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Optus maintains customer growth in first quarter

Optus has delivered revenue and customer growth for the quarter ended 30 June 2019, as the business continues to transform and execute its strategy of delivering a premium network, exceptional value and experience, and compelling content.

First quarter revenue rose 3% and EBITDA increased 5% to A\$687 million with the adoption of Financial Reporting Standard (International) for leases, effective from this financial year.

Net profit declined to A\$105 million reflecting both higher depreciation charges as Optus continues to invest in its premium Mobile network and lower contributions from Optus Business.

Free Cashflow increased to A\$230 million in the quarter.

Despite Market conditions remaining highly competitive, the Postpaid customer base increased by 51,000. Mobile revenue increased by 7% due to higher equipment sales while Mobile Service Revenue declined with a higher mix of SIM-only plans and historic data price erosion resulting in lower ARPU.

Retail Fixed operating revenue increased strongly, up 19% due to higher NBN migration payments. Optus' NBN customer base grew by 151,000 year on year bringing its NBN broadband customer base to 646,000.

Optus Business operating performance slowed in the quarter due to softer market conditions. During the quarter Optus Business secured a multi-year contract with Ramsay Health Care for digital network and telecommunications services including delivering voice and data serving over one million patients and Ramsay's 30,000 employees.

Optus Chief Executive Allen Lew said, "In the face of a challenging competitive market, Optus has delivered a set of numbers underpinned by customer growth from our investment in a premium national network and the continued execution of our exclusive content strategy."

"With over 700,000 active Optus Sport subscribers, and record numbers viewing the Champions League final, we are poised to continue this momentum into the fourth season of the Premier League which kicks off exclusively on Optus Sport this weekend."

Optus has further enhanced its content credentials announcing an exclusive partnership with Apple Music to provide new and re-contracting customers with free access to Apple's music streaming service on a range of Optus plans.

Media release

Optus continues its focus on rolling out a 5G network with more than 100 mobile sites on-air. Optus 5G Fixed Wireless Access customer trials are well advanced and have achieved peak download speeds of 295Mbps and an average download speed of 100Mbps.

Financial Highlights

	Quarter		YoY Chge %
	Three Months		
	2019	2018	
	A\$m	A\$m	
Operating revenue	2,250	2,178	3.3
EBITDA - <i>margin</i>	687 30.5%	656 30.1%	4.7
EBIT	231	286	-19.1
Profit before exceptional items and tax	169	238	-29.0
Underlying net profit	117	166	-29.1
Net profit	105	154	-32.0

Media contact

Steve Batten
Optus Corporate Affairs
+61 2 8082 7850