

eircom Holdings (Ireland) Limited

Unaudited results report for the nine months to September 2024

21 November 2024



eircom Holdings (Ireland) Limited

Unaudited results for the nine months to September 2024

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eircom Holdings (Ireland) Limited

Trading highlights for the nine months to September 2024

- Revenue of €955 million for the nine months to September 2024 increased by 2% or €18 million year on year. Growth in postpay mobile and bundling, as well as an increase in NBP access revenue, was offset by revenue reductions in voice traffic.
- Group adjusted EBITDA of €475 million increased by 4% or €20 million year on year; €10 million relating to gross margin partly offset by an increase in operating costs of €8 million year on year.
- Fixed line revenue of €704 million decreased by €3 million year on year, driven by a decrease in voice traffic revenues.
- The group broadband customer base¹ at quarter end was 947,000, which was stable year on year. An increase of 16,000 retail customers was offset by a decrease of 16,000 wholesale customers. There were 883,000 customers availing of fibre based high speed broadband services, an increase of 3% or 23,000 year on year.
- Group fixed access paths decreased by 3% or 33,000 year on year, with a reduction in fixed lines access net losses of €63,000². Standalone broadband (SABB) lines increased by 27,000 year on year.
- Mobile revenue of €279 million increased by 8% or €21 million year on year driven by growth in service revenue from a 10% increase in the postpay base.
- Total mobile customers at quarter end were 1,498,000³, including 1,184,000 postpay customers and 314,000 prepay customers. The postpay customer base increased by 10% or 111,000 year on year, bringing the number of customers on postpay contracts to 79%, an increase of 2 percentage points year on year. The prepay base decreased by 13,000 customers year on year, primarily driven by migration of customers to postpay contracts.
- Group operating costs⁴ of €273 million increased by 3% or €8 million year on year, primarily due to increased mobile network costs as the company increases its mobile sites footprint.
- Full Time Equivalent (FTE) staff totalled 3,086 at quarter end, down 8% year on year.
- Cash on hand of €254 million at quarter end.

¹ Combined retail and wholesale excluding LLU and line share, including SABB.

² Combined retail and wholesale access line losses including LLU.

³ Mobile base is a combination of handset subscriptions, machine to machine and mobile broadband subscriptions.

⁴ Operating costs are cost of sales, pay costs, and non-pay costs, excluding non-cash pension charge, fair value lease credits, and management charge.

eircom Holdings (Ireland) Limited
KPIs as at 30 Sep 2024 (unaudited)

	As at and for the nine months ended		
	30 Sep 2023 (unaudited)	30 Sep 2024 (unaudited)	% Change ^{N1}
Group Access Paths ('000)			
Retail Access Lines	566	569	1%
Retail SABB	16	10	(38%)
Wholesale Access Lines	260	197	(24%)
Wholesale SABB ⁵	335	368	9%
Wholesale LLU ⁶	1	1	-
Total Group Access Paths	1,178	1,145	(3%)
Retail Voice Traffic (millions of minutes)	328	261	(20%)
Broadband Line Base ('000)			
Retail Broadband Lines	455	471	3%
Wholesale Broadband Lines	492	476	(3%)
Total Broadband Lines	947	947	-
- of which fibre broadband lines	860	883	3%
Mobile Customer Base ('000)			
Prepay Handset Customers	326	313	(4%)
Prepay MBB Customers	1	1	-
Total Prepay Customers	327	314	(4%)
Postpay Handsets (including M2M)	1,011	1,118	11%
Postpay MBB	62	66	6%
Total Postpay Customers	1,073	1,184	10%
Total Mobile Customers	1,400	1,498	7%
ARPU_s (€) ^{N2 & N3}			
Consumer Blended ARPU	48.2	49.0	2%
WLR PSTN ARPU	16.5	17.1	3%
Bitstream ARPU (including SABB)	18.5	20.9	13%
Prepay ARPU (including MBB)	15.8	16.4	3%
Postpay ARPU (including MBB/M2M)	17.3	16.4	(5%)
Closing FTE Headcount	3,344	3,086	(8%)

⁵ SABB: Standalone Broadband.

⁶ LLU: Local Loop Unbundled.

eircom Holdings (Ireland) Limited

This financial information has been prepared to make available certain unaudited condensed consolidated financial information to the holders of the group's Senior Secured Notes. Accordingly, the group has not prepared this financial information in accordance with IAS 34 – “Interim Financial Information” and has not carried out an impairment review of the carrying value of goodwill and other non-current assets as at 30 Sep 2024. In addition, the fair values of the assets and liabilities acquired on the acquisition of the Evros Technology Group have not been determined in accordance with IFRS 3, “Business Combinations” and the values included in the financial information for the Evros Technology Group are provisional for the period ended 30 Sep 2024.

This condensed interim financial information has been prepared on the going concern basis, which assumes that eircom Holdings (Ireland) Limited will continue in operational existence for the foreseeable future.

