

11 November 2021

Optus delivers positive half year performance in challenging market conditions

For the half year ended 30 September 2021, Optus' commitment to deliver its customer-centric strategy saw continued improvement in underlying business performance, customer connections and continued growth in mobile ARPU.

Optus reported positive EBITDA growth, up 6.6% from the same period last year at A\$1,042 million, driven by continued momentum in its mobile business. The growth was despite headwinds from the COVID-induced lockdowns and travel restrictions. EBIT was \$145 million, up from \$69 million in the same period last year.

Operating revenue declined 3.5% year on year to A\$3,923 million with the reduction in NBN migration revenue as NBN completes its network rollout and from lower equipment revenue due to supply shortages arising from the impact of COVID lockdowns. Excluding NBN migrations, revenue slightly increased, driven by strong mobile performance and a 13% year on year growth in ARPU, reflecting strong price discipline, underpinned by exciting features and services that appeal to customers.

Free cashflow remained strong at A\$416 million for the half year.

Noting the positive trends, Kelly Bayer Rosmarin, Optus CEO, said:

“Our relentless focus on customer experience, delivery of Australia’s fastest 5G and the launch of new and innovative Optus Living Network features is resonating with customers. These half year results demonstrate our strategy is the right one and we are optimistic about Australia’s reopening, which will also re-instate COVID-affected revenue streams as we welcome customers back to our retail stores and travellers back into Australia.”

Mobile service revenue was up 9.7% year on year, driven by higher Postpaid revenue from increased penetration of Optus Choice plans and positive net connections, despite COVID-19’s impacts to roaming and prepaid revenue streams. In the first half, the mobile customer base grew by 66,500 overall with the Postpaid customer base increasing by 82,300.

Optus Enterprise saw EBITDA growth, reflecting a combination of improved sales volumes and ongoing cost discipline.

Customers have responded well to new Optus Living Network features such as Unlimited Data Days, Optus Pause and Call Translate, and also the launch of Choice Plans with subscription pricing. SubHub, released in August, is a world-first subscription aggregator service and new market for Optus. Optus for Business was also re-branded, with modular plan offerings which provide more flexibility to customers.

Continued investment in 5G saw Optus increasing its coverage and maintaining its speed leadership position in Sydney and Melbourne. Optus continued to receive industry recognition for its 5G speed leadership, including “Australia’s Fastest 5G” by both Ookla and OpenSignal, and was named “5G Fixed Wireless Operator of the Year” at the 2021 Broadband World Forum Awards, highlighting global 5G leadership.

Media release

Optus saw further improvement in customer satisfaction, with customer Net Promoter Score improving on the previous all-time high to reach +35. Optus has also seen TIO complaints improve, now at 3.9 per 10,000 customers, which is 36% lower than FY21 levels and the lowest complaint levels since 2014.

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Financial Highlights

	Half Year		YoY Chge %
	30 Sep		
	2021	2020	
	A\$m	A\$m	
Operating revenue	3,923	4,064	-3.5
Operating revenue excluding nbn migration	3,872	3,855	0.0
Operating expenses	(2,936)	(3,142)	-6.5
Other income	55	54	1.8
EBITDA	1,042	977	6.6
EBIT	145	69	109.4