

# eir Group Results

for the quarter ended 31 December 2023

13 March 2024

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Presented by

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**Oliver Loomes**  
CEO



**Stephen Tighe**  
CFO

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# Business highlights





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## Financial

Q4-23



Revenue <sup>1</sup>

€358m

▲ 4% YoY

Revenue up €14m YoY

EBITDA <sup>1,2</sup>

€170m

▼ 2% YoY

EBITDA down €3m YoY

## Operational

Fibre customers



869,000

▲ 3% YoY

- ▶ +25k base increase YoY
- ▶ +110k FTTH base growth YoY
- ▶ 91% of broadband base passed with fibre

Postpay customers

1,101,000

▲ 12% YoY

- ▶ +119k customers YoY
- ▶ 77% of mobile base on postpay, up 2pp YoY

Multi-play bundles

51%

▲ 6pp YoY

- ▶ 89% of fixed households on 2P+ bundles, up 2pp YoY

## Key Developments

- ▶ Moody's changes business outlook from negative to stable whilst reaffirming eir's B1 corporate rating
- ▶ Leveraged favourable market conditions to syndicate a new €200 million term loan facility and successfully completed a €600m Amend and Extend of existing term loan facility, extending maturity date by 3 years to 2029
- ▶ Ookla independently verified eir as having best 5G availability and most reliable broadband speeds in Ireland
- ▶ eir transforming its payphone boxes into electric vehicle charging stations and digital kiosks in pioneering approach to sustainability and social responsibility

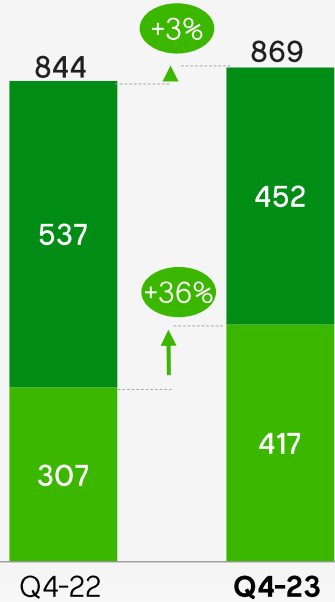
<sup>1</sup> Excludes IFRS 15 and IFRS 16 adjustments. See appendix for details.

<sup>2</sup> Excludes non-cash pension charge, fair value lease credits, and management charge.



## Group fibre base ('000s)

■ FTTC ■ FTTH



+25k increase in fibre base  
+110k FTTH base growth



## Group postpay base ('000s)

+12%

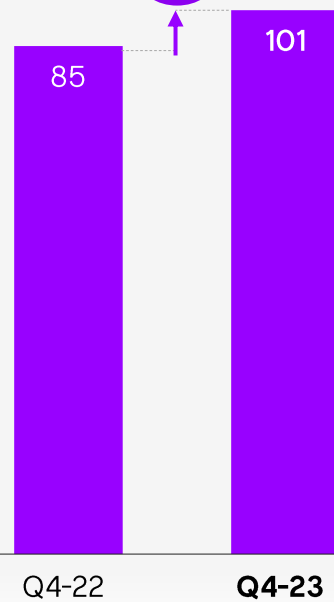


+119k increase in postpay customers YoY



## eir TV base<sup>1</sup> ('000s)

+19%

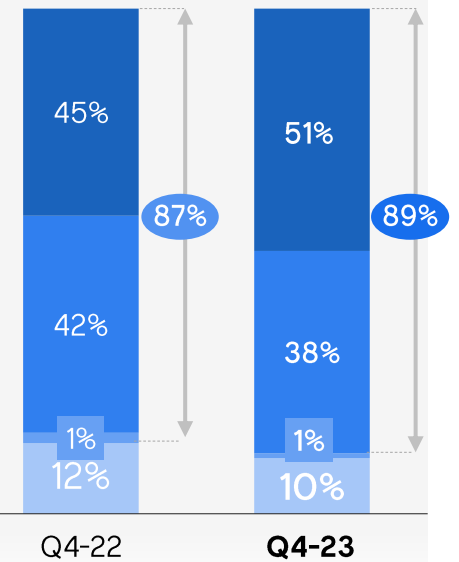


+16k increase in TV subs YoY



## Household view<sup>2</sup>

■ 3P/4P ■ 1P BB  
■ 2P ■ 1P Voice



89% on 2P+ bundles, up 2pp YoY<sup>3</sup>

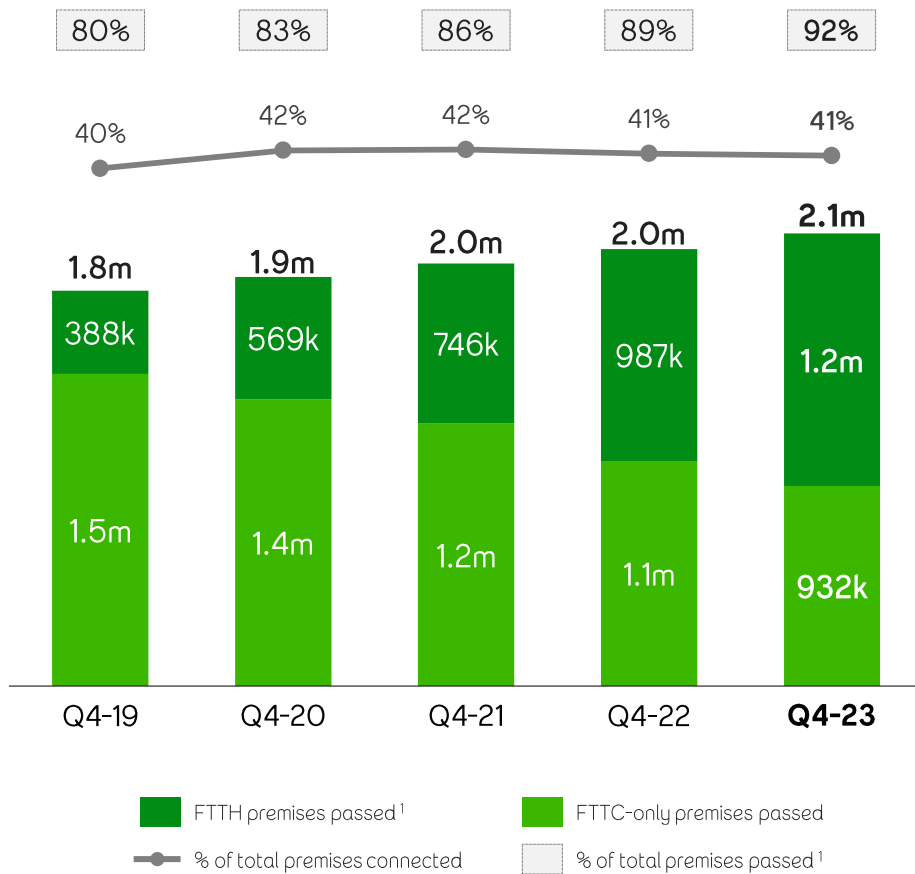
<sup>1</sup> eir TV base includes eir Vision subscribers