The financial information, as at and for the period ended 30 Sep 2024, in respect of the group has been prepared using the same accounting policies as applied for the financial period ended 31 December 2023. For a more complete discussion of our significant accounting policies and other information, including our critical accounting judgements and estimates, this report should be read in conjunction with the financial statements of EHIL for the financial period ended 31 December 2023.

eircom Holdings (Ireland) Limited

Reconciliation of earnings before interest, taxation, amortisation, depreciation, non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items to operating profit

	Third quarter ended Sept23 €m	Third quarter ended Sept24 €m	Nine months ended Sept23 €m	Nine months ended Sept24 €m
Operating profit	49	69	172	209
Profit on disposal of property, plant and equipment	-	(2)	(7)	(2)
Exceptional items	15	9	29	17
Management charge	2	2	5	5
Non-cash pension credit	1	-	-	-
Operating profit before non-cash pension charges, management charge and exceptional items	67	78	199	229
Depreciation of right of use assets	12	13	38	35
Depreciation of property, plant and equipment	62	58	184	173
Amortisation	12	13	35	39
EBITDA before non-cash pension charges, management charge and exceptional items	153	162	456	476
IFRS 3 unfavourable lease fair value adjustment	(1)	(1)	(1)	(1)
Reported EBITDA** before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items	152	161	455	475
Reported EBITDA** before non-cash lease fair value credits, non-cash pension charges, management charge and exceptional items is split as follows:				
Fixed line	115	118	347	336
Mobile	37	43	108	139
	152	161	455	475

eircom Holdings (Ireland) Limited

Consolidated Income Statement – unaudited *For the third quarter ended 30 September 2024*

	30 Sept 2023	30 Sept 2024
	€m	€m
Revenue	315	324
Operating costs excluding amortisation, depreciation and exceptional items	(165)	(164)
Amortisation	(12)	(13)
Depreciation of property, plant and equipment	(62)	(58)
Depreciation of right of use assets	(12)	(13)
Exceptional items	(15)	(9)
Profit on disposal of right of use assets	-	2
Operating profit	49	69
Finance costs – net	(34)	(40)
Profit before tax	15	29
Income tax charge	(3)	(6)
Profit for the period	12	23
Attributable to:		
Equity holders of the parent	10	22
Non-controlling interests	2	1
	12	23

eircom Holdings (Ireland) Limited

Consolidated Income Statement – unaudited *For the nine-month period ended 30 September 2024*

	Notes	30 Sept 2023	30 Sept 2024
		€m	€m
Revenue	3	937	955
Operating costs excluding amortisation, depreciation and exceptional items		(486)	(484)
Amortisation	3	(35)	(39)
Depreciation of property, plant and equipment	3	(184)	(173)
Depreciation of right of use assets	3	(38)	(35)
Exceptional items	3, 4	(29)	(17)
Profit on disposal of property, plant and equipment	3	7	2
Operating profit	3	172	209
Finance costs – net	5	(93)	(129)
Profit before tax		79	80
Income tax charge	6	(15)	(15)
Profit for the period		64	65
Attributable to:			
Equity holders of the parent		63	60
Non-controlling interests		1	5
		64	65

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Group statement of comprehensive income – unaudited *For the nine-month period ended 30 September 2024*

	30 Sept 2023	30 Sept 2024
	€m	€m
Profit for the financial period	64	65
Other comprehensive expense:		
<i>Items that will not be reclassified to profit or loss</i>		
Defined benefit pension scheme remeasurement losses:		
- Remeasurement loss in period	(59)	(86)
- Tax on defined benefit pension scheme remeasurement losses	7	10
	(52)	(76)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net changes in cash flow hedge reserve:		
- Fair value loss in period	(1)	(12)
- Tax on cash flow hedge movements	-	2
Currency translation differences	1	(1)
	-	(11)
Other comprehensive expense, net of tax	(52)	(87)
Total comprehensive income/(expense) for the financial period	12	(22)
Attributable to:		
Equity holders of the parent	11	(22)
Non-controlling interests	1	-
	12	(22)

eircom Holdings (Ireland) Limited

Consolidated Balance Sheet – unaudited As at 30 September 2024

	Notes	31 Dec 2023	30 Sept 2024
		€m	€m
Assets			
Non-current assets			
Goodwill		235	235
Other intangible assets		236	221
Property, plant and equipment		1,285	1,298
Right of use assets		348	356
Retirement benefit asset	10	588	517
Derivative financial instruments		2	1
Deferred tax assets		1	1
Other assets		13	13
		2,708	2,642
Current assets			
Inventories		45	43
Trade and other receivables	7	187	218
Contract assets		28	29
Derivative financial instruments		8	4
Restricted cash		1	1
Cash and cash equivalents		182	254
		451	549
Total assets		3,159	3,191
Liabilities			
Non-current liabilities			
Borrowings	8	2,572	2,826
Lease liabilities	9	577	586
Derivative financial instruments		-	8
Trade and other payables		25	22
Deferred tax liabilities		80	65
Provisions for other liabilities and charges	11	83	80
		3,337	3,587
Current liabilities			
Borrowings	8	222	221
Lease liabilities	9	58	52
Trade and other payables		525	431
Current tax liabilities		-	8
Provisions for other liabilities and charges	11	34	31
		839	743
Total liabilities		4,176	4,330
Equity			
Equity share capital		-	-
Capital contribution		62	62
Cash flow hedging reserve		4	(1)
Retained loss		(1,594)	(1,711)
Equity attributable to equity holders of the parent		(1,528)	(1,650)
Non-controlling interests		511	511
Total equity		(1,017)	(1,139)
Total liabilities and equity		3,159	3,191

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated cash flow statement – unaudited *For the third quarter ended 30 September 2024*

	30 Sept 2023	30 Sept 2024
	€m	€m
Cash flows from operating activities		
Cash generated from operations	115	69
Interest received	-	2
Interest paid	(34)	(34)
Income tax paid	(1)	(2)
Net cash generated from operating activities	80	35
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	(79)	(63)
Purchase of intangible assets	(9)	(6)
Proceeds from sale of PPE assets	-	1
Net cash used in investing activities	(88)	(68)
Cash flows from financing activities		
Dividends paid to equity shareholder	(119)	(50)
Payment of principal on lease liabilities	(10)	(7)
Proceeds from Facility C borrowings	30	-
Repayment on Facility B borrowings	(8)	-
Debt issue costs paid in respect of new Senior Secured Notes	-	(2)
Debt fees paid in respect of amendment and extension of borrowings	-	(1)
Net cash used in financing activities	(107)	(60)
Net decrease in cash, cash equivalents and bank overdrafts	(115)	(93)
Cash, cash equivalents and bank overdrafts at beginning of period	212	347
Cash, cash equivalents and bank overdrafts at end of period	97	254

eircom Holdings (Ireland) Limited

Consolidated cash flow statement – unaudited *For the nine-month period ended 30 September 2024*

