

eir Group Results

for the quarter ended 31 March 2023



18 May 2023



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Presented by



Oliver Loomes
CEO



Stephen Tighe
CFO

Business highlights





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Financial

Q1-23



Revenue ^{1,2}

€304m

▲ 2% YoY

Revenue up €6m YOY

EBITDA ^{1,2,3}

€128m

▼ 9% YoY

EBITDA down €14m YOY

Operational

Fibre customers



845,000

▲ 2% YoY

- ▶ +14,000 connections YoY;
- ▶ +85,000 FTTH connections YoY;
- ▶ 89% of broadband base passed with fibre

Postpay customers

1,011,000

▲ 11% YoY

- ▶ +102,000 customers YoY
- ▶ 75% of mobile base on postpay, up 1pp YoY

Multi-play bundles

46%

▲ 5pp YoY

- ▶ 87% of fixed households on 2P+ bundles, up 3pp YoY

Key Developments

- ▶ **eir evvo:** Eir Evo officially named Ireland's first indigenous Microsoft Solutions Partner for Microsoft Cloud
- ▶ **eir Mobile:** Over one million Postpay Mobile Subscribers now on the eir network
- ▶ **eir Retail:** Confirmed as Ireland's best broadband provider for fixed multi-server latency based on analysis by Ookla® of Speedtest Intelligence®, Q4 2022 - Q1 2023 inclusive
- ▶ **Customer care:** Ongoing, significant improvements in customer care with 70% of digital customer requests fully automated and 80% completed within the same day

¹ Revenue and EBITDA excludes contribution from Tetra (shareholding sold in March 2022)

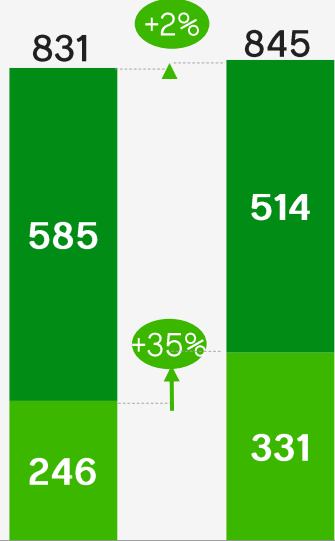
² Excludes IFRS 15 and IFRS 16 adjustments. See appendix for details.

³ Excludes non-cash pension charge, fair value lease credits, and management charge.



Group fibre base (‘000s)

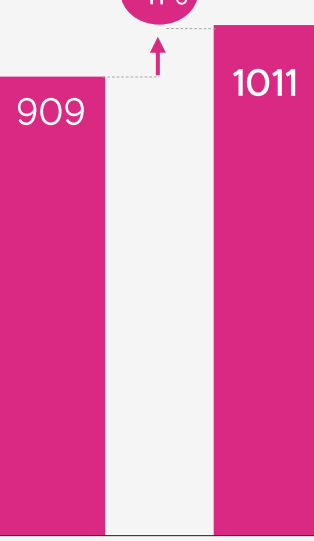
■ FTTC ■ FTTH



+ 14,000 increase in Fibre base
+85,000 FTTH connections



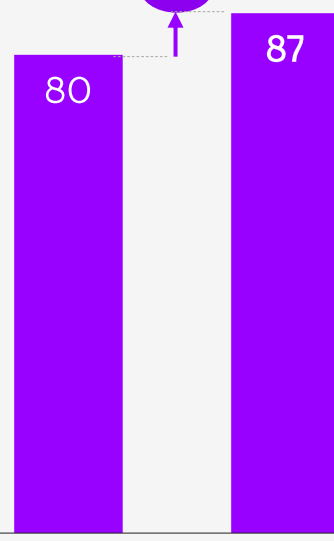
Group postpay base (‘000s)



+102,000 increase in postpay customers YoY



eir TV base¹ (‘000s)

