

27 May 2022

Optus delivers growth in a challenging year

- ***Differentiation and customer-centric approach underpin positive results.***
- ***Continued heavy investment to support competitive infrastructure and services.***

For the full year ended 31 March 2022, Optus delivered profitable growth, with EBITDA growing by 3.5%, while EBIT rose by 32% to A\$249 million.

Whilst operating revenue overall declined 5.8% reflecting lower NBN migration payments, lower equipment sales and the cessation of leasing revenues, Optus delivered strong growth in mobile service revenue up 6.9% year on year.

During the year Optus added 273,000 new mobile subscribers and delivered a strong uplift in mobile ARPU of 8.1%, from higher access revenues and the increased penetration of the Optus Choice plans.

Operating expenses declined 8.4%.

Optus grew free cashflow by 2.4% to A\$776 million, despite continued heavy investment, with capital expenditure rising 4.9% to A\$1.57 billion.

Optus Enterprise delivered its third consecutive year of EBITDA growth, during which it secured a range of strategic wins including launching a first of a kind network integrated Mobile Call Recording feature for Enterprise and unveiling the 5G Innovation Hub, a showcase facility for customer co-creation of 5G-enabled solutions in the heart of Sydney's CBD.

Commenting on the performance, Optus CEO **Kelly Bayer Rosmarin** said, "Optus has positive momentum after a tough couple of Covid-impacted years, with strong growth in underlying EBIT across our business."

"Product innovation and enhanced customer experience continue to be major Optus strategic differentiators and underpinned our ability to grow our mobile customer base and generate increased mobile ARPU."

"It's been another big year for Optus. We continue to lead on 5G speed, we've launched eight Living Network features, announced our entry into the growing "Smart Spaces" market, launched our game-changing content aggregation platform SubHub and continued to heavily invest in the competitive critical infrastructure and services Australian communities need to survive and thrive."

In the second half of the year ended 31 March 2022, Optus continued to make significant progress in delivering its strategy and gained market share in mobile. This solid performance was delivered despite continued challenging market conditions from ongoing COVID-19 disruptions, equipment shortages and slow recovery of international travel.

Excluding NBN migration revenue, operating revenue declined 6.1% primarily from lower equipment sales from the continued global supply shortages and the ongoing impact of lockdowns on retail stores. Mobile service revenue grew 4.2% driven by higher postpaid revenue, as well as a full half year's contribution from amaysim that was acquired in February 2021.

For the consumer business, home revenue (excluding NBN migration revenue) recorded growth of 4.5%, reversing from a decline in first half of the year. The increase was driven by double-digit increases in both NBN broadband and Fixed Wireless Access ("FWA"), offsetting declines from the legacy platforms. NBN broadband ARPU grew from price changes implemented in the first half year and FWA revenue rose from continued growth in 5G.

Optus' total mobile customer base grew 207,000 in the second half year. The strong improvement was led by on-going execution of Optus' customer centric strategy and investments in Living Network innovation. Optus' NBN customer base grew by 41,000 from a year ago.

Total operating expenses fell 10% and Optus grew its EBITDA 0.5% in the second half.

Optus' commitment to keeping Australia connected was evident as it provided strong support to the communities affected by floods via cross-functional rapid response teams and a range of measures to support impacted customers. Optus also offered credit options to customers impacted by the events in the Ukraine and expanded its Donate Your Data and Donate Your Device programs to support refugees, through our trusted charity partner, Good360 Australia.

Optus Sport announced that it has extended its exclusive rights to the English Premier League up to 2028, along with the FA Women's Super League up to 2024. This reaffirms Optus Sport as the home to exclusive coverage of some of the world's leading football competitions for its one million plus active subscribers.

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Optus Summary Income Statements – Singapore GAAP

	Second Half		YoY Chge %	Full Year		YoY Chge %
	31 Mar			31 Mar		
	2022 A\$m	2021 A\$m		2022 A\$m	2021 A\$m	
Operating revenue	3,914	4,255	-8.0	7,836	8,320	-5.8
Operating expenses	(2,950)	(3,283)	-10.1	(5,886)	(6,424)	-8.4
Other income	62	48	27.7	117	103	14.1
EBITDA	1,025	1,021	0.5	2,067	1,998	3.5
- margin	26.2%	24.0%		26.4%	24.0%	
EBITDA & share of results of joint ventures	1,025	1,021	0.4	2,067	1,998	3.5
Depreciation & amortisation	(921)	(901)	2.2	(1,818)	(1,809)	0.5
EBIT	104	120	-12.9	249	189	32.0
NBN Migration revenues	18	108	-83.2	69	317	-78.3
Ex-NBN Migration revenues						
Operating revenue	3,895	4,147	-6.1	7,768	8,002	-2.9
EBITDA	1,007	912	10.4	1,998	1,680	18.9
EBIT	86	11	@	180	(129)	nm

In the above table "@" denotes more than 500%, "nm" denotes not meaningful.