	Notes	30 Sept 2023	30 Sept 2024
		€m	€m
Cash flows from operating activities			
Cash generated from operations	12	325	330
Interest received		4	5
Interest paid		(111)	(126)
Income tax paid		(18)	(11)
Net cash generated from operating activities		200	198
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE)		(210)	(206)
Purchase of intangible assets		(79)	(24)
Proceeds from sale of PPE assets		17	2
Restricted cash		55	-
Net cash used in investing activities		(217)	(228)
Cash flows from financing activities			
Dividends paid to equity shareholder		(237)	(100)
Payment of principal on lease liabilities		(44)	(40)
Proceeds from Facility C borrowings		45	-
Proceeds from Facility B borrowings		-	313
Repayment on Facility B borrowings		(89)	(359)
Discount payment on Facility B3 borrowings		-	(3)
Proceeds from issuance of 5.75% Senior Secured Notes		-	300
Repayment of 3.5% Senior Secured Notes		(36)	-
Repayment of 1.75% Senior Secured Notes		(32)	(1)
Debt issue costs paid in respect of new Senior Secured Notes		-	(3)
Debt fees paid in respect of new loan borrowings		-	(1)
Debt fees paid in respect of amendment and extension of borrowings		-	(4)
Net cash (used in)/generated from financing activities		(393)	102
Net (decrease)/increase in cash and cash equivalents		(410)	72
Cash and cash equivalents at beginning of period		507	182
Cash and cash equivalents at end of period		97	254

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Consolidated statement of changes in shareholders' equity – unaudited *For the nine-month period ended 30 September 2024*

	Attributable to the equity holders of the parent				Non-	Total
	Equity share capital €m	Capital contribution €m	Cash flow hedging reserve €m	Retained loss €m	controlling interests €m	equity €m
Balance at 31 December 2022	-	62	11	(1,302)	550	(679)
Profit for the period	-	-	-	63	1	64
Defined benefit pension scheme remeasurement loss	-	-	-	(59)	-	(59)
Tax on defined benefit pension scheme remeasurement loss	-	-	-	7	-	7
Cash flow hedge fair value loss in period	-	-	(1)	-	-	(1)
Currency translation differences	-	-	-	1	-	1
Total comprehensive (expense)/income	-	-	(1)	12	1	12
Dividends relating to equity shareholder	-	-	-	(200)	(37)	(237)
Balance at 30 September 2023	-	62	10	(1,490)	514	(904)
Balance at 31 December 2023	-	62	4	(1,594)	511	(1,017)
Profit for the period	-	-	-	60	5	65
Defined benefit pension scheme remeasurement loss	-	-	-	(86)	-	(86)
Tax on defined benefit pension scheme remeasurement loss	-	-	-	10	-	10
Cash flow hedge fair value loss in period	-	-	(6)	-	(6)	(12)
Tax on cash flow hedge movements	-	-	1	-	1	2
Currency translation differences	-	-	-	(1)	-	(1)
Total comprehensive expense	-	-	(5)	(17)	-	(22)
Dividends relating to equity shareholder	-	-	-	(100)	-	(100)
Balance at 30 September 2024	-	62	(1)	(1,711)	511	(1,139)

The accompanying notes form an integral part of the condensed interim financial information.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited

1. General information

eircom Holdings (Ireland) Limited ("the company" or "EHIL") and its subsidiaries together ("the group" or "eircom Holdings (Ireland) Limited group" or "EHIL Group"), provide fixed line and mobile telecommunications services in Ireland.

This condensed consolidated interim financial information was approved for issue on 21 November 2024.

2. Basis of preparation

This financial information has been prepared to make available certain unaudited condensed consolidated financial information to the holders of the group's Senior Secured Notes. Accordingly, the group has not prepared this financial information in accordance with IAS 34 – "Interim Financial Information" and has not carried out an impairment review of the carrying value of goodwill and other non-current assets as at 30 September 2024.

This condensed interim financial information has been prepared on the going concern basis, which assumes that eircom Holdings (Ireland) Limited will continue in operational existence for the foreseeable future.

The financial information, as at and for the period ended 30 September 2024, in respect of the group has been prepared using the same accounting policies as applied for the year ended 31 December 2023. For a more complete discussion of our significant accounting policies and other information, including our critical accounting judgements and estimates, this report should be read in conjunction with the financial statements of EHIL for the year ended 31 December 2023.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

3. Segment information

The group provides communications services, principally in Ireland. The group is organised into two main operating segments: fixed line and mobile.