<sup>2</sup> Percentage of consumer households with fixed access paths subscribing to fixed voice, fixed broadband, TV, and / or bundled mobile services (excluding 1P mobile)

<sup>3</sup> Percentage of fixed consumer households subscribing to two or more products

## eir fibre footprint

Premises passed with FTTH, FTTC | Last 5 years



### Commentary

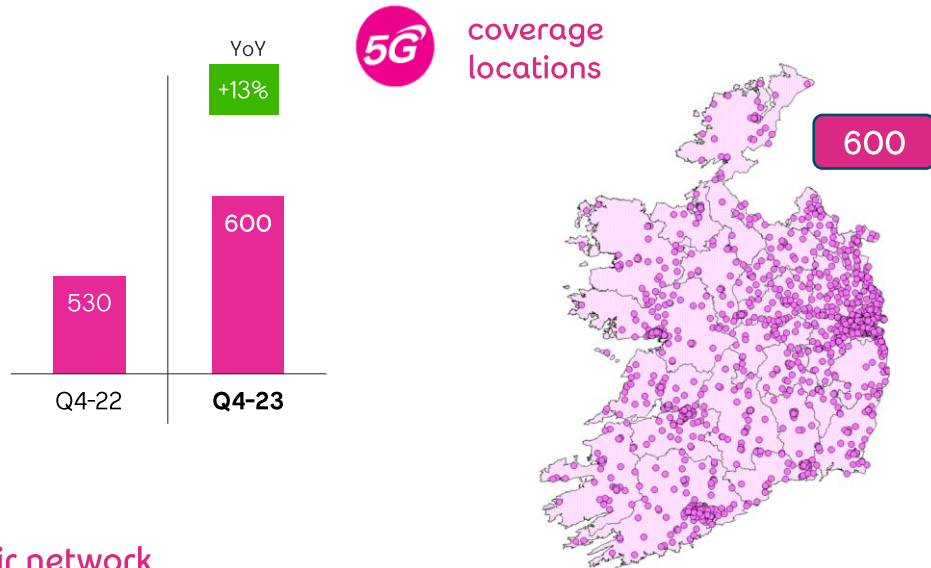
- ▶ Our FTTH rollout had passed almost 1.2m premises at quarter end
  - ▶ up 19% or 190k YoY, up 4% or 47k QoQ
  - ▶ of which over 797k passed as part of IFN rollout
  
- ▶ 2.1 million or 92% of Ireland's premises passed with eir fibre<sup>1</sup>; 41% of passed premises connected to our fibre network



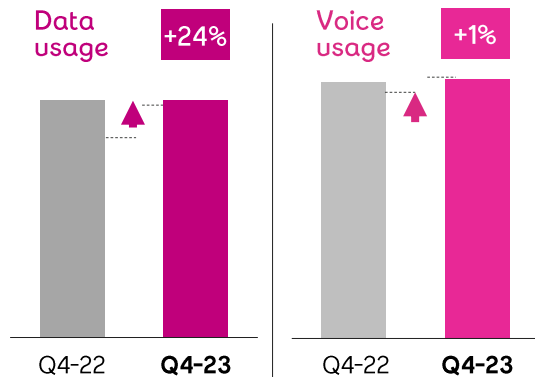
<sup>1</sup> Approximate percentage calculated using 2.3 million total premises in Ireland, per GeoDirectory address points.



## 5G cities and towns

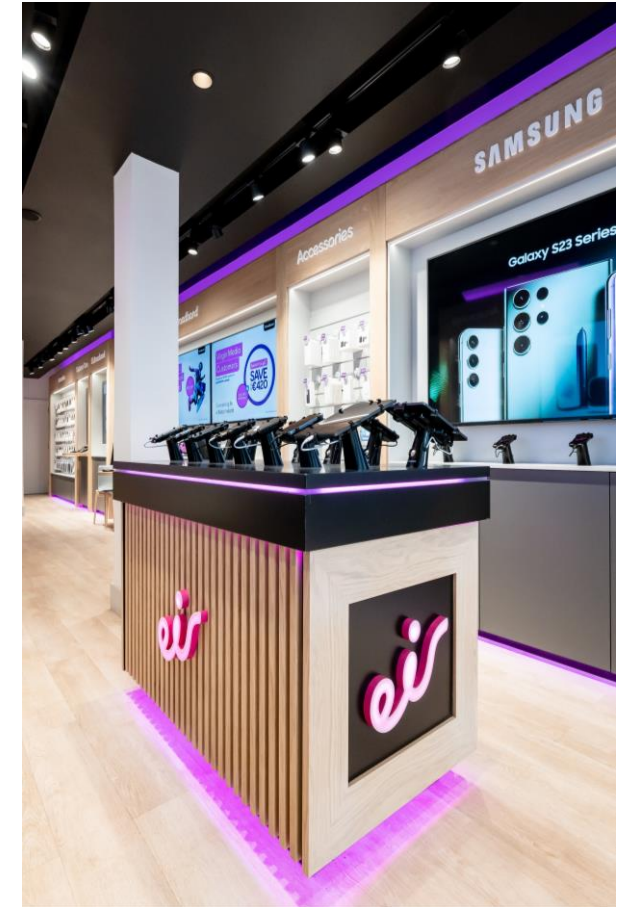


## eir network traffic volumes



## Commentary

- ▶ 5G network rollout continues at pace, with ultrafast speeds now available in over 600 towns and cities from 1,650 sites across all counties
- ▶ eir's network labelled leading in Ireland for 5G availability in Ireland by Ookla
- ▶ Over 2,550 sites now upgraded as part of €250m network investment, with improvements in speed, coverage and resilience across Ireland
- ▶ Growth in mobile data usage continues, up 24% YoY





