



eir Group Results

for the second quarter FY21

to 31 December 2020



25 February 2021



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Presented by



Carolan Lennon

CEO



Stephen Tighe

CFO

Business highlights



Financial

Q2 FY21
to 31 December 2020



Revenue ¹

€297m

▼ 5% YoY

Revenue down €16m.

EBITDA ^{1, 2}

€147m

▶ 0% YoY

EBITDA stable.

Operational

Fibre customers



798,000

▲ 9% YoY

- ▶ +68,000 connections YoY.
- ▶ 86% of Irish premises passed with fibre.³

Postpay customers

815,000

▲ 16% YoY

- ▶ +112,000 customers YoY.
- ▶ 68% of mobile base on postpay, up 6pp YoY.

Multi-play bundles

37%

▲ 3pp YoY

- ▶ 82% of fixed households on 2P+ bundles, up 3pp YoY.

Key Developments

- ▶ **evros acquisition:** Ireland's leading ICT company joins forces with eir Business to create the best-in-class communications and ICT solutions provider for Irish business.
- ▶ **Ireland's Fibre Network:** our €500m rollout of ultrafast FTTH broadband now passes 314,000 urban and suburban premises, with the first 10,000km of fibre cables now installed.
- ▶ **Ireland's largest 5G network:** our €150m investment to upgrade and expand our mobile network continues, with 5G now covering 55% of the population across 239 towns & cities.
- ▶ **ESG:** eir launches partnership with EasyGo to replace 180 public phone booths with electric vehicle rapid charging points across Ireland, encouraging the switch to sustainable driving.

¹ Excludes IFRS 15 and IFRS 16 adjustments. See appendix for details.

² Excludes non-cash pension charge, non-cash fair value lease credits, and management charge.

³ Approximate percentage of an estimated total premises in Ireland of 2.421 million, based on delivery points.



- ▶ eir acquires Evros to become Ireland's best-in-class business communications and ICT solutions provider.
- ▶ Combining with eir Business to create a one-stop-shop for Ireland's SME, Corporate & Government segments.
- ▶ Evros offers unrivalled delivery in the design, supply, implementation and support of ICT infrastructure.
- ▶ Evros will be a leading partner for digital transformation in a post-Covid future.
- ▶ Valuation of €80m, with 80% of consideration payable upon completion and 20% over time between FY22 and FY24.



evros – Ireland's leading ICT solutions provider

- ▶ Established 1991 in Dublin
- ▶ Revenue €91m, EBITDA €9m in 2020
- ▶ More than 450 staff & contractors
- ▶ Blue chip client base



