

13 November 2024

Optus posts strong FY25 first half EBIT growth driven by mobile performance

For the half year ending 30 September 2024, Optus EBITDA grew 7.4% and EBIT was up 58%, as higher mobile ARPU and disciplined cost management helped deliver solid first half results.

During the period, an additional 80,000 subscribers were added to the Optus mobile customer base, including strong prepaid growth of 39,000 customers and postpaid growth of 36,000 customers.

Optus Chief Financial Officer Michael Venter said it was encouraging to see positive momentum, as Optus increased average revenue per user from mobile while rebalancing the company cost base.

"We will continue to focus on our core business initiatives, including ongoing investment in a resilient network, enhancing connectivity choices for consumers and building a stronger and safer digital future for Australians," Mr Venter said.

Highlights of the strong first half included a 4.1% lift in Mobile services revenue with blended ARPU up 3.4%. Mobile equipment revenue grew 5.8% amid stronger demand for high-end devices.

The first half saw strong sales momentum in Enterprise, however Wholesale and Enterprise & Business Fixed revenue declined 17.8% in the period, driven by lower project-based satellite revenues and lower Enterprise ICT equipment sales.

Operating expenses fell 2.5% due to an ongoing focus on cost management.

Optus' Multi-Operator Core Network (MOCN) agreement with TPG Telecom has now received regulatory approval and the acceleration of the 5G roll-out for regional and rural communities is set to move ahead in early 2025, demonstrating Optus' commitment to regional Australia.

Optus was also recognised as having Australia's fastest average 5G mobile download speed for the seventh time in a row. Customers were offered the opportunity to experience Optus' mobile network for free, through the Optus Network Trial, allowing customers to experience the network speed and performance in an industry first initiative.

Other highlights include the launch of an Australian-first scam protection initiative, *Westpac SafeCall*, to help prevent bank impersonation scams; and industry recognition of *Optus CallStop*, which saw Optus partner with the Australia Financial Crimes Exchange to develop technology to intercept and block known scammers.

In late October, following the end of the first half, Optus was notified of the ACCC's decision to take action over inappropriate retail sales practices involving vulnerable customers. The majority of the sales occurred at three licensee -operated Optus stores, and Optus has taken disciplinary action (including terminations) against staff whom we determined were responsible for the misconduct. Optus has apologised to all customers affected by the misconduct and for the distress caused.

On 4 November Stephen Rue joined Optus as CEO. Michael Venter continues in his role as CFO. Mr Rue will join Mr Venter on the Optus Board of Directors, which continues to operate under the new governance model announced at the time of Mr Rue's appointment in May this year.

SUMMARY INCOME STATEMENT

For the Half Year Ended 30 September 2024

	Half Year		
	FY2025 (A\$m)	FY2024 (A\$m)	YoY Change
Operating revenue	4,022	4,018	0.1%
Operating expense	(2,985)	(3,062)	(2.5%)
Other income	70	75	(6.7%)
EBITDA	1,107	1,031	7.4%
Depreciation & amortisation	(885)	(890)	(0.6%)
EBIT	223	141	58%

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