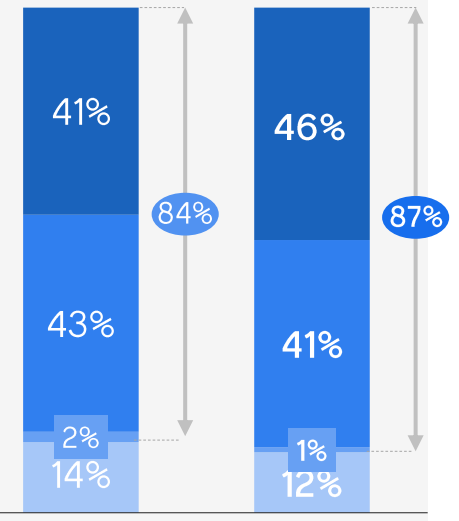


+7,000 increase in TV subs YoY



Household view²

■ 3P/4P ■ 1P BB
■ 2P ■ 1P Voice



87% on 2P+ bundles, up 3pp YoY³

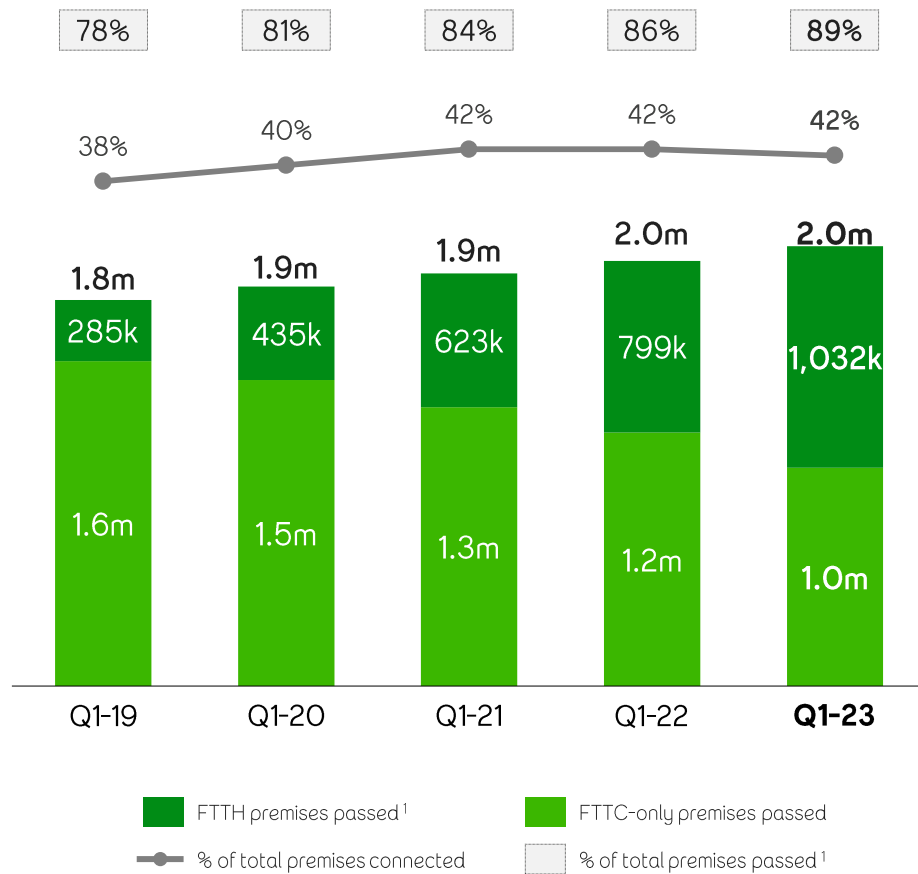
¹ eir TV base includes eir Vision subscribers.

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

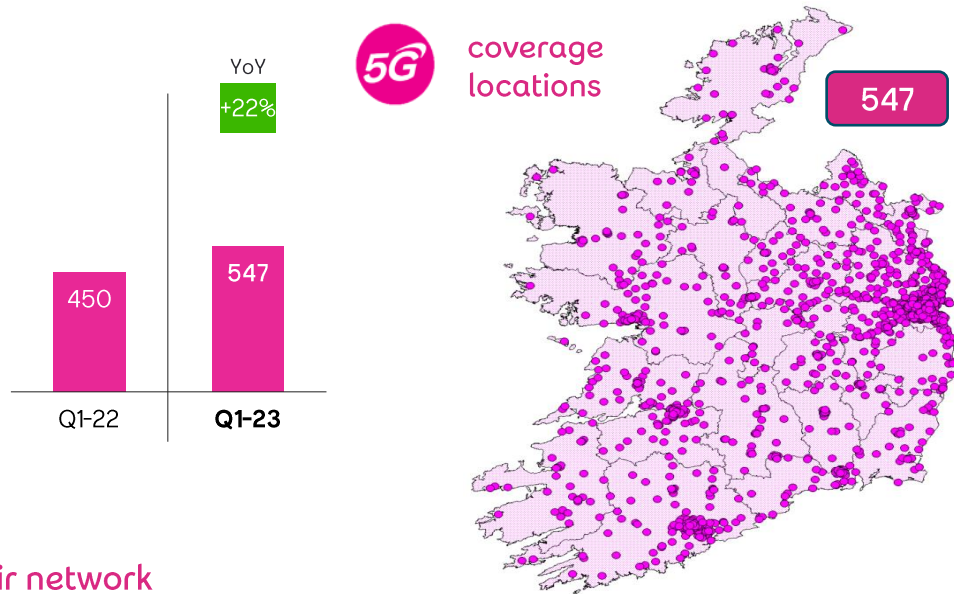
- ▶ Our FTTH rollout had passed over 1,032,000 premises at quarter end
 - ▶ up 29% or 233,000 YoY, up 6% or 45,000 QoQ.
 - ▶ of which over 660,000 passed as part of IFN rollout

- ▶ 2 million or 89% of Ireland's premises passed with eir fibre;¹ 42% of passed premises connected to our fibre network

