



eir Group Results

for the third quarter ended 30 September
2022



15 November 2022



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Presented by



Oliver Loomes
CEO



Stephen Tighe
CFO

Business highlights





Financial

Q3-22



Underlying Revenue^{1,2}

€293m ▼ 1% YoY

Revenue down €4m YOY

Underlying EBITDA^{1,2,3}

€139m ↔ 0% YoY

EBITDA flat YOY

Operational

Fibre customers



840,000 ▲ 2% YoY

- ▶ +17,000 connections YoY;
- ▶ +74,000 FTTH connections YoY;
- ▶ 88% of broadband base passed with fibre

Postpay customers

960,000 ▲ 10% YoY

- ▶ +91,000 customers YoY
- ▶ 74% of mobile base on postpay, up 2pp YoY

Multi-play bundles

43% ▲ 4pp YoY

- ▶ 85% of fixed households on 2P+ bundles, up 2pp YoY

Key Developments

- ▶ **Open eir:** Apprentice Scheme recruiting next generation of fibre technicians
- ▶ **eir evo:** expansion in Northern Ireland accelerating with recruitment drive and move to larger head office
- ▶ **eir and EasyGo:** contracts signed with 7 further counties to upgrade legacy infrastructure, replacing it with Electric Vehicle charging units
- ▶ **Ireland's Fibre Network:** now passing over 925,000 premises with ultrafast FTTH broadband, an increase of 29% YoY
- ▶ **Customer care:** service continues to improve with ComReg complaints down 40% YoY

¹ Underlying revenue and EBITDA excludes contribution from Tetra (shareholding sold in March 2022) and once-off strategic projects

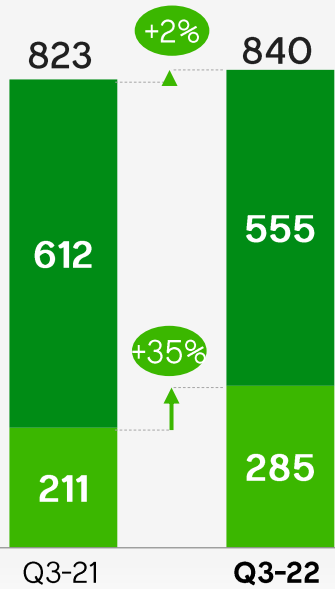
² Excludes IFRS 15 and IFRS 16 adjustments. See appendix for details.

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



Group fibre base (‘000s)

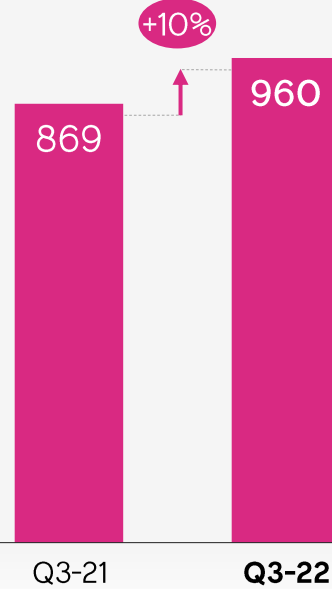
■ FTTC ■ FTTH



+ 17,000 increase in Fibre base
+74,000 FTTH connections



Group postpay base (‘000s)



+91,000 increase in postpay customers YoY



eir TV base¹ (‘000s)