The segment results for the nine-month period ended 30 September 2024 are as follows:

	Fixed line €m	Mobile €m	Inter-segment €m	Reported €m	Adjusted €m	Statutory €m
Revenue	704	279	(28)	955	-	955
EBITDA *	336	139	-	475	-	475
Non-cash lease fair value credits	1	-	-	1	-	1
Management charge	(5)	-	-	(5)	-	(5)
Amortisation	(20)	(19)	-	(39)	-	(39)
Depreciation of PPE	(151)	(22)	-	(173)	-	(173)
Depreciation of right of use assets	(9)	(26)	-	(35)	-	(35)
Exceptional items	(14)	(3)	-	(17)	-	(17)
Profit on disposal of property, plant and equipment	2	-	-	2	-	2
Operating profit	140	69	-	209	-	209

The segment results for the nine-month period ended 30 September 2023 are as follows:

	Fixed line €m	Mobile €m	Inter-segment €m	Reported €m	Adjusted €m	Statutory €m
Revenue	707	258	(28)	937	-	937
EBITDA *	347	108	-	455	-	455
Non-cash lease fair value credits	1	-	-	1	-	1
Management charge	(5)	-	-	(5)	-	(5)
Amortisation	(17)	(18)	-	(35)	-	(35)
Depreciation of PPE	(158)	(26)	-	(184)	-	(184)
Depreciation of right of use assets	(13)	(25)	-	(38)	-	(38)
Exceptional items	(34)	5	-	(29)	-	(29)
Profit on disposal of property, plant and equipment	7	-	-	7	-	7
Operating profit	128	44	-	172	-	172

* EBITDA is earnings before interest, taxation, amortisation, depreciation of property, plant & equipment and right of use assets, non-cash pension charges, management charge and exceptional items.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

4. Exceptional items

	30 Sept 2023 €m	30 Sept 2024 €m
Restructuring programme costs	14	5
Strategic review and other related costs	2	1
Group re-organisation costs	2	3
Other exceptional items	11	8
	29	17

The group has adopted an income statement format which seeks to highlight significant items within group results for the period. The group believe that this presentation provides additional analysis as it highlights significant or one-off items. Judgement is used by the group in assessing the particular items, which by virtue of their scale and nature are disclosed in the group income statement and related notes as exceptional items.

Restructuring programme costs

The group included an exceptional charge of €5 million (30 September 2023: €14 million) for restructuring programme costs in respect of staff that had committed to exiting the business in the period ended 30 September 2024.

No provision has been included in respect of future staff exits not committed at 30 September 2024, and any further costs will be charged to the income statement and impact cash flows in future periods.

Strategic review and other related costs

The group incurred costs of €1 million (30 September 2023: €2 million) for various projects in relation to the corporate group structure in the period ended 30 September 2024.

Group re-organisation costs

The group included an exceptional charge of €3 million (30 September 2023: €2 million) for re-organisation costs in the period ended 30 September 2024.

Other exceptional items

During the period ended 30 September 2024, the group recognised an exceptional charge of €8 million (30 September 2023: €11 million) in respect of legal and other related matters.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

5. Finance costs – net

	30 Sept 2023 €m	30 Sept 2024 €m
(a) Finance costs:		
Interest payable on bank loans and other debts	98	113
Net interest cost on net pension asset	(22)	(16)
Amortisation of debt issue costs and debt fees	2	3
Interest on lease liabilities	22	25
Other	1	-
	101	125
Discount on amendment and extension of borrowings	-	3
Loss on modification of debt	-	4
Loss on extinguishment of debt	-	2
	101	134
(b) Finance income:		
Interest income	(4)	(5)
Discount on redemption of Senior Secured Notes	(2)	-
Gain on extinguishment of debt	(2)	-
	(8)	(5)
Finance costs – net	93	129

In March 2024, the group completed an amendment and extension of €600 million of its Facility B borrowings to May 2029. The borrowings were amended and extended at a discount price of 99.5%, resulting in a charge of €3 million, and this is included in the income statement as discount on amendment and extension of borrowings.

The Facility B3 borrowings of €600 million are subject to cash-pay interest at EURIBOR plus 3.5% margin. The refinancing of Facility B borrowings included new money commitments of €113 million, as well as the exchange of Facility B borrowings of €487 million under the existing facilities at par. The amendment and extension of the existing borrowings was accounted for as a modification of the existing financial liability for the Facility B borrowings under IFRS 9 resulting in an accounting loss of €4 million in the income statement.

In June 2024, the group issued €300 million in Senior Secured Notes with a maturity date of 15 December 2029. The Notes are subject to fixed rate cash-pay interest at 5.75% payable in semi-annual instalments in June and December each year. The group used €246 million of the proceeds from the Senior Secured Notes to prepay part of the non-extending Facility B borrowings. The remaining non-extending Facility B borrowings of €300 million are subject to cash-pay interest at EURIBOR plus 2.75% margin.

The €246 million prepayment of Facility B borrowings was accounted for as an extinguishment under IFRS 9 resulting in an accounting loss of €2 million in the income statement.

See Note 8 for further information.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

6. Income tax charge

The tax on the group's profit before tax differs from the amount that would arise using the tax rate applicable to the profit of the group as follows: -

	30 Sept 2023 €m	30 Sept 2024 €m
Profit before tax	79	80
Tax calculated at Irish standard tax rate of 12.5%	10	10
<i>Effects of:-</i>		
Non-deductible expenses	2	4
Income taxable at higher rate	3	1
Tax charge for the period	15	15

7. Trade and other receivables

During the period ended 30 September 2024, the group recognised a provision for impaired receivables of €6 million (30 September 2023: €7 million) and utilised provisions for impaired receivables of €1 million (30 September 2023: €11 million). The creation and reversal of provisions for impaired receivables have been included in "operating costs" in the income statement.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

8. Borrowings

The maturity profile of the carrying amount of the group's borrowings is set out below.