# Trading update

- ▶ Revenue up 4% or €14m YoY <sup>1</sup>
- ▶ Cost of sales up 13%<sup>1</sup>
- ▶ Operating costs up 8% <sup>1,2</sup>
- ▶ EBITDA down 2% or €3m YoY <sup>1,2</sup>

- ▶ Continued KPI growth
  - ▶ +25k fibre customers YoY
  - ▶ 91% of broadband base using fibre
  - ▶ +119k postpay subscribers YoY
  - ▶ 77% of mobile base on postpay

- ▶ Capex of €75m, 21% of revenue<sup>3</sup>
- ▶ Closing cash of €182m at quarter end
- ▶ eir Standalone Net Leverage at 4.2x
- ▶ Debt repurchases of €39m in the quarter and €549m to 31 December

<sup>1</sup> Excludes IFRS 15 and IFRS 16 adjustments

<sup>2</sup> Excludes non-cash pension charge, non-cash fair value lease credits, and management charge

<sup>3</sup> Incurred capex, excludes capitalisation of non-cash pension charge, spectrum, and asset retirement obligations

# Summary Financials | Q4 Revenue increase of 4% and EBITDA decrease of 2% YoY



Excludes IFRS 15 and IFRS 16 adjustments, see appendix for details.

| € millions                           | Q4-23      | Q4-22      | € Change<br>Better/(Worse) YoY | % Change<br>Better/(Worse) YoY | YTD Q4-23    | YTD Q4-22 <sup>3</sup> | € Change<br>Better/(Worse) YoY | % Change<br>Better/(Worse) YoY |
|--------------------------------------|------------|------------|--------------------------------|--------------------------------|--------------|------------------------|--------------------------------|--------------------------------|
| Fixed Line Revenue                   | 256        | 247        | 9                              | 4%                             | 963          | 941                    | 22                             | 2%                             |
| Mobile Revenue                       | 112        | 106        | 6                              | 6%                             | 371          | 340                    | 31                             | 9%                             |
| Eliminations                         | (10)       | (9)        | (1)                            | (11%)                          | (38)         | (37)                   | (1)                            | (3%)                           |
| <b>Group Revenue</b>                 | <b>358</b> | <b>344</b> | <b>14</b>                      | <b>4%</b>                      | <b>1,296</b> | <b>1,244</b>           | <b>52</b>                      | <b>4%</b>                      |
| Cost of Sales                        | (89)       | (79)       | (10)                           | (13%)                          | (306)        | (251)                  | (55)                           | (22%)                          |
| Gross Profit                         | 269        | 265        | 4                              | 2%                             | 990          | 993                    | (3)                            | -                              |
| Gross Margin %                       | 75%        | 77%        | -                              | (2pp)                          | 76%          | 80%                    | -                              | (4pp)                          |
| Pay Costs                            | (44)       | (43)       | (1)                            | (2%)                           | (181)        | (184)                  | 3                              | 2%                             |
| Non-Pay Costs                        | (55)       | (49)       | (6)                            | (12%)                          | (218)        | (203)                  | (15)                           | (7%)                           |
| Total Operating Costs <sup>1,2</sup> | (99)       | (92)       | (7)                            | (8%)                           | (399)        | (387)                  | (12)                           | (3%)                           |
| <b>Group EBITDA <sup>1,2</sup></b>   | <b>170</b> | <b>173</b> | <b>(3)</b>                     | <b>(2%)</b>                    | <b>591</b>   | <b>606</b>             | <b>(15)</b>                    | <b>(3%)</b>                    |
| EBITDA Margin %                      | 47%        | 50%        | -                              | (3pp)                          | 46%          | 49%                    | -                              | (3pp)                          |

## Commentary

- ▶ Revenue is up 4% or €14m in Q4 YoY, across fixed and mobile
- ▶ Cost of sales up by 13% or €10m driven by handset costs and product mix changes
- ▶ Gross margin % is down 2pp to 75% YoY
- ▶ Operating costs up 8% or €7m; pay costs up 2%, non-pay cost up 12% YoY
- ▶ EBITDA for Q4 is down 2% or €3m YoY
- ▶ EBITDA margin down 3pp to 47% in Q4

<sup>1</sup> Stated before non-cash pension charge, non-cash fair value lease credits, management charge and exceptional costs

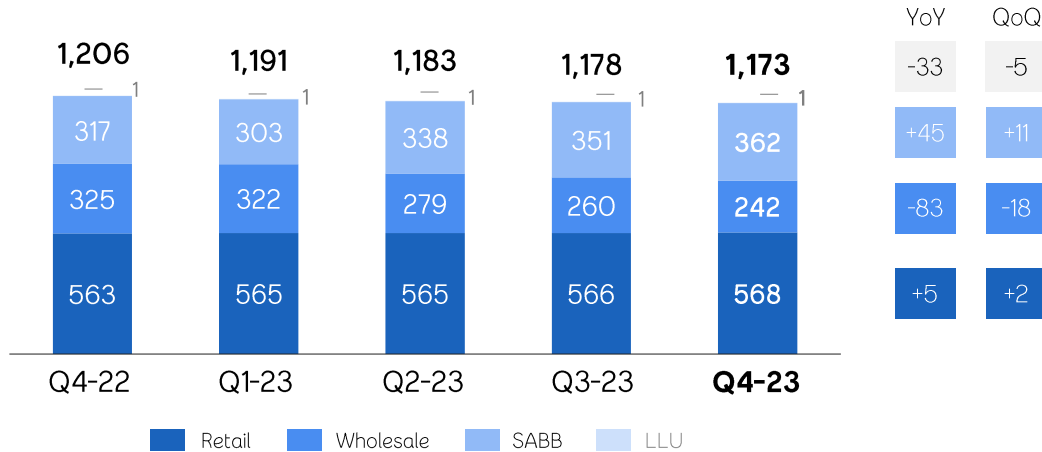
<sup>2</sup> Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

