



eir Group Results

for the second quarter ended 30 June 2022



30 August 2022



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Presented by



Oliver Loomes
CEO



Stephen Tighe
CFO

Business highlights





Financial

Q2-22



Underlying Revenue^{1,2}

€296m ▼ 3% YoY

Revenue down €12m

Underlying EBITDA^{1,2,3}

€141m ▼ 12% YoY

EBITDA down €19m

Operational

Fibre customers



835,000 ▲ 2% YoY

- ▶ +16,000 connections YoY;
- ▶ +72,000 FTTH connections YoY;
- ▶ 87% of broadband base passed with fibre

Postpay customers

935,000 ▲ 10% YoY

- ▶ +85,000 customers YoY
- ▶ 74% of mobile base on postpay, up 4pp YoY

Multi-play bundles

41% ▲ 3pp YoY

- ▶ 84% of fixed households on 2P+ bundles, up 1pp YoY

Key Developments

- ▶ **eir evo** awarded prestigious title of Microsoft Ireland Country Partner of the Year for 2022
- ▶ **Infravia:** Infrastructure deal closed July 2022
- ▶ **Price Changes:** Price increase for majority of our consumer fixed line and SIMO customers applied in August 2022, with annual price increases from Apr 2023
- ▶ **Ireland's Fibre Network:** now passing over 864,000 premises with ultrafast FTTH broadband, an increase of 28% YoY
- ▶ **Ireland's largest 5G network:** now available from 1,380 sites to over 485 towns and cities across all counties, up 52% YoY
- ▶ **Customer Care:** ComReg⁴ report lowest level of customer complaints on record, falling over 91% in Mobile and 88% in Fixed since Q3 2020

¹ Underlying excludes Tetra sold in March 2022 and exceptional Strategic projects

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.

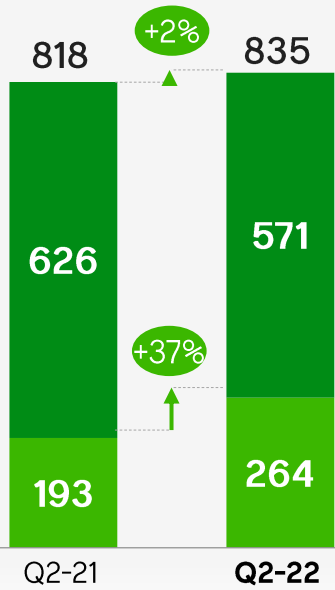
⁴ ComReg Consumer Line Statistics Report

Operational KPIs | Continued YoY growth in fibre, postpay, and product penetration



Group fibre base
(‘000s)

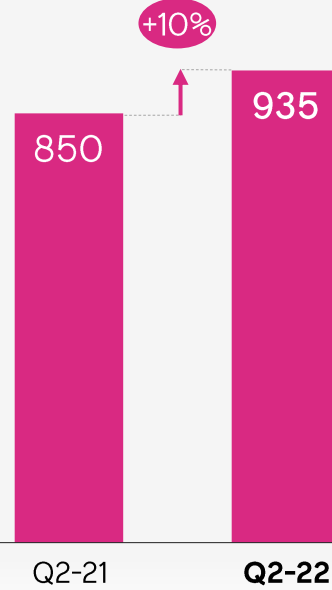
■ FTTC ■ FTTH



+ 16,000 increase in Fibre base
+71,000 FTTH connections



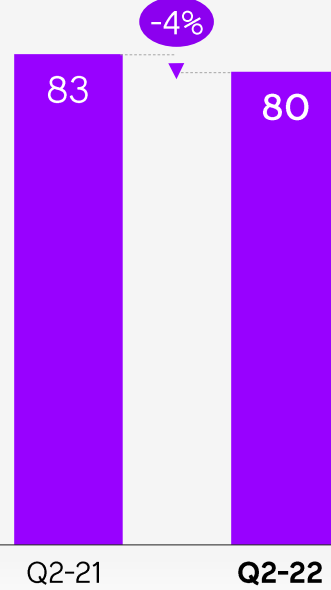
Group postpay base
(‘000s)



+85,000 increase in postpay customers YoY



eir TV base¹
(‘000s)

