



# eir Group Results

for the fourth quarter and  
twelve months to 30 June 2021



3 September 2021



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Presented by

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**Carolan Lennon**

CEO



**Stephen Tighe**

CFO

# Business highlights



## Financial

Q4 FY21  
to 30 June 2021



### Revenue<sup>1,2</sup>

€331m ▲ 10% YoY

Revenue up €31m.

### EBITDA<sup>1,2,3</sup>

€181m ▲ 13% YoY

EBITDA up €22m.

#### Change of Financial Year-End

- ▶ Our financial year-end date is changing from 30 June to 31 December.

## Operational

### Fibre customers



819,000 ▲ 7% YoY

- ▶ +52,000 connections YoY.
- ▶ 84% of Irish premises passed with fibre.<sup>4</sup>

### Postpay customers

850,000 ▲ 10% YoY

- ▶ +74,000 customers YoY.
- ▶ 71% of mobile base on postpay, up 4pp YoY.

### Multi-play bundles

38% ▲ 2pp YoY

- ▶ 83% of fixed households on 2P+ bundles, up 2pp YoY.

## Key Developments

- ▶ **Ireland's Fibre Network:** our commitment to roll out FTTH across Ireland expands further, with new commitment to pass an additional 200k premises with ultrafast broadband.
- ▶ **Ireland's largest 5G network:** investment and roll out continues to enhance our 5G network, now covering over 68% of the population from 1,010 sites across 320 towns in Ireland.<sup>5</sup>
- ▶ **GoMo:** Sign-ups to our revolutionary virtual network now surpassing 285,000, up 32% YoY.
- ▶ **ESG:** eir becomes a founding signatory to the Elevate Pledge, bringing Irish businesses together to foster more inclusive workplaces.
- ▶ **Ratings outlook upgrade:** Fitch raises eir's credit rating outlook from stable to positive.

<sup>1</sup> Excludes IFRS 15 and IFRS 16 adjustments. See appendix for details.

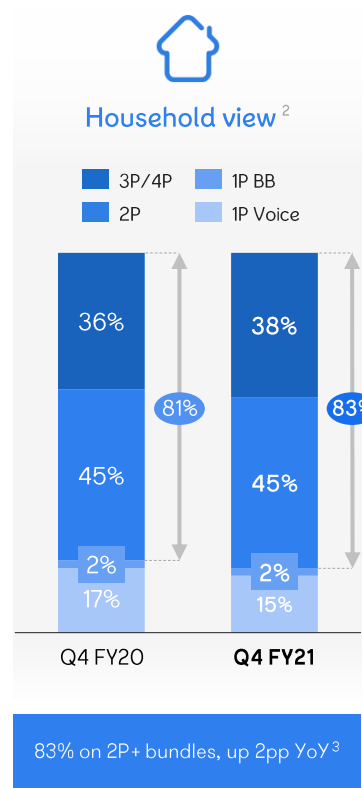
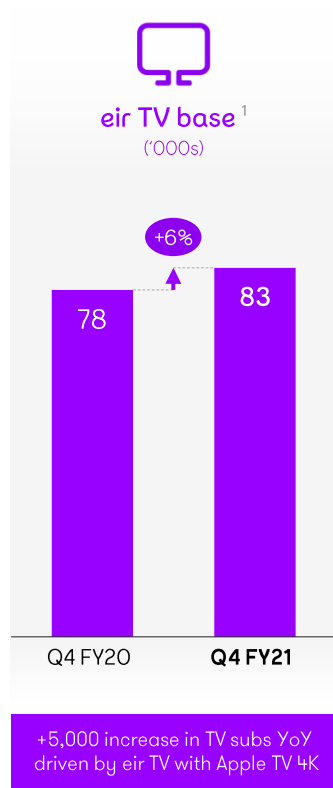
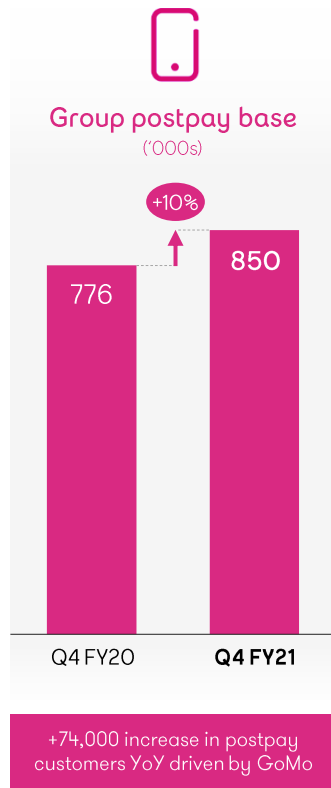
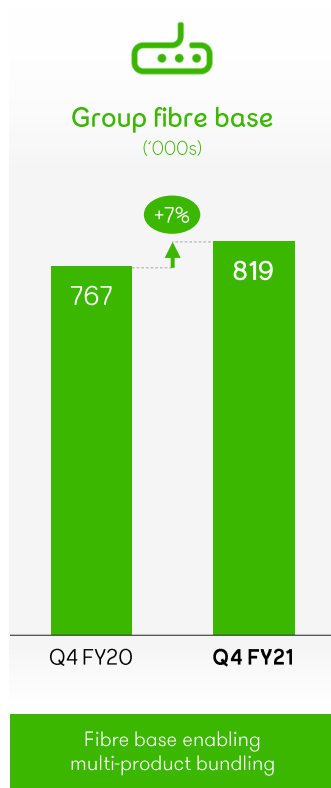
<sup>2</sup> Includes impact of Evros acquisition from 1 March 2021.