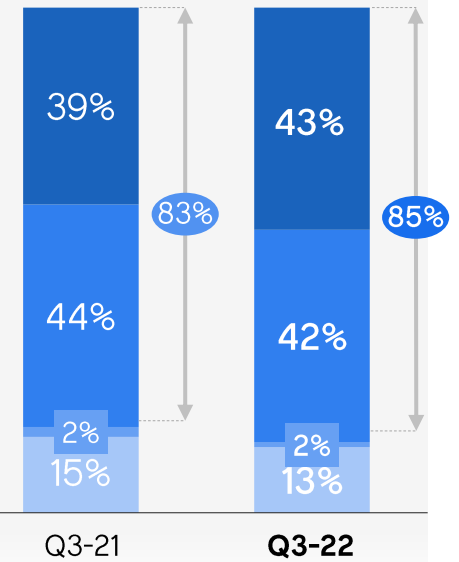


-1,000 decrease in TV subs YoY



Household view²

■ 3P/4P ■ 1P BB
■ 2P ■ 1P Voice



85% on 2P+ bundles, up 2pp YoY³

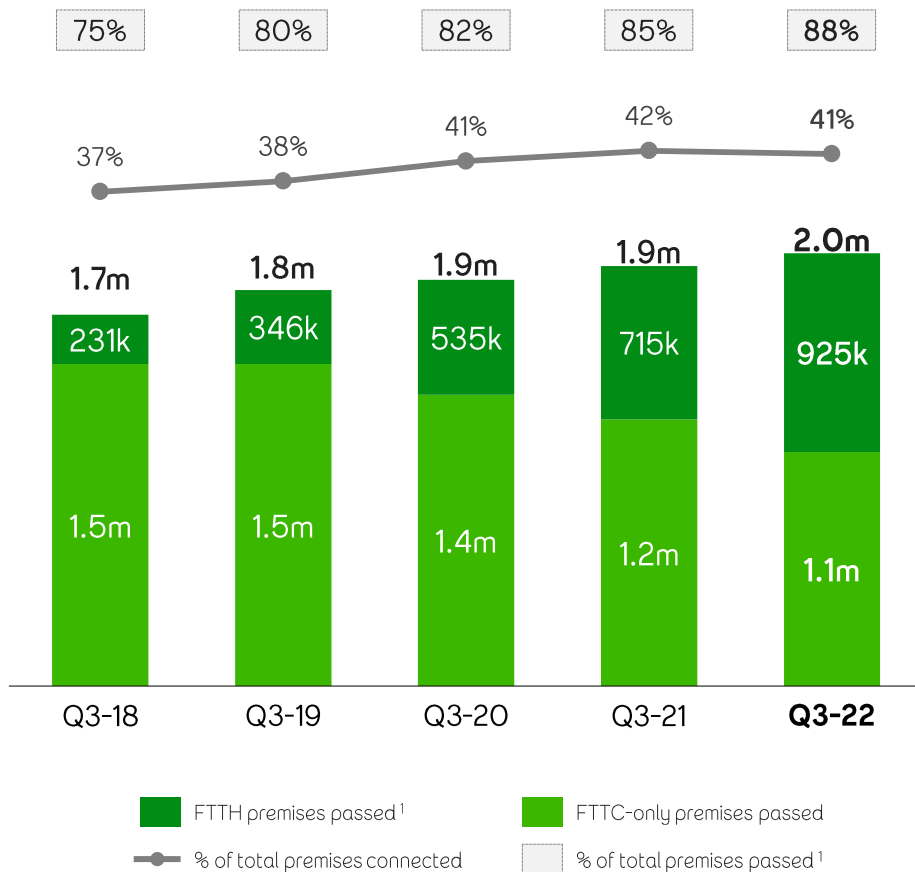
¹ eir TV base includes eir Vision subscribers.

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



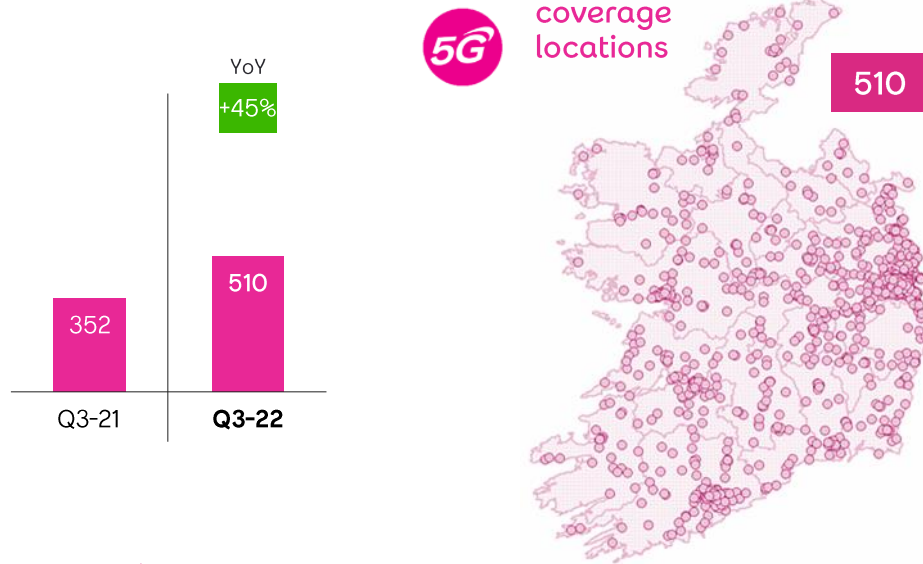
Commentary

- ▶ Our FTTH rollout has now passed over 925,000 premises at quarter end
 - ▶ up 29% or 210,000 YoY, up 7% or 61,000 QoQ.
 - ▶ of which over 555,000 passed as part of IFN rollout
- ▶ 2 million or 88% of Ireland's premises passed with eir fibre;¹ 41% of passed premises connected to our fibre network