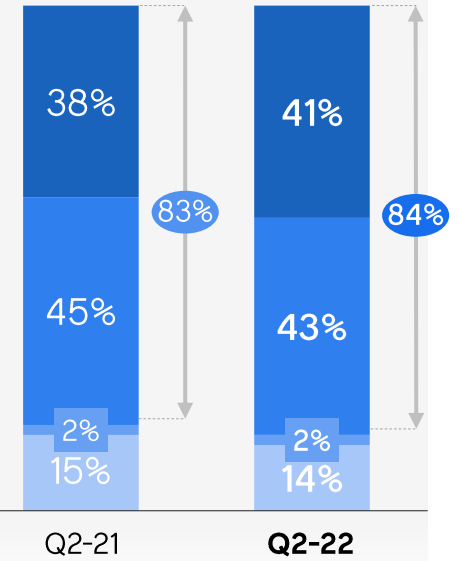


-3,000 decrease in TV subs YoY



Household view²

■ 3P/4P ■ 1P BB
■ 2P ■ 1P Voice



84% on 2P+ bundles, up 1pp YoY³

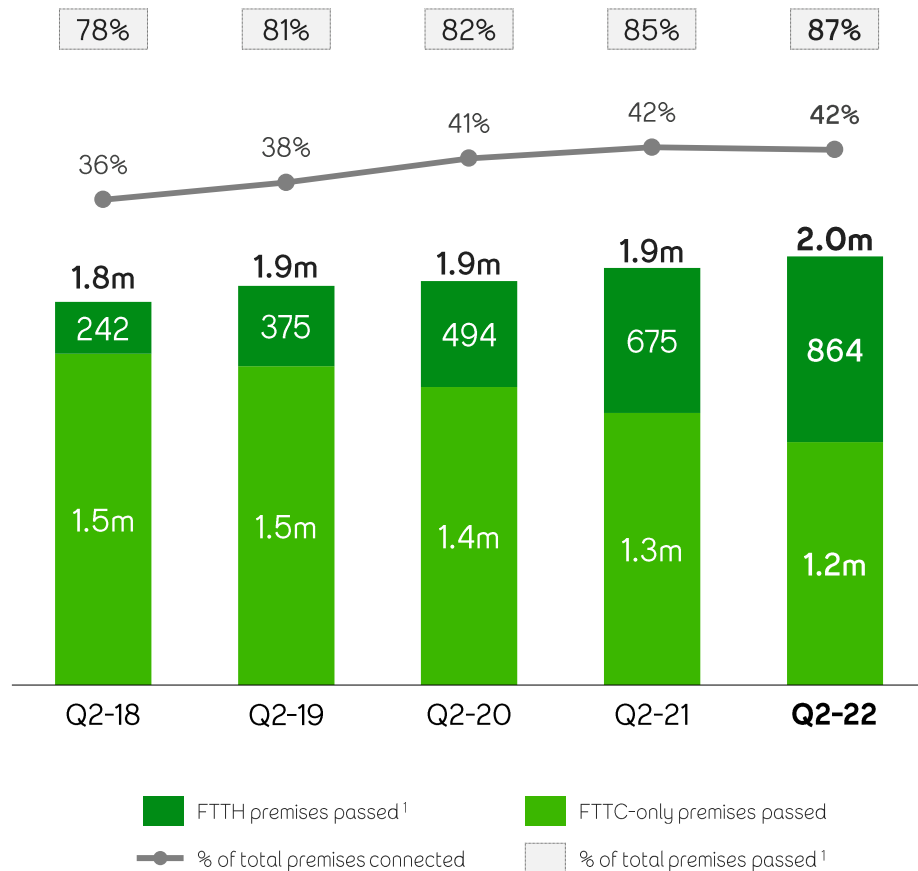
¹ eir TV base includes eir Vision subscribers.

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



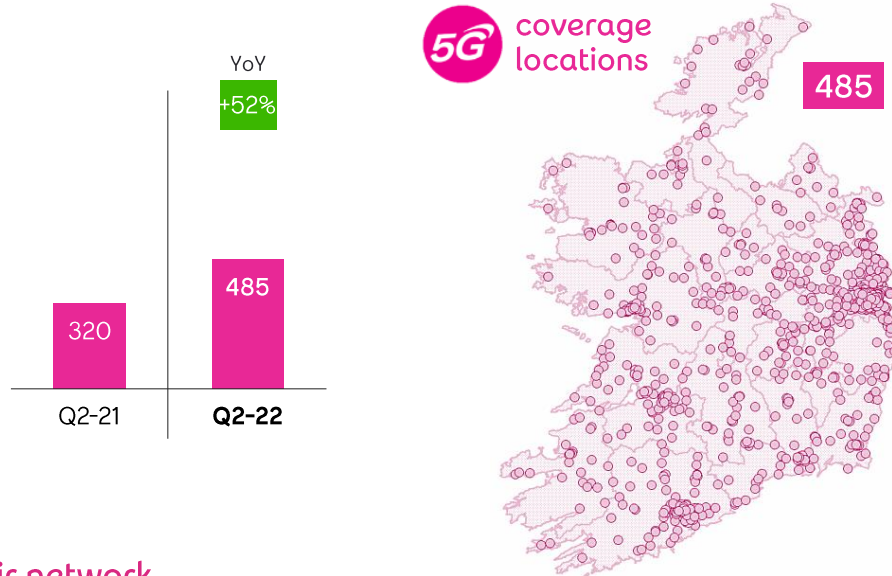
Commentary

- ▶ Our FTTH rollout has now passed over 864,000 premises at quarter end
 - ▶ up 28% or 189,000 YoY, up 7% or 53,000 QoQ.
 - ▶ of which over 495,000 passed as part of IFN rollout
- ▶ 2 million or 87% of Ireland's premises passed with eir fibre;¹ 42% of passed premises connected to our fibre network

