

eir Q3 FY21 RESULTS PRESS RELEASE



Dublin, 20 May 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 8%, postpay mobile up 10%, TV up 5%, and multi-play bundling up 1pp. ¹

eir today announced its results for the third quarter FY21 to 31 March 2021, which were in line with expectations. The number of fibre broadband customers on the eir network increased by 8% to 810,000 customers year on year, with the postpay mobile base increasing by 10% to 836,000 and the eir TV base increasing by 5% to 81,000. Multi-play bundling accounted for 37% of fixed households, up 1pp year on year.

Reported revenue declined by 3% as eir continues to manage declines in traditional access and voice revenues, together with Covid-19 related declines such as in sport content 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 further 4% reduction in operating costs year on year.

Latest business updates ¹



2.1 million premises passed by Ireland's largest fibre network, or **88%** of premises in Ireland. ²
820,000 premises now passed with FTTH across Ireland, up **64%** or **319,000**.



810,000 fibre broadband connections, up **8%** or **62,000**; **84%** of total broadband base.
37% of customers on triple or quad-play bundles, up **1pp**.



Smart WiFi: eir launches its new **Smart WiFi Hub** mesh-extender, enabling our customers to enjoy ultrafast broadband in every part of the house, with no more blackspots.



5G network rollout continues to expand, with ultrafast data speeds available in **288** towns and cities across Ireland; outdoor population coverage now over **57%**, up **29pp**.



ESG: eir becomes first telecoms operator in Ireland to publish a **gender pay gap** report, setting out specific initiatives to achieve on-going reduction of the gap.

Q3 trading snapshot ¹



Further broadband growth

- ▶ **970,000** broadband customers, up **2%** or **16,000**.
- ▶ Wholesale up 4% or 21,000; retail down 1% or 5,000.



Solid mobile growth driven by GoMo

- ▶ **1.189m** total mobile customers, up **2%** or **18,000**.
- ▶ **836,000** postpay customers, up **10%** or **76,000**.
- ▶ **70%** of the mobile base is on postpay, up **5pp**.



Strong TV growth continues

- ▶ **81,000** eir TV customers, up **5%** or **4,000**. ³



Continued household bundling growth:

- ▶ **82%** of fixed consumer households on 2P+ bundles, up **1pp**.

¹ Movements year on year unless otherwise stated.

² Approximate, based on estimated total delivery points in Ireland of approximately 2.421 million.

³ eir TV base includes eir Vision subscribers.

Q3 financial snapshot ^{2, 3}

- ▶ **Revenue €299 million**, down 3% or €8m.
- ▶ **EBITDA €154 million**, stable.
- ▶ **Operating costs €92 million**, reduced by 4% or €4m. ⁴
- ▶ **Cash on balance sheet €93 million**. ⁵

Carolán Lennon, eir CEO, commented:

“While we have many reasons to be optimistic as the vaccine rollout ramps up in Ireland and restrictions ease, the world will likely never be the same, and connectivity will remain more essential than ever to our daily lives. This connectivity has allowed us to work-from-home, study and socialise remotely, and in many ways it has been our lifeline.

“At eir we remain dedicated to ensuring our customers have access to the fastest broadband, highest-quality mobile and best customer service possible. We are committed to continuously improving the service we provide, including upgrading our networks, expanding the availability of Fibre-to-the-Home technology, and the further expansion of our 4G and 5G networks. Through our investments we are connecting for a better Ireland, helping to create a connected nation where everyone, everywhere has the opportunity to thrive.

Preparing Ireland for the future

“Many of our customers want to maintain the benefits that the pandemic has brought to their working lives. For many of us, we won’t return to our pre-pandemic way of life, we see a future where we will continue to work remotely full-time or through a hybrid work-model. Our investment in the upgrade of our networks will ensure that our customers will be facilitated to work-from-home, wherever that may be.

“eir recently launched its new Smart Wifi Hub, a mesh-extender which enables customers to enjoy ultrafast broadband across their home, with no blackspots. As people increasingly rely on their broadband connection to work, learn, play, and to keep connected, it has become more important than ever to have a reliable connection in every part of your home. The Smart WiFi hub expands a home’s network coverage without additional wiring, while strengthening WiFi signal by up to ten times and allowing double the amount of devices to be connected wirelessly.

“As eir’s first female CEO I am very proud to say that our company is led by a management team made up equally of women and men. Our teams value diversity and understand that an inclusive organisation values differing viewpoints and skillsets, which helps the business deliver real and tangible benefits to our customers. In March eir became the first telecoms operator in Ireland to publish a Gender Pay Gap report. Although not legally required, we wanted to pioneer a commitment to embedding transparency and equality in eir. eir’s gender pay gap stood at 11.2% for 2020, that is below the national average of 13.9% and below the EU gender pay gap which stands at 14.1%. We are committed to further reducing eir’s gender pay gap.