	Within 1 Year €m	Between 1 & 2 Years €m	Between 2 & 5 Years €m	After 5 Years €m	Total €m
As at 30 September 2024					
Bank borrowings - Facility B	-	300	600	-	900
Debt fees	-	-	(1)	-	(1)
	-	300	599	-	899
Bank borrowings – FNI Facility B	-	-	765	-	765
Bank borrowings – FNI Facility C	-	-	45	-	45
Debt fees	-	-	(13)	-	(13)
	-	-	797	-	797
3.5% Senior Secured Notes due 2026	-	552	-	-	552
1.75% Senior Secured Notes due 2024	221	-	-	-	221
2.625% Senior Secured Notes due 2027	-	-	281	-	281
5.75% Senior Secured Notes due 2029	-	-	-	300	300
Debt issue costs	-	-	-	(3)	(3)
	221	552	281	297	1,351
	221	852	1,677	297	3,047
As at 31 December 2023					
Bank borrowings - Facility B	-	-	946	-	946
Debt fees	-	-	(3)	-	(3)
	-	-	943	-	943
Bank borrowings – FNI Facility B	-	-	-	765	765
Bank borrowings – FNI Facility C	-	-	-	45	45
Debt fees	-	-	-	(14)	(14)
	-	-	-	796	796
3.5% Senior Secured Notes due 2026	-	-	552	-	552
1.75% Senior Secured Notes due 2024	222	-	-	-	222
2.625% Senior Secured Notes due 2027	-	-	281	-	281
	222	-	833	-	1,055
	222	-	1,776	796	2,794

At 30 September 2024, the group has Senior Bank borrowings of €900 million, which are subject to a Senior Facilities Agreement, Facility B4 borrowings of €300 million with a maturity date of 15 May 2026 and Facility B3 borrowings of €600 million with a maturity date of 15 May 2029. The group also has Senior Secured Notes of €552 million with a maturity date of 15 May 2026, €221 million with a maturity date of 1 November 2024, €281 million with a maturity date of 15 February 2027 and €300 million with a maturity date of 15 December 2029.

In January 2024, the group redeemed €1 million of the 1.75% Senior Secured Notes due 2024.

In February 2024, the group completed a €200 million loan tap on the €946 million Facility B borrowings, with a maturity date of 15 May 2026. The additional Facility B borrowings are subject to cash-pay interest at EURIBOR plus 3.25% margin.

In March 2024, the group completed an amendment and extension of €600 million of its Facility B borrowings, which had an original maturity date of 15 May 2026. Under the terms of the amendment, the refinancing included new money commitments of €113 million, as well as the exchange of Facility B borrowings of €487 million, the amended Facility B3 borrowings have a maturity date of 15 May 2029, which constitutes an extension of the maturity date by three years. The Facility B3 borrowings are subject to cash-pay interest at EURIBOR plus 3.5% margin.

In June 2024, the group issued €300 million in Senior Secured Notes with a maturity date of 15 December 2029. The Notes are subject to fixed rate cash-pay interest at 5.75% payable in semi-annual instalments in June and December each year. The group used €246 million of the proceeds from the Senior Secured Notes to prepay part of the non-extending Facility B1 borrowings. The remaining non-

extending Facility B borrowings of €300 million were redesignated as Facility B4 borrowings and are subject to cash-pay interest at EURIBOR plus 2.75% margin.

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Selected notes to the condensed interim financial information – unaudited (continued)

8. Borrowings - continued

At 30 September 2024, the group has a €50 million revolving credit facility, which was undrawn at 30 September 2024.

At 30 September 2024, Fibre Networks Ireland Limited (“FNI”), the group’s subsidiary with InfraVia, has Facility B borrowings of €765 million, with a maturity date of 30 June 2029. FNI also has a Facility C commitment of €200 million, with €45 million drawn down at 30 September 2024, and a revolving credit facility of €35 million, which is undrawn at 30 September 2024.

Interest accrued on borrowings at 30 September 2024 is €23 million (31 December 2023: €11 million). This is included in trade and other payables.

9. Lease liabilities

The carrying amounts of lease liabilities and the movements during the period are set out below:

	31 Dec 2023 €m	30 Sept 2024 €m
At beginning of period 1 January	630	635
Additions	41	10
Modifications	26	34
Disposals	(7)	(1)
Interest	30	25
Payments	(85)	(65)
	635	638
Non-current	577	586
Current	58	52
	635	638

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Selected notes to the condensed interim financial information – unaudited (continued)

10. Pensions

The group's pension commitments are funded through separately administered Superannuation Schemes and are principally of a defined benefit nature. The group undertakes a full review of the retirement benefit liability at each quarter end in accordance with IAS 19 (Revised). The balance sheet presented as at 30 September 2024 reflects the IAS 19 (Revised) surplus of €517 million as at 30 September 2024.

Pension scheme obligation

The status of the principal scheme at 30 September 2024 is as follows:

	31 Dec 2023 €m	30 Sept 2024 €m
Present value of funded obligations	(3,286)	(3,177)
Fair value of scheme assets	3,874	3,694
Asset recognised in the Balance Sheet	588	517

Assumptions of actuarial calculations

The main financial assumptions used in the valuations were:

	At 31 Dec 2023	At 30 Sept 2024
Rate of increase in salaries	2.0%	1.8%
Rate of increase in pensions in payment	2.0%	1.8%
Discount rate	3.55%	3.4%
Inflation assumption	2.2%	2.0%
Mortality assumptions – Pensions in payment – Implied life expectancy for 65 year old male	87 years	87 years
Mortality assumptions – Pensions in payment – Implied life expectancy for 65 year old female	89 years	89 years
Mortality assumptions – Future retirements – Implied life expectancy for 65 year old male	90 years	90 years
Mortality assumptions – Future retirements – Implied life expectancy for 65 year old female	91 years	91 years

The above assumptions reflect the imposition of a cap on the increases in pensionable pay to the lower of CPI, salary inflation or agreed fixed annual rates.