<sup>3</sup> Excludes non-cash pension charge, fair value lease credits, and management charge.

<sup>4</sup> Approximate percentage of an estimated total premises in Ireland of approximately 2.3 million, based on total GeoDirectory address points.

<sup>5</sup> 5G coverage refers to outdoor population coverage in Ireland.

# Operational KPIs | Solid fourth quarter KPI growth YoY; fibre up 7%, postpay up 10% YoY



<sup>1</sup> eir TV base includes eir Vision subscribers.

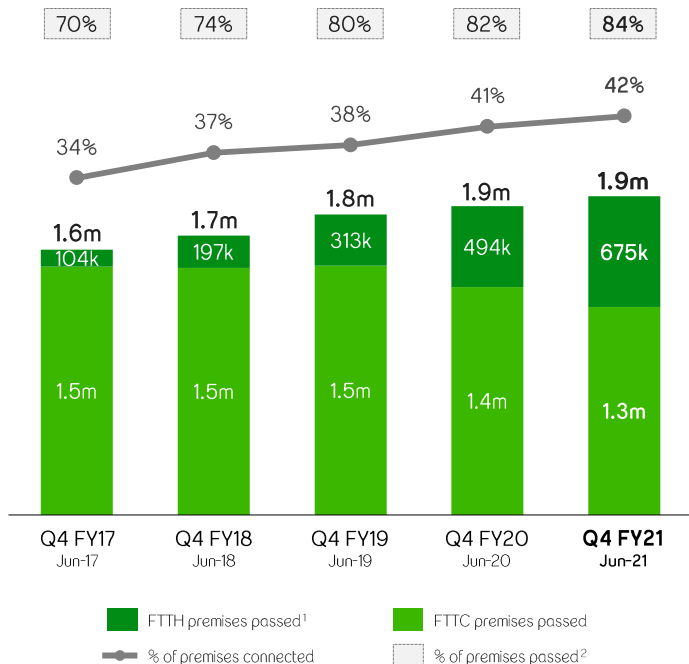
<sup>2</sup> Percentage of consumer households with fixed access paths subscribing to fixed voice, fixed broadband, TV, and / or bundled mobile services (excluding 1P mobile).

<sup>3</sup> Percentage of fixed consumer households subscribing to two or more products.

## eir fibre footprint

Premises passed with FTTH, FTTC | Last 5 years

New FTTH reporting methodology



### Commentary

- ▶ **Ireland's Fibre Network expanding, with new commitment to pass a further 200,000 premises with ultrafast FTTH.**
  - ▶ existing timeline and capex profile remains on track.
- ▶ Our FTTH rollout is passing over 675,000 premises.
  - ▶ up 37% or 181,000 YoY, up 9% or 53,000 QoQ.
  - ▶ of which over 313,000 passed as part of IFN rollout.
  - ▶ new reporting methodology for tracking FTTH rollout; moving from delivery points to address points.
- ▶ 1.9 million or 84% of Ireland's premises passed with eir fibre;<sup>1</sup> 42% of passed premises connected to our network.