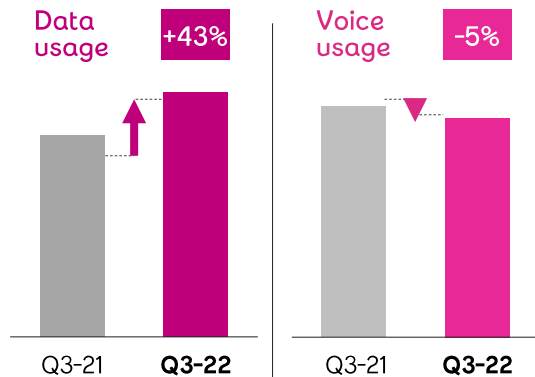


¹ Approximate percentage calculated using an estimated total premises in Ireland of approximately 2.3 million, based on total GeoDirectory address points.

5G cities and towns

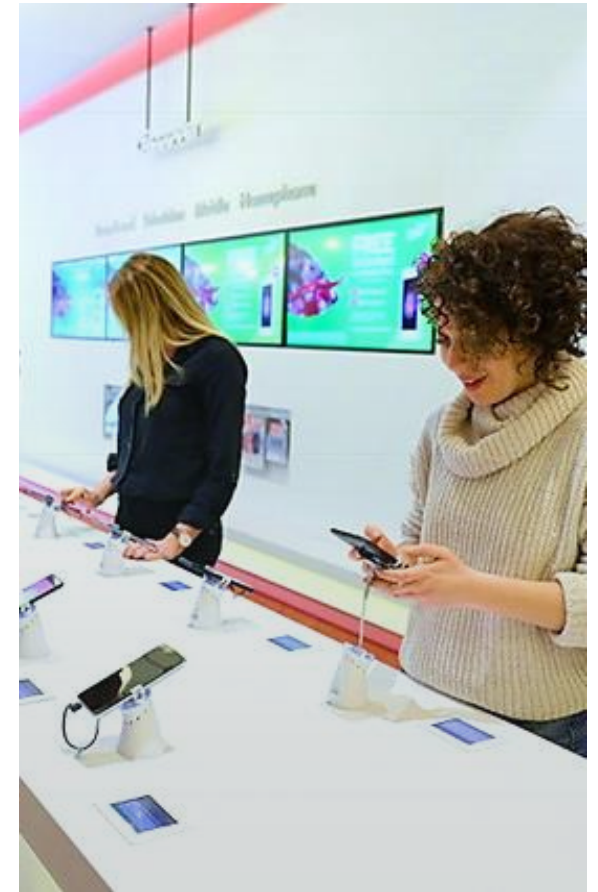


eir network traffic volumes



Commentary

- ▶ 5G network rollout continues at pace, with ultrafast speeds now available in over 510 towns and cities from 1,500 sites across all counties
- ▶ eir's network continuing to lead on 5G availability in Ireland
- ▶ Over 2,250 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 43% YoY



Trading update

- ▶ Underlying Revenue down 1% or €4m YoY^{1,2}
- ▶ Cost of sales down 5%
- ▶ Operating costs down 2%^{2,3}
- ▶ Underlying EBITDA flat YoY^{1,2,3}

- ▶ Continued KPI growth
 - ▶ +17,000 fibre customers YoY
 - ▶ 88% of broadband base using fibre
 - ▶ +91,000 postpay subscribers YoY
 - ▶ 74% of mobile base on postpay

- ▶ Capex of €70m, 23% of revenue³
- ▶ Closing cash of €659m at quarter end
- ▶ Net debt to LTM EBITDA of 4.4x⁴
- ▶ Debt repurchases of €96m in the quarter and €320m to date

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 Excludes the impact of IFRS 16 and management charge.