Innovative ICT products & services

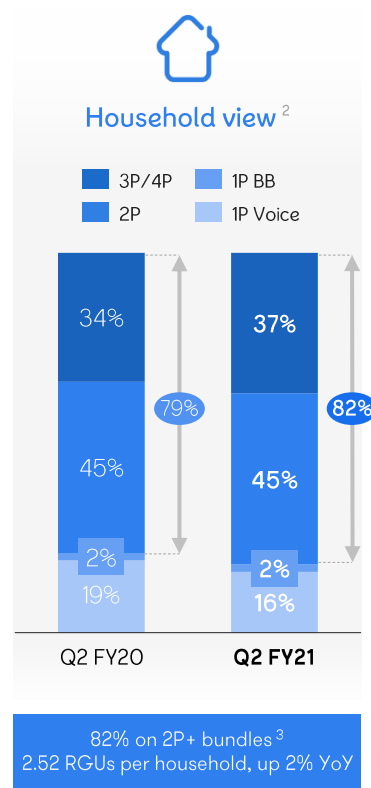
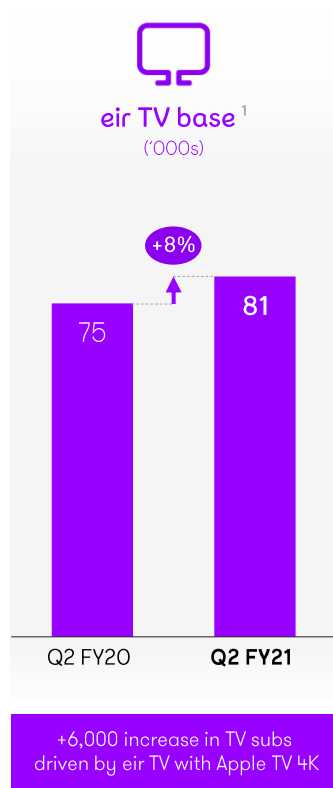
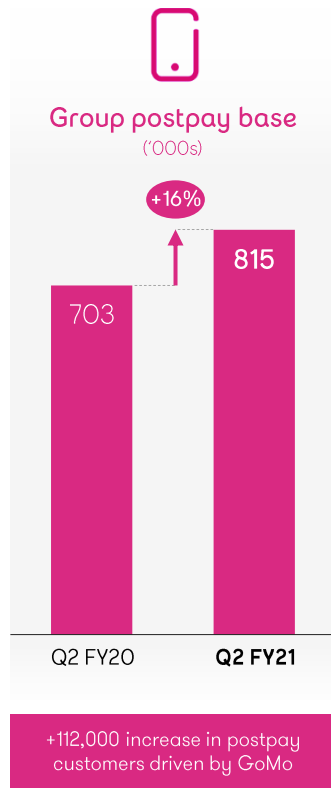
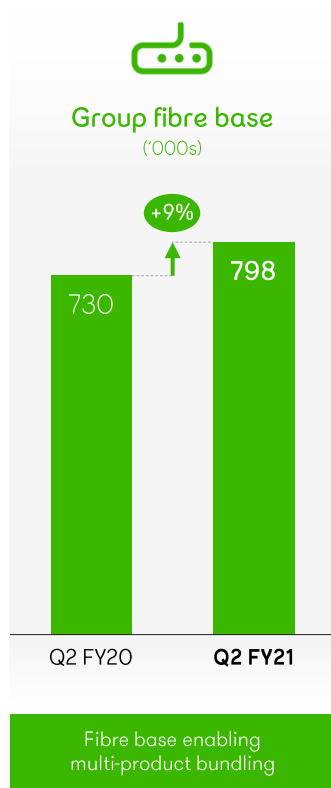


Highly skilled & experienced people

Complementary product sets

	eir	evros	eir evros
Voice & Data	✓		✓
Mobile	✓		✓
Networking	✓		✓
Unified Communications	✓		✓
Managed Services	✓	✓	✓
Public Cloud		✓	✓
Private Cloud		✓	✓
Managed Security		✓	✓
Desktop Management		✓	✓
Workplace Transformation		✓	✓
App Development		✓	✓
IT Contracting		✓	✓
Print Services		✓	✓

Operational KPIs | Solid growth across fibre, postpay, TV, and bundling



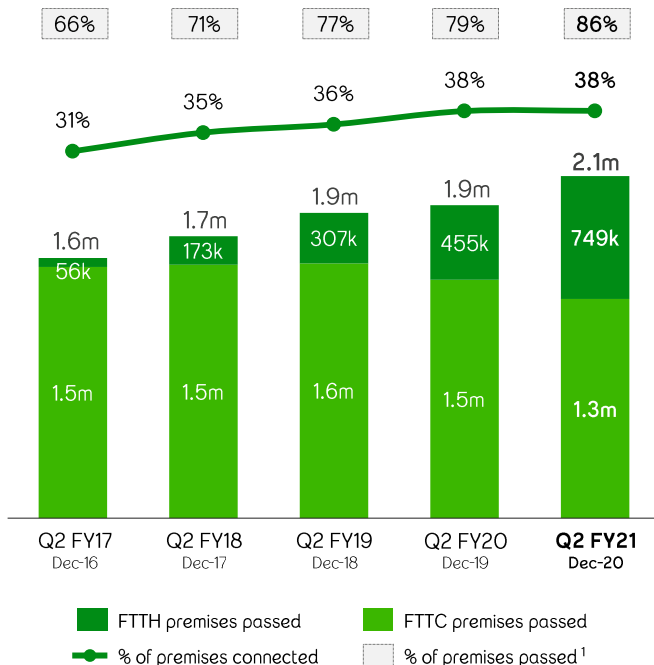
¹ eir TV base includes eir Vision subscribers.