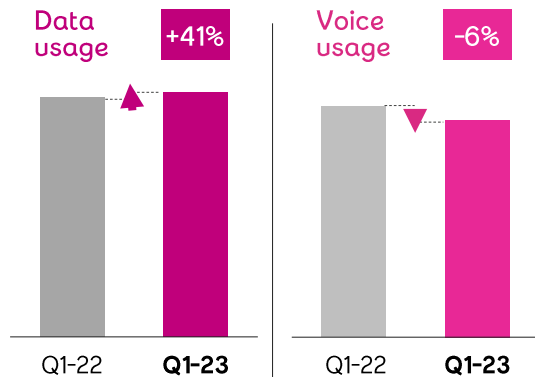


¹ Approximate percentage calculated using 2.3 million total premises in Ireland, per GeoDirectory address points.

5G cities and towns

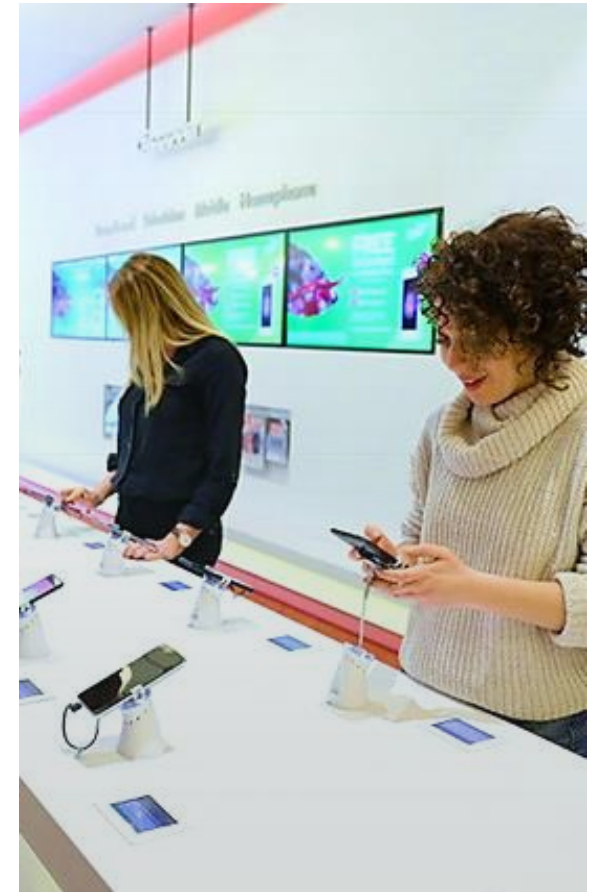


eir network traffic volumes



Commentary

- ▶ 5G network rollout continues at pace, with ultrafast speeds now available in over 547 towns and cities from 1,600 sites across all counties
- ▶ eir's network continuing to lead on 5G availability in Ireland
- ▶ Over 2,400 sites now upgraded as part of €250m network investment, with improvements in speed, coverage and resilience across Ireland
- ▶ Growth in mobile data usage continues, up 41% YoY



Trading update

- ▶ Revenue up 2% or €6m YoY ^{1,2}
- ▶ Cost of sales up 22% ^{1,2}
- ▶ Operating costs up 6% ^{1,2,3}
- ▶ EBITDA down 9% or €14m YoY _{1, 2,3}

- ▶ Continued KPI growth
 - ▶ +14,000 fibre customers YoY
 - ▶ 89% of broadband base using fibre
 - ▶ +102,000 postpay subscribers YoY
 - ▶ 75% of mobile base on postpay

- ▶ Capex of €65m, 21% of revenue ⁴
- ▶ Closing cash of €358m at quarter end
- ▶ Proforma proportionate net debt to LTM EBITDA of 4.2x
- ▶ Debt repurchases of €70m in the quarter and €420m to 31 March

¹ Excludes Tetra, sold in March 2022

² Excludes IFRS 15 and IFRS 16 adjustments

³ Excludes non-cash pension charge, non-cash fair value lease credits, and management charge

⁴ Incurred capex, excludes capitalisation of non-cash pension charge, spectrum, and asset retirement obligations

Group EBITDA | Q1 Revenue increase of 2% and EBITDA decrease of 9% YOY



Excludes IFRS 15 and IFRS 16 adjustments, see appendix for details.