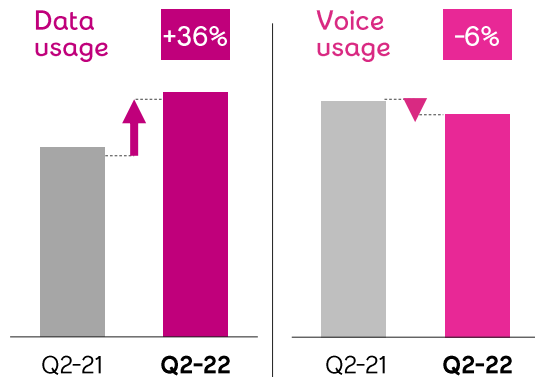


¹ Approximate percentage calculated using an estimated total premises in Ireland of approximately 2.3 million, based on total GeoDirectory address points.

5G cities and towns

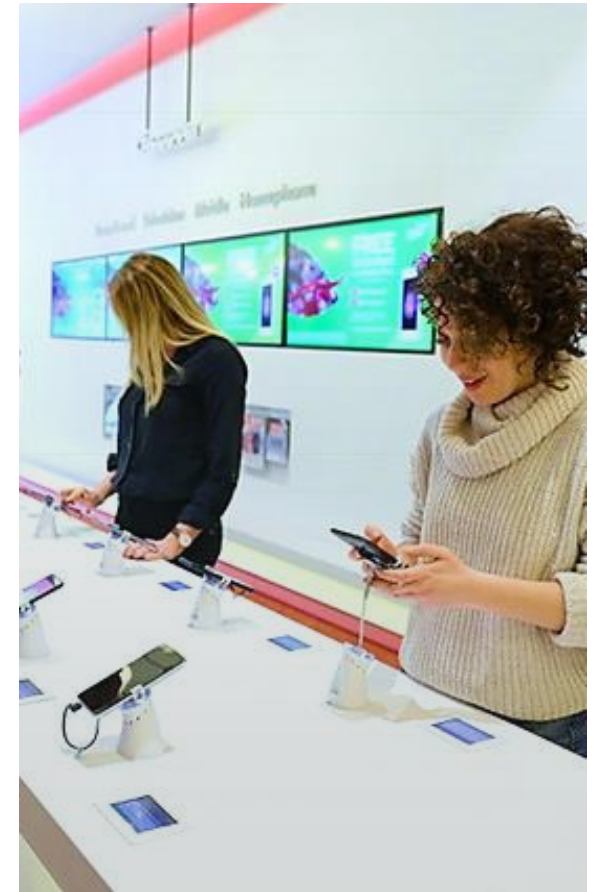


eir network traffic volumes



Commentary

- ▶ 5G network rollout continues at pace, with ultrafast speeds now available in over 485 towns & cities from 1,380 sites across all counties
- ▶ eir's network labelled leading in Ireland for 5G availability by Ookla
- ▶ Over 2,100 sites now upgraded as part of €250m network investment, with improvements in speed, coverage and resilience across Ireland
- ▶ Growth in data usage volume continues, up 36% YoY



Trading update

- ▶ Underlying Revenue down 3% YoY^{1,2}
- ▶ Cost of sales up 2%
- ▶ Operating costs up 3%^{2,3}
- ▶ Underlying EBITDA down 12%^{1,2,3}

- ▶ Continued KPI growth
 - ▶ +16,000 fibre customers YoY
 - ▶ 87% of broadband base using fibre
 - ▶ +85,000 postpay subscribers YoY
 - ▶ 74% of mobile base on postpay

- ▶ Capex of €68m, 23% of revenue³
- ▶ Closing cash of €37m at quarter end
- ▶ Net debt to LTM EBITDA of 4.4x⁴

¹ Underlying excludes Tetra sold in March 2022 and exceptional Strategic projects

² Excludes IFRS 15 and IFRS 16 adjustments.

³ 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 Includes Tetra joint venture. Excludes the impact of IFRS 15 and IFRS 16, as well as management charge.

