enet Overview
enet Overview

- Operate a fully integrated, national “Open Access” fibre network
- Ireland’s premier wholesale telecoms company
- Privately owned and funded by US investors with vast experience in telecoms and infrastructure
- Manage 94 Metropolitan Area Networks (MANs) on behalf of the State, as well as other non State assets
- Operate a PPP model – driving policy benefits for State
- Providing mission critical services to almost every telecoms operator in Ireland
Company founded by Michael Tiernan

2004

Awarded Phase I MANs

2005

Conal Henry appointed as CEO

2006

Offer integrated national circuits

2007

Signed landmark Vodafone deal

2008

Awarded Phase II MANs

2009

7th successive year of 20%+ growth

2010

Named Deloitte best managed company

2011

Acquired by new investors

2012

Launch of FTTB initiative

2013

Secure EIB investment

2014

Rev €24.1M EBITDA €9.2M

2015
Our Investors

Consortium of US Investors with exceptional background in Telecoms & Infrastructure

David C. McCourt
Chairperson & CEO of Granahan McCourt

Walter Scott Jr.
Board member of Berkshire Hathaway

Oak Hill Advisors
Independent VC with approx. $27.3 billion of capital under management
Strengthen long-term policy partnership with DCENR
- Successful method of policy delivery
- Demonstrable improvements in facilitating Foreign Direct Investment / enabling local competition / price reductions

Public Private Partnership (PPP) Model

- Remove Barrier to FDI
- Reduce Cost of Regional Telecoms
- Increase Regional Telecoms Competition

C. 2002 Policy Aims
2 enet & The EIB
Why The EIB

- enet sees EIB as an attractive additional source of funding

Key benefits are

- Long term partnership approach
- Appropriate loan sizes with competitive pricing
- Longer maturities
- Buy and hold policy
- Very strong brand to have support of
- EIB interested in our business – pan European experience of EIB personnel
- EIB interested in growing with enet
- Strong team – willing to bring innovative solutions to the table

EIB & enet

Original contact made in late 2011
Contact re-established in Nov 2013
Discussions on the Midcap Growth Finance product – a new lending instrument focused on direct lending for innovative large SME’s & Mid-Caps
Work Streams for both parties
Contract signed on the 19th December 2014

EIB Timeline / Milestones

- Jan 14: Telephone calls / information sharing
- Apr 14: 1st step approval to proceed from EIB
- Apr 14: EIB’s technical due diligence
- Apr – Jun 14: Financial due diligence
- Jun 14: Submission to EIB credit committee
- Jul 14: Non objection clearance from EIB credit committee
- Sep 14: Final approval from EIB
- Oct – Nov 14: Contract negotiations

enet Timeline / Milestones

- Jan 14: Telephone calls / information sharing / data sharing
- Apr 14: Host technical due diligence
- Apr – Jun 14: Submit information for financial due diligence
- Apr - Jun 14: Discuss funding options with existing debt providers / Board
- Jun 14: Board approval to proceed
- Aug - Oct 14: Review indicative terms / finalise form of debt
- Oct – Nov 14: Execute fees letter / contract negotiations
enet’s Facility With The EIB

- €12m facility
- Unsecured facility
- Availability period of 18 months
- Funding size based on 50% of planned Project Capex over the next three years
- Project related to the design, rollout, commissioning and operation of telecommunications networks in Ireland
- Three pillars to the project
  - Investment in the MANs
  - Investment in other networks – (Backhaul, Dublin)
  - Investment in Fibre To The Business (FTTB)

- Drawdown available in up to four tranches – minimum tranche amount of €3m
- Early repayment option
- Detailed agreement:
  - Covers change of control, permitted acquisitions and permitted distributions
- Subordination agreement also executed with contract
3 Investment Programme & NBP
Aside from continuing to invest in the MANs, enet are investing private funds in other, non-MAN assets

- Core networks
- New metro networks
- Fibre to the Business (access) networks

Shareholder funds being directed towards projects on a commercial basis

Important to note that these investments are separate, but complimentary, to the MANs
enet investing in and enhancing the State owned Metropolitan Area Networks (MANs) – Footprint grown by approx. 25%

enet heavily subsiding, with private funds, the cost for businesses to connect to the MANs

Other shareholder funds targeting

- Core networks - building a 5000km long fibre optic infrastructure that connects the MANs
- New metro networks - constructing a fibre network in Castlebar / other investments in Shannon and Dublin
- Fibre to the Business networks - deploying FTTB networks in Claremorris, Loughrea, Ardee and Kilkenny / More to come
- Fibre to the Home networks - building a FTTH in Ballyseedy, Co. Kerry

These are all built, not merely announced and not delivered!
State seeking State Aid approval to intervene in telecoms market via the National Broadband Plan (NBP)

Plan earmarks over €500M of direct State intervention

Aim to build a national network capable of delivering next generation broadband (minimum 30Mbs) to all premises within the “orange” area

Approx. 700,000 premises in scope

Current project managed via the DCENR with formal procurement expected to commence Nov / Dec 2015
National Broadband Plan

- enet firmly believes we have a role to play
- We have an exemplar history of managing State owned telecoms infrastructure
- Our operating model is policy supportive
- Our new shareholders bring a wealth of experience, knowledge and resources in projects of this scale

- Key issues around the legislation
  - Ensuring operators have access to infrastructure on the same basis
  - Preventing “re-monopolisation” of network
  - State ownership of asset to ensure expected policy dividends actually transpire
THANK YOU