<sup>3</sup> Prior year comparatives exclude Tetra, sold in March 2022

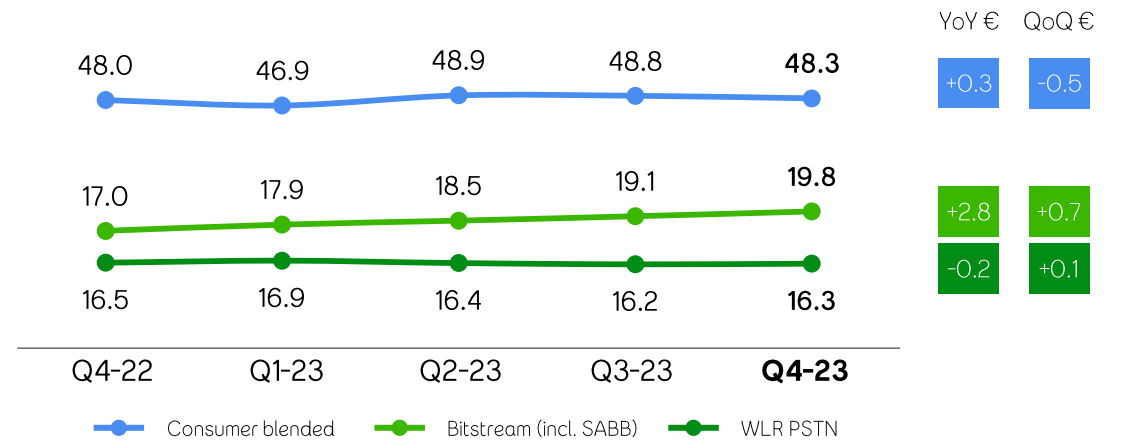




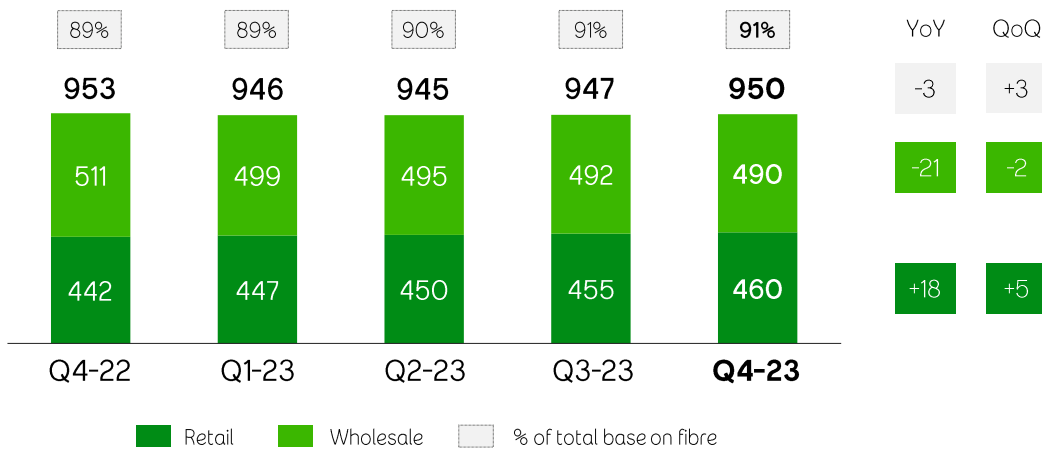
## Group access paths<sup>1</sup> ('000s)



## Fixed line ARPUs (€)



## Group broadband base<sup>1,2</sup> ('000s)



## Commentary

- ▶ Group access paths down 3% or 33k YoY, due to traditional access decline, down 5k QoQ
- ▶ Group broadband base down 3k YoY, up 3k QoQ
  - ▶ Retail up 18k YoY and up 5k QoQ
  - ▶ Wholesale down 21k YoY and down 2k QoQ
- ▶ 91% of Group broadband base now on fibre, up 2pp YoY
- ▶ Consumer blended ARPU and WLR ARPU broadly flat YoY
- ▶ Bitstream ARPU up 16% YoY driven by an increase in the standalone broadband base

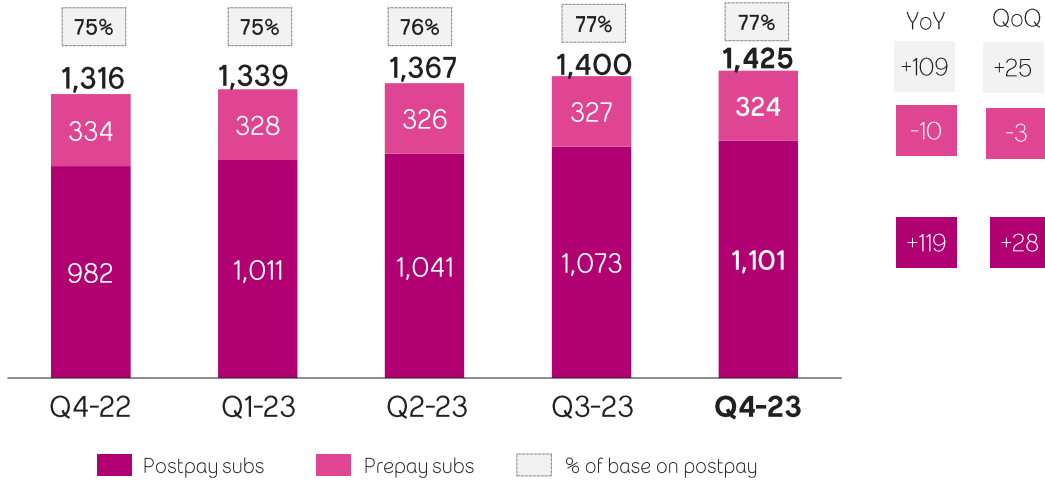
<sup>1</sup> Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

<sup>2</sup> Excludes Line Share / LLU.