² Percentage of consumer households with fixed access paths subscribing to fixed voice, fixed broadband, TV, and / or bundled mobile services (excluding 1P mobile).

³ Percentage of fixed consumer households subscribing to two or more products.

eir fibre footprint

Premises passed with FTTH, FTTC | Last 5 years



Commentary

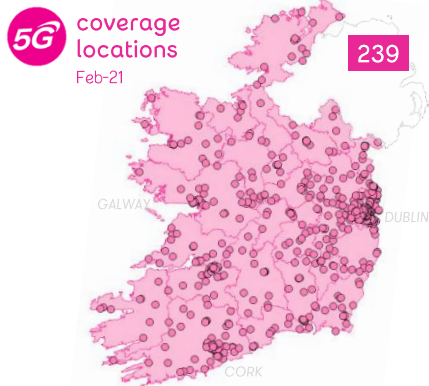
- ▶ **FTTH rollout continues to progress; now passing over 749,000 premises across Ireland.**
 - ▶ up 65% or 294,000 YoY, up 11% or 75,000 QoQ.
 - ▶ of which over 314,000 passed as part of IFN rollout.
- ▶ 2.1 million or 86% of Ireland's premises passed with eir fibre;¹ 38% of passed premises connected to our network, stable YoY.
- ▶ Target to pass 1.8 million premises with FTTH on track.



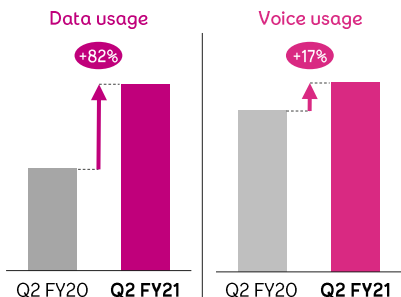
¹ Approximate percentage calculated using an estimated total premises in Ireland of 2.421 million based on delivery points.

Mobile coverage ¹

Feb-21

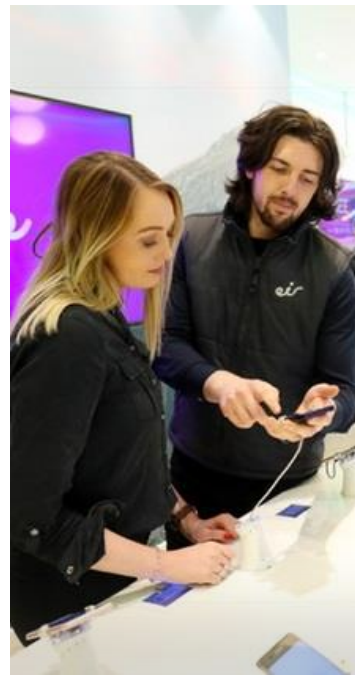


eir network traffic volumes



Commentary

- ▶ **5G network rollout continues at pace, with ultrafast speeds now available in 239 towns & cities from over 800 sites across all counties.**
- ▶ 5G coverage now over 55%; 4G coverage 99%.¹
 - ▶ 4G geographic coverage over 97%.
- ▶ Over 1,400 sites now upgraded as part of €150m network investment, with improvements in speed, coverage and resilience across Ireland.
- ▶ Significant increases in network traffic volumes, with data usage up 82% driven by GoMo and the effects of Covid-19.



¹4G and 5G coverage refers to outdoor population coverage in Ireland.

Trading update

- ▶ Revenue down 5% ¹
- ▶ Cost of sales reduced by 16% ¹
- ▶ Operating costs reduced by 5% ^{1,2}
- ▶ EBITDA stable ^{1,2}

- ▶ Continued KPI growth
 - ▶ +22,000 broadband customers YoY
 - ▶ 82% of broadband base using fibre
 - ▶ +112,000 postpay subscribers YoY
 - ▶ 68% of mobile base on postpay

- ▶ Capex of €63m in Q2, 21% of revenue ³
- ▶ December closing cash of €140m following distribution of excess cash
- ▶ Net debt to LTM EBITDA of 4.0x, up 0.6x QoQ ⁴

¹ Excludes IFRS 15 and IFRS 16 adjustments.

² Excludes non-cash pension charge, non-cash fair value lease credits, and management charge.

³ Incurred capex, excludes capitalisation of non-cash pension charge, spectrum, and asset retirement obligations.