Group EBITDA | Q3 Underlying Revenue decline of 1%, Q3 Underlying EBITDA flat YOY



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

€ millions	Q3-22	Q3-21	€ Change Better/(Worse) YoY	% Change Better/(Worse) YoY	YTD Q3-22	YTD Q3-21	€ Change Better/(Worse) YoY	% Change Better/(Worse) YoY
Fixed Line Revenue	234	231	3	1%	698	699	(1)	0%
Mobile Revenue	81	80	1	1%	235	257	(22)	(8%)
Eliminations	(9)	(9)	0	0%	(28)	(25)	(3)	(12%)
Group Revenue	306	302	4	1%	905	931	(26)	(3%)
Underlying Revenue¹	293	297	(4)	(1%)	887	899	(12)	(1%)
Cost of Sales	(55)	(58)	3	5%	(172)	(167)	5	(3%)
Gross Profit	251	244	7	3%	733	764	(31)	(4%)
Gross Margin %	82%	81%	-	(1pp)	81%	82%	-	(1pp)
Pay Costs	(49)	(46)	(3)	(7%)	(142)	(137)	(5)	(4%)
Non-Pay Costs	(51)	(56)	5	9%	(155)	(152)	(3)	(2%)
Total Operating Costs ²	(100)	(102)	2	2%	(297)	(289)	(8)	(3%)
Group EBITDA²	151	142	9	7%	436	476	(40)	(8%)
Underlying EBITDA^{1,2}	139	139	0	0%	420	452	(32)	(7%)
EBITDA Margin %	49%	47%	-	2pp	48%	51%	-	(3pp)

Commentary

- ▶ Revenue is up 1% or €4m in Q3 YoY. YTD variance 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, offset by Fixed access, Broadband, TV, prepay and roaming revenue declines
- ▶ Cost of sales down by 5% or €3m driven by revenue movement and product mix changes
- ▶ Gross margin % up 1pp to 82%
- ▶ Operating costs down 2% or €2m; pay costs up 7%, non-pay costs down 9%
- ▶ Underlying EBITDA¹ for Q3 is flat YoY. YTD variance driven by change in product mix and an uplift in SAC investment with initial encouraging base and bundling growth
- ▶ EBITDA margin up 2pp to 49% in Q3

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

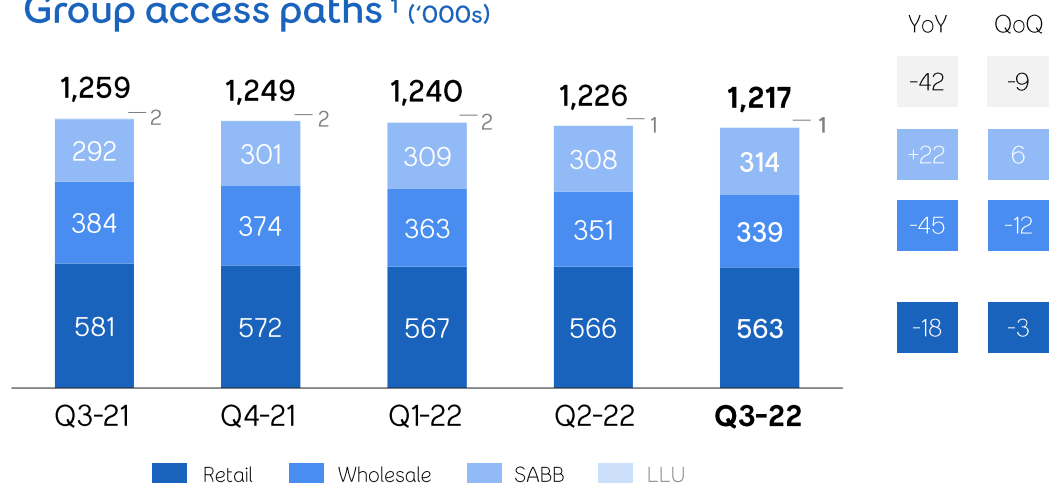
³ Reported revenue and EBITDA includes the proportionate consolidation of Tetra joint venture at 56% for the actual and prior year periods.

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

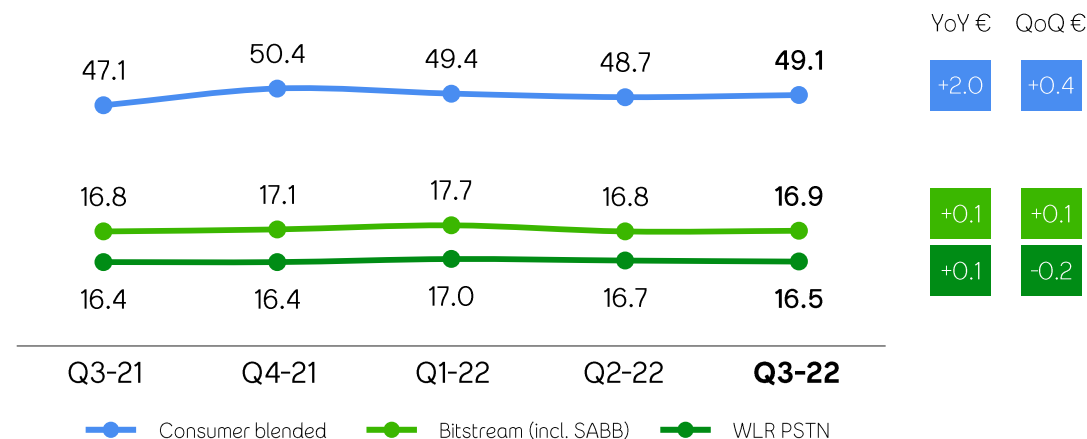
Group fixed KPIs | Continued competitive pressure in broadband