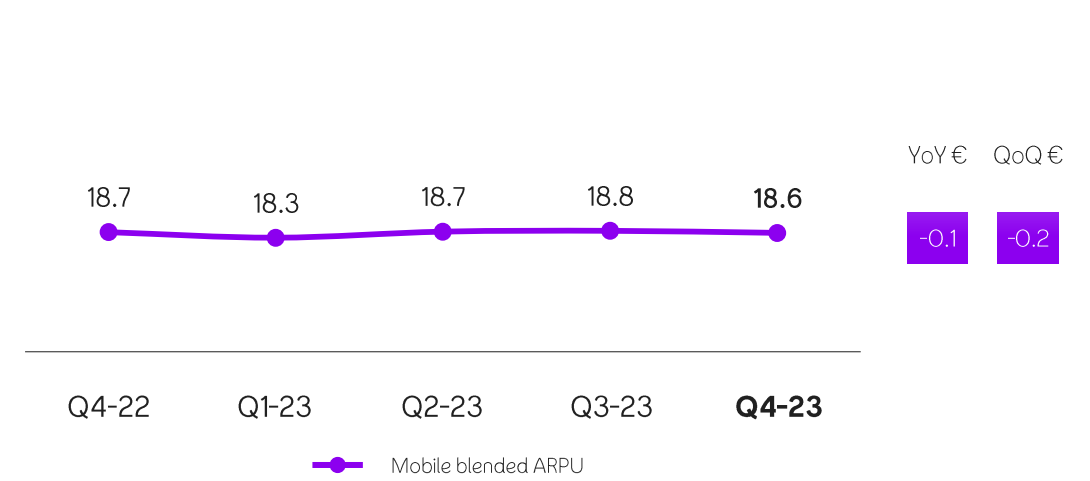
# Mobile KPIs | Postpay base increase of 12%, 77% of mobile base on postpay



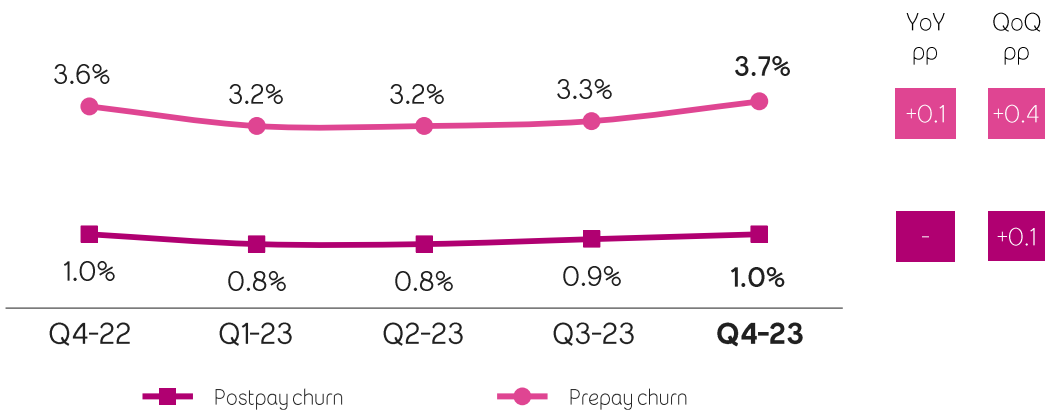
## Mobile subscribers<sup>1</sup> ('000s)



## Mobile blended ARPU<sup>3, 4</sup> (€)



## Mobile churn<sup>2</sup>



## Commentary

- ▶ Postpay subs up 12% or 119k YoY, up 3% or 28k QoQ
- ▶ Total mobile subs up 8% or 109k YoY, prepay subs down 10k YoY
- ▶ 77% of mobile base on postpay, up 2pp YoY
- ▶ Mobile blended ARPU broadly flat YoY
- ▶ Prepay and postpay churn broadly flat YoY

<sup>1</sup> Figures are presented to the nearest thousand and may vary slightly from actual arithmetic totals.

<sup>2</sup> Monthly average churn rate per quarter.

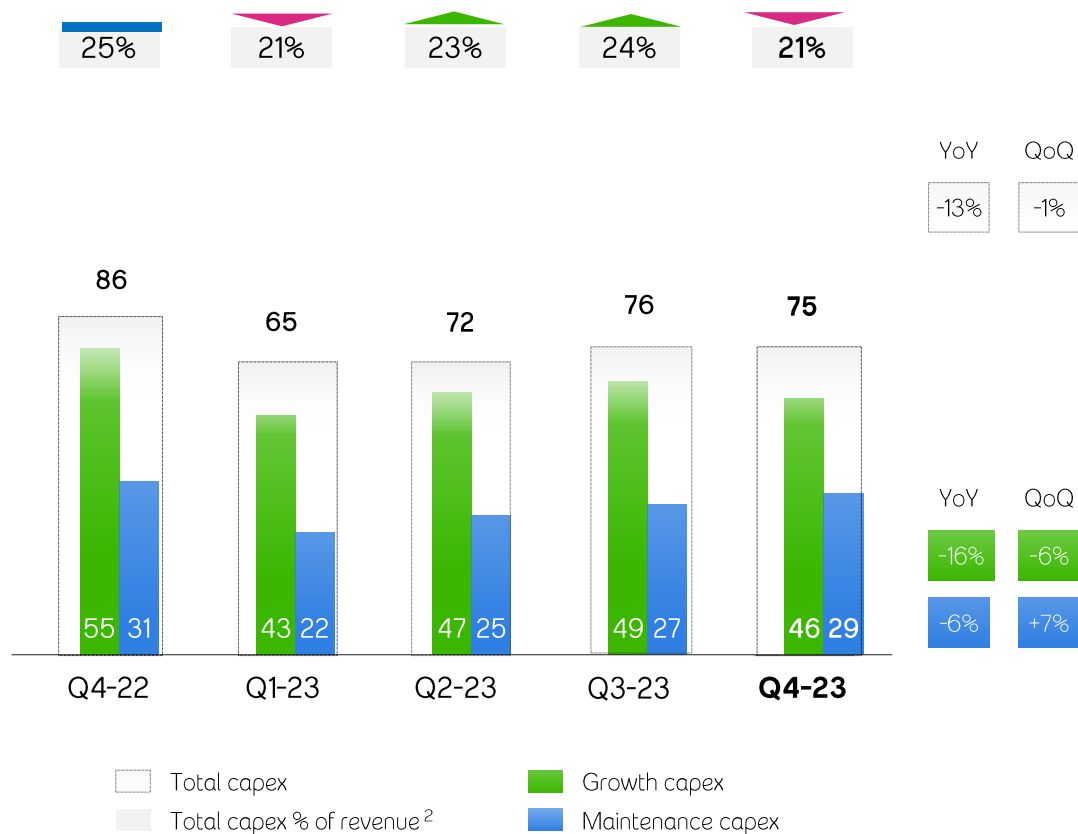
<sup>3</sup> Excludes IFRS 15 adjustments.