Group EBITDA | Q2 Underlying Revenue decline of 3%, Q2 Underlying EBITDA decline of 12%



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

€ millions	Q2-22	Q2-21	€ Change Better/(Worse) YoY	% Change Better/(Worse) YoY	H1-22	H2-21	€ Change Better/(Worse) YoY	% Change Better/(Worse) YoY
Fixed Line Revenue	229	241	(12)	(5%)	464	468	(4)	(1%)
Mobile Revenue	76	97	(21)	(22%)	153	177	(24)	(14%)
Eliminations	(9)	(8)	(1)	(17%)	(18)	(16)	(2)	(12%)
Group Revenue	296	330	(34)	(11%)	599	629	(30)	(5%)
Underlying Revenue¹	296	309	(12)	(3%)	594	602	(8)	(1%)
Cost of Sales	(58)	(56)	(2)	(2%)	(117)	(109)	(8)	(6%)
Gross Profit	238	274	(36)	(13%)	482	520	(38)	(7%)
Gross Margin %	80%	83%	-	(3pp)	80%	83%	-	(3pp)
Pay Costs	(46)	(47)	2	4%	(93)	(90)	(3)	(3%)
Non-Pay Costs	(51)	(47)	(5)	(10%)	(104)	(96)	(8)	(9%)
Total Operating Costs ²	(97)	(94)	(3)	(3%)	(197)	(186)	(11)	(6%)
Group EBITDA²	141	180	(39)	(22%)	285	334	(49)	(15%)
Underlying EBITDA^{1,2}	141	160	(19)	(12%)	282	313	(31)	(10%)
EBITDA Margin %	48%	54%	-	(6pp)	48%	53%	-	(5pp)

Commentary

- ▶ Revenue down 11% or €34m YoY in part driven by €17m Build to Suit network project in the prior year
- ▶ Underlying Revenue¹ driven by increases in NBP access, Evros, managed services and postpay revenues were offset by Fixed access, Broadband, TV, prepay and roaming revenue declines
- ▶ Cost of sales up 2% or €2m driven by product mix and more aggressive SAC strategy
- ▶ Gross margin % down 3pp to 80%
- ▶ Operating costs up 3% or €3m; pay costs down 4%, non-pay costs up 10%
- ▶ Underlying EBITDA¹ down 12% or €19m driven by change in product mix, rising costs and an aggressive SAC strategy with initial encouraging base and bundling growth
- ▶ EBITDA margin down 6pp to 48%

¹ Underlying excludes Tetra sold in March 2022 and exceptional Strategic projects

² Stated before non-cash pension charge, non-cash fair value lease credits, management charge and exceptional costs

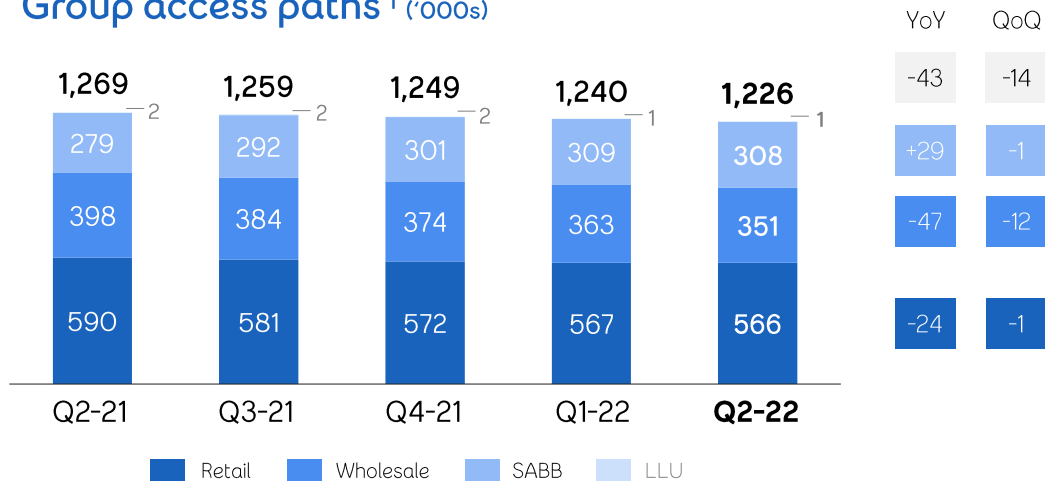
³ Table includes the proportionate consolidation of Tetra joint venture at 56% for the actual and prior year periods.

⁴ Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

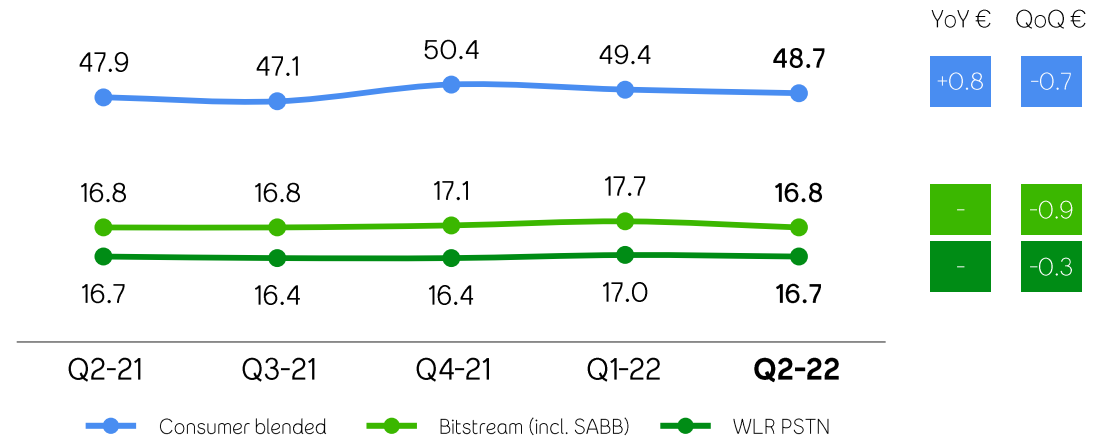
Group fixed KPIs | Continued competitive pressure in broadband