€ millions	Q1-23	Q1-22	€ Change Better/(Worse) YoY	% Change Better/(Worse) YoY
Fixed Line Revenue	232	230	2	1%
Mobile Revenue	82	77	5	8%
Eliminations	(10)	(9)	(1)	(13%)
Group Revenue	304	298	6	2%
Cost of Sales	(71)	(58)	(13)	(22%)
Gross Profit	233	240	(7)	(3%)
Gross Margin %	77%	81%	-	(4pp)
Pay Costs	(46)	(47)	1	3%
Non-Pay Costs	(59)	(51)	(8)	(15%)
Total Operating Costs ¹	(105)	(98)	(7)	(6%)
Group EBITDA¹	128	142	(14)	(9%)
EBITDA Margin %	42%	47%	-	(5pp)

Commentary

- ▶ Revenue is up 2% or €6m in Q1 YoY, this is driven by growth in mobile postpay, data services and ICT revenue, partly offset by reduced traditional access and voice revenues
- ▶ Cost of sales up by 22% or €13m driven by handset costs and product mix changes
- ▶ Gross margin % is down 4pp to 77% YoY
- ▶ Operating costs up 6% or €7m; pay costs down 3%, non-pay up 15% partly due to increased commercial investment and mobile network related costs
- ▶ EBITDA for Q1 is down 9% or €14m YoY, mainly due to increased non pay costs and cost of sales
- ▶ EBITDA margin down 5pp to 42% in Q1

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

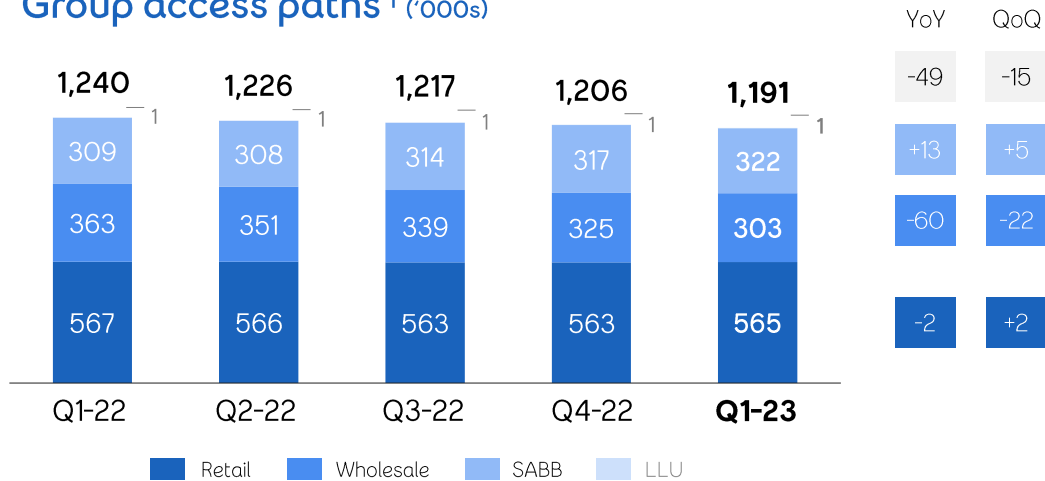
² Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

³ Prior year comparatives exclude Tetra, sold in March 2022

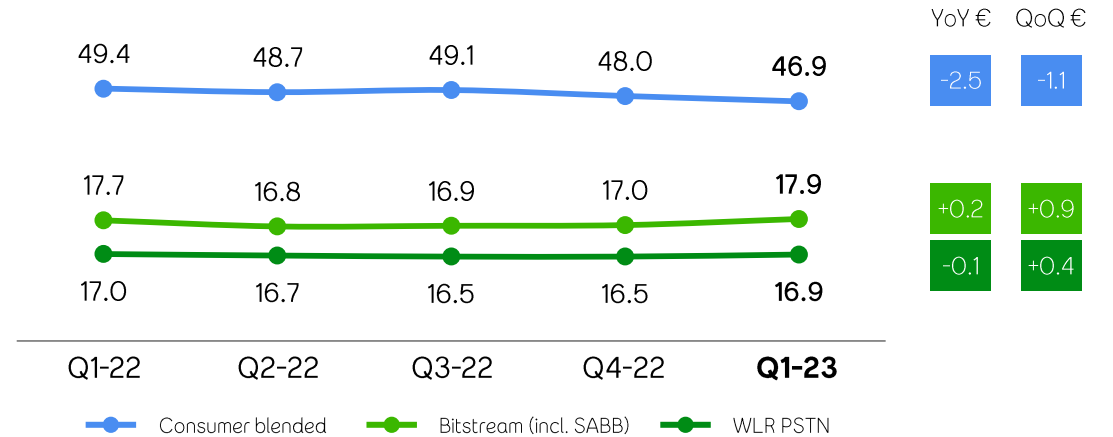
Group fixed KPIs | Continued competitive pressure in broadband