<sup>4</sup> Includes mobile broadband.

# Capital expenditure | Capex driven by continuing network investments across fibre and mobile



## Capex investment <sup>1</sup>(€m)



## Commentary

- ▶ Capex of €75m for the quarter, down 13% YoY; 21% of quarter revenue.
- ▶ Growth capex driven by our fibre rollout and mobile network upgrade and expansion programmes.
- ▶ Maintenance capex down €2m YoY



<sup>1</sup> Incurred capex. Growth capex includes investment to rollout new NGA and mobile networks as well as the development of a new IT stack. Maintenance capex includes network and IT renewal.

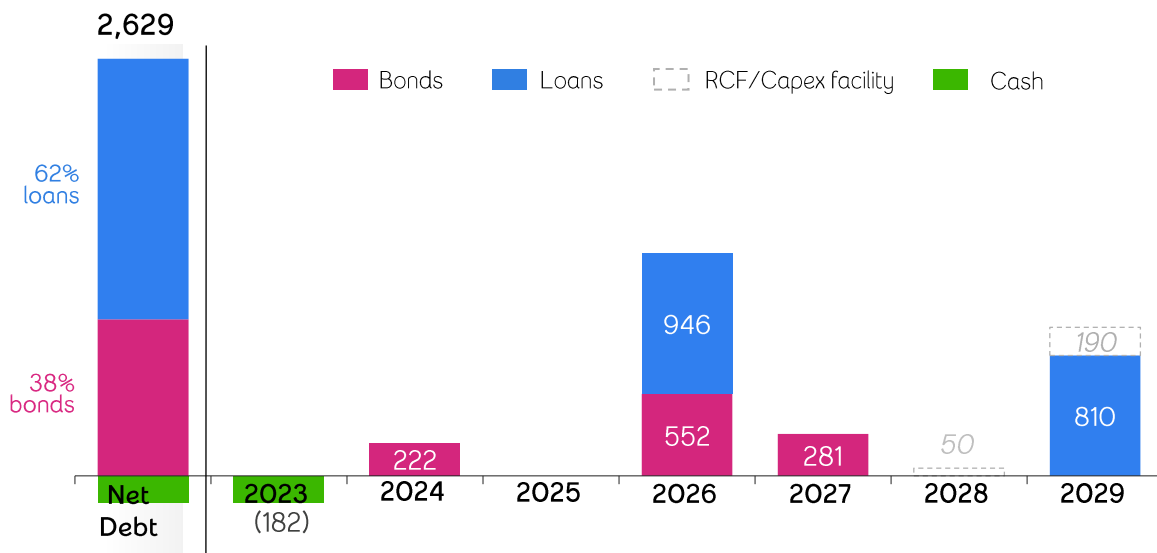
<sup>2</sup> Total capex % of revenue excludes non-cash pension charge, spectrum, and asset retirement obligations.



# Financing



## Debt profile at quarter end (€m)



- ▶ eircom Standalone Net Leverage is 4.2x (Consolidated Net Leverage is 4.4x)

- ▶ Average cost of debt at 4.8%<sup>1</sup>

- ▶ RCF/Capex facilities of €240m undrawn

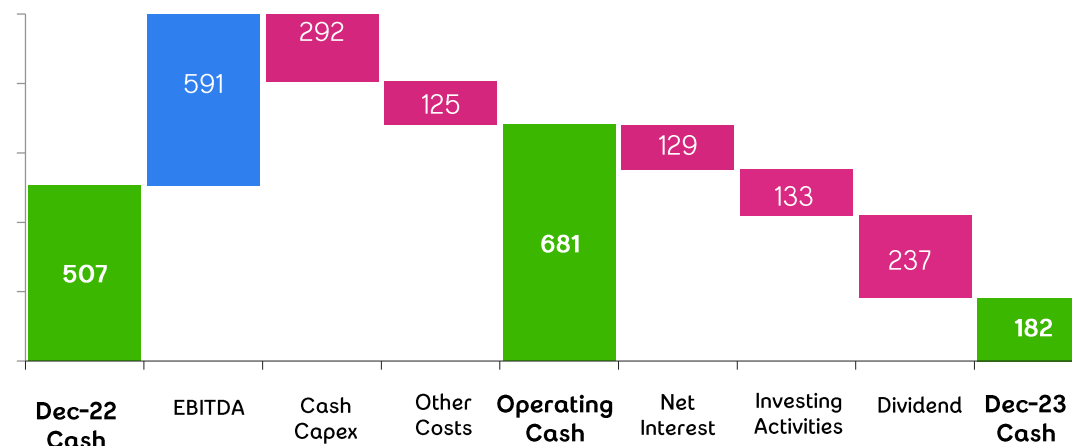
### Corporate ratings:

- Moody's B1 Stable
- S&P B+ Stable
- Fitch B+ Stable

- ▶ Moody's outlook on eir changed from negative to stable in Feb-24

<sup>1</sup> Excludes RCF/capex facility non-utilisation fee.

