

eir Q4 FY21 RESULTS PRESS RELEASE



Dublin, 3 September 2021

Strong, improving results in line with expectations.

Our strategy to build Ireland's best fibre and mobile networks continues to deliver, with fibre broadband up 7%, postpay mobile up 10%, TV up 6%, and multi-play bundling up 2pp. ¹

eir today announced its results for the fourth quarter FY21 to 30 June 2021, which were in line with expectations. The number of fibre broadband customers on the eir network increased by 7% to 819,000 customers year on year, with the postpay mobile base increasing by 10% to 850,000 and the eir TV base increasing by 6% to 83,000. Multi-play bundling accounted for 38% of fixed households, up 2pp year on year.

Reported revenue increased by 10% in the fourth quarter while adjusted EBITDA grew by 13%, with continued streamlining of the cost base resulting in an 11% decline in non-pay costs year on year.

Latest business updates ¹



1.9 million premises passed by Ireland's largest fibre network, or **84%** of premises in Ireland. ²
675,000 premises now passed with FTTH across Ireland, up **37%** or **181,000**.



819,000 fibre broadband connections, up **7%** or **52,000**; **84%** of total broadband base.
38% of customers on triple or quad-play bundles, up **2pp**.



5G network rollout continues to expand, with ultrafast data speeds available in **320** towns and cities across Ireland; outdoor population coverage now over **68%**, up **39pp**.



ESG: eir becomes founding signatory to the Elevate Pledge, bringing Irish businesses together to commit to more inclusive and equal workplaces.



Ratings outlook upgrade: Fitch raises eir's credit rating outlook from stable to positive, following S&P's upgrade to positive outlook last year.

Q4 trading snapshot ¹



Continued YoY broadband growth

- ▶ **970,000** broadband customers, up **1%** or **8,000**.
- ▶ Wholesale up 4% or 20,000; retail down 2% or 12,000.



Solid mobile growth driven by GoMo

- ▶ **1.192m** total mobile customers, up **3%** or **36,000**.
- ▶ **850,000** postpay customers, up **10%** or **74,000**.
- ▶ **71%** of the mobile base is on postpay, up **4pp**.



Strong TV growth continues

- ▶ **83,000** eir TV customers, up **6%** or **5,000**. ³



Continued household bundling growth:

- ▶ **83%** of fixed consumer households on 2P+ bundles, up **2pp**.

¹ Movements year on year unless otherwise stated.

² Approximate, based on estimated total address points in Ireland of approximately 2.3 million sourced from GeoDirectory.

³ eir TV base includes eir Vision subscribers.

Q4 financial snapshot ^{2,3}

- ▶ **Revenue €331 million**, up 10% or €31m.
- ▶ **EBITDA €181 million**, up 13% or €22m.
- ▶ **Operating costs €93 million**, up 3% or €1m. ⁴
- ▶ **Cash on balance sheet €224 million** ⁵

Carolann Lennon, eir CEO, commented:

“Our strategy to build and expand the very best fixed and mobile networks for our customers continues to progress, despite the challenges brought by the Covid-19 pandemic. High speed broadband has become absolutely essential, enabling all of us to live, work and connect, wherever we choose to do so. We are extremely proud that our team is building the fibre to the home broadband network of the future, for all of Ireland. Throughout the pandemic, eir’s engineering teams worked consistently to bring Gigabit fibre to more and more homes and businesses, without missing a single day in the field.

Ireland is on track to becoming one of the most fibre connected countries in the world

“It is eir’s ambition that we leave no one behind; the expansion of eir’s Gigabit Fibre network rollout to include the upgrade of a further 200,000 homes and businesses will future-proof Ireland’s connectivity. Once complete 1.9m or 84% of premises in the country will have access to our Gigabit Fibre network, the remaining rural premises will be served as part of the Government’s National Broadband Plan, meaning that Ireland is on track to bringing Gigabit Fibre to every home and business in the country, making this one of the most fibre-connected countries in the world.