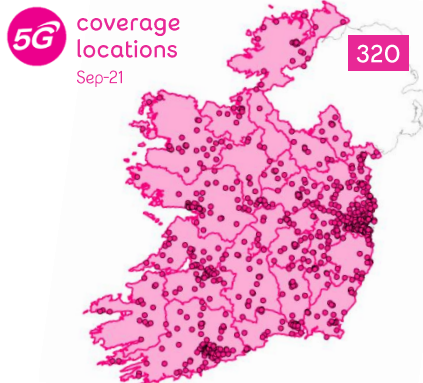


<sup>1</sup> FTTH premises passed calculated using a new reporting methodology based on address points.

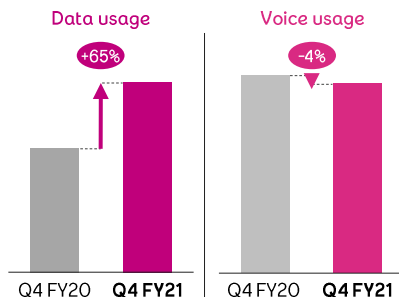
<sup>2</sup> Approximate percentage calculated using an estimated total premises in Ireland of approximately 2.3 million, based on total GeoDirectory address points.

## Mobile coverage <sup>1</sup>

Sep-21

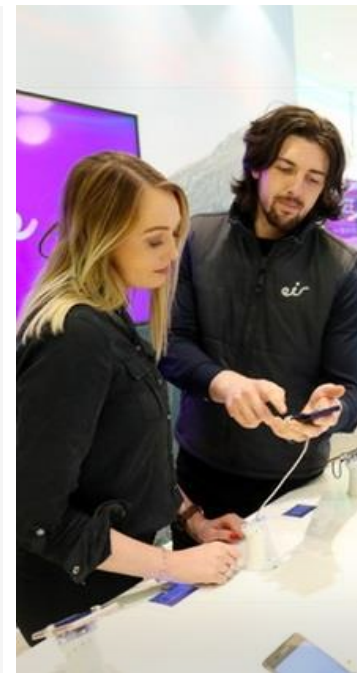


## eir network traffic volumes



## Commentary

- ▶ 5G network rollout continues at pace, with ultrafast speeds now available in 320 towns & cities from 1,010 sites across all counties.
- ▶ 5G coverage now over 68%; 4G coverage 99%.
  - ▶ 4G geographic coverage over 98%.
- ▶ Over 1,700 sites now upgraded as part of €150m network investment, with improvements in speed, coverage and resilience across Ireland.
- ▶ Growth in data usage volume continues, up 65% YoY driven by GoMo and the impact of the pandemic.



<sup>1</sup>4G and 5G coverage refers to outdoor population coverage in Ireland.



# Trading update

- ▶ Revenue up 10% <sup>1</sup>
- ▶ Cost of sales up 16% <sup>1</sup>
- ▶ Operating costs up 3% <sup>1,2</sup>
- ▶ EBITDA up 13% <sup>1,2</sup>

- ▶ Continued KPI growth
  - ▶ +8,000 broadband customers YoY
  - ▶ 84% of broadband base using fibre
  - ▶ +74,000 postpay subscribers YoY
  - ▶ 71% of mobile base on postpay

- ▶ Capex of €74m in Q4, 23% of revenue <sup>3</sup>
- ▶ June closing cash of €224m
- ▶ Net debt to LTM EBITDA of 3.7x, down 0.4x QoQ <sup>4</sup>

<sup>1</sup> Includes Evros acquisition impact from 1 March 2021. Excludes IFRS 15 and IFRS 16 adjustments.

<sup>2</sup> Excludes non-cash pension charge, non-cash fair value lease credits, and management charge.

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

<sup>4</sup> Includes Evros acquisition impact from 1 March 2021 and Tetra joint venture. Excludes the impact of IFRS 15 and IFRS 16, as well as management charge.

