

# Annual General Meeting FY18

18 July 2018

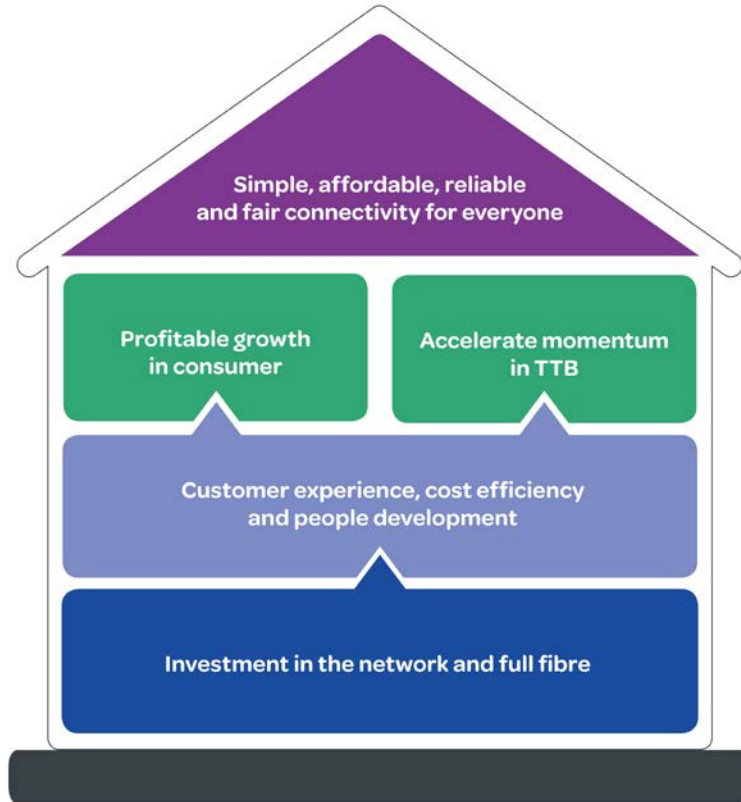
A woman with long dark hair and a young girl with curly hair are sitting on a dark leather couch. The woman is holding a silver laptop and looking at the screen. The girl is looking at the laptop with interest. They are in a room with light-colored curtains in the background.

**Tristia Harrison,  
CEO**

**FY18 Performance  
Review**

# Our plan to be the UK's leading value for money connectivity provider

Strategy remains unchanged



Ruthlessly prioritise our core strengths  
Less capital intensive priorities

- Never been a better time to be the value provider of fixed connectivity
- Value propositions in Consumer and B2B are working
- Fixed Low Price Plans (“FLPP”) have resonance
- FY18 Performance on track
  - Good base growth in Consumer and B2B
  - Strong Q4 performance
  - EBITDA in line with revised guidance

# FY18 performance on track; Continued momentum in FY19 Q1

## FY18 performance on track

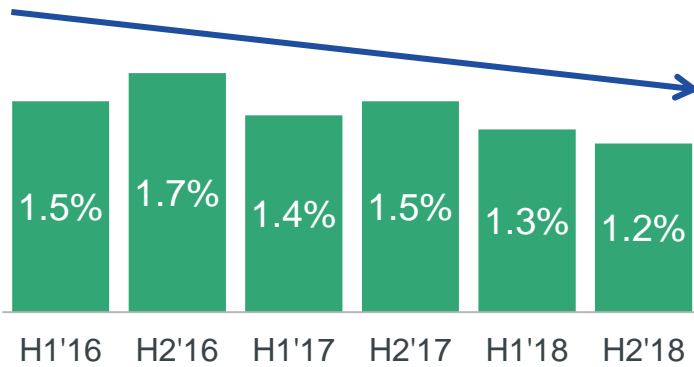
- Good growth; +192k broadband net adds (FY17: -49k)
- Financials in line with guidance with EBITDA at £233m; reflecting investment in growth

## Continued momentum in FY19 Q1

- Strong broadband customer base growth; +80k net adds, taking the closing base to 4,219k
- Total Headline revenue (excluding Carrier & Off-net) +4.1% (Q1 FY18: -1.8%)
- 2.1m customers now on Fixed Low Price Plans (FLPP)
- Ongoing low level of churn at 1.28%
- Net ARPU increase of 2-3% on FLPP customers coming out of contract
- Continued good growth in B2B including data connections of +1.9k

# Customer sentiment

## Churn



## NPS

(Source: GfK Customer Experience Tracker)



- ➔ Good improvement
- ➔ Much still to do
- ➔ Stable operation
- ➔ Improved connectivity

# FY19 outlook

- Headline revenue growth
- Stabilising ARPU in H2
- Base growth as per previous guidance (more than 150k)
- Continuing strong Ethernet growth in TalkTalk Business (TTB) consistent with FY18
- Expect to deliver 15% EBITDA growth in FY19 as a result of a larger customer base, stabilising ARPU, material WLA savings and other significant cost reductions
- Final dividend of 1.5p consistent with new dividend policy announced at Q3 FY18
- FTTP plans on track



Q&A

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