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

11. Provisions for other liabilities and charges

	Onerous Contracts €m	TIS Annuity Scheme €m	Asset Retirement Obligations €m	Other €m	Total €m
At 31 December 2023	32	3	51	31	117
Charged to consolidated income statement:					
- Additional provisions	-	-	-	3	3
Utilised in the financial period	(2)	-	-	(7)	(9)
At 30 September 2024	30	3	51	27	111

Provisions have been analysed between non-current and current as follows:

	31 Dec 2023 €m	30 Sept 2024 €m
Non-current	83	80
Current	34	31
	117	111

12. Cash generated from operations

	30 Sept 2023 €m	30 Sept 2024 €m
Profit after tax	64	65
Add back:		
Income tax charge	15	15
Finance costs – net	93	129
Operating profit	172	209
Adjustments for:		
- Profit on disposal of property, plant and equipment	(7)	(2)
- Depreciation and amortisation	257	247
- Non-cash lease fair value credits	(1)	(1)
- Management charge	5	5
- Restructuring programme costs	14	5
- Non cash exceptional items	(2)	3
- Other non-cash movements in provisions	1	2
Cash flows relating to restructuring, management charge and provisions	(45)	(31)
Changes in working capital		
Inventories	(9)	2
Trade and other receivables	(5)	(28)
Trade and other payables	(55)	(81)
Cash generated from operations	325	330

eircom Holdings (Ireland) Limited

Selected notes to the condensed interim financial information – unaudited (continued)

13. Post Balance Sheet Events

There have been no significant events affecting the group since the period ended 30 September 2024.

14. Contingent liabilities

There have been no material changes in our contingent liabilities since the publication of the financial statements of EHIL in the bondholder's report for the year ended 31 December 2023.

15. Guarantees

There have been no material changes in our credit guarantees since the publication of the financial statements of EHIL in the bondholder's report for the year ended 31 December 2023.

16. Seasonality

Fixed line

The group does not believe that seasonality has a material impact on our fixed line business.

Mobile

The group's mobile business tends to experience an increase in sales volumes in the weeks approaching Christmas due to the seasonal nature of its retail business. The group's mobile business experiences significant postpay and prepay subscriber growth and related costs of handset subsidies and commissions in November and December. Visitor roaming revenues are also seasonally significant because Ireland is a popular tourist destination during the summer months.

17. Commitments

The group's capital contractual obligations and commitment payments were €123 million at 30 September 2024 (31 December 2023: €60 million).

18. Related party transactions

There have been no material changes in our related party transactions since the publication of the financial statements of EHIL in the bondholder's report for the year ended 31 December 2023.

Management discussion and analysis on results of operations for the nine months ended 30 Sep 2024

Revenue

The following table shows a segmental split of revenues for the period from our fixed line and mobile businesses:

	For the nine months ended		% Change
	30 Sep 2023	30 Sep 2024	
	(unaudited)	(unaudited)	
	€m	€m	
Fixed line services and other revenue	707	704	(1%)
Mobile services revenue	258	279	8%
Total segmental revenue	965	983	2%
Intracompany eliminations	(28)	(28)	-
Total revenue	937	955	2%

Reported group revenue of €955 million for the nine months to September 2024 increased by 2% or €18 million year on year. Fixed line revenue decreased by €3 million while mobile revenue increased by 8% or €21 million.

Fixed line services and other revenue

The following table shows revenue from the fixed line segment, analysed by major products and services, and the percentage change for each category, for the periods indicated:

	For the nine months ended		% Change
	30 Sep 2023	30 Sep 2024	
	(unaudited)	(unaudited)	
	€m	€m	
Access (Rental and Connections)	261	321	23%
Voice Traffic (including Foreign Inpayments)	146	80	(45%)
Data Services	90	92	3%
Subsidiaries and Other	210	211	1%
Total fixed line services and other revenue	707	704	(1%)

Total fixed line services and other revenue for the nine months to September 2024 (before intra company eliminations) decreased by €3 million year on year. The decrease was driven by the decrease in voice traffic of 45% while access revenue increased 23% year on year.

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Access (rental and connections)

The following table shows rental, connection and other charges and the percentage changes for the periods indicated:

	For the nine months ended		
	30 Sep 2023 (unaudited)	30 Sep 2024 (unaudited)	% Change
Access revenue	€m	€m	
Retail PSTN/ISDN rental and connection	109	113	5%
Wholesale PSTN/ISDN/LLU rental and connection	48	38	(22%)
Broadband rental and connection	104	170	64%
Total access revenue	261	321	23%
Access paths	‘000	‘000	
Retail Access Lines	566	569	1%
Wholesale Access Lines	260	197	(24%)
Wholesale LLU	1	1	(16%)
SABB	351	378	8%
Total PSTN/ISDN/LLU/SABB	1,178	1,145	(3%)
Broadband and Bitstream	‘000	‘000	
Retail Broadband	455	471	3%
Wholesale Broadband	492	476	(3%)
Total Broadband (including SABB)	947	947	-

Access revenue of €321 million for the nine months to September 2024 increased by 23% or €60 million year on year.

Retail access revenue increased 5% €4 million year on year. Retail access lines of 569,000 increased by 1% or 3,000.

Wholesale access revenue declined by 22%, primarily due to a decline in wholesale access lines. Wholesale access lines of 197,000 declined by 24% year on year.

Broadband revenue increased by 64%. The Group broadband base of 947,000 as at the end of September 2024 remained stable year on year. Retail broadband customers of 471,000 increased by 3%, while the wholesale broadband base of 476,000 declined by 3%.

eir are committed to growing its broadband reach and have invested in a multi-year programme to rollout Fibre to the Home (FTTH) to 1.2 million premises giving customers reliable and uncongested speeds of up to 1000mbs. 2.2m premises are passed at the end of September 2024 with FTTH, up 18% or 186,000 year on year. The Group fibre base increased by 23,000 customers or 3% year on year to 883,000 at the end of September 2024, with FTTH connections driving growth.

