

Optus delivers strong quarterly revenue and continued customer growth

Australia – Optus delivered strong operating revenue growth of 6% year-on-year to A\$2,178 million during the first quarter, with sustained investments in networks, technology and content driving customer growth.

Mobile service revenue rose 2% to A\$963 million, underpinned by customer growth from an additional 66,000 new services across Optus Consumer and Enterprise businesses. Mobile revenue, including equipment sales, rose strongly by 8%.

Blended mobile and postpaid handset ARPU declined 2% and 3% respectively, impacted by the increasing mix of SIM only plans and data price competition.

In Mass Market Fixed, operating revenue decreased 1% due to the temporary suspension of the NBN HFC connections. Excluding NBN migration revenues, Mass Market Fixed revenue grew 5% on an enlarged base of 483,000 NBN broadband customers, an increase of 204,000 and 30,000 for the year and quarter respectively.

Optus Business sustained its growth momentum by leveraging an expanded mobile network and enhanced ICT product suite. Overall revenue increased 7% driven by higher contribution from ICT and mobile services, which offset the erosion in traditional carriage services.

EBITDA increased 2% to \$656 million while NPAT declined slightly to \$154 million, mainly due to lower NBN migration revenue. Excluding NBN migration revenues, EBITDA and NPAT increased 5% and 10% respectively.

Free cash flow for the quarter was up 8% to \$130 million.

Allen Lew, Optus Chief Executive said, “This quarter we have leveraged our investments in networks, technology and content to create sustainable competitive advantages and positive customer growth. Football continues to be a key pillar of our content strategy and we remain focused on being the home of elite international football in Australia.”

Optus has extended exclusive Australian rights to the Premier League for a further three seasons to 2022 and announced exclusive rights for an enormous range of European International football until 2022, including Euro 2020 and qualifiers, and UEFA’s Champions League, Nations League, Europa League, Super Cup; and 2022 World Cup Qualifiers.

During the quarter, Optus delivered a state-of-the-art 5G technology showcase at the 2018 Gold Coast Commonwealth Games and also launched the Optus Innovation Hub in Sydney which connects SMBs and start-up businesses with new technology. Optus was also recognised as the most digitalised of the leading ANZ telecommunications providers.

Media release

“With our leadership in network and technology capability, our plans are well advanced for the implementation of 5G in early 2019,” Mr Lew said.

The Optus 4G network covers 96.9% of Australian population.

Customer satisfaction continues to improve, with the Consumer Australia’s NPS score rising to +12 in this quarter.

FINANCIAL HIGHLIGHTS

	Quarter		YoY	Three Months		YoY
	30 Jun			30 Jun		
	2018 A\$ m	2017 A\$ m	Chge %	2018 A\$ m	2017 A\$ m	Chge %
Operating revenue	2,178	2,062	5.7	2,178	2,062	5.7
EBITDA	656	646	1.6	656	646	1.6
EBITDA margin	30.1%	31.3%		30.1%	31.3%	
EBIT	286	297	-3.8	286	297	-3.8
Underlying net profit	166	176	-5.9	166	176	-5.9
Net profit	154	160	-3.5	154	160	-3.5
Free cash flow	130	120	8.2	130	120	8.2

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