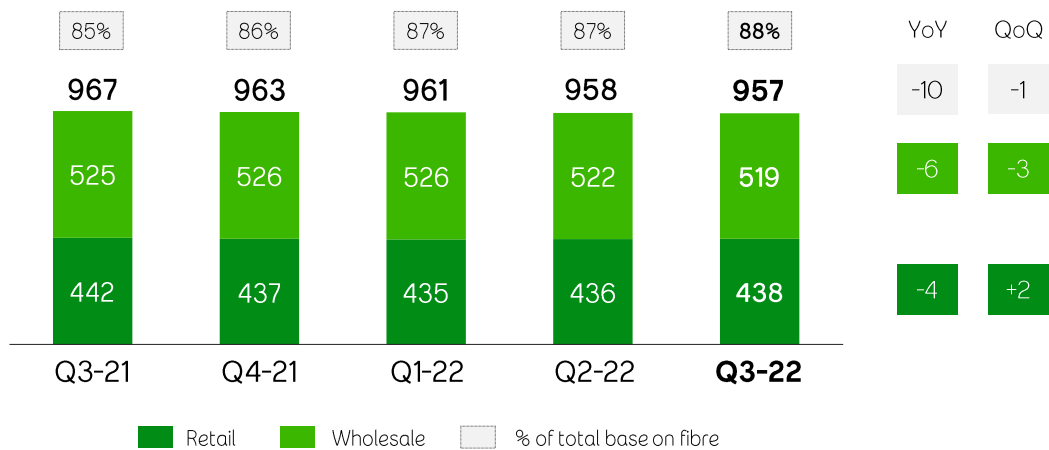
Group access paths¹ ('000s)



Fixed line ARPUs (€)



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



Commentary

- ▶ Group access paths down 3% or 42k YoY, due to traditional access decline, down 9k QoQ
- ▶ Group broadband base down 1% or 10k YoY, down 3k QoQ
 - ▶ Wholesale down 6k YoY, retail down 4k YoY but up 2k QoQ
- ▶ 88% of Group broadband base now on fibre, up 3pp YoY
- ▶ Consumer blended ARPU up 4% YoY driven by pricing
- ▶ Bitstream and WLR ARPU broadly flat YoY.

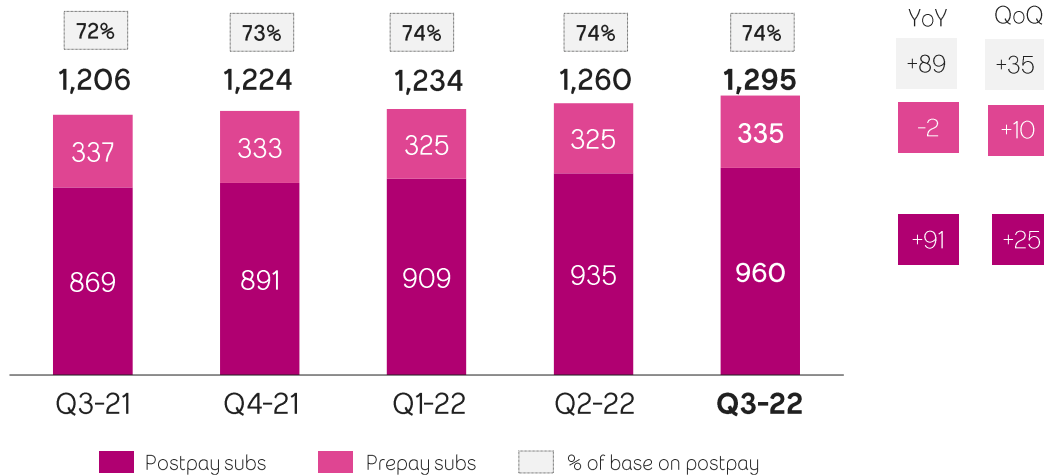
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

² Excludes Line Share / LLU.