⁴ Excludes the impact of IFRS 15 and IFRS 16, management charge. Includes Tetra joint venture.

Group EBITDA | Reduced costs offset revenue decline; EBITDA stable in Q2, up 1% YTD



Excludes IFRS 15 and IFRS 16 adjustments. See appendix for details.

€ millions	Q2 FY21	Q2 FY20	Change € Better/(Worse) YoY	Change % Better/(Worse) YoY	H1 FY21	H1 FY20	Change € Better/(Worse) YoY	Change % Better/(Worse) YoY
Fixed Line Revenue	216	230	(14)	(6%)	437	460	(23)	(5%)
Mobile Revenue	91	92	(1)	(0%)	174	175	(1)	(0%)
Eliminations	(10)	(9)	(1)	(13%)	(16)	(18)	2	8%
Group Revenue	297	313	(16)	(5%)	595	617	(22)	(4%)
Cost of Sales	(59)	(71)	12	16%	(119)	(139)	20	14%
Gross Profit	238	242	(4)	(2%)	476	478	(2)	(0%)
Gross Margin %	80%	77%	-	3pp	80%	78%	-	2pp
Pay Costs	(40)	(41)	1	4%	(81)	(83)	2	3%
Non-Pay Costs	(51)	(54)	3	5%	(106)	(108)	2	2%
Total Operating Costs ¹	(91)	(95)	4	5%	(187)	(191)	4	2%
Group EBITDA ¹	147	147	0	0%	289	287	2	1%
EBITDA Margin %	49%	47%	-	2pp	49%	46%	-	3pp

Commentary

- ▶ Revenue down 5% or €16m in Q2 YoY.
- ▶ Growth in broadband, postpay and bundling revenues offset by reduced traditional access, traffic, content, eir UK and prepay revenues.
- ▶ Cost of sales reduced by 16% or €12m in Q2.
- ▶ Gross margin % up 3pp to 80% in Q2.
- ▶ Operating costs down 5% in Q2, with 4% reduction in pay costs and 5% reduction in non-pay costs.
- ▶ EBITDA stable in Q2, up 1% or €2m YTD.
- ▶ EBITDA margin up 2pp to 49% in Q2.

¹ Stated before non-cash pension charge, non-cash fair value lease credits, management charge and exceptional costs.

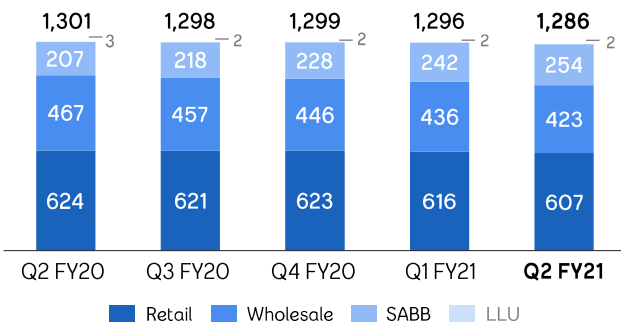
² Table includes proportionate consolidation of Tetra joint venture at 56% for actual and prior year.

³ Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

Group fixed KPIs | Further broadband growth in a competitive environment

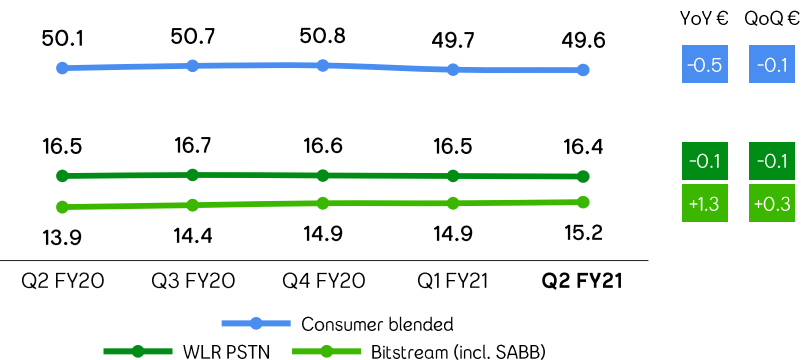


Group access paths¹ ('000s)