“Following the increased hiring of care agents over recent months, we have seen a significant improvement in the quality of our customer service, and we will continue to get better, to ensure customers can resolve their issues in a timely manner, receiving a seamless service from eir at all times. We continue to focus on improving our customer journey, by identifying the main drivers of calls we are now offering our customers more routes to self-serve, and as a result we have seen month on month improvements as reflected in the latest ComReg quarterly reports. For two consecutive quarters we have seen a 30% reduction in complaints.

² Movements year on year. Excludes IFRS 15 and IFRS 16 adjustments.

³ Includes impact from Evros acquisition from March 2021.

⁴ Operating costs exclude amortisation, depreciation, non-cash pension charge, management charge and exceptional items.

⁵ Cash includes 56% share of Tetra joint venture.



Investment programme

“Our on-going €1 billion capital investment programme is bringing huge benefits for our customers, with access to high-speed broadband across Ireland. Despite the challenges that Covid-19 brought, thanks to the dedication and commitment of eir’s engineering teams who continued to work throughout the pandemic, eir’s network upgrades and repairs continued throughout.

“Today I am proud to say that eir has passed 2.1 million premises with Ireland’s largest fibre network, or 88% of total premises in Ireland. Of this, 820,000 premises are now passed with Fibre-to-the-Home across Ireland, up 64% or 319,000 year on year. This level of connectivity across the country is a huge achievement and one that eir is proud to play such a significant role in achieving.

“eir’s 5G network expansion also continues at pace. 5G technology brings speeds that are six times faster than 4G, reducing latency and supporting the future of technological advancements. Today, eir’s 5G network, by far Ireland’s largest, is available in 288 towns and cities across Ireland, reaching 57% of the population. 5G technology will drastically shape how we live, work and engage in technology and the continued expansion of eir’s network will enable all our customers to avail of this technology and use it to its full potential.

“We are also seeing strong growth in our mobile offering, with almost 1.2 million mobile customers now with eir mobile and GoMo, an increase of 2% or 18,000 year-on-year. While eir mobile offers a range of packages to best suit a customer’s needs, GoMo was designed to give customers everything they need from their mobile in one simple proposition. GoMo has been recognised as best in class, winning a series of awards, including being named as the Irish Brand of the Year 2020 by inBUSINESS Ireland.

Outlook

“As we look ahead and begin to see the green shoots of hope emerge from this pandemic, I am deeply aware of the vital role connectivity has played in all our lives during this time and how for many of us, technology has enabled us to keep going. eir very much understands this and we have set out ambitious targets through our €1 billion capital investment programme, the most significant investment by any telecommunications provider in Ireland.

“I am proud to see the dedication of the teams installing this infrastructure and I am committed to upgrading our network and bringing ultrafast broadband and connectivity to all our customers across Ireland, ensuring Ireland becomes one of the world’s most connected countries.”

Stephen Tighe, eir CFO, commented:

“Our performance in the third 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 year on year increases in our fibre, mobile, TV and bundled customer bases realised, despite the continued challenges faced from the external environment as Ireland gradually reawakens from a period of stringent restrictions on society and the economy.

“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 third quarter.

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



Q3 trading performance

- ▶ Q3 revenue of €299m decreased by 3% or €8m year on year, with growth in broadband, data services, and bundling offset by a reduction in traditional access, traffic, sport content, eir UK, and mobile revenues.
- ▶ Q3 EBITDA of €154m remained stable, enabled by continued business streamlining driving further operating cost savings in the quarter.
- ▶ Q3 operating costs of €92m were reduced by 4% or €4m year on year. Non-pay costs reduced by 8% or €4m, while pay costs remained stable.
- ▶ The Group broadband base totalled 970,000 customers at quarter end, growing by 2% or 16,000 year on year, driven by growth in the wholesale division of 21,000 customers.
- ▶ Customers using ultraspeed fibre broadband services totalled 810,000 at quarter end, representing an increase of 8% or 62,000 customers year on year. 84% 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 1.189m customers at quarter end, an increase of 2% or 18,000 year on year. The Group's postpay base increased by 10% or 76,000 subscribers year on year. Postpay subscribers represent 70% of the total mobile base, an increase of 5 points year on year.

In summary, the Group has delivered solid and consistent financial and operational results for the third quarter FY21 to 31 March 2021, 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 2020.⁶

⁶ Before the impact of IFRS 15 and IFRS 16 adjustments.