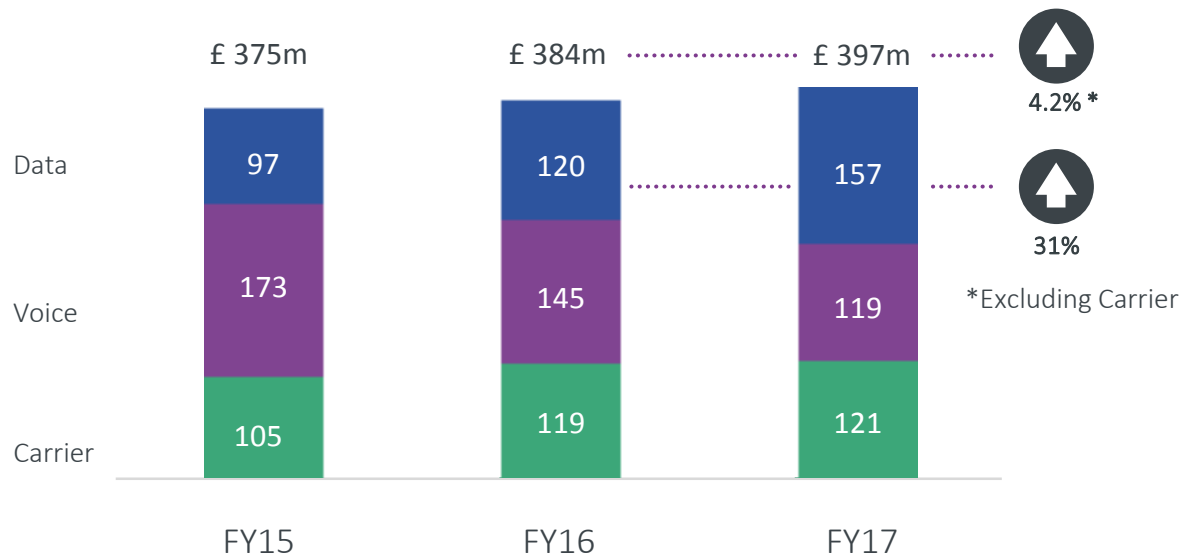


- Net add growth from (71K) in first 9m to +22K in Q4
- Over 1m customers on our Fixed Price Plans now, with strong brand momentum and NPS
- Nearly 60% of on-net Retail base in-contract
- Re-launched our brand focusing on four values
 - Simple
 - Affordable
 - Reliable
 - Fair

Leading to happier, more loyal customers; lower churn and positive retail net adds

Another strong year in TalkTalk Business

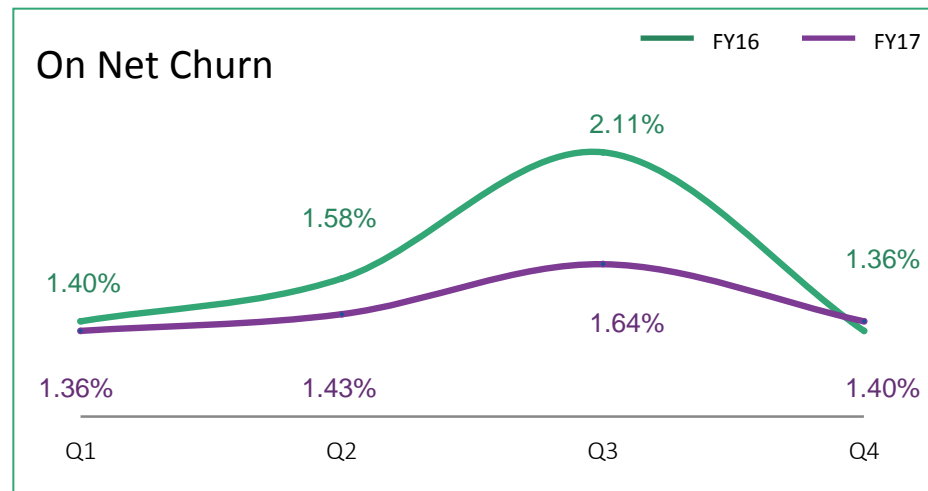
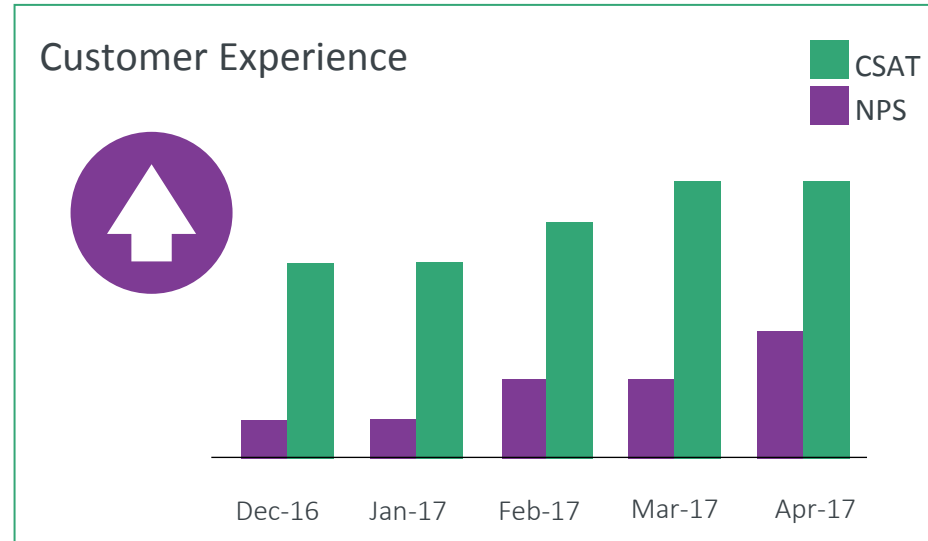
Corporate Revenue