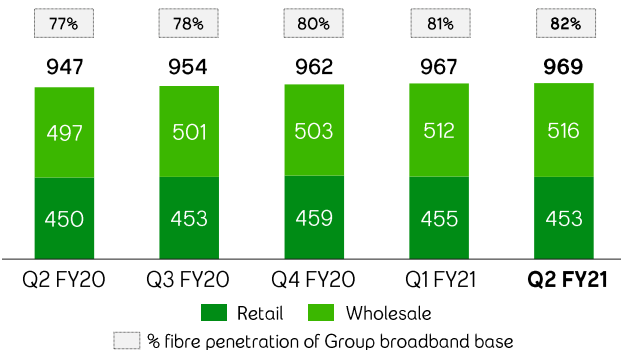
	YoY	QoQ
Total	-15	-10
Retail	+47	+12
Wholesale	-44	-13
SABB	-17	-9

Fixed line ARPUs (€)



	YoY €	QoQ €
Consumer blended	-0.5	-0.1
WLR PSTN	-0.1	-0.1
Bitstream (incl. SABB)	+1.3	+0.3

Group broadband base^{1,2} ('000s)



	YoY	QoQ
Total	+22	+2
Retail	+19	+4
Wholesale	+3	-2

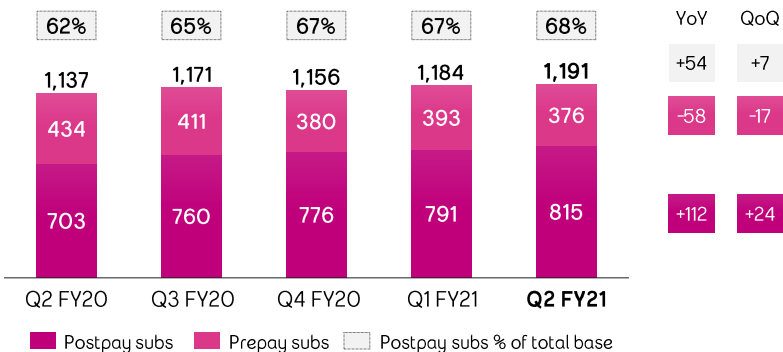
Commentary

- ▶ Group access paths down 1% or 15k YoY due to traditional access reductions, down 1% or 10k QoQ.
- ▶ Group broadband base up 2% or 22k YoY, up 2k QoQ.
 - ▶ Retail broadband up 3k YoY, down 2k QoQ.
- ▶ 82% of Group broadband base now on fibre, up 5pp YoY, up 1pp QoQ.
- ▶ Consumer blended ARPU down 1% YoY due to reduced out of bundle revenues, broadly stable QoQ.
- ▶ Bitstream ARPU up 10% YoY, driven by change to product mix, up 2% QoQ; WLR ARPU broadly stable YoY and QoQ.

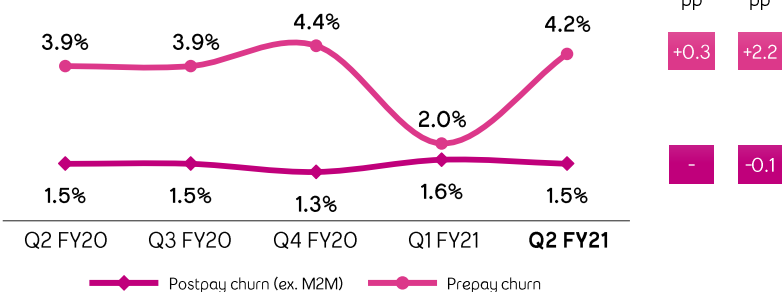
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.
² Excludes Line Share / LLU.



