



## Ice Group ASA: Second quarter and half year 2021 results

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Ice Group delivered a record high adjusted EBITDA result in the second quarter of 2021, ending at NOK 97 million compared to NOK 2 million in the same quarter last year. Operating margins are seeing significant increases indicating new earning levels for Ice group. This is a result of Ice Group's strategic long-term efforts to improve customer offering, network performance, cost position and deliver continuous customer growth.

Total operating revenue in the quarter was NOK 562 million, a 13% increase from the second quarter last year (NOK 497 million), while smartphone service revenue was up 14% to NOK 434 million (382).

Same as the first quarter this year, also the second quarter was affected by large parts of Norwegian society being in lockdown because of increasing levels of Covid-19. Ice Group's own and most of the bigger partner retail stores have therefore been temporarily closed, negatively affecting sales in the quarter. However, Ice Group continue to grow its customer base and added 13,000 new subscribers in the second quarter, maintaining the market leading win rate in the B2C segment. This is higher than the previous quarter, and approximately at the same level as last year's second quarter, which also was partly impacted by closure of retail stores because of the Covid-19 outbreak. With shopping centres now fully re-opened and vaccination rates increasing, sales are expected to normalize in the second half of the year.

"We are used to adapting to changes in customer sentiment, technology developments, product offerings, competitive position, regulatory framework, etc. We have now also seen impacts by other factors, for example Covid-19. We need to continuously adapt our business and product