## Cash profile at quarter end (€m)



- ▶ Cash on balance sheet €182m at year end
- ▶ Other costs include working capital, corporation tax, provisions, exceptional items and voluntary redundancy payments
- ▶ Investing activities include debt buybacks partly offset by proceeds from sale of properties
- ▶ Debt buybacks as at 31 Dec: €549m repurchased - €154m (14%) of the senior term loan, €128m (37%) of the 2024 bond, €198m (26%) of the 2026 bond and €69m (20%) of the 2027 bond

# Net leverage as at 31 December 23

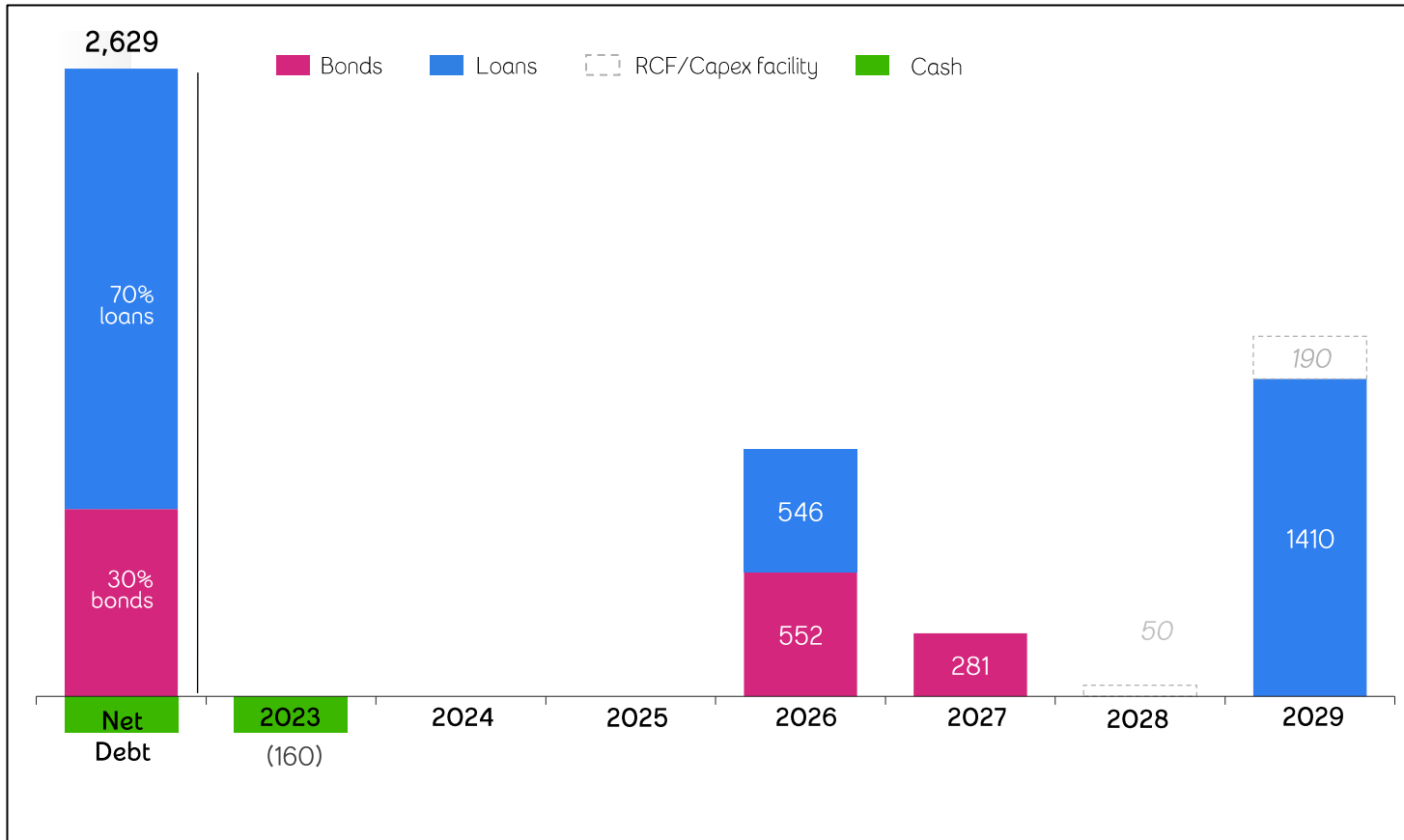


|              | REPORTED     |             |              |
|--------------|--------------|-------------|--------------|
|              | eir          | FNI         | Group        |
| Gross debt   | 2,001        | 810         | 2,811        |
| Cash         | <u>160</u>   | <u>22</u>   | <u>182</u>   |
| Net debt     | <u>1,841</u> | <u>788</u>  | <u>2,629</u> |
| LTM EBITDA   | <u>436</u>   | <u>155</u>  | <u>591</u>   |
| Net leverage | <u>4.2x</u>  | <u>5.1x</u> | <u>4.4x</u>  |

## Commentary

- ▶ Eir net leverage on a standalone basis is 4.2x (excludes FNI net debt and EBITDA)
- ▶ Group Net Leverage includes 100% of Fibre Networks Ireland (FNI) net debt and EBITDA
- ▶ FNI debt at a low margin of 2.25% and is 70% hedged, with long-dated maturity (2029) and is non-recourse to eircom





## Commentary

- ▶ €200m loan tap of eircom senior term loan executed in January 2024. Net proceeds from loan tap plus surplus cash on the Balance Sheet to be used to repay remaining balance outstanding on the 2024 bond (€222m at Dec-23)
- ▶ €600m A&E of eircom senior term loan successfully completed in February 2024. New tranche maturity date is May 2029
- ▶ Average debt maturity date extended to 4 years

# Outlook

## Outlook for full year 2024

EBITDA

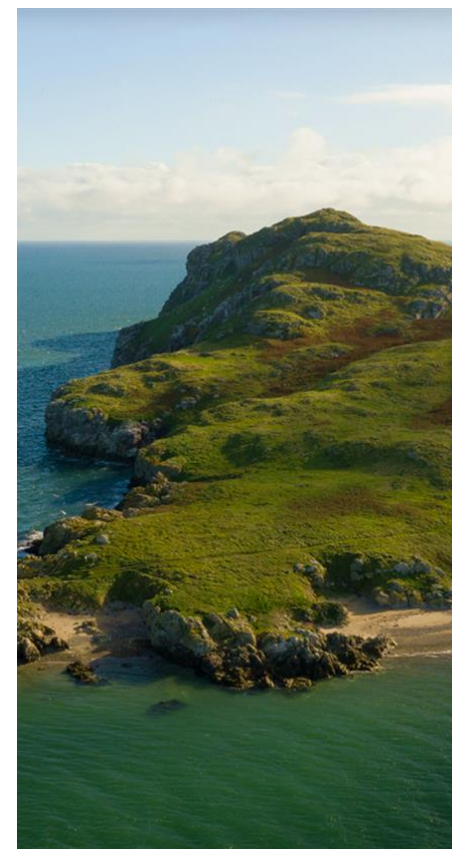
Low single-digit increase

Capex

Capex between 19% to 21% of revenue

Cash flow

Continued strong organic cash flow generation<sup>1</sup>



<sup>1</sup> Excludes cash impacts arising from distributions, refinancing and/or M&A activities.