# Group EBITDA | Strong fourth quarter financials driven by KPIs, Evros, NBP, and mobile site proceeds



Includes Evros acquisition impact from 1 March 2021. Excludes IFRS 15 and IFRS 16 adjustments, see appendix for details.

€ millions	Q4 FY21	Q4 FY20	Change € Better/(Worse) YoY	Change % Better/(Worse) YoY	YTD FY21	YTD FY20	Change € Better/(Worse) YoY	Change % Better/(Worse) YoY
Fixed Line Revenue	241	227	14	6%	905	917	(12)	(1%)
Mobile Revenue	98	82	16	20%	352	343	9	3%
Eliminations	(8)	(9)	1	8%	(32)	(36)	4	10%
<b>Group Revenue</b>	<b>331</b>	<b>300</b>	<b>31</b>	<b>10%</b>	<b>1,225</b>	<b>1,224</b>	<b>1</b>	<b>0%</b>
Cost of Sales	(57)	(49)	(8)	(16%)	(229)	(245)	16	7%
Gross Profit	274	251	23	9%	996	979	17	2%
Gross Margin %	83%	84%	-	(1pp)	81%	80%	-	1pp
Pay Costs	(46)	(39)	(7)	(22%)	(170)	(165)	(5)	(4%)
Non-Pay Costs	(47)	(53)	6	11%	(202)	(214)	12	6%
Total Operating Costs <sup>1</sup>	(93)	(92)	(1)	(3%)	(371)	(379)	7	2%
<b>Group EBITDA <sup>1</sup></b>	<b>181</b>	<b>159</b>	<b>22</b>	<b>13%</b>	<b>624</b>	<b>600</b>	<b>24</b>	<b>4%</b>
EBITDA Margin %	54%	53%	-	1pp	51%	49%	-	2pp

## Commentary

- ▶ Revenue up 10% or €31m in Q4 YoY.
- ▶ Growth in broadband, data services, and postpay revenue, as well as the addition of Evros and NBP revenues, and mobile site proceeds, partly offset by reduced traditional access, traffic, content, and UK revenues.
- ▶ Cost of sales up 16% or €8m in Q4.
- ▶ Gross margin % down 1pp to 83% in Q4.
- ▶ Operating costs up €1m or 3% in Q4; non-pay costs reduced by 11% or €6m.
- ▶ EBITDA up 13% or €22m in Q4.
- ▶ EBITDA margin up 1pp to 54% in Q4.

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

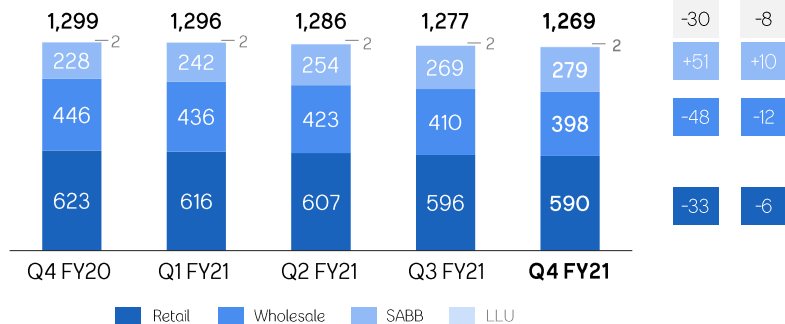
<sup>2</sup> Table includes Evros acquisition impact from 1 March 2021, and the proportionate consolidation of Tetra joint venture at 56% for the actual and prior year periods.

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

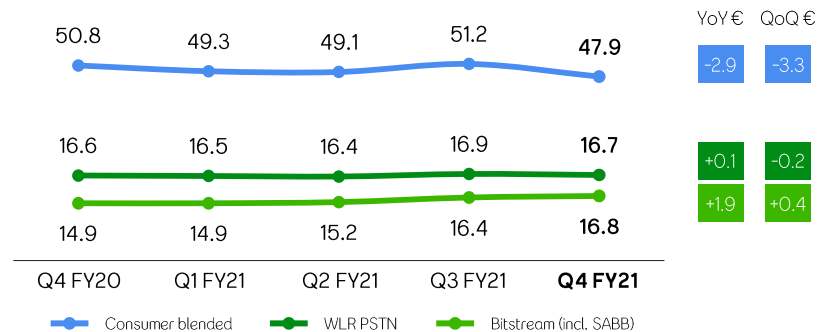
# Group fixed KPIs | Continued broadband growth in the fourth quarter YoY