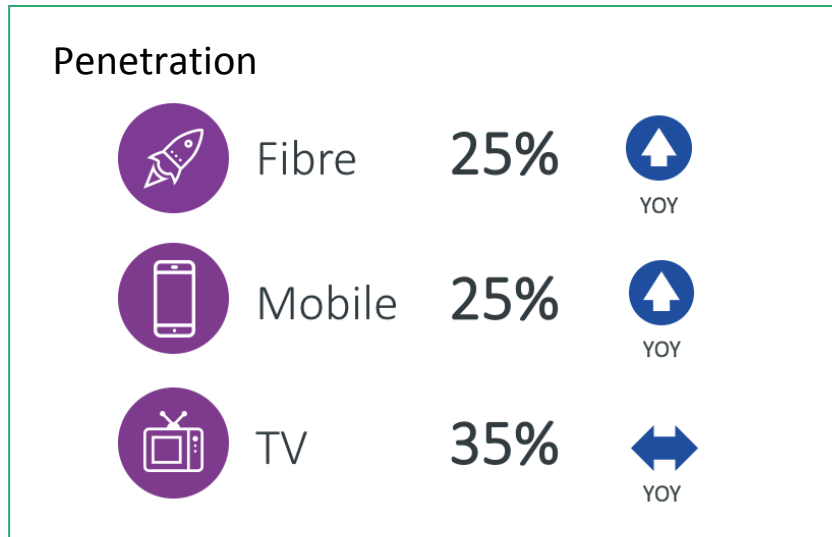
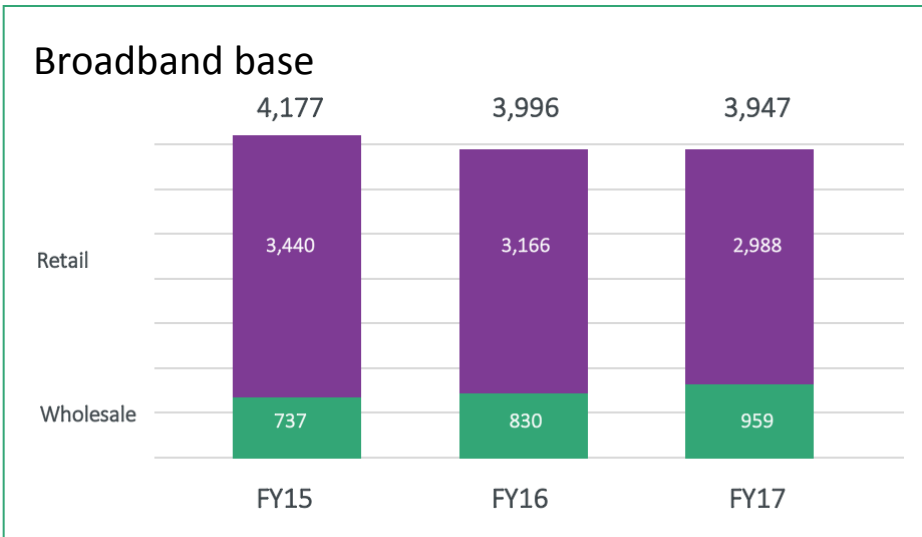
- Data revenue growth of 30%+
- Significant slow down in the decline of legacy voice