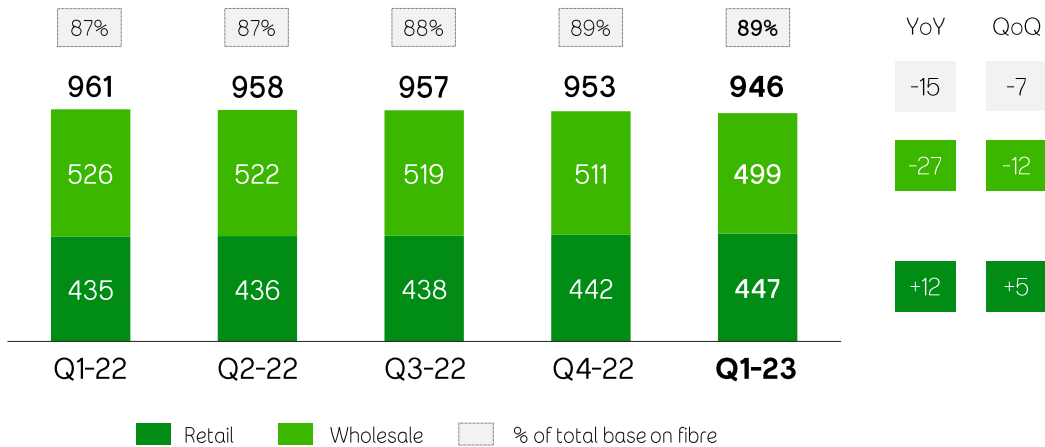
Group access paths¹ ('000s)



Fixed line ARPUs (€)



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



Commentary

- ▶ Group access paths down 4% or 49k YoY, due to traditional access decline, down 15k QoQ
- ▶ Group broadband base down 2% or 15k YoY, down 7k QoQ
 - ▶ Wholesale down 27k YoY and down 12k QoQ
 - ▶ Retail up 12k YoY and up 5k QoQ
- ▶ 89% of Group broadband base now on fibre, up 2pp YoY
- ▶ Consumer blended ARPU down 5% YoY driven by back-book investment
- ▶ Bitstream and WLR ARPU broadly flat YoY. QoQ increase is seasonal

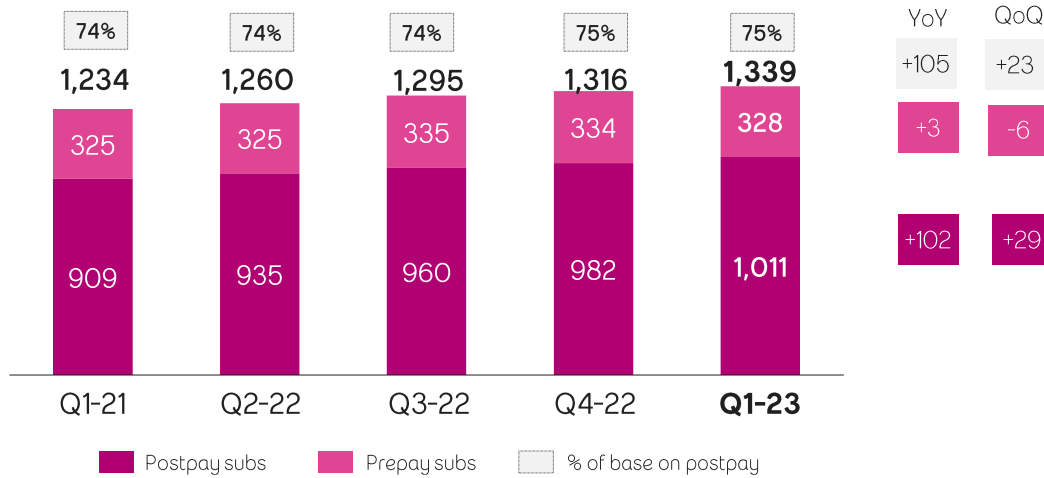
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

² Excludes Line Share / LLU.

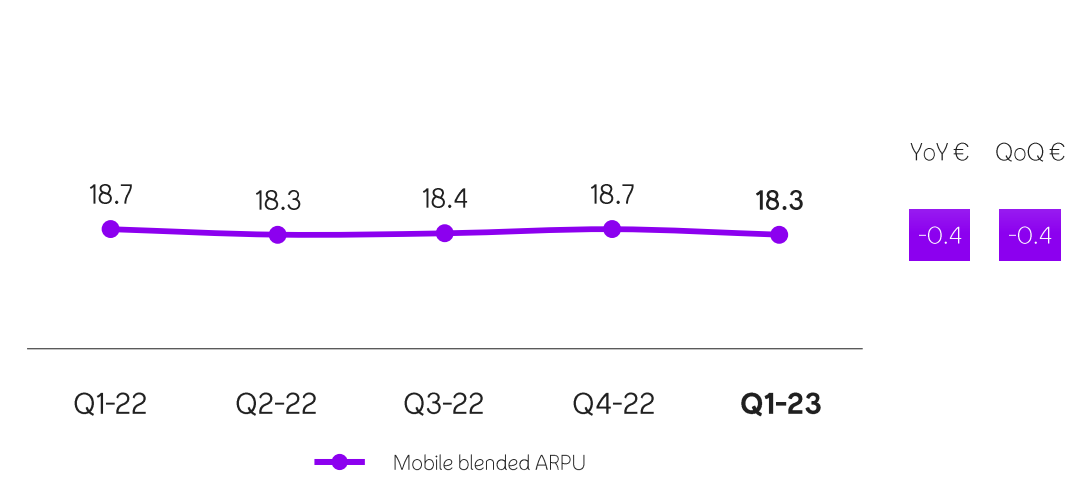
Group mobile KPIs | Postpay base increase of 11%, 75% of mobile base on postpay