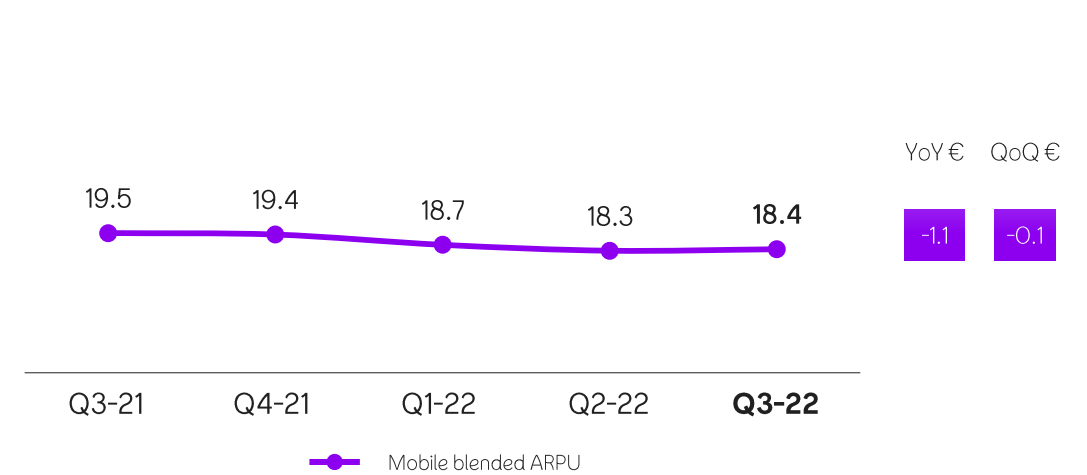
Group mobile KPIs | Postpay base increase of 10%, 74% of mobile base on postpay



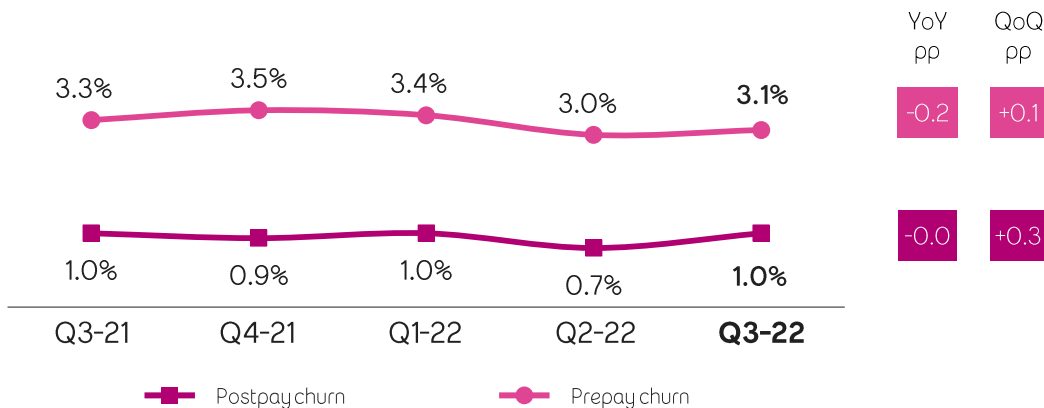
Mobile subscribers¹ ('000s)



Mobile blended ARPU^{3,4} (€)



Mobile churn²



Commentary

- ▶ **Postpay subs up 10% or 91k YoY, up 3% or 25k QoQ.**
- ▶ Total mobile subs up 7% or 89k YoY, prepay subs down 2k YoY.
- ▶ 74% of mobile base on postpay, up 2pp YoY.
- ▶ Mobile blended ARPU down 6% YoY and broadly flat QoQ. YoY decline due to changes to the base mix towards SIMO as well as usage mix.
- ▶ Prepay churn down 0.2pp YoY, postpay churn stable driven by increased bundle penetration minimising churn from recent pricing changes.