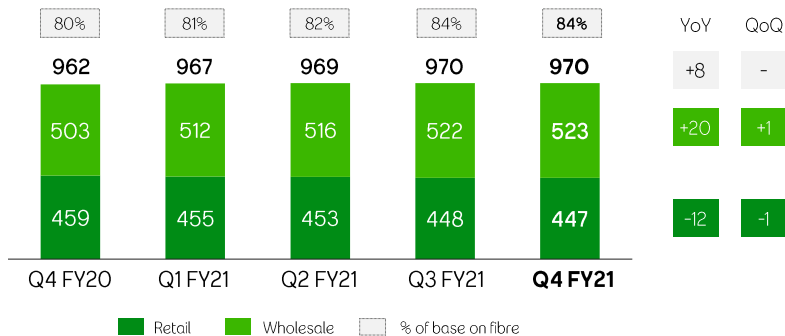
## Group access paths<sup>1</sup> ('000s)



## Fixed line ARPUs (€)



## Group broadband base<sup>1,2</sup> ('000s)



## Commentary

- ▶ Group access paths down 2% or 30k YoY due to traditional access reductions, down 1% or 8k QoQ.
- ▶ Group broadband base up 1% or 8k YoY, stable QoQ.
  - ▶ Retail broadband down 12k YoY due to competitive pressure.
- ▶ 84% of Group broadband base now on fibre, up 4pp YoY.
- ▶ Consumer blended ARPU down 6% YoY and QoQ, driven by reduced out-of-bundle usage and market-driven retention strategy.
- ▶ Bitstream ARPU up 13% YoY and 2% QoQ, driven by change to product mix; WLR ARPU broadly stable; up 1% YoY, down 1% QoQ.

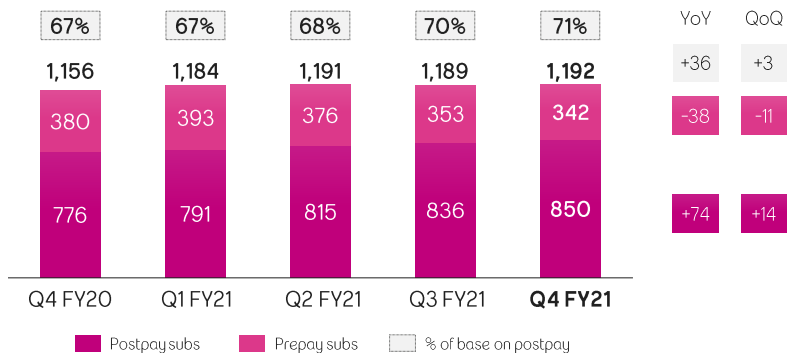
<sup>1</sup> Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

<sup>2</sup> Excludes Line Share / LLU.

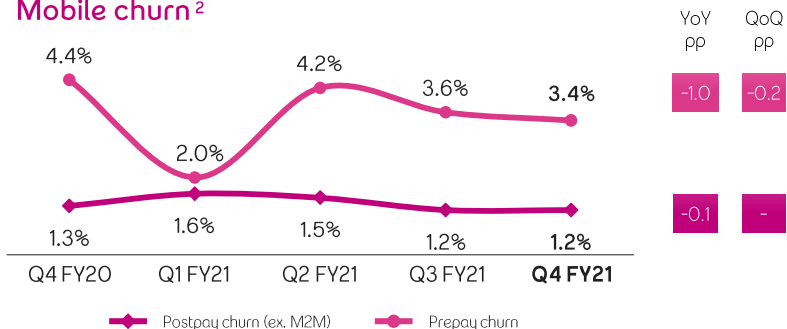
# Group mobile KPIs | Further solid postpay base growth, up 10% YoY