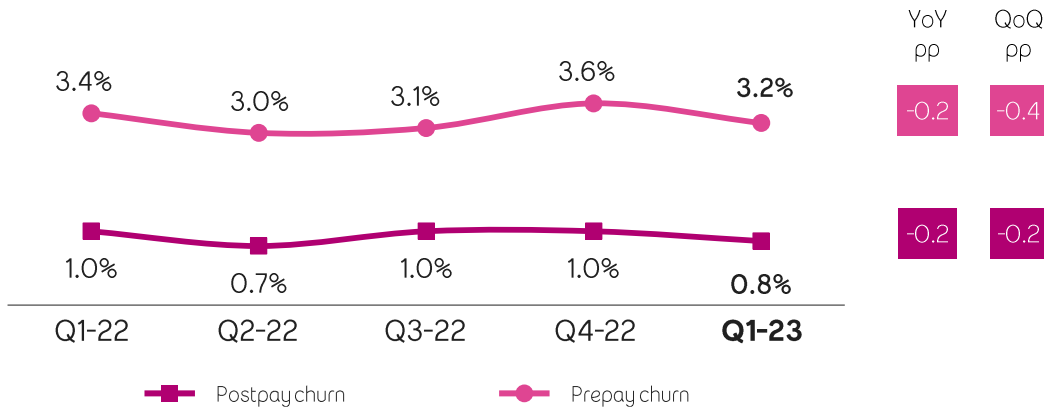
Mobile subscribers¹ ('000s)



Mobile blended ARPU^{3,4} (€)



Mobile churn²



Commentary

- ▶ **Postpay subs up 11% or 102k YoY, up 3% or 29k QoQ.**
- ▶ Total mobile subs up 9% or 105k YoY, prepay subs up 3k YoY.
- ▶ 75% of mobile base on postpay, up 1pp YoY.
- ▶ Mobile blended ARPU down 2% YoY and down 2% QoQ. Decline is due to changes to the base mix and increased bundling.
- ▶ Postpay and Prepay churn declined due to strong network messaging along with improved credit vetting

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

² Monthly average churn rate per quarter.

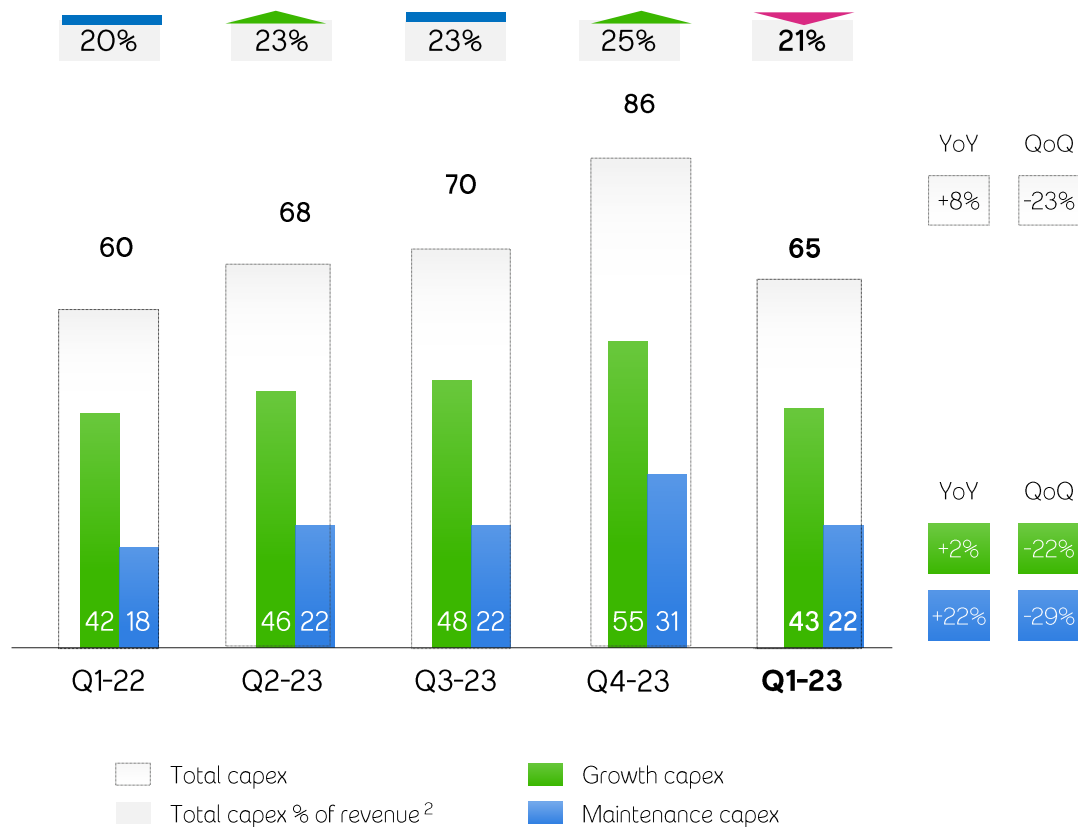
³ Excludes IFRS 15 adjustments.

