Media release

14 November 2019

OPTUS MAINTAINS MOMENTUM AND LAUNCHES INTO 5G ERA

For the quarter ended 30 September 2019, Optus posted double-digit growth in EBITDA, net profit and free cash flow, lifted by higher NBN migration revenue and cost management.

EDITDA increased 11 per cent to $703M. Net profit and free cash flow increased 24% and 22% to A$130 million and A$357 million respectively.

Optus revenue was stable at A$2,207 million, as the market adjusted to price changes for mobile phone plans, resulting in moderated customer additions and lower equipment sales.

Mobile service revenue declined 4% due to lower ARPU, from a higher mix of SIM-only customers and heightened data price competition. The price changes to mobile plans saw a stabilisation in ARPU against the June quarter.

Postpaid handset customers rose by 30,000 in the quarter.

In the retail fixed business, Optus' investment in the NBN Concierge Program improved customer experience and lifted NBN connections to a record 80,000 customers this quarter. NBN migration revenue rose strongly with an increase in customer migration to the NBN.

Optus Business' performance was impacted by market headwinds. During the quarter, Optus Business announced that it has entered into an agreement with Myriota, the global leader in nanosatellite IoT, which will offer Optus customers across multiple industries low-cost, long battery life connectivity for millions of devices.

For the first half, Optus operating revenue increased to $4,457 million, underpinned by customer growth and higher NBN migration payments.

EBITDA increased 8% to A$1,390 million from higher NBN migration revenue and strong cost management.

Net profit was A$235 million and free cash flow was up 39% to A$586 million.

Allen Lew, Optus Chief Executive said, "Optus has demonstrated resilience in the quarter with continued mobile and fixed customer growth. With continuing momentum, we now move with confidence into the 5G era having launched our unique-to-Australia 5G service for both the home and mobile in recent weeks."

After delivering Australia's most comprehensive coverage of a FIFA Women's World Cup ever, Optus Sport has kicked off the highly-anticipated return of the Premier League, exclusively live to Optus Sport plus new rights to the Barclays FA Women's Super League.

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FINANCIAL HIGHLIGHTS

	Quarter		YoY	30 Sep		YoY
	Half Year		Chge	Half Year		Chge
	2019 A$m	2018 A$m	%	2019 A$m	2018 A$m	%
Operating revenue	2,207	2,199	0.4	4,457	4,377	1.8
EBITDA	703	631	11.4	1,390	1,287	8.0
EBITDA margin	*31.9%*	*28.7%*		*31.2%*	*29.4%*	
EBITDA & share of results of joint ventures	703	631	11.4	1,390	1,287	8.0
EBIT	248	263	-5.7	479	549	-12.6
Net profit	130	105	24.2	235	259	-9.3
Optus free cash flow	357	293	21.6	586	423	38.6

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