Media release

14 February 2019

Optus delivers continuing customer growth and leads in 5G

Optus continues to execute to its strategy, delivering a premium network and attractive value propositions to all Australians. This has translated to strong sales momentum for the quarter ended 31 December 2018. Revenue rose 5% to A$2,419 million, underpinned by customer growth in mobile services.

However reported EBITDA declined 9% to A$664 million, due to lower NBN migration payments and one-off other income in the prior year. Underlying EBITDA grew a solid 2% as Optus continues to transform its business model.

Net profit and free cash flow came in at A$172 million and A$159 million respectively.

Mobile revenue grew a strong 11% from higher equipment sales and customer growth, with Optus adding 129,000 new postpaid handset and 20,000 mobile broadband customers this quarter.

Mass Market Fixed revenues were stable, excluding NBN migration revenue which was impacted by the temporary suspension of customer migrations to the NBN HFC network. Optus has recently agreed with NBN Co to make migration payments based on agreed rollout plans. Optus' NBN customer base increased by 124,000 year on year and we now have 540,000 NBN broadband customers.

Optus Business recorded slower operating performance. Revenue and EBITDA were impacted by continued price competition in carriage services, as well as longer sales cycles in a cautious business environment. Leveraging an extensive mobile network, Optus Business added to its mobile business customer base, which grew a strong 11%. It also expanded its cyber security capabilities following the Group's acquisition of Hivint, an award-winning cyber security consulting company in Australia.

Optus continues to invest in its 5G network with the acquisition of additional 3.6GHz spectrum holdings in regional areas to complement its market-leading metropolitan spectrum assets. In January 2019, Optus announced details of its game-changing 5G Home Broadband service, underpinned by a plan to deliver 1,200 5G sites by March 2020.

Allen Lew, Optus Chief Executive said, "We are proud to be first in market with a 5G home broadband service. Our customers can continue to expect more innovation, entertainment services, value added solutions including cyber security and game changing customer experiences in the future."

Optus is pushing the boundaries of traditional telecommunications, enabling the company to overtake competition to become Australia's strongest telecommunications brand, and fourth strongest brand overall[i].

Media release

AUSTRALIA CONSUMER SUMMARY INCOME STATEMENT

For the Third Quarter And Nine Months Ended 31 December 2018

	Quarter 31 Dec		YoY	Nine Months 31 Dec		YoY
	2018 A$ m	2017 A$ m	Chge %	2018 A$ m	2017 A$ m	Chge %
Operating revenue	2,419	2,315	4.5	6,796	6,463	5.2
EBITDA	664	727	-8.7	1,951	2,019	-3.4
EBITDA Margin	27.4%	31.4%		28.7%	31.2%	
EBIT	291	366	-20.3	840	946	-11.2
Net profit	172	254	-32.1	431	578	-25.5
Underlying net profit	172	231	-25.3	488	572	-14.7
Free Cash Flow	159	203	-21.9	582	591	-1.4

Media enquiries:
Steve Batten/Sally Oelerich
Optus Corporate Affairs
media@optus.com.au
Tel: (02) 8082 7850

[i] Brand Finance Australia 100 report February 2019