

eir Q4 FY20 RESULTS PRESS RELEASE



Dublin, 2 September 2020

Consistent, solid results in line with expectations

Continued growth in fibre broadband, postpay mobile, and multi-play bundling ¹

eir today announced its results for the full year and fourth quarter FY20 to 30 June 2020, which were in line with expectations. Full year reported revenue declined by 2% or €25 million, while adjusted EBITDA increased by 4% or €22 million and operating costs were reduced by 7% or €27 million. The company saw consistent solid growth in its key performance indicators, with strong year on year increases in fibre broadband and postpay mobile customers, further quarter on quarter growth in TV customers, and continued growth in multi-play product bundling.

FY20 financial snapshot ¹

- ▶ Revenue **€1.224 billion**, down €25m or 2%
- ▶ EBITDA **€600 million**, up €22m or 4%
- ▶ Operating costs **€379 million**, reduced by €27m or 7% ²
- ▶ Cash on balance sheet **€255 million** ³

Q4 financial snapshot ¹

- ▶ Revenue **€300 million**, down €5m or 2%
- ▶ EBITDA **€159 million**, up €7m or 5%
- ▶ Operating costs **€92 million**, reduced by €1m or 1% ²

Latest business updates



Keeping Ireland connected: with restrictions eased, our retail stores are open and our support and sales functions remain fully operational



Ireland's Fibre Network rollout continues to progress; now passing **138,000** urban and suburban premises across Ireland with superfast FTTH gigabit broadband, up 66,000 QoQ



2 million premises now passed with eir fibre, or approximately **82%** of premises in Ireland ⁴
576,000 premises now passed with FTTH across Ireland, up 54% or 201,000 YoY



767,000 fibre broadband connections, **80%** of total broadband base
36% of customers on triple or quad-play bundles, up 3pp YoY



5G network rollout continues to expand, with superfast data speeds available in 21 towns and cities across Ireland and outdoor population coverage now over **29%**, up 1pp QoQ

¹ Movements year on year. Excludes IFRS 15 and IFRS 16 adjustments.

² Operating costs exclude amortisation, depreciation, non-cash pension charge, fair value lease credits, management charge and exceptional items.

³ Cash includes 56% share of Tetra joint venture.

⁴ Estimated total premises in Ireland of approximately 2.4 million.

**Carolán Lennon, eir CEO, commented:**

“While pandemic restrictions are being gradually eased in Ireland, the situation continues to remain very uncertain and there is unlikely to be a return to normal any time soon. Staying connected with family, friends, and colleagues continues to be more important than ever and our new ways of communicating, working, and socialising will likely remain for the coming months. Our priority has always been to ensure the safety of our employees, our customers and our suppliers, and we are following stringent guidelines to ensure everyone is protected while keeping our network fully operational.

Keeping Ireland connected

“Keeping Ireland connected in these unprecedented times has not been easy, and I would like to thank all of the extremely dedicated people at eir for their ongoing efforts. Our engineers have continued to connect homes throughout this difficult period and they have worked tirelessly to maintain and upgrade our fibre and mobile networks across Ireland. Our care teams are working extremely hard in new and unprecedented working environments to support our customers. While our retail stores have reopened, the vast majority of our staff continue to work remotely or in the field.

“Our network has proven exceptionally resilient, thanks to our significant investment in recent years, including the rollout of our high-speed fibre network across Ireland, the upgrade and expansion of our 4G mobile network, and the rollout of Ireland’s largest 5G network. It has plenty of capacity to continue to serve our customers whatever happens.

“We have stood by our customers, providing free access to essential healthcare and educational websites and enabling customers to upgrade to unlimited packages where necessary. We continue to support those of our customers who have found themselves in financial difficulty as a result of the pandemic, and we are working to ensure that they remain connected to our network.

Investment programme

“Our ongoing €1 billion capital investment programme is playing an important role in ensuring our network remains fully operational and we will continue to roll out our upgrade programmes where it is safe to do so.

“Our urban and suburban FTTH programme, Ireland’s Fibre Network, continues to expand with more than 138,000 homes and businesses passed to the end of June 2020, and more premises being passed every day. Together with our rural programme, we have now passed 576,000 premises with FTTH, so customers in cities, towns, and villages across the country are enjoying the benefits of fibre broadband, allowing many to work seamlessly from home and watch TV, play games and download their favourite films at ultrafast speeds. Our fibre broadband network now extends to 2 million premises, or 84% of the total in Ireland.