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Voice Traffic

The following table shows total traffic revenue and volumes and the percentage changes for the periods indicated:

	For the nine months ended		
	30 Sep 2023	30 Sep 2024	
	(unaudited)	(unaudited)	% Change
	€m	€m	
Voice traffic revenue			
Retail	130	68	(47%)
Wholesale (including Foreign Inpayments)	16	12	(25%)
Total voice traffic revenue	146	80	(45%)
Voice traffic minutes (in millions of minutes, except percentages)			
Retail	328	261	(20%)
Wholesale (including Foreign Traffic Minutes)	1,499	1,280	(15%)
Total voice traffic minutes	1,827	1,541	(16%)

Group voice traffic revenue for the nine months to September 2024 decreased by 45% or €66 million year on year. Retail voice traffic revenue decreased by 47%, as a result of a 20% decline in retail traffic minutes, wholesale voice traffic revenue decreased by 25% and minutes decreased by 15% year on year.

Data communications

The following table shows information relating to revenue from data communications products and services and the percentage change for the periods indicated:

	For the nine months ended		
	30 Sep 2023	30 Sep 2024	
	(unaudited)	(unaudited)	% Change
	€m	€m	
Data communications revenue			
Leased lines	46	47	2%
Switched data services	4	4	-
Next generation data services	40	41	4%
Total data communications revenue	90	92	3%

Data communications revenue for the nine months to September 2024 increased by 3% or €2 million year on year due to a 4% increase in Next generation data services revenue with leased lines revenue and switched data services revenue increasing by €1 million year on year.

eircom Holdings (Ireland) Limited

Subsidiaries and Other

The following table shows information relating to revenue from other products and services, and the percentage change for the periods indicated:

	For the nine months ended		
	30 Sep 2023	30 Sep 2024	% Change
	(unaudited)	(unaudited)	
	€ m	€ m	
Subsidiaries and Other			
eir Evo	97	101	4%
eir UK	9	10	16%
Managed services and solutions	40	27	(33%)
National Broadband Access	24	24	(1%)
TV and content	10	12	15%
Data centre	6	9	45%
Other revenue	24	28	16%
Subsidiaries and Other Revenue	210	211	1%

Other products and services revenue for the nine months to September 2024 increased by €1 million year on year. eir Evo revenue increased by 4% and eir UK increased by €1 million year on year. Access rental revenues in supply to the National Broadband Plan (NBP) remained stable year on year. Data centre revenue increased by 45% or €3 million while Managed Services and Solutions decreased by €13 million or 33% year on year.

eircom Holdings (Ireland) Limited

Mobile services revenue

The following table shows revenue from Mobile services, analysed by major products and services:

	For the nine months ended		
	30 Sep 2023 (unaudited)	30 Sep 2024 (unaudited)	% Change
	€m	€m	
Mobile revenue			
Prepay handset	47	47	-
Postpay handset (incl. M2M)	149	156	5%
Mobile broadband	11	13	12%
Roaming	13	17	32%
Other	38	46	21%
Total mobile revenue	258	279	8%
Mobile subscribers			
Prepay handset customers	327	314	(4%)
Postpay handset customers (incl. M2M)	1,010	1,117	10%
Mobile broadband customers	63	67	6%
<i>Of which are prepay customers</i>	<i>1</i>	<i>1</i>	<i>-</i>
<i>Of which are postpay customers</i>	<i>62</i>	<i>66</i>	<i>7%</i>
Total mobile subscribers	1,400	1,498	7%

Total mobile revenue for the nine months to September 2024 of €279 million increased by 8% or €21 million year on year.

Prepay handset revenue remained stable year on year despite a decrease in prepay handset customers of 13,000.

Postpay handset revenue increased by 5% or €7 million year on year, primarily driven by an increase in postpay handset (including M2M) subscribers of 10% or 107,000 year on year. GoMo, the Group's SIM only postpay offering, has been the principal driver of the changing subscriber base mix.

Mobile broadband revenue increased by 12%, driven by growth in the mobile broadband base of 6% or 4,000 subscribers. Roaming revenue increased by 32% or €4 million.

There were a total of 1,498,000 mobile subscribers as at September 2024, an increase of 7% year on year. The mix of customers continues to improve, with the proportion of postpay customers (including mobile broadband and M2M) of 79% increasing by 2 percentage points year on year, representing an increase of 111,000 net additional postpay subscribers (including mobile broadband and M2M subscribers).

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Operating costs before amortisation, depreciation and exceptional items

The following table shows information relating to our operating costs before amortisation, depreciation, and exceptional items, and the percentage change for the periods indicated.

	For the nine months ended		
	30 Sep 2023	30 Sep 2024	% Change
	(unaudited)	(unaudited)	
	€m	€m	
Cost of sales			
Foreign outpayments	5	4	(24%)
Interconnect	29	25	(16%)
Equipment cost of sales	42	36	(13%)
Subsidiaries (eir Evo & EUK)	70	75	7%
Other including TV,NBP, ICT & managed services	71	67	(6%)
Total cost of sales	217	207	(5%)
Pay costs			
Wages and salaries and other staff costs	148	146	(1%)
Social welfare costs	12	12	4%
Pension cash costs—defined contribution plans	4	4	5%
Pension cash costs—defined benefit plans	3	3	(18%)
Pay costs before non-cash pension charge and capitalisation	167	165	(1%)
Capitalised labour	(31)	(31)	-
Total pay costs before non-cash pension charge	136	134	(1%)
Non pay costs			
Materials and services	11	11	-
Other network costs	12	13	8%
Accommodation	51	62	22%
Sales and marketing	11	11	1%
Provision for credit losses	7	4	(41%)
Transport and travel	7	7	(5%)
Customer services	5	4	(25%)
Insurance and compensation	3	3	7%
Professional and regulatory fees	4	3	(28%)
IT costs	12	12	(1%)
Other non-pay costs	6	9	50%
Total non-pay costs	129	139	8%
Operating costs before non-cash pension charge, non-cash fair value lease credits, management charge, amortisation, depreciation of PPE, and exceptional items	482	480	1%
Non cash pension charge/(credit)	-	-	-
Non cash fair value lease credits	(1)	(1)	-
Management charge	5	5	-
Operating costs before amortisation, depreciation of PPE, and exceptional items	486	484	1%

Total operating costs before non-cash pension charge, amortisation, depreciation of PPE, and exceptional items of €484 million for the nine months to September 2024 decreased by 1% or €1 million year on year.