⁴ Includes mobile broadband.

Capital expenditure | Capex driven by continuing network investments across fibre and mobile



Capex investment ¹(€m)



Commentary

- ▶ Capex of €65m for the quarter, up 8% YoY; 21% of quarter revenue.
- ▶ Growth capex driven by our fibre rollout and mobile network upgrade and expansion programmes.
- ▶ Maintenance capex up €4m YoY largely due to timing.



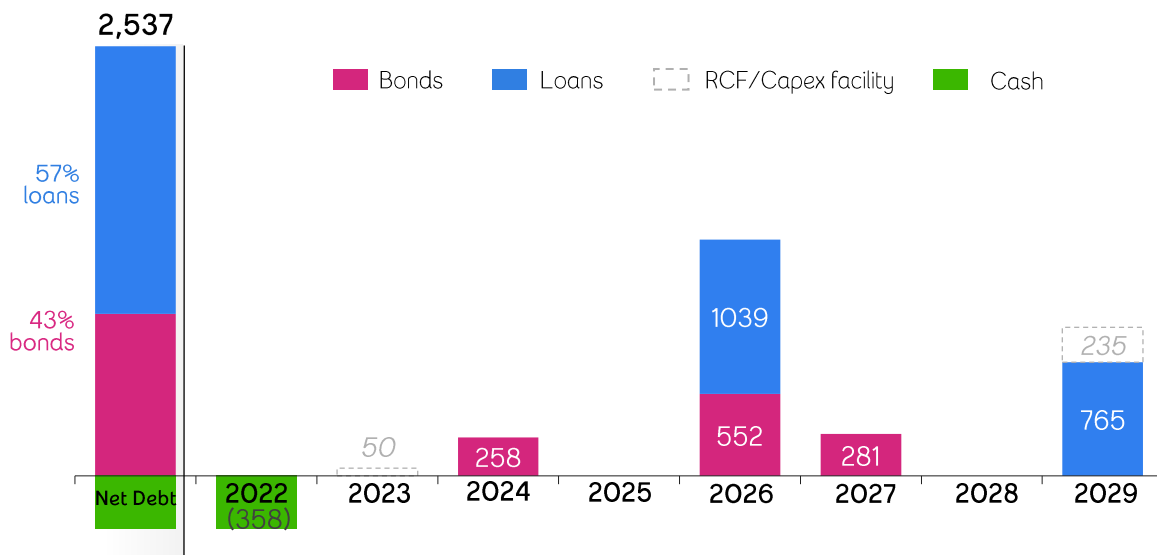
¹ Incurred capex. Growth capex includes investment to rollout new NGA and mobile networks as well as the development of a new IT stack. Maintenance capex includes network and IT renewal.

² Total capex % of revenue excludes non-cash pension charge, spectrum, and asset retirement obligations.

Financing



Debt profile at quarter end (€m)



▶ Consolidated Net Debt to LTM EBITDA 4.3x¹ (Proforma proportionate is 4.2x)

▶ Average cost debt 4.5%²

▶ RCF/Capex facilities of €285m undrawn

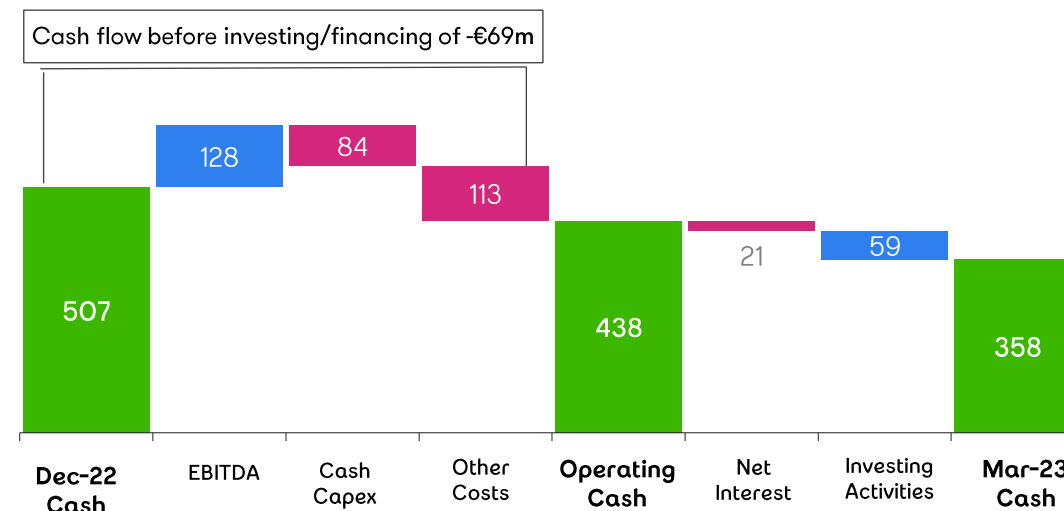
▶ Corporate ratings

		Latest review
▶ Moody's	B1 Negative	Sep-22
▶ S&P	B+ Stable	Feb-22
▶ Fitch	B+ Stable	Jun-22

¹ Management view, excludes the impact of IFRS 15 and IFRS 16, and management charge.

