

23 May 2024

Optus reports stable earnings and mobile growth in FY24

For the full year ended 31 March 2024, Optus' operating revenue, EBITDA and EBIT were stable compared to the last financial year. Growth in mobile service and Home revenues were moderated by the decline in Enterprise fixed service margins.

Optus added 116,000 subscribers to its mobile customer base, including growth of 108,000 prepaid customers, underpinned by strong performance from amaysim.

Despite the challenges of November's network outage, momentum returned in the fourth quarter, with overall Mobile and Home revenue each growing by 2 per cent in the full year.

Interim CEO and CFO Michael Venter said the results demonstrated a solid performance in a difficult environment, as Optus remained focussed on enhancing customer experience.

"Optus is working hard to rebuild the trust of customers after a challenging 18 months and these results demonstrate we are on the right track," Mr Venter said.

"We're listening to our customers and in the year ahead we'll be continuing to prioritise what we know is important to them – a resilient network that delivers seamless connectivity, great value products and services, and simple, efficient customer service."

Optus was recognised as Australia's fastest 5G for mobile download speeds by Opensignal for the sixth time in a row and was also the most awarded carrier, winning nine categories including best video experience and most consistent quality overall. Optus also became the first carrier in Australia to hit speed of 800 Gbps across its optical network between Sydney and Melbourne.

Expansion of the Optus 5G mobile network continued with coverage reaching more than 80.5% of the Australian population across over 4,000 5G sites as at 31 March 2024.

In a significant win for regional customers, Optus recently announced a regional Multi-Operator Core Network (MOCN) agreement with TPG Telecom. The agreement will deliver enhanced capacity, speed and service to Optus customers in regional Australia and see Optus fast track the roll-out of 5G to regional and rural areas, with 2,444 regional 5G sites to be delivered two years earlier than previously planned.

Coverage of FIFA Women's World Cup 2023™ delivered Optus Sport its biggest month in history alongside 100 million video views, 7 million article reads, and a total reach across all social media platforms of 3.6 million. An Australian Sports Commission Media Award for Best Coverage of a Sporting Event set the scene for

more exciting live football moments with the Optus Sport broadcast of UEFA EURO 2024™ and CONMEBOL Copa America 2024 from June this year.

For the second half of the year ended 31 March 2024, Optus delivered profitable growth with EBITDA up by 4.8%, whilst EBIT grew by 20% to \$147m.

Operating revenue was down 1.1% on weakness in the fixed Enterprise business, which was partially offset by higher mobile service revenue. Mobile service revenue was up 4.2% on the back of price rises in postpaid which lifted total ARPU by 2.3%, higher content revenue, and continued growth in the number of prepaid customers. Mobile equipment revenue declined 3.8%, reflecting lower sales volume of higher end devices. Consequently, overall Mobile revenue rose 1.8%.

Wholesale, Fleet and Enterprise Fixed revenue fell 16% in the half, largely due to a decline in the fixed carriage component of the Enterprise business driven by price erosion and churn. Wholesale revenue also decreased as a result of lower satellite equipment sales and a strategic exit from NBN.

Attention to cost management saw operating expenses fall 2.8% from lower cost of goods sold and staff costs which were partly offset by higher energy and content costs.

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SUMMARY INCOME STATEMENT

For The Second Half And Financial Year Ended 31 March 2024

	Half Year			Full Year		
	FY20 24 (A\$m)	FY20 23 (A\$m)	YoY Change	FY20 24 (A\$m)	FY20 23 (A\$m)	YoY Change
Operating revenue	4,044	4,090	(1.1%)	8,062	8,053	0.1%
Operating expense	(3,034)	(3,123)	(2.8%)	(6,096)	(6,085)	0.2%
Other income	63	57	11%	138	120	14%
EBITDA	1,073	1,023	4.8%	2,103	2,088	0.7%
Depreciation & amortisation	(926)	(901)	2.8%	(1,815)	(1,801)	0.8%
EBIT	147	123	20%	288	287	0.5%

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