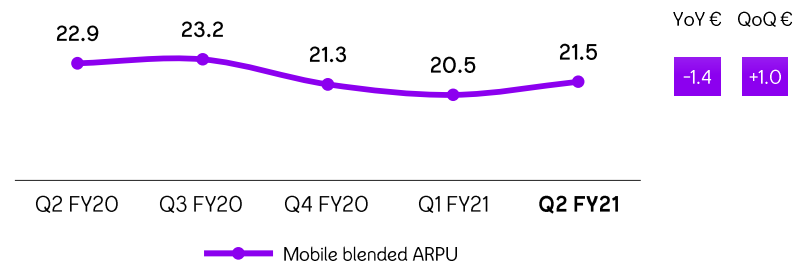
Mobile subscribers¹ ('000s)



Mobile churn²



Mobile blended ARPU^{3,4} (€)



Commentary

- ▶ Postpay subs up 16% or 112k YoY, and up 3% or 24k QoQ, driven by GoMo.
- ▶ Total mobile subs up 5% or 54k YoY, prepay subs down 13% or 58k YoY.
- ▶ 68% of mobile base on postpay, up 6pp YoY.
- ▶ Mobile blended ARPU down 7% YoY, due to a changes to the base mix, an increase SIMO customers, and bundle discounts; up 4% QoQ.
- ▶ Prepay churn stabilises, up 2.2pp QoQ driven by the prior effect of Covid-related retail restrictions, up 0.3pp YoY driven by market competition.

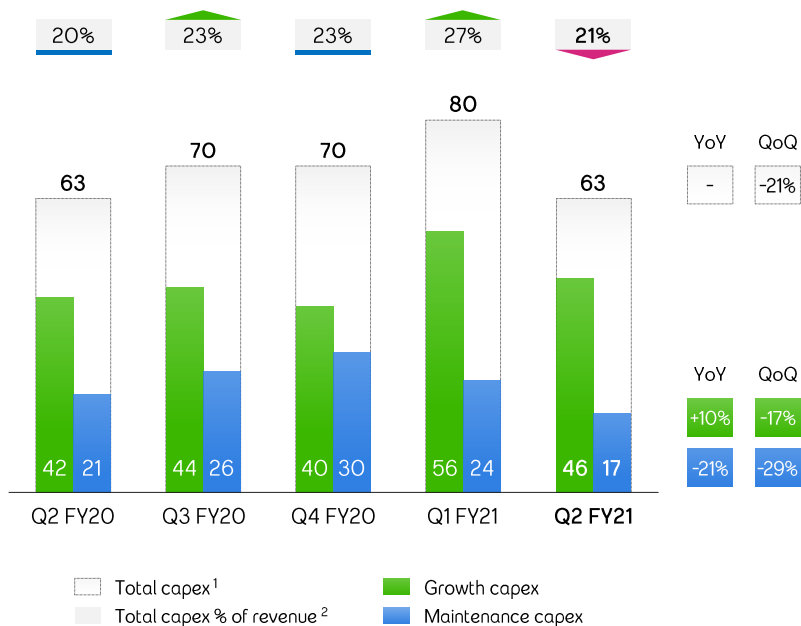
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

² Monthly average churn rate per quarter.

³ Excludes IFRS 15 adjustments.

⁴ Includes mobile broadband.

Capex investment (€m)



Commentary

- ▶ Q2 capex €63m, 21% of revenue; stable YoY, down 21% QoQ.
- ▶ Growth capex up 10% or €4m YoY, driven by the FTTH rollout and mobile network upgrade and expansion programmes.
- ▶ Maintenance capex down 21% or €4m YoY due to reduced spend on IT and pole replacement programmes.

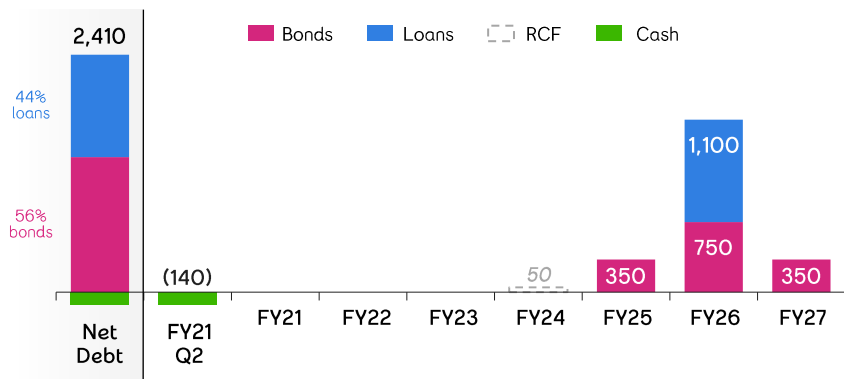


¹ Incurred capex. Growth capex includes investment to rollout new NGA and mobile networks as well as the development of a new IT stack. Maintenance capex includes network and IT renewal.