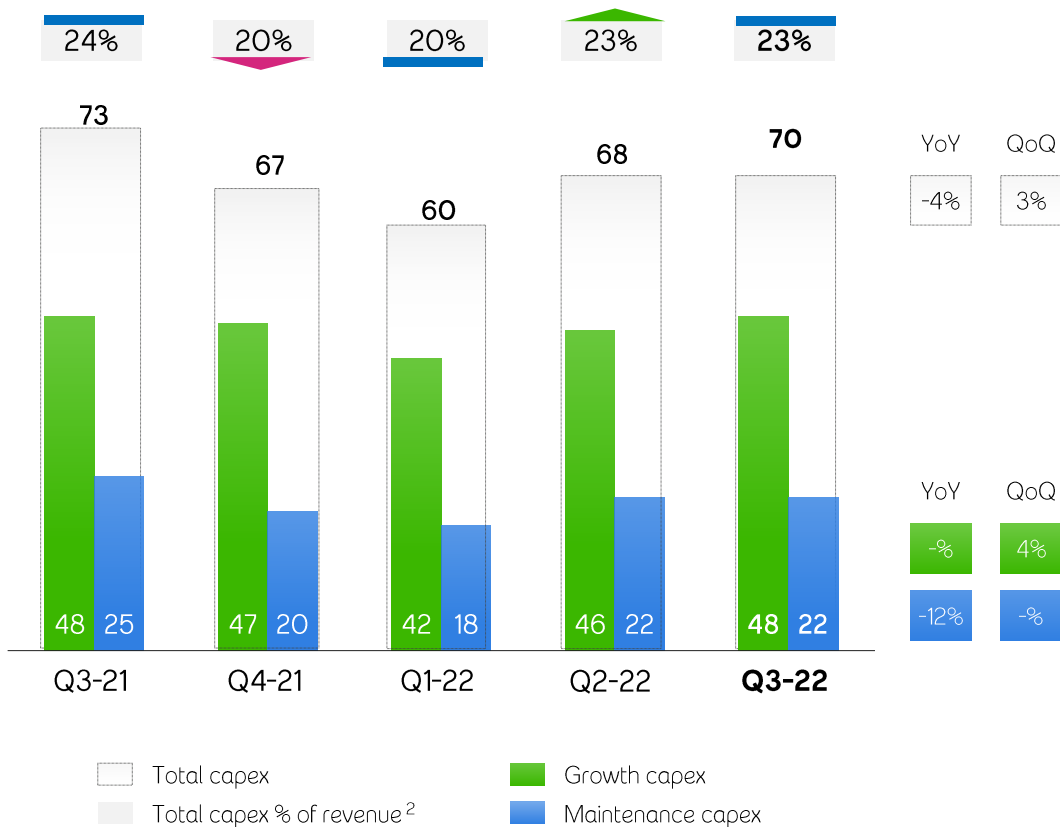
¹ Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

² Monthly average churn rate per quarter.

³ Excludes IFRS 15 adjustments.

⁴ Includes mobile broadband.

Capex investment ¹(€m)



Commentary

- ▶ Capex of €70m for the quarter, down 4% YoY; 23% of quarter revenue.
- ▶ Growth capex driven by our fibre rollout and mobile network upgrade and expansion programmes is broadly stable YoY.
- ▶ Maintenance capex down 12% or €3m YoY primarily due to reduced spend on IT programmes.



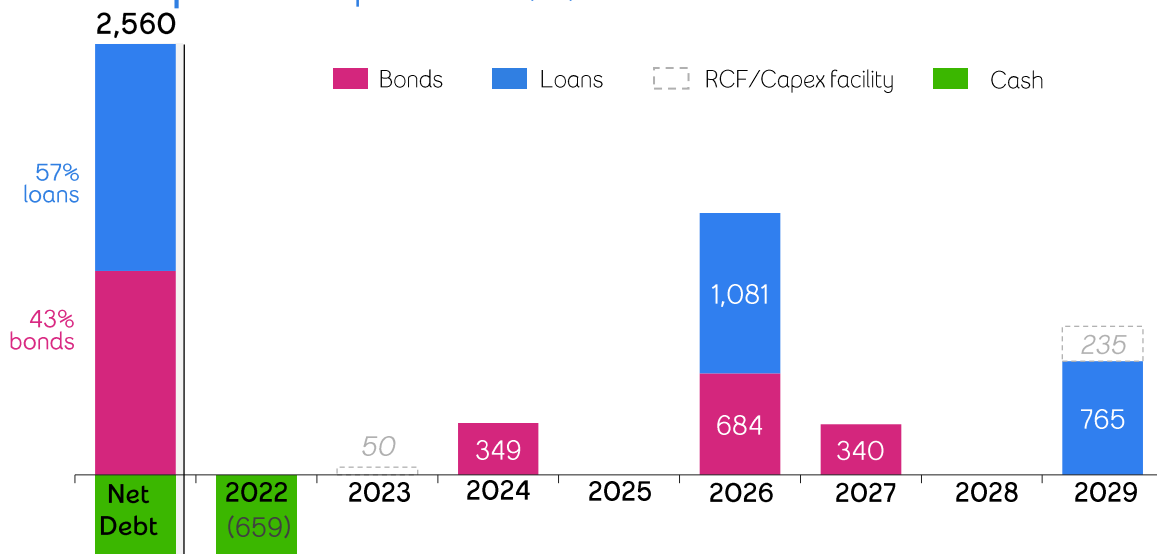
¹ Incurred capex. Growth capex includes investment to rollout new NGA and mobile networks as well as the development of a new IT stack. Maintenance capex includes network and IT renewal.

