

eir Q2 FY21 RESULTS PRESS RELEASE



Dublin, 25 February 2021

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 16%, TV up 8%, and multi-play bundling up 3pp¹

eir today announced its results for the second quarter FY21 to 31 December 2020, which were in line with expectations. The number of fibre broadband customers on the eir network increased by 9% to 798,000 customers year on year, with the postpay mobile base increasing by 16% to 815,000 and the eir TV base increasing by 8% to 81,000. Multi-play bundling accounted for 37% of fixed households, up 3% year on year.

Reported revenue declined by 5% as eir continues to manage declines in traditional access and voice revenues, together with Covid-19 related declines such as in sport content and roaming revenue, while also supporting increased voice and data traffic. Despite these challenges, adjusted EBITDA remained stable for the period, with continued streamlining of the cost base resulting in a 5% reduction in operating costs and a 16% reduction in cost of sales year on year.

Latest business updates



Evros acquisition: Ireland's leading ICT company joins forces with eir Business to create the best-in-class communications and ICT solutions provider for Irish business



2.1 million premises passed by Ireland's largest fibre network, or **86%** of premises in Ireland¹
749,000 premises now passed with FTTH across Ireland, up **65%** or **294,000** YoY



798,000 fibre broadband connections, up **9%** or **68,000** YoY; **82%** of total broadband base
37% of customers on triple or quad-play bundles, up **3pp** YoY



5G network rollout continues to expand, with ultrafast data speeds available in 239 towns and cities across Ireland; outdoor population coverage now over **55%**, up **30pp** YoY

Q2 trading snapshot²



Further solid broadband growth

- ▶ **969,000** broadband customers, up **2%** or **22,000**
- ▶ Wholesale up 4% or 19,000; retail up 3,000



Strong mobile growth driven by GoMo

- ▶ **1.191m** total mobile customers, up **5%** or **54,000**
- ▶ **815,000** postpay customers, up **16%** or **112,000**
- ▶ **68%** of the mobile base is on postpay, up **6pp**
- ▶ **30%** of households include mobile in a bundle, up **1pp**



Strong TV growth continues

- ▶ **81,000** eir TV customers, up **8%** or **6,000**³



Continued YoY growth in Household Revenue Generating Units

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

¹ Approximate, based on estimated total delivery points in Ireland of approximately 2.421 million.

² Movements year on year unless otherwise stated.

³ eir TV base includes eir Vision subscribers.

Q2 financial snapshot ⁴

- ▶ **Revenue €297 million**, down 5% or €16m
- ▶ **EBITDA €147 million**, stable
- ▶ **Operating costs €91 million**, reduced by 5% or €4m ⁵
- ▶ **Cash on balance sheet €140 million** ⁶

Carolán Lennon, eir CEO, commented:

“As the Covid-19 pandemic continues to have a significant impact across society, we at eir are acutely aware of the importance of connectivity to our customers during this time. Whether working from home, catching up with family and friends on video calls, or relaxing with a movie, it is vital that we have strong, reliable and accessible connections. At eir we are committed to improving our service to all customers, including the upgrading of our networks, the increased rollout of Fibre-to-the-Home technology and the continued expansion of our 4G and 5G networks. At eir, we are excited for the year ahead and the improvements that we will continue to see across the network and in delivering first class quality service to our customers.

Keeping Ireland connected

“2020 was a year like no other, and for our teams at eir, this meant pulling together and working tirelessly to ensure that we continued to provide a world class service to all of our customers. Our on-going €1 billion capital investment programme has played an essential role in ensuring our network remains fully operational, and we have continued to roll out our fibre and mobile upgrade programmes at pace, in line with Covid-19 safety guidelines. The entire network has proven exceptionally resilient and has plenty of capacity whatever happens.

“eir continues to make substantial progress on our care wait times and we thank our customers for their patience and support. eir has hired more than 235 new care agents in recent months, leading to significant improvements in waiting times. The average wait time for our main care line has been five minutes over the last two months, and complaints to ComReg have been reduced significantly, down more than one third in the last three months. It is promising to see these improvements reflected in our latest customer satisfaction scores.

“In addition, 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 of our customers, providing free access to essential health and educational websites, and enabling customers to upgrade to unlimited packages where necessary.

“I would again like to recognise the hard work of everyone at eir, and their enormous efforts in keeping everyone connected during this difficult time. Whether it’s our engineers tirelessly fixing faults, connecting homes and upgrading our networks across Ireland, or our care teams in Sligo, Cork and Limerick successfully handling vastly increased numbers of calls, the eir team has gone above and beyond. So we were delighted to recognise these efforts and agree a pay deal with the Communication Workers’ Union, which will see all of our staff receive a 6% pay rise over 3 years.