# Q&A

## Q4-23 results call

13:00 GMT, 13 March 2024

with CEO Oliver Loomes and CFO Stephen Tighe

Operator-managed call.

Refer investor notification for dial in details.

Press \*1 to ask a question during the Q&A session.

Call accessible to registered investors and approved analysts only.  
To register [click here](#) before 09:00 GMT if not already previously registered.





# Appendix

IFRS adjustments



# IFRS adjustments



| YTD Q4 FY23                        |                    |          |            |                   |
|------------------------------------|--------------------|----------|------------|-------------------|
| € millions                         | Before Adjustments | IFRS 15  | IFRS 16    | After adjustments |
| Fixed Line Revenue                 | 963                |          |            | 963               |
| Mobile Revenue                     | 371                | 4        | (8)        | 367               |
| Eliminations                       | (38)               |          |            | (38)              |
| <b>Group Revenue</b>               | <b>1,296</b>       | <b>4</b> | <b>(8)</b> | <b>1,292</b>      |
| Cost of Sales                      | (306)              |          |            | (306)             |
| Gross Profit                       | 990                | 4        | (8)        | 986               |
| Gross Margin %                     | 76%                |          |            | 76%               |
| Pay Costs                          | (181)              |          |            | (181)             |
| Non-Pay Costs                      | (218)              | (1)      | 47         | (172)             |
| Total Operating Costs <sup>1</sup> | (399)              | (1)      | 47         | (353)             |
| <b>Group EBITDA <sup>1</sup></b>   | <b>591</b>         | <b>3</b> | <b>39</b>  | <b>633</b>        |
| EBITDA Margin %                    | 46%                |          |            | 49%               |

| YTD Q4 FY22        |          |            |            |                   |
|--------------------|----------|------------|------------|-------------------|
| Before Adjustments | Tetra    | IFRS 15    | IFRS 16    | After adjustments |
| 941                | 4        |            |            | 945               |
| 340                |          | (5)        | (9)        | 326               |
| (37)               |          |            |            | (37)              |
| <b>1,244</b>       | <b>4</b> | <b>(5)</b> | <b>(9)</b> | <b>1,234</b>      |
| (251)              |          |            |            | (251)             |
| 993                | 4        | (5)        | (9)        | 983               |
| 80%                |          |            |            | 80%               |
| (184)              |          |            |            | (184)             |
| (203)              | (2)      | (1)        | 59         | (147)             |
| (387)              | (2)      | (1)        | 59         | (331)             |
| <b>606</b>         | <b>2</b> | <b>(6)</b> | <b>50</b>  | <b>652</b>        |
| 49%                |          |            | 4pp        | 53%               |

Mobile revenue impacted by -€4m adjustment in YTD FY23 and a -€14m adjustment in the same period last year, relating to IFRS 15 revenue recognition of mobile handset service and equipment revenue and IFRS 16 treatment of mobile site leases

YTD FY23 non-pay costs impacted by +€47m adjustment and +€59m adjustment in the same period last year, related to IFRS 16 treatment of lease costs

Non-pay cost IFRS 15 adjustments in relation to sales commission costs are largely immaterial

<sup>1</sup> Stated before non-cash pension charge, non-cash fair value lease credits, management charge and exceptional costs.

<sup>2</sup> Figures are presented to the nearest million and may vary slightly from actual arithmetic totals.

# Abbreviations

- ▶ **2P / 3P / 4P** | Two / three / four-play product bundles
- ▶ **ARPU** | Average Revenue per User
- ▶ **B2B** | Business to Business
- ▶ **B2C** | Business to Consumer
- ▶ **BB** | Broadband
- ▶ **bps** | Basis points
- ▶ **Capex** | Capital expenditure
- ▶ **ComReg** | Commission for Communications Regulation (Ireland)
- ▶ **CSR** | Corporate Social Responsibility
- ▶ **EBITDA** | Earnings before Interest, Tax, Depreciation, & Amortisation
- ▶ **eir NI** | eir Northern Ireland
- ▶ **ESG** | Environmental, Social, and Governance
- ▶ **FCF** | Free Cash Flow
- ▶ **FTE** | Full Time Equivalent Employees
- ▶ **FTTC** | Fibre to the Cabinet
- ▶ **FTTH** | Fibre to the Home
- ▶ **FWA** | Fixed Wireless Access
- ▶ **Gbps** | Gigabits per second
- ▶ **IFN** | Ireland's Fibre Network
- ▶ **IFRS** | International Financial Reporting Standard
- ▶ **KPI** | Key Performance Indicator
- ▶ **LLU** | Local Loop Unbundling
- ▶ **LTM** | Last Twelve Months
- ▶ **M2M** | Machine to Machine
- ▶ **MBB** | Mobile Broadband
- ▶ **Mbps** | Megabits per second
- ▶ **MTR** | Mobile Termination Rate
- ▶ **NBP** | National Broadband Plan (Ireland)
- ▶ **NGA** | Next Generation Access
- ▶ **OAOs** | Other Authorised Operators
- ▶ **Opex** | Operating expenditure
- ▶ **pp** | Percentage point
- ▶ **QoQ** | Quarter on Quarter
- ▶ **RCF** | Revolving Credit Facility
- ▶ **RGU** | Revenue Generating Unit
- ▶ **SABB** | Standalone Broadband
- ▶ **SAC** | Subscriber Acquisition Cost
- ▶ **SIMO** | SIM-Only
- ▶ **TLB** | Term Loan B
- ▶ **USO** | Universal Service Obligation
- ▶ **WLR** | Wholesale Line Rental
- ▶ **VL** | Voluntary Leave (Voluntary Redundancy)
- ▶ **YoY** | Year on Year
- ▶ **YTD** | Year to Date



# More information

▶ for more information visit:

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