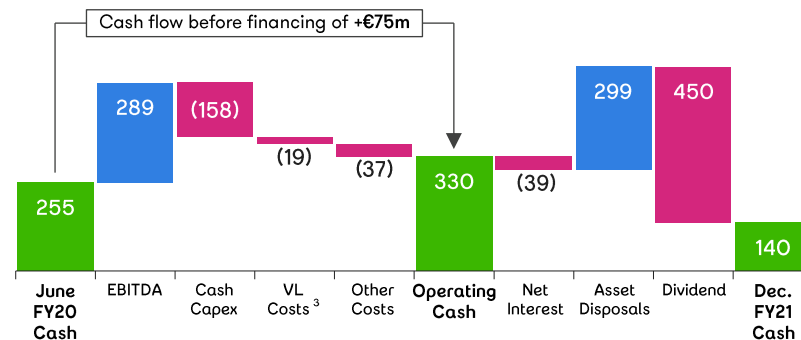
² Capex % of revenue excludes non-cash pension charge, spectrum, and asset retirement obligations. Arrows indicate QoQ movements.

Financing

Debt profile at quarter end (€m)



Cash profile at quarter end (€m)



- ▶ Net Debt to LTM EBITDA 4.0x at quarter end, up 0.6x QoQ.¹
- ▶ Average cost debt 3.03%, stable YoY²
- ▶ Undrawn RCF of €50m.
- ▶ Corporate ratings

Moody's	B1 Stable	Dec-20
S&P	B+ Positive	May-20
Fitch	B+ Stable	Jun-20

- ▶ Cash on balance sheet €140m at quarter end.⁴
- ▶ Other costs include working capital, provisions, and exceptionals.
- ▶ Asset disposals primarily relate to the proceeds from the sale of Emerald Tower Limited, completed in July 2020.

¹ Management view. Excludes the impact of IFRS 15 and IFRS 16, and management charge. Includes Tetra joint venture.

² Excludes swaps and RCF non-utilisation fee.

³ Voluntary leave (voluntary redundancy) programme costs.

⁴ Cash on balance sheet includes eir Group's share of Tetra joint venture cash.

Outlook

FY21 outlook

EBITDA

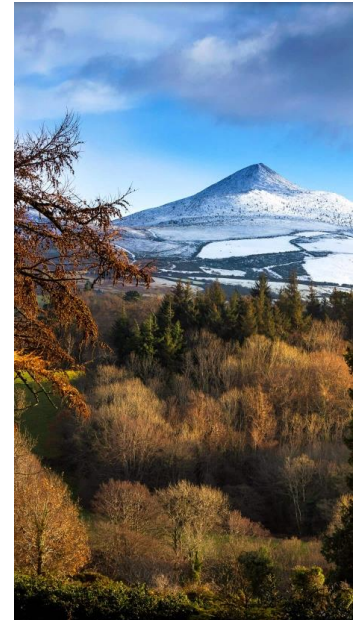
Low single digit EBITDA growth

Capex

Capex between 21%-23% of revenue

Cash flow

Further year-on-year cash flow growth ¹



¹ Excludes cash impacts arising from refinancing and/or M&A activities.

Q&A

Q2 FY21 results call

25 February 2021 – 14:30 GMT

with CEO Carolan Lennon and CFO Stephen Tighe

Operator-managed call

See investor notification for dial in details

Press *1 to ask a question

Call accessible to registered investors and approved analysts only
Click here to register before 12:00 GMT if not already previously registered



let's make possible...