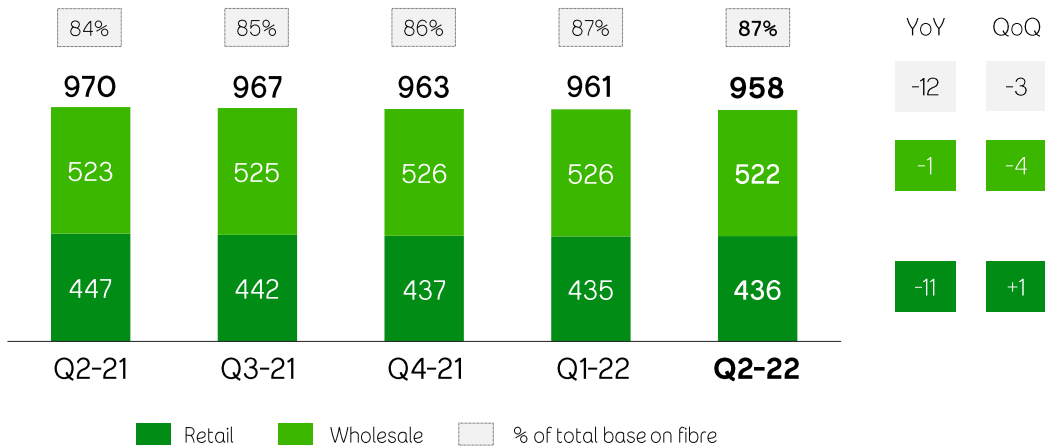
Group access paths¹ ('000s)



Fixed line ARPUs (€)



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



Commentary

- ▶ Group access paths down 3% or 43k YoY, due to traditional access decline, down 1% or 14k QoQ
- ▶ Group broadband base down 1% or 12k YoY, down 3k QoQ
 - ▶ Wholesale down 1k YoY, retail down 11k YoY but up 1k QoQ
- ▶ 87% of Group broadband base now on fibre, up 3pp YoY
- ▶ Consumer blended ARPU up 2% YoY driven by pricing
- ▶ Bitstream ARPU and WLR ARPU stable YoY. QoQ decline seasonal

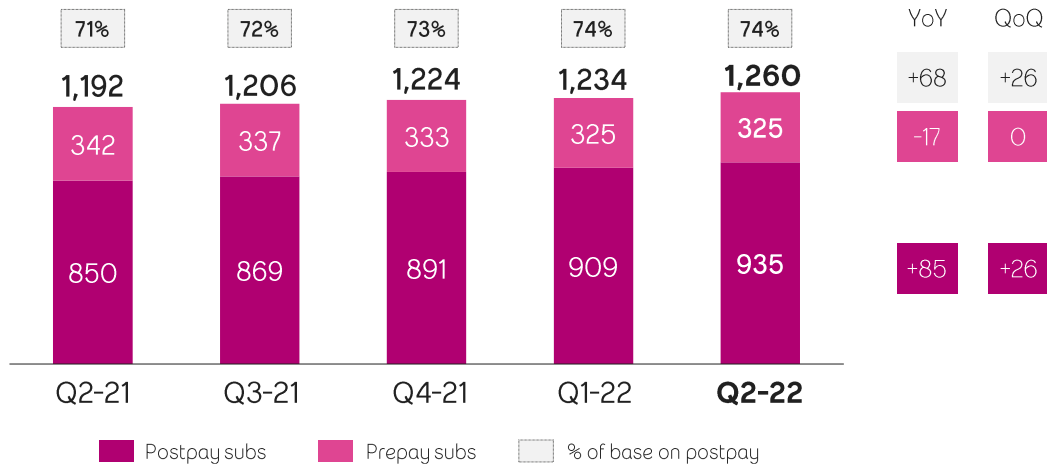
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

² Excludes Line Share / LLU.