² Excludes RCF/capex facility non-utilisation fee.

Cash profile at quarter end (€m)



▶ Cash on balance sheet €358m at quarter end

▶ Other costs include working capital, corporation tax, provisions, exceptional items, and voluntary redundancy payments

▶ Investing activities include proceeds from sale of assets offset by debt buybacks

▶ Debt buybacks as at 31 Mar: €420m repurchased - €61m (6%) of the senior term loan, €92m (26%) of the 2024 bond, €198m (26%) of the 2026 bond and €69m (20%) of the 2027 bond

Q&A

Q1-23 results call

13:00 BST, 18 May 2023

with CEO Oliver Loomes and CFO Stephen Tighe

Operator-managed call.

Refer 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.
To register [click here](#) before 09:00 GMT if not already previously registered.



Appendix 1

IFRS adjustments

IFRS adjustments



€ millions	Q1 FY23				Q1 FY22				
	Before Adjustments	IFRS 15	IFRS 16	After adjustments	Before adjustments	Tetra	IFRS 15	IFRS 16	After adjustments
Fixed Line Revenue	232			232	230	5			235
Mobile Revenue	82			82	77		(2)		75
Eliminations	(10)			(10)	(9)				(9)
Group Revenue	304			304	298	5	(2)		301
Cost of Sales	(71)			(71)	(58)	(1)			(59)
Gross Profit	233			233	240		(2)		242
Gross Margin %	77%			77%	81%				81%
Pay Costs	(46)			(46)	(47)				(47)
Non-Pay Costs	(59)		16	(43)	(51)	(2)		16	(37)
Total Operating Costs ¹	(105)		16	(89)	(98)	(2)		16	(84)
Group EBITDA ¹	128		16	144	142	2	(2)	16	158
EBITDA Margin %	42%		5pp	47%	47%			5pp	52%

Mobile revenue impacted -€2m adjustment for Q1-22 related to IFRS 15 revenue recognition of mobile handset service and equipment revenue. Q1 FY 23 adjustment for IFRS 15 is immaterial.

Adjustments related to IFRS 16 in relation to the treatment of leases are immaterial in Q1-23 and Q1-22

Non-pay costs impacted in the current YTD Q1-23 by +€16m adjustment and by +€16m adjustment for YTD Q1-22, related to IFRS 16 treatment of lease rental costs.

Adjustments related to IFRS 15 in relation to the treatment of sales commissions are immaterial in Q1-23 and Q1-22

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

² Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

Appendix 2

Net Leverage



Net leverage as at 31 Mar-22 | Consolidated and Proportionate



	REPORTED			PROFORMA	
	Consolidated 100%	Proportionate 50.01%	FNI	Proportionate 50.01%	FNI
Gross debt	2,895	2,512	765	2,512	765
Cash	<u>358</u>	<u>342</u>	<u>32</u>	<u>342</u>	<u>32</u>
Net debt	<u>2,537</u>	<u>2,171</u>	<u>733</u>	<u>2,171</u>	<u>733</u>
LTM EBITDA	<u>593</u>	<u>541</u>	<u>103</u>	<u>522</u>	<u>142</u>
Net leverage	<u>4.3x</u>	<u>4.0x</u>		<u>4.2x</u>	

- ▶ Fully Consolidated Net Leverage includes 100% of Fibre Networks Ireland (FNI) net debt and EBITDA contribution
- ▶ Proportionate Net Leverage includes eir Group's share (50.01%) of FNI's net debt and EBITDA contribution
- ▶ Reported Proportionate Net Leverage includes FNI's EBITDA since commencement of trading in July 2022; whilst Proforma Proportionate Net Leverage reflects a 12 month EBITDA outlook for FNI
- ▶ Reported and Proforma Proportionate Net Leverage will converge at 30 June 2023, once FNI has traded for a full 12 months

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:

eir.ie/investorrelations

▶ for queries contact:

Investor Relations

investor.relations@eir.ie

Press Office

pressoffice@eir.ie

The Eir logo is a stylized, white, three-dimensional-looking script font. It features a prominent dot above the 'i' and a long, sweeping tail that curves upwards and then downwards. The logo is positioned on the right side of the slide, set against a background of a sunset over a rocky coastline with waves crashing against the rocks.