Appendix

IFRS adjustments

IFRS adjustments



€ millions	H1 FY21				H1 FY20			
	Before adjustments	IFRS 15 adjustments	IFRS 16 adjustments	After adjustments	Before adjustments	IFRS 15 adjustments	IFRS 16 adjustments	After adjustments
Fixed Line Revenue	437	-	-	437	460	-	-	460
Mobile Revenue	174	(5)	-	169	175	(2)	-	173
Eliminations	(16)	-	-	(16)	(18)	-	-	(18)
Group Revenue	595	(5)	-	590	617	(2)	-	615
Cost of Sales	(119)	-	-	(119)	(139)	-	-	(139)
Gross Profit	476	(5)	-	471	478	(2)	-	476
Gross Margin %	80%	-	-	80%	78%	(1pp)	-	77%
Pay Costs	(81)	-	-	(81)	(83)	-	-	(83)
Non-Pay Costs	(106)	5	23	(78)	(108)	4	18	(86)
Total Operating Costs ¹	(187)	5	23	(159)	(191)	4	18	(169)
Group EBITDA ¹	289	0	23	312	287	2	18	307
EBITDA Margin %	49%	-	4pp	53%	46%	-	4pp	50%

Mobile revenue impacted by -€5m and -€2m adjustment in H1 FY21 and H1 FY20 respectively, related to IFRS 15 revenue recognition of mobile handset service and equipment revenue.

Non-pay costs impacted by +€5m and +€4m adjustment in H1 FY21 and H1 FY20 respectively, related to IFRS 15 recognition of sales commissions.

Non-pay costs also impacted by +€23m and +€18m adjustment in H1 FY21 and H1 FY20 respectively, related to IFRS 16 treatment of operating lease rental costs.

¹ Stated before non-cash pension charge, non-cash fair value lease credits, management charge and exceptional costs.

² Table includes proportionate consolidation of Tetra joint venture at 56% for actual and prior year.

³ Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

Abbreviations

- ▶ **2P / 3P / 4P** | Two / three / four-play product bundles
- ▶ **ARPU** | Average Revenue per User
- ▶ **B2B** | Business to Business
- ▶ **B2C** | Business to Consumer
- ▶ **BB** | Broadband
- ▶ **bps** | Basis points
- ▶ **Capex** | Capital expenditure
- ▶ **ComReg** | Commission for Communications Regulation (Ireland)
- ▶ **CSR** | Corporate Social Responsibility
- ▶ **EBITDA** | Earnings before Interest, Tax, Depreciation, & Amortisation
- ▶ **eir NI** | eir Northern Ireland
- ▶ **ESG** | Environmental, Social, and Governance
- ▶ **FCF** | Free Cash Flow
- ▶ **FTE** | Full Time Equivalent Employees
- ▶ **FTTC** | Fibre to the Cabinet
- ▶ **FTTH** | Fibre to the Home
- ▶ **FWA** | Fixed Wireless Access
- ▶ **Gbps** | Gigabits per second
- ▶ **IFN** | Ireland's Fibre Network
- ▶ **IFRS** | International Financial Reporting Standard
- ▶ **KPI** | Key Performance Indicator
- ▶ **LLU** | Local Loop Unbundling
- ▶ **LTM** | Last Twelve Months
- ▶ **M2M** | Machine to Machine
- ▶ **MBB** | Mobile Broadband
- ▶ **Mbps** | Megabits per second
- ▶ **MTR** | Mobile Termination Rate
- ▶ **NBP** | National Broadband Plan (Ireland)
- ▶ **NGA** | Next Generation Access
- ▶ **OAOS** | Other Authorised Operators
- ▶ **Opex** | Operating expenditure
- ▶ **pp** | Percentage point
- ▶ **QoQ** | Quarter on Quarter
- ▶ **RCF** | Revolving Credit Facility
- ▶ **RGU** | Revenue Generating Unit
- ▶ **SABB** | Standalone Broadband
- ▶ **SAC** | Subscriber Acquisition Cost
- ▶ **SIMO** | SIM-Only
- ▶ **TLB** | Term Loan B
- ▶ **USO** | Universal Service Obligation
- ▶ **WLR** | Wholesale Line Rental
- ▶ **VL** | Voluntary Leave (Voluntary Redundancy)
- ▶ **YoY** | Year on Year
- ▶ **YTD** | Year to Date

More information

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Investor Relations

investor.relations@eir.ie

Press Office

pressoffice@eir.ie

The logo for Eir, consisting of the lowercase letters 'eir' in a white, stylized, cursive font. The background of the slide is a scenic landscape featuring a snow-capped mountain peak in the distance, a forest of trees with autumn foliage in the mid-ground, and a clear blue sky with light clouds.