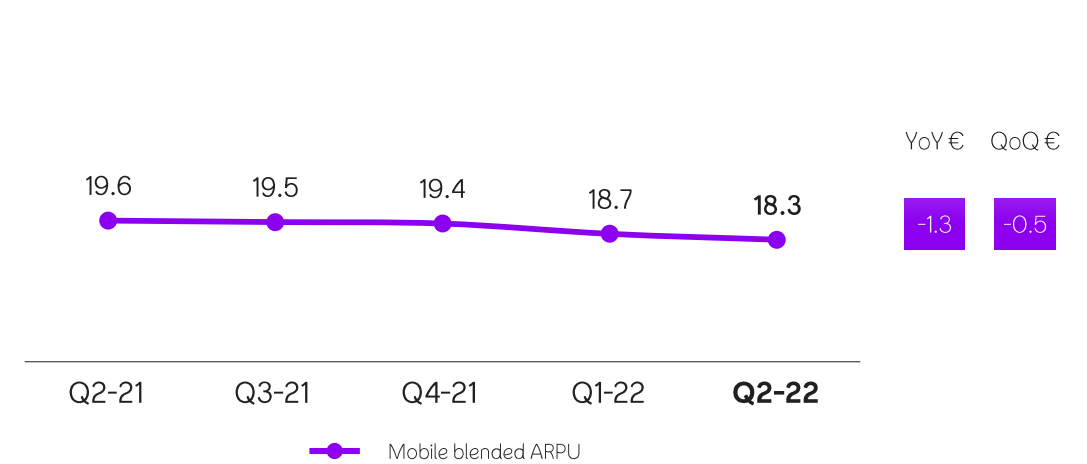
Group mobile KPIs | Postpay base increase of 10%, 74% of mobile base on postpay



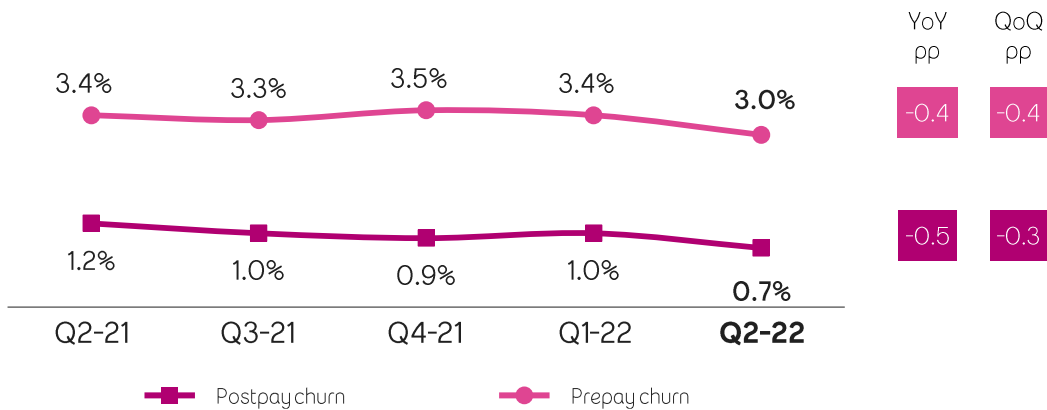
Mobile subscribers¹ ('000s)



Mobile blended ARPU^{3,4} (€)



Mobile churn²



Commentary

- ▶ **Postpay subs up 10% or 85k YoY, up 3% or 26k QoQ.**
- ▶ Total mobile subs up 6% or 68k YoY, prepay subs down 5% or 17k YoY
- ▶ 74% of mobile base on postpay, up 3pp YoY
- ▶ Mobile blended ARPU down 7% YoY and 2% QoQ, due to changes to the base mix towards SIMO as well as usage mix
- ▶ Prepay churn down 0.4pp YoY, postpay churn down 0.5pp YoY driven by a mix of increased bundling, improved vetting processes and higher SAC investment

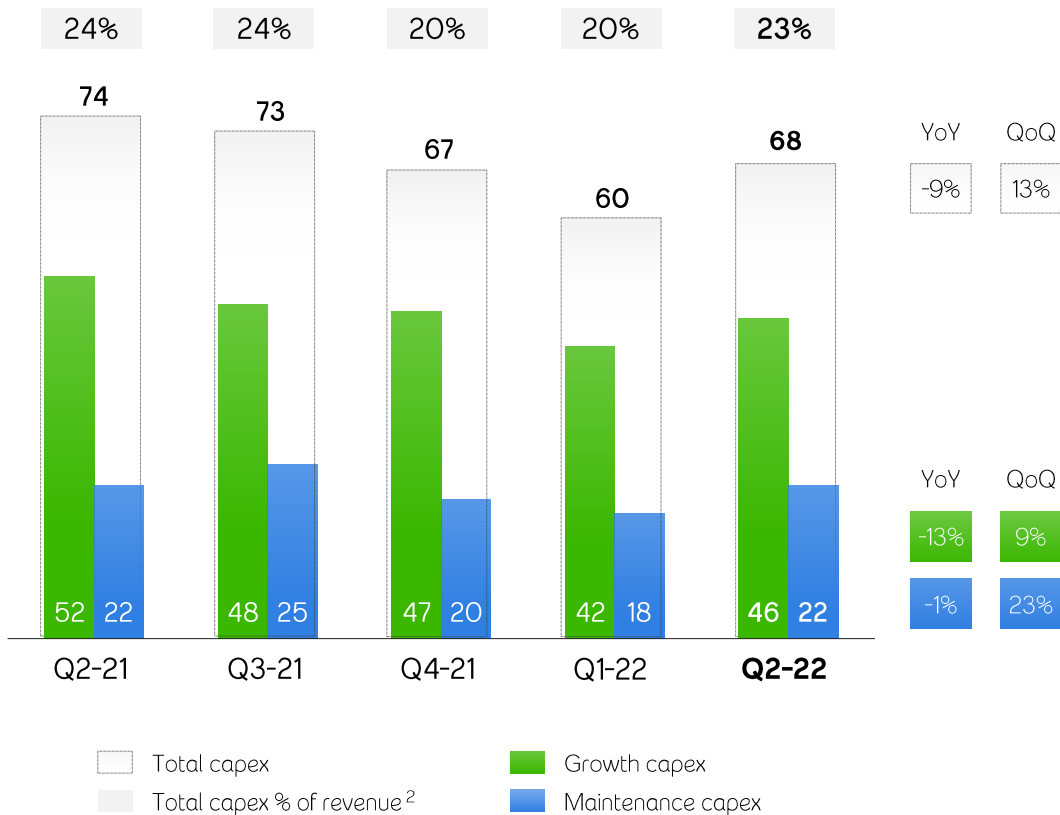
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