Improving customer experience in retail and B2B

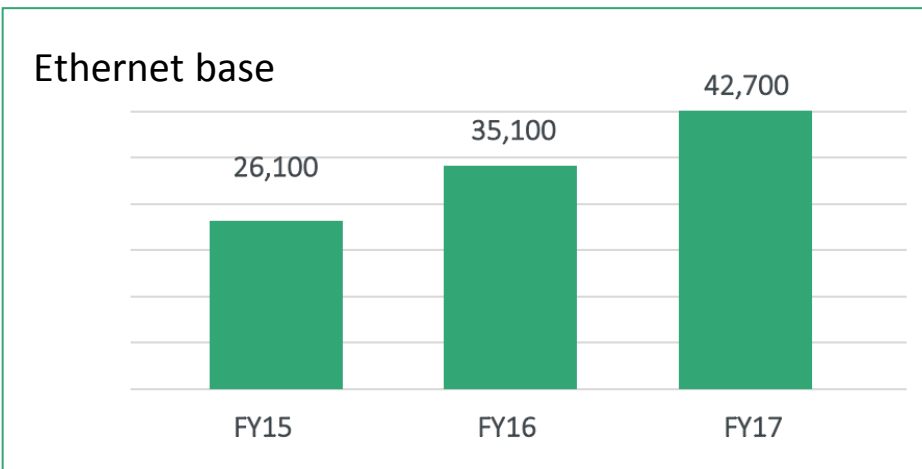
- Completed MTTs – savings in year of £34m, cumulatively delivered £87m
- Measurable improvement in retention and customer satisfaction
- Strong churn improvement



Customer Base Development

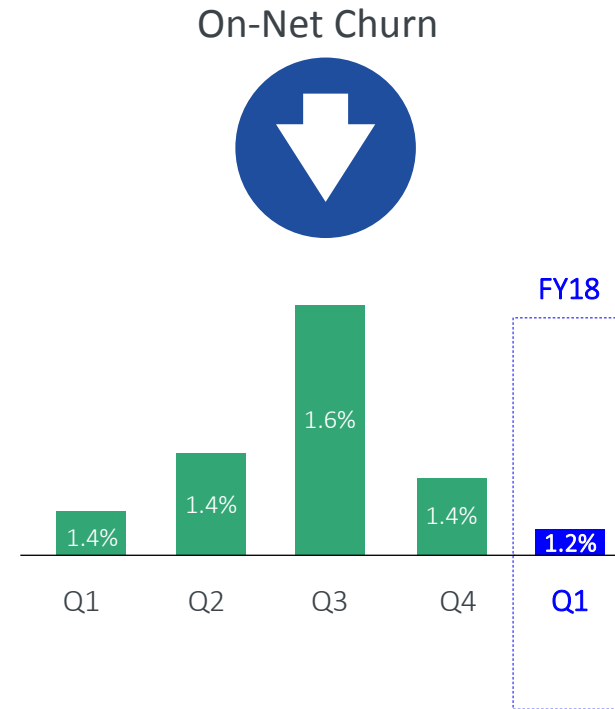
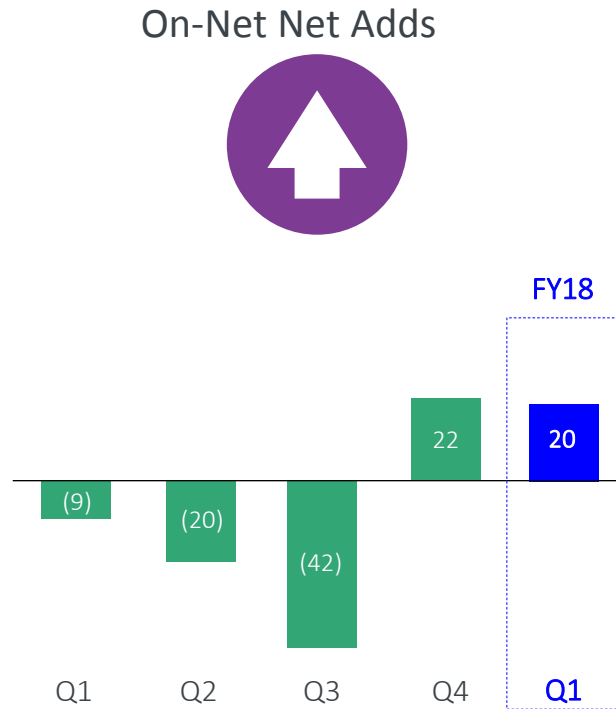


uSwitch
TV PROVIDER
OF THE YEAR
WINNER 2017



- Consistent growth
- Strong product take-up
- Strong progress in Ethernet order conversion
- Healthy pipeline

Q4 performance: clear evidence of growth that has **continued into Q1**



Underpinned by a number of important regulatory announcements which will drive improvements to service and give us price optionality over the coming years

FY18 Outlook

- Modest base and revenue growth
- EBITDA £270 - £300m
- Lower net debt
- Dividend 7.5p

The year has started well, with Q1 trading in line with our expectations

Q&A

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