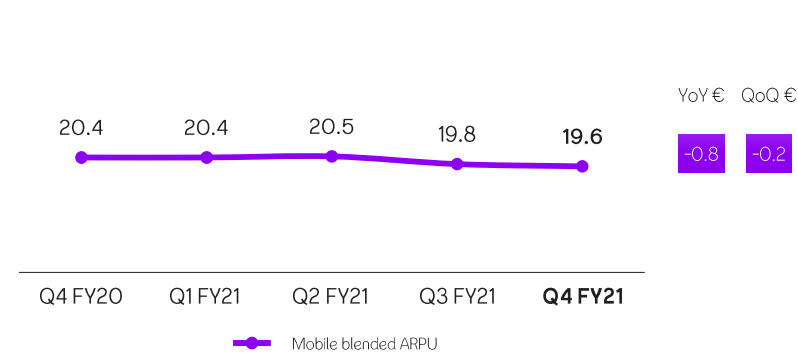
## Mobile subscribers<sup>1</sup> ('000s)



## Mobile churn<sup>2</sup>



## Mobile blended ARPU<sup>3,4</sup> (€)



## Commentary

- ▶ **Postpay subs up 10% or 74k YoY, up 2% or 14k QoQ, driven by GoMo.**
- ▶ Total mobile subs up 3% or 36k YoY, prepay subs down 10% or 38k YoY.
- ▶ 71% of mobile base on postpay, up 4pp YoY.
- ▶ Mobile blended ARPU down 4% YoY and 1% QoQ, due to changes to the base mix, an increase in SIMO customers, and MTR and VAT changes.
- ▶ Mobile churn reductions driven by the impact of previous retail restrictions; prepay down 1pp YoY and 0.2pp QoQ, postpay down 0.1pp YoY.

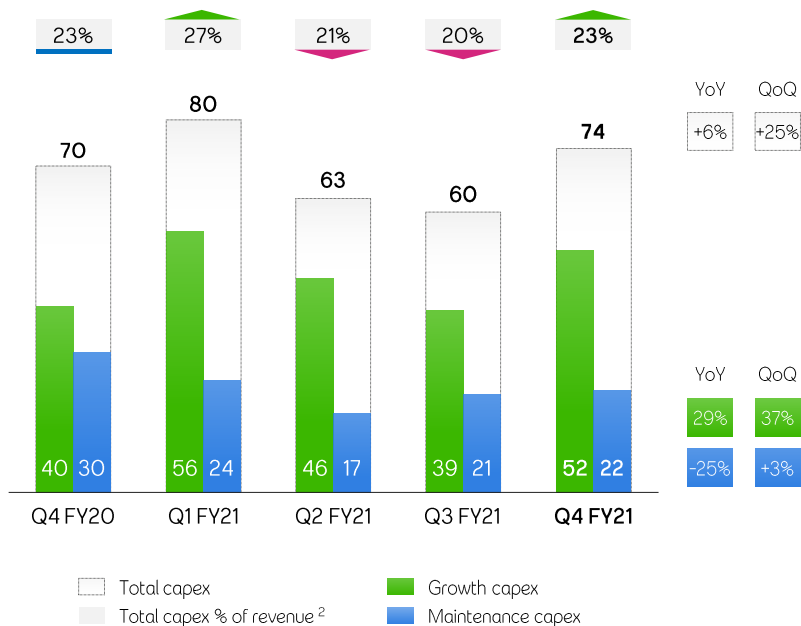
<sup>1</sup> Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

<sup>2</sup> Monthly average churn rate per quarter.

<sup>3</sup> Excludes IFRS 15 adjustments.

<sup>4</sup> Includes mobile broadband.

## Capex investment<sup>1</sup> (€m)



## Commentary

- ▶ Q4 capex of €74m, or 23% of revenue; up 6% YoY
- ▶ Growth capex driven by our fibre rollout and mobile network upgrade and expansion programmes, up 29% or €12m YoY due to timing of network investments.
- ▶ Maintenance capex down 25% or €8m YoY due to reduced spend on IT and pole replacement programmes.



