

eir Q1 FY21 RESULTS PRESS RELEASE



Dublin, 17 November 2020

Consistent, solid results in line with expectations

Our strategy to build Ireland's best fibre and mobile networks continues to deliver, with fibre broadband up 9%, postpay mobile up 40%, and further growth in multi-play bundling ¹

eir today announced its results for the first quarter FY21 to 30 September 2020, which were in line with expectations. The number of fibre broadband customers on the eir network increased by 9% to 784,000 year on year, with the postpay mobile base increasing by 40% to 791,000 subscribers. Reported revenue declined by 2% or €6 million, while adjusted EBITDA increased by 1% or €2 million, with operating costs remaining stable year on year. The company saw consistent solid growth in its key performance indicators, with strong increases in fibre broadband and postpay mobile customers, continued growth in TV customers, and further increases in multi-play product bundling.

Latest business updates



Keeping Ireland connected: our network, activities and people remain fully operational and continue to ensure that our customers remain fully connected to family, friends and colleagues



Over 2 million premises passed with eir fibre, or approximately **85%** of premises in Ireland ¹
674,000 premises now passed with FTTH across Ireland, up **68%** or **273,000** YoY



784,000 fibre broadband connections, up **67,000** YoY; **81%** of total broadband base
36% of customers on triple or quad-play bundles, up **2pp** YoY



5G network rollout continues to expand, with ultrafast data speeds available in 106 towns and cities across Ireland; outdoor population coverage now over **45%**, up **16pp** QoQ

Q1 trading snapshot ²



Further solid broadband growth

- ▶ **967,000** broadband customers, up **2%** or **22,000** YoY
 - ▶ Wholesale up **5%** or **23,000**; retail broadly stable, down 2,000 YoY



Mobile growth driven by GoMo

- ▶ **1.184m** total mobile customers, up **16%** or **163,000**
- ▶ **791,000** postpay customers, up **40%** or **224,000**
- ▶ **67%** of the mobile base is on postpay, up **12pp**
- ▶ **29%** of households include mobile in a bundle, stable YoY



TV growth continues QoQ rebound

- ▶ **79,000** eir TV customers, up **4%** or **3,000** YoY ³



Continued YoY growth in Household Revenue Generating Units

- ▶ **2.51** RGUs per household, up **2%** YoY

¹ Estimated total premises in Ireland of approximately 2.4 million.

² Movements year on year unless otherwise stated.

³ eir TV base includes eir Vision subscribers.



Q1 financial snapshot ⁴

- ▶ **Revenue €298 million**, down €6m or 2%
- ▶ **EBITDA €142 million**, up €2m or 1%
- ▶ **Operating costs €96 million**, stable year on year ⁵
- ▶ **Cash on balance sheet €528 million**, after property disposal proceeds ⁶

Carolán Lennon, eir CEO, commented:

“While we saw some very positive news in recent weeks on vaccine development, unfortunately it seems likely that we will be living with pandemic restrictions for many months yet. The return to normal life that we are all longing for will be gradual and so our customers will continue to rely on our network to stay connected with family, friends, and colleagues. Our priority has always been to allow them to live their lives as fully as possible during the pandemic, by keeping our network fully operational, while ensuring their safety and the safety of our employees and suppliers.

Keeping Ireland connected

“Maintaining the connections people are depending upon has not been easy, and I would like to recognise the hard work of everyone at eir. Our engineers have continued to work tirelessly, connecting homes and maintaining and upgrading our networks across Ireland. Our care teams in Sligo, Cork and Limerick have had to adapt to a new way of working, together with a vastly greater number of queries, which shows what an essential service they are providing supporting our customers. While our retail stores are open for emergency services, the vast majority of our staff continue to work remotely or in the field.

“Our on-going €1 billion capital investment programme has played an essential role in ensuring our network remains fully operational and we continue to roll out our upgrade programmes where it is safe to do so. The whole network has proven exceptionally resilient and has plenty of capacity whatever happens.

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

Investment programme

“More premises are being passed with gigabit fibre broadband every day and we have now passed 674,000 premises with FTTH, so people in cities, towns, and villages across the country can enjoy ultrafast broadband speeds. More than 2 million premises, or 85% of the total in Ireland, now have access to our fibre broadband network.

“We have updated over 1,000 mobile network sites nationwide, with improvements in speed, coverage and resilience providing enhanced connectivity for customers. Our 5G network continues to expand and now covers nearly half of the people of Ireland. It is by far the largest in the country, available in 106 towns and cities across Ireland. 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 with 99% population coverage and 95% geographical coverage across Ireland.

⁴ Movements year on year. Excludes IFRS 15 and IFRS 16 adjustments.

⁵ Operating costs exclude amortisation, depreciation, non-cash pension charge, fair value lease credits, management charge and exceptional items.

⁶ Cash includes 56% share of Tetra joint venture.



“In October we celebrated the one-year anniversary of GoMo, our revolutionary digital mobile brand, which has attracted more than a quarter of a million sign-ups in only 12 months. GoMo has set the standard for mobile in Ireland with its simplicity, its value, and its lifetime price guarantee. By listening to customers and giving them exactly what they need we have created a uniquely successful Irish mobile network.

Outlook

“Keeping Ireland connected will remain mine and my team’s priority, supporting our customers as we all adapt to a new way of life. Our investment programme will continue in the coming months, with safety our number one priority. We have plans to roll out 5G to every major town in Ireland and will continue to pass more homes and businesses with ultrafast broadband.”

Stephen Tighe, eir CFO, commented:

“Our performance in the first quarter remained solid and consistent with previous quarters, with continued EBITDA growth and further increases in our fibre, mobile, TV and bundled customer bases, despite the challenges faced from the external environment as the impact of Covid-19-related restrictions remains, with measures strengthening recently as Ireland became the first country in Europe to re-enter lockdown.

“We have continued to face these challenges while successfully focusing on our strategy and objectives, with our €1 billion investment to roll out fibre broadband and 5G, as well as the expansion of 4G and upgrade of our IT stack, all continuing to progress at pace in the first quarter.

“We expect further improvements in our performance as the year progresses, with continued EBITDA growth, business streamlining and optimisation, further cash generation, and capital expenditure on our networks to drive future growth.”

Q1 Trading performance

- ▶ Q1 revenue of €298m decreased by 2% or €6m year on year, with growth in broadband, managed and data services, postpay revenues and bundling offset by a reduction in traffic, sport, content and prepay revenues, as well as by the impact of a competitive retail broadband market and regulated wholesale pricing.
- ▶ Q1 EBITDA of €142m increased by 1% or €2m year on year, enabled by continued business streamlining driving further operating cost savings in the quarter.
- ▶ Q1 operating costs of €96m remained stable year on year. Pay costs reduced by 2% or €1m, while non-pay costs increased by 2% or €1m.
- ▶ The Group broadband base totalled 967,000 customers at quarter end, growing by 2% or 22,000 year on year, driven by growth in the wholesale division.
- ▶ Customers using high-speed fibre broadband services totalled 784,000 at quarter end, representing an increase of 9% or 67,000 customers year on year. 81% of the Group’s broadband base is now connected to eir’s fibre network, which represents a 39% penetration of total premises passed with eir fibre broadband.
- ▶ The Group mobile base stood at 1.184m customers at quarter end, an increase of 16% or 163,000 year on year. The Group’s postpay base increased by 40% or 224,000 subscribers year on year. Postpay subscribers 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 first quarter FY21 to 30 September 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.