² 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 4.4x (Proportionate is 3.8x)¹

▶ Average cost debt 3.44%²

▶ RCF/Capex facilities of €285m undrawn

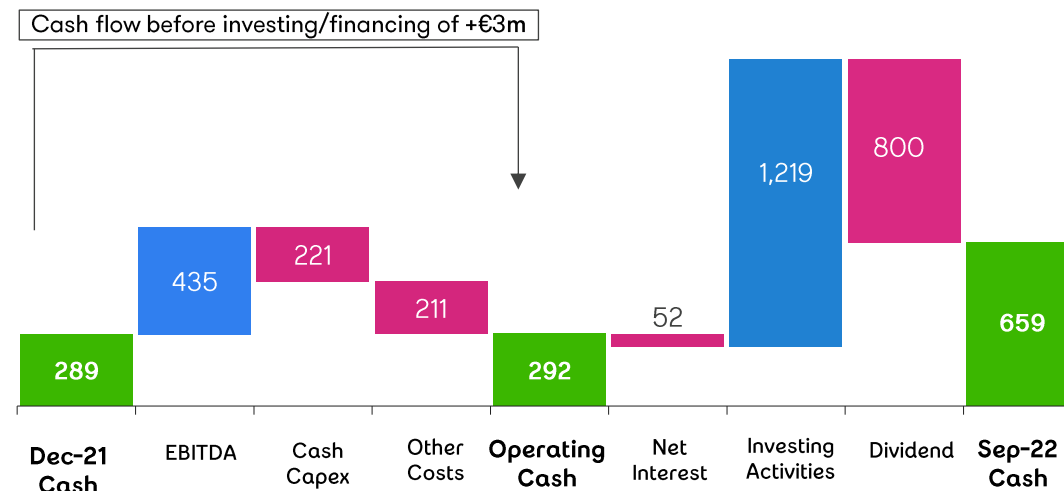
Corporate ratings

		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. Includes Tetra joint venture.

² Excludes RCF non-utilisation fee.

Cash profile at quarter end (€m)



▶ Cash on balance sheet €659m at quarter end

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

▶ Investing activities include proceeds from Fibre Networks Ireland JV and sale of eir's stake in Tetra, partly offset by debt buybacks

▶ Debt buybacks current status: €320m repurchased to date - €54m (5%) of the senior term loan, €53m (15%) of the 2024 bond, €144m (19%) of the 2026 bond and €69m (20%) of the 2027 bond

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

Q3-22 results call

12:00 IST/BST/GMT, 15 November 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 10:00 IST/BST/GMT if not already previously registered.



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Appendix

IFRS adjustments



IFRS adjustments



€ millions	YTD Q3 FY22				YTD Q3 FY21			
	Before adjustments	IFRS 15	IFRS 16	After adjustments	Before adjustments	IFRS 15	IFRS 16	After adjustments
Fixed Line Revenue	698			698	699			699
Mobile Revenue	235	(5)		230	257	(13)	(9)	235
Eliminations	(28)			(28)	(25)			(25)
Group Revenue	905	(5)	-	900	931	(13)	(9)	909
Cost of Sales	(172)			(172)	(167)			(167)
Gross Profit	733	(5)		728	764	(13)	(9)	742
Gross Margin %	81%			81%	82%			82%
Pay Costs	(142)			(142)	(137)			(137)
Non-Pay Costs	(155)	(1)	44	(112)	(152)	5	38	(109)
Total Operating Costs ¹	(297)	(1)	44	(254)	(289)	5	38	(245)
Group EBITDA ¹	436	(6)	44	474	476	(8)	29	497
EBITDA Margin %	48%		5pp	53%	51%		4pp	55%

Mobile revenue impacted by -€5m and -€13m adjustment for Q3-22 and Q3-21 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 +€5m adjustment for 9 months Qtr3-21, related to IFRS 15 recognition of sales commissions. No adjustment for 9 months Qtr3-22 is due to the termination of Syncro contract

Non-pay costs also impacted by +€44m and +€38m for 9 months Qtr3 and 9 months Qtr3-22 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

More information

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