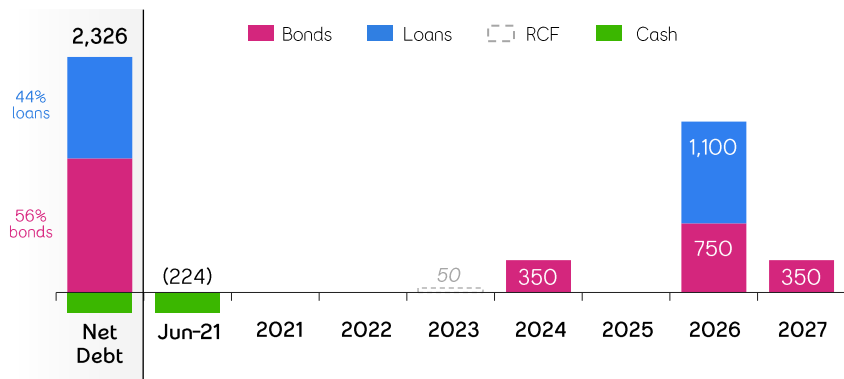
<sup>1</sup> Incurred capex. Growth capex includes investment to rollout new NGA and mobile networks as well as the development of a new IT stack. Maintenance capex includes network and IT renewal.

<sup>2</sup> Total capex % of revenue excludes non-cash pension charge, spectrum, and asset retirement obligations. Arrows indicate QoQ movements.

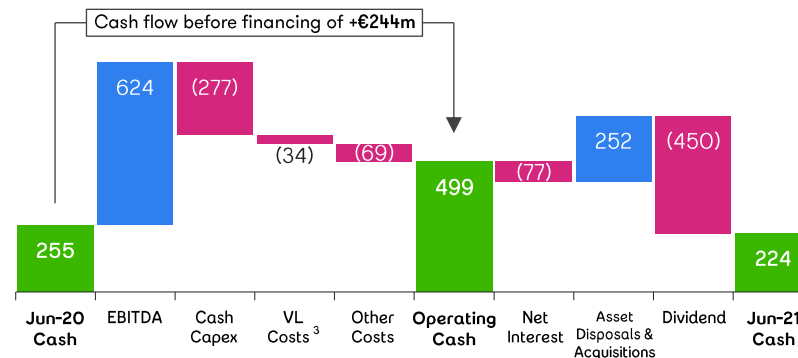
# Financing



## Debt profile at quarter end (€m)



## Cash profile at quarter end (€m)



- ▶ Net Debt to LTM EBITDA 3.7x at quarter end, down 0.4x QoQ.<sup>1</sup>
- ▶ Average cost debt 2.92%.<sup>2</sup>
- ▶ Undrawn RCF of €50m.
- ▶ Fitch upgrades outlook to positive.
- ▶ Corporate ratings
 

Moody's	<b>B1 Stable</b>	Latest review: Apr-21
S&P	<b>B+ Positive</b>	May-20
Fitch	<b>B+ Positive</b>	Jun-21

- ▶ Cash on balance sheet €224m at quarter end.<sup>4</sup>
- ▶ Other costs include working capital, corporation tax, provisions, and exceptionals.
- ▶ Asset disposals and acquisitions primarily relate to the proceeds from the sale of Emerald Tower Limited, completed in July 2020, and costs relating to the acquisition of ICT company Evros in March 2021.

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

<sup>2</sup> Excludes RCF non-utilisation fee.

<sup>3</sup> Voluntary leave (voluntary redundancy) programme costs.

<sup>4</sup> Cash on balance sheet includes Evros and eir Group's share of Tetra joint venture cash.



# Outlook



## Guidance achieved for the year to 30 June 2021:

## Outlook for the six months to 31 December 2021:<sup>3</sup>

EBITDA

Low single-digit EBITDA growth ✓

Low single-digit EBITDA growth

Capex

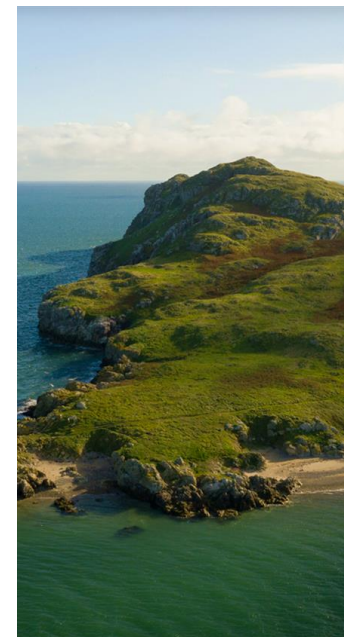
Capex between 21%-23% of revenue<sup>1</sup> ✓

Capex between 21%-23% of revenue<sup>1</sup>

Cash flow

Further year-on-year cash flow growth<sup>2</sup> ✓

Further year-on-year cash flow growth<sup>2</sup>



<sup>1</sup> Excludes mobile spectrum expenditure.