² Monthly average churn rate per quarter.

³ Excludes IFRS 15 adjustments.

⁴ Includes mobile broadband.

Capex investment ¹(€m)



Commentary

- ▶ Capex of €68m for the quarter, down 9% YoY; 23% of quarter revenue
- ▶ Growth capex driven by our fibre rollout and mobile network upgrade and expansion programmes, down 13% YoY driven by timing of network investments
- ▶ Maintenance capex driven by spend on IT upgrades and pole replacement programme broadly stable YoY.



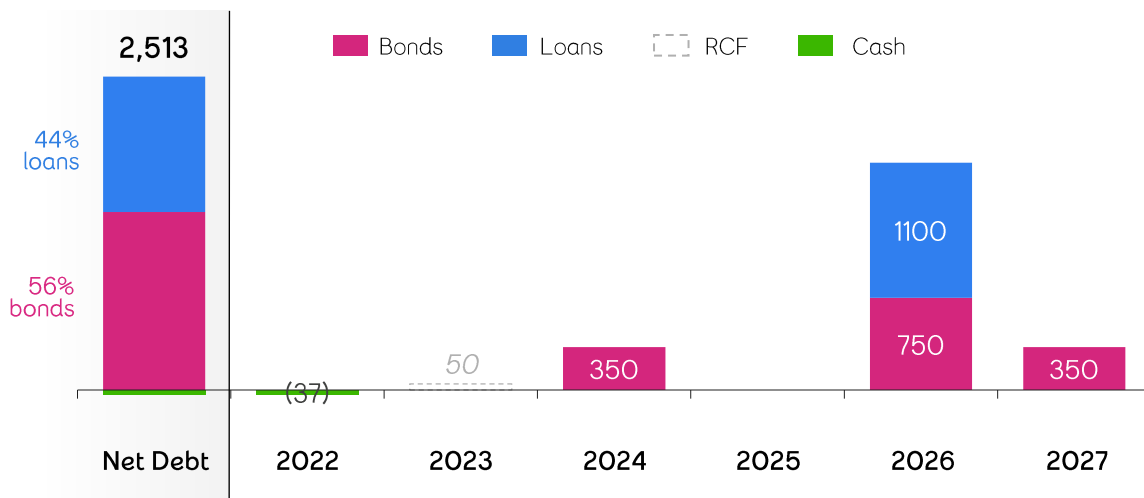
¹ Incurred capex. Growth capex includes investment to rollout new NGA and mobile networks as well as the development of a new IT stack. Maintenance capex includes network and IT renewal.

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

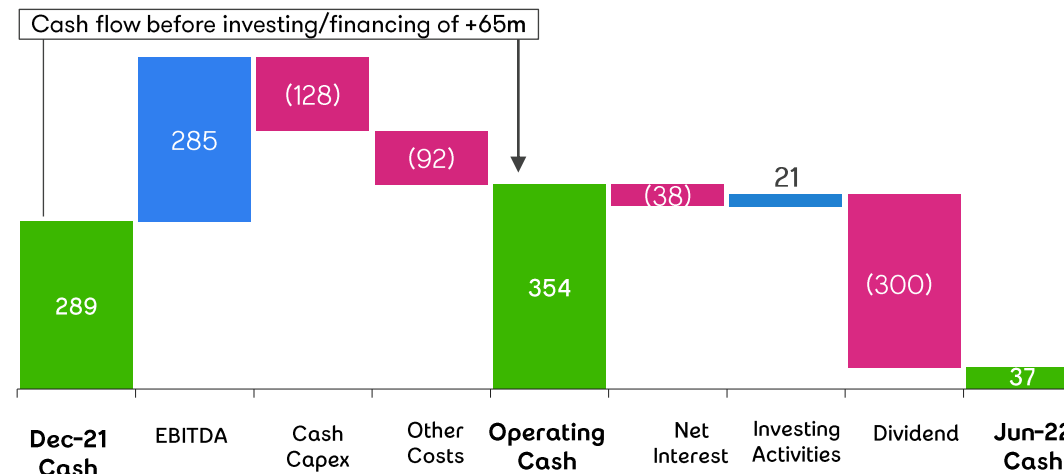
Financing



Debt profile at quarter end (€m)