“We have also prioritised mobile network upgrades to enhance connectivity for customers working from home, by replacing equipment and increasing the number of sites to provide more coverage and more capacity. Our 5G network, by far Ireland’s largest, continues to expand, with superfast speeds now available in 21 towns and cities across Ireland and outdoor population coverage now at over 29%. 5G is allowing eir customers to enjoy unrivalled speeds and reliability, with peak speeds over 1Gbps. The upgrade and expansion of our 4G network is also continuing and to date we have achieved over 99% population coverage and 95% geographical coverage across Ireland. GoMo, our virtual mobile network, continues to attract customers in unprecedented numbers. Launched less than a year ago, already more than 200,000 customers have joined.

Outlook

“We will continue to work night and day to keep Ireland connected, and to support our customers as we all adapt to a new way of life. Our investment programme will ramp up in the coming months, with safety our number one priority, and we have plans to roll out 5G to every major town in Ireland and continue passing more homes and businesses with ultrafast broadband.”

Stephen Tighe, eir CFO, commented:

“Despite a challenging external environment during the second half of the financial year, our performance in the fourth quarter remained strong and consistent with previous quarters. The people at eir have worked hard during this time, either in the field or working remotely, to ensure our network and services remain fully operational and prepared for the increased demand for communications as people now connect and engage with the world online more than ever.

“As a result of these efforts to keep Ireland connected, we have successfully sustained our trajectory and achieved our full year guidance targets, with EBITDA growth of 4% for the year, operating cost savings of 7%, capital investment in our fibre and mobile networks of €265m, and a continued strong cash position of €255m at the end of June.

“Our positive trading performance has also been sustained in the fourth quarter, with quarter on quarter growth in retail broadband customers of 1%, postpay mobile customers of 2%, and TV customers of 1% all realised in a difficult and competitive market environment. With the further roll out of ultrafast fibre broadband and 5G continuing, we expect a continued solid performance and growth into the next financial year.”

Q4 FY20 trading snapshot ⁵



Continued broadband growth, retail continues QoQ rebound

- ▶ **962,000** broadband customers, up **2%** or **18,000** YoY
 - ▶ Retail broadband customers up **1%** or **6,000** QoQ



Mobile growth driven by GoMo

- ▶ **1.156m** mobile customers, up **13%** or **133,000**
- ▶ **67%** of mobile customers on postpay, up **12pp**
- ▶ **29%** of households include mobile in a bundle, up **1pp**



TV growth continues QoQ rebound

- ▶ **78,000** eir TV customers, up **1%** or **1,000** QoQ, stable YoY ⁶



Continued YoY growth in Household Revenue Generating Units

- ▶ **2.50** RGUs per household, up **2%**

Q4 Trading performance

- ▶ Q4 revenue of €300m decreased by 2% or €5m year on year, with growth in broadband, data services, and postpay revenues offset by a reduction in traffic, sport, and prepay revenues, as well as by the impact of a competitive retail broadband market and regulated wholesale pricing.
- ▶ Q4 EBITDA of €159m increased by 5% or €7m year on year, enabled by continued operating cost savings in the quarter.
- ▶ Q4 operating costs of €92m reduced by 1% or €1m year on year. Non-pay costs reduced by 4% or €2m, driven by a continued focus on streamlining business and insourcing activities, while pay costs increased by 3% or €1m driven by insourcing and recruitment activities.
- ▶ The Group broadband base totalled 962,000 customers at quarter end, growing by 2% or 18,000 year on year, driven by growth in the wholesale division year on year, and by growth in both the wholesale and retail divisions quarter on quarter.

⁵ Movements year on year unless otherwise stated.

⁶ eir TV base includes eir Vision subscribers.



- ▶ Customers using fibre-based high-speed broadband services totalled 767,000 at quarter end, representing an increase of 9% or 65,000 customers year on year. 80% of the Group's broadband base is now connected to eir's fibre network, which represents a 39% penetration of fibre premises passed.
- ▶ The Group mobile base stood at 1.156m customers at quarter end, an increase of 13% or 133,000 year on year. The Group's postpay base increased by 37% or 210,000 subscribers year on year. Postpay subscribers now represent 67% of the total mobile base, an increase of 12 points year on year.

In summary, the Group has delivered solid and consistent financial and operational results for the full year and fourth quarter to 30 June 2020, in line with expectations.

ENDS

For more information on our results visit:

eir.ie/investorrelations

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About eir

eir is the largest provider of fixed line telecommunications services in Ireland, offering broadband, voice, TV, and data services to residential, small business, enterprise and government segments.

eir is the third largest mobile operator in Ireland in terms of revenue and customers. The company operates the eir mobile and GoMo services.

eir's wholesale division, open eir, is the largest wholesale telecommunications operator in Ireland, providing products and services to national and international wholesale customers across a range of regulated and unregulated markets.

The Group generated total revenue of €1.224 billion and adjusted EBITDA of €600 million for the year ended 30 June 2020.⁷

⁷ Before the impact of IFRS 15 and IFRS 16 adjustments.