<sup>2</sup> Excludes cash impacts arising from refinancing and/or M&A activities.

<sup>3</sup> The Company's financial year-end date is changing from 30 June to 31 December, effective from the current financial year 2021 onwards. The Company's 2022 financial year will commence on 1 January 2022.

# Q&A

## Q4 FY21 results call

3 September 2021 – 13:00 IST/BST (Dublin/London)  
with CEO Carolan Lennon and CFO Stephen Tighe

Operator-managed call.

See investor notification for dial in details.

Press \*1 to ask a question during the Q&A session.

Call accessible to registered investors and approved analysts only.  
**Click here** to register before 12:00 IST/BST if not already previously registered.



let's make possible...

# Appendix

IFRS adjustments

# IFRS adjustments



	YTD FY21 – to 30 June 2021				YTD FY20 – to 30 June 2020			
€ millions	Before adjustments	IFRS 15 adjustment	IFRS 16 adjustment	After adjustments	Before adjustments	IFRS 15 Adjustment	IFRS 16 adjustment	After adjustments
Fixed Line Revenue	905	-	-	905	917	-	-	917
Mobile Revenue	352	(16)	(9)	327	343	(13)	2	332
Eliminations	(32)	-	-	(32)	(36)	-	-	(36)
<b>Group Revenue</b>	<b>1,225</b>	<b>(16)</b>	<b>(9)</b>	<b>1,200</b>	<b>1,224</b>	<b>(13)</b>	<b>2</b>	<b>1,213</b>
Cost of Sales	(229)	-	-	(229)	(245)	-	-	(245)
Gross Profit	996	(16)	(9)	971	979	(13)	2	968
Gross Margin %	81%	-	-	81%	80%	-	-	80%
Pay Costs	(170)	-	-	(170)	(165)	-	-	(165)
Non-Pay Costs	(202)	9	48	(145)	(214)	8	36	(170)
Total Operating Costs <sup>1</sup>	(372)	9	48	(315)	(379)	8	36	(335)
<b>Group EBITDA <sup>1</sup></b>	<b>624</b>	<b>(7)</b>	<b>39</b>	<b>656</b>	<b>600</b>	<b>(5)</b>	<b>38</b>	<b>633</b>
EBITDA Margin %	51%	-	4pp	55%	49%	-	3pp	52%

Mobile revenue impacted by -€16m and -€13m adjustment in YTD FY21 and FY20 respectively, related to IFRS 15 revenue recognition of mobile handset service and equipment revenue.

Mobile revenue also impacted by -€9m and +€2m adjustment in YTD FY21 and FY20 respectively, related to IFRS 16 lease cost receivable recognition.

Non-pay costs impacted by +€9m and +€8m adjustment in YTD FY21 and FY20 respectively, related to IFRS 15 recognition of sales commissions.

Non-pay costs also impacted by +€48m and +€36m adjustment in YTD FY21 and FY20 respectively, related to IFRS 16 treatment of operating lease rental costs.

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

<sup>2</sup> Table includes Evros acquisition impact from 1 March 2021, and the proportionate consolidation of Tetra joint venture at 56% for the actual and prior year periods.

<sup>3</sup> 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

- ▶ for more information visit:

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- ▶ for queries contact:

Investor Relations

[investor.relations@eir.ie](mailto:investor.relations@eir.ie)

Press Office

[pressoffice@eir.ie](mailto:pressoffice@eir.ie)

The image shows a dramatic coastal scene with dark, layered rock formations jutting into the sea. The water is a deep blue with white foam from waves crashing against the rocks. A large, white, stylized logo is overlaid on the right side of the image. The logo consists of a lowercase 'e' followed by a lowercase 'i' and a lowercase 'r', all connected in a fluid, cursive script. The 'e' is a simple oval, the 'i' has a dot, and the 'r' has a long, sweeping tail that curves back towards the 'i'.