“2021 is a new year and in January eir announced the acquisition of Evros, Ireland’s leading ICT company. Evros will now join forces with eir Business, strengthening our portfolio of enterprise communication services, creating the best in-class communications and ICT solutions provider for Irish SMEs, corporate and government segments.

“Evros offers unrivalled delivery in the design, supply, implementation and support of ICT infrastructure, and joining forces with eir business will provide customers with end-to-end telecoms and IT services, including

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

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

⁶ Cash includes 56% share of Tetra joint venture.



mobility solutions, networking technology, public and private cloud, security, managed services, and IT contracting. Evros together with eir Business will become the leading partner for digital transformation of Irish business in a post-Covid future.

“We were also pleased to announce our partnership with EasyGo, Ireland’s leading vehicle charging point network provider, which will see 180 eir public telephone booths transformed into rapid charging points across Ireland. This partnership will further encourage drivers to switch to greener, more sustainable forms of driving, and eir is delighted to be playing its part, in line with our on-going commitments to corporate social responsibility and ESG.

Investment programme

“eir is committed to the continued extension of our network, with more premises being passed with gigabit fibre broadband every day. We have now passed 749,000 premises with FTTH, up 65% since last year, so more and more people in cities, towns, and villages across the country can enjoy ultrafast broadband speeds. More than 2.1 million premises, or 86% of the total in Ireland, now have access to our fibre broadband network.

“We saw mobile traffic on the network nearly double during 2020, up over 80%, as the pandemic forced people to work, study, and socialise remotely. We have upgraded over 1,400 mobile network sites nationwide, with improvements in speed, coverage and resilience providing enhanced connectivity for customers. The upgrade and expansion of our 4G network is also continuing with 99% population coverage and 97% geographical coverage across Ireland.

“Our 5G network continues to expand and now covers over 55% of the population, up 30% from last year. It is by far the largest in the country, available in 239 towns and cities, and 800 sites across Ireland. 5G is allowing eir customers to enjoy unrivalled speeds and reliability, with peak speeds over 1Gbps.

“GoMo, our revolutionary digital mobile brand, is almost 18 months old and during this time, has attracted more than a quarter of a million customers, winning 2 Switcher awards & Irish Brand of the Year at the InBusiness awards. 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 unique and successful Irish mobile network.

Outlook

“As we have all seen over the last 12 months in particular, connectivity is more vital now than ever before. I am committed to ensuring that all eir customers will enjoy the best quality service available on the market and it is both mine and my team’s priority to support our customers in every way we can. Our investment programme is the most significant investment programme by any telecommunications provider in Ireland and we will continue to advance our network, bringing ultraspeed broadband and mobile connectivity to customers across Ireland.”

Stephen Tighe, eir CFO, commented:

“Our performance in the second quarter remained solid and consistent with recent trends, with continued streamlining of our cost base helping to offset Covid-19-related impacts to revenue, with EBITDA remaining stable for the period and further increases in our fibre, mobile, TV and bundled customer bases realised, despite the challenges faced from the external environment as the impact of pandemic restrictions remains.

“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 second 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.”



Q2 Trading performance

- ▶ Q2 revenue of €297m decreased by 5% or €16m year on year, with growth in broadband, managed and data services, postpay revenues and bundling offset by a reduction in traditional access, traffic, sport, eir UK, and prepay revenues.
- ▶ Q2 EBITDA of €147m remained stable, enabled by continued business streamlining driving further operating cost savings in the quarter.
- ▶ Q2 operating costs of €91m were reduced by 5% or €4m year on year. Pay costs reduced by 4% or €1m, while non-pay costs reduced by 5% or €3m.
- ▶ The Group broadband base totalled 969,000 customers at quarter end, growing by 2% or 22,000 year on year, driven by growth in the wholesale division of 19,000 year on year.
- ▶ Customers using high-speed fibre broadband services totalled 798,000 at quarter end, representing an increase of 9% or 67,000 customers year on year. 82% of the Group's broadband base is now connected to eir's fibre network, which represents a 38% penetration of total premises passed with eir fibre broadband.
- ▶ The Group mobile base stood at 1.191m customers at quarter end, an increase of 5% or 54,000 year on year. The Group's postpay base increased by 16% or 112,000 subscribers year on year. Postpay subscribers represent 68% of the total mobile base, an increase of 6 points year on year.

In summary, the Group has delivered solid and consistent financial and operational results for the second quarter FY21 to 31 December 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.