Continued improvements in customer care

“Alongside providing our customers with the very best fixed and mobile networks we continue to make significant improvements to the care we provide. The Commission for Communications Regulation, ComReg, recently published its Consumer Line Statistics Report for Q2 2021, which outlines the strides eir has made in improving the care we provide to our customers. Some of the highlights include a 52% reduction in fixed complaints quarter on quarter, a 79% reduction in fixed complaints since the peak driven by the pandemic last year and the second-lowest score on record.

Environmental, Social and Governance

“eir is committed to the highest standards of ethical business practices, and we are continually reviewing and improving our environmental, social and governance standards and performance. We began the move to becoming a paperless business in 2019, most recently we have introduced paperless operations into our retail stores resulting in a saving of 1.3 million sheets of paper every year. In June we introduced electric and hybrid electric cars for employees who require a company vehicle and this has been well received with our teams, with the majority opting for fully electric vehicles.

“eir has also become a founding signatory to the Elevate Pledge, which brings Irish businesses together with the purpose of building more inclusive workplaces. By signing up to this Pledge, Irish businesses can demonstrate their commitment to building truly inclusive workplaces, and supporting the broader values of inclusion, equality and opportunity in Irish society. The ultimate ambition of this initiative is for a workforce that is representative of all members of Irish society.

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.



Outlook

“2021 has continued to emphasise the critical importance of our fixed and mobile infrastructure for our customers and the economy. Through our €1 billion capital investment programme, the most significant investment by any telecommunications provider in Ireland, eir has withstood the storm of the pandemic ensuring our customers had the connectivity they need every single day, made possible by our team of more than 1,000 dedicated engineers.”

Stephen Tighe, eir CFO, commented:

“Our performance in the fourth quarter was strong and an improvement on recent quarters, with continued growth in our fibre, mobile, TV and bundled customer bases, coupled with the acquisition of Evros, NBP access revenue, as well as the proceeds from the sale of mobile masts, all combining to drive solid growth in both revenue and EBITDA in the quarter. We continue to streamline our cost base, and despite the additional costs as a result of the Evros acquisition, operating costs remain broadly stable year on year, with a continued improvement in non-pay costs mostly offsetting an increase in pay costs.

“We have continued to focus 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 fourth quarter.

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

Q4 trading performance

- ▶ Q4 revenue of €331m increased by 10% or €31m year on year, with growth in broadband, data services, postpay and bundling, as well as the addition of revenues from Evros and NBP access, and the proceeds from the sale of mobile sites, driving the increase in revenue. This was partly offset by a reduction in traditional access, traffic, sport content, eir UK, and prepay revenues.
- ▶ Q4 EBITDA of €181m increased by 13% or €22m year on year, enabled by continued business streamlining driving further non-pay operating cost savings in the quarter.
- ▶ Q4 operating costs of €93m increased by 3% or €1m year on year. Non-pay costs reduced by 11% or €6m, while pay costs increased by 22% or €7m, driven by the acquisition of Evros.
- ▶ The Group broadband base totalled 970,000 customers at quarter end, growing by 1% or 8,000 year on year, driven by growth in the wholesale division of 4% or 20,000 customers.
- ▶ Customers using fibre broadband services totalled 819,000 at quarter end, representing an increase of 7% or 52,000 customers year on year. 84% of the Group’s broadband base is now connected to eir’s fibre network, which represents a 42% penetration of total premises passed with eir fibre broadband.
- ▶ The Group mobile base stood at 1.192m customers at quarter end, an increase of 3% or 36,000 year on year. The Group’s postpay base increased by 10% or 74,000 subscribers year on year. Postpay subscribers represent 71% of the total mobile base, an increase of 4 points year on year.

In summary, the Group has delivered strong financial and operational results for the fourth quarter FY21 to 30 June 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 €1.225 billion and adjusted EBITDA of €624 million for the twelve months to 30 June 2021. ⁶

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