Cost of Sales

Cost of sales for the nine months to September 2024 of €207 million decreased by 5% or €10 million year on year.

- Foreign outpayments decreased by €1 million year on year.
- Equipment costs of sales decreased by 13% or €6 million for the period year on year.
- Subsidiaries increased by 7% driven by eir Evo costs relating to large one off sales.
- Other cost of sales decreased by 6% or €4 million year on year.

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Pay costs

Total pay costs before non-cash pension charge of €134 million for the nine months to September 2024 decreased by €2 million year on year. FTE headcount was 3,086 at 30 September, representing a net decrease 258 FTE year on year.

Total non-pay costs

Total non-pay costs of €139 million for the nine months to September 2024 increased by 8% or €10 million year on year.

- Accommodation costs increased by 22% or €11 million, due to an increase in rent and facility costs.
- The remaining non pay costs decreased by €1m.

Non-cash pension charge/ (credit)

The non-cash pension charge represents the difference between the amount of cash contributions that the company has agreed to make to the fund during the period, on an accruals basis, and the accounting charges recognised in operating profit in accordance with IAS 19 (Revised). The IAS 19 (Revised) accounting charge is not aligned with the principles that the company applies in measuring its EBITDA. Therefore the non-cash pension charge is included as an adjustment in the reconciliation of EBITDA to operating profit.

Non-cash lease fair value credits

The non-cash lease fair value credit included in the income statement during the period is in respect of the unfavourable lease fair value adjustment which arose on acquisition of eircom Limited following Examinership. At the date of acquisition, we were required to recognise a liability for the difference between the amount of future rental payments that had been contractually committed to and the market rent that would have been payable if those contracts had been entered into at that date. The liability is released as a credit to the income statement over the period of the relevant leases. The IFRS accounting treatment is not aligned with the principles we apply in measuring our EBITDA. As a result, non-cash lease fair value credit is included as an adjustment to our EBITDA.

Amortisation

Amortisation charges for the nine-month period ended 30 September 2024 were €39 million, which is €4 million higher than the €35 million charge for the corresponding nine-month period ended 30 September 2023. The increase is due to higher amortisation on computer software and 5G licence.

Depreciation of property, plant and equipment

The depreciation charge on property, plant and equipment for the nine-month period ended 30 September 2024 was €173 million, which is €11 million lower than the charge for the corresponding nine-month period ended 30 September 2023 of €184 million. The decrease in depreciation is mainly due to lower depreciation on property and mobile assets and lower fair value depreciation adjustment relating to the acquisition of eircom Limited assets in 2012.

Depreciation of right of use assets

The depreciation charge on right of use assets for the nine-month period ended 30 September 2024 was €35 million, which is €3 million lower than the charge for the corresponding nine-month period ended 30 September 2023 of €38 million. The decrease is mainly due to lower depreciation on leased property.

Exceptional costs

The exceptional charge of €17 million in the nine-month period ended 30 September 2024 included €5 million for restructuring programme costs, €1 million for strategic corporate related costs, €3 million for group re-organisation costs and €8 million for legal and other costs arising in the period.

The exceptional charge of €29 million in the corresponding nine-month period ended 30 September 2023 was mainly due to restructuring programme costs of €14 million and legal and other costs of €11 million. Other exceptional charges included in the period were €2 million for strategic corporate related costs and €2 million for group re-organisation costs.

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Notes:

1. Percentage changes have been calculated based on unrounded data rather than on the rounded data presented in these tables. Certain comparative figures have been re-grouped and re-stated where necessary on the same basis as those for the current financial quarter.
 2. Fixed ARPU Calculations:
 - A. We define “Blended consumer fixed ARPU” as the average of the total consumer subscriber revenue divided by the average number of access subscribers (including SABB) in each month. Subscriber revenue is equal to total fixed line consumer revenue excluding revenue from eir Sport and Operator Services.
 - B. We define “WLR PSTN ARPU” as the average of Wholesale PSTN line rental revenue divided by the average number of PSTN WLR access subscribers in each month.
 - C. We define “Bitstream ARPU” as the average of bitstream rental revenue including SABB (recurring revenue) divided by the average number of Wholesale bitstream (including SABB) subscribers in each month.
 - D. We define “the average number of subscribers in the month” as the average of the total number of subscribers at the beginning of the month and the total number of subscribers at the end of the month.
 - E. All Fixed ARPUs are adjusted to reflect the average number of days in a month.
 3. Mobile ARPU Calculations:
 - A. We define “Prepay ARPU” as the measure of the sum of the total prepay mobile subscriber revenue including revenue from incoming traffic in the period divided by the average number of prepay mobile subscribers in the period divided by the number of months in the period.
 - B. We define “Postpay ARPU” as the measure of the sum of the total postpay mobile subscriber revenue including revenue from incoming traffic and handset recovery in a period divided by the average number of postpay mobile subscribers in the period divided by the number of months in the period.
 - C. We define “the average number of mobile subscribers in the period” as the average of the total number of mobile subscribers at the beginning of the year and the total number of mobile subscribers at the end of the year.
 4. N/M - percentage movement is not meaningful.
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