Cash profile at half year (€m)



- ▶ Net Debt to LTM EBITDA 4.4x at quarter end ¹
- ▶ Average cost debt 3.03% ²
- ▶ RCF of €50m undrawn
- ▶ Corporate ratings

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

- ▶ Cash on balance sheet €37m at quarter end
- ▶ Other costs include working capital, corporation tax, provisions, exceptional items, and voluntary redundancy costs
- ▶ Investing activities include proceeds relating to the sale of eir's majority stake in Tetra

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

² Excludes RCF non-utilisation fee.

Outlook

Outlook for full year 2022

EBITDA

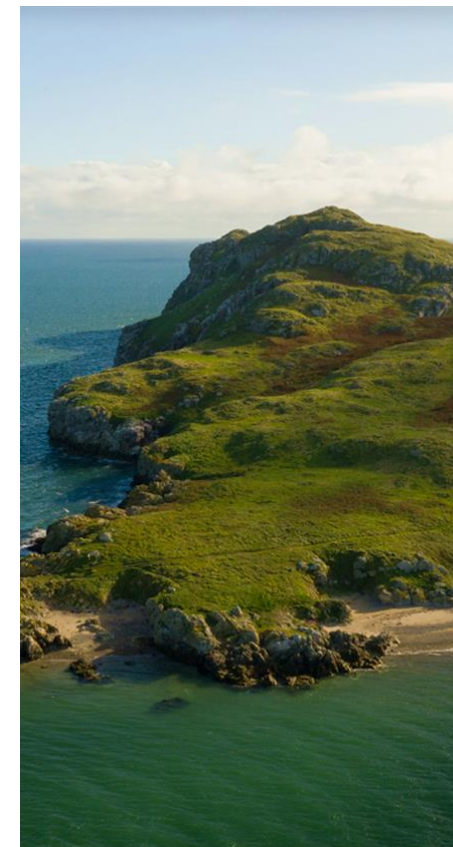
Low single-digit decrease¹

Capex

Capex between 21%-23% of revenue²

Cash flow

Further year-on-year cash flow growth^{2,3}



¹ Excludes Tetra EBITDA contribution

² Excludes mobile spectrum expenditure.

³ Excludes cash impacts arising from distributions, refinancing and/or M&A activities.

Q&A

Q2-22 results call

13:00 IST/BST, 30 August 2022

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 12:00 IST/BST if not already previously registered.



Appendix

IFRS adjustments



IFRS adjustments



€ millions	H1 FY22				H1 FY21			
	Before adjustments	IFRS 15	IFRS 16	After adjustments	Before adjustments	IFRS 15	IFRS 16	After adjustments
Fixed Line Revenue	464			464	468			468
Mobile Revenue	153	(2)		151	177	(10)	(9)	158
Eliminations	(18)			(18)	(16)			(16)
Group Revenue	599	(2)	-	597	629	(10)	(9)	610
Cost of Sales	(117)			(117)	(109)			(109)
Gross Profit	482	(2)		480	520	(10)	(9)	501
Gross Margin %	80%			80%	83%			82%
Pay Costs	(93)			(93)	(90)			(90)
Non-Pay Costs	(104)		29	(75)	(96)	4	25	(67)
Total Operating Costs ¹	(197)		29	(168)	(186)	4	25	(157)
Group EBITDA ¹	285	(2)	29	312	334	(6)	16	344
EBITDA Margin %	48%			52%	53%			56%

Mobile revenue impacted by -€2m and -€10m adjustment for H1-22 and H1-21 respectively related to IFRS 15 revenue recognition of mobile handset service and equipment revenue.

Mobile Revenue further impacted by -€9m IFRS 16 Lease adjustment in H1-21 relating to Build to Suit Mobile site Sale and Leaseback project

Non-pay costs impacted by +€4m adjustment for H1-22, related to IFRS 15 recognition of sales commissions. No adjustment for H1-22 is due to the termination of Syncro contract

Non-pay costs also impacted by +€29m and +€25m for H1-22 and H1-21 respectively related to IFRS 16 treatment of lease rental costs. Higher impact in current year is due to increasing rents

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

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

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

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Investor Relations

investor.relations@eir.ie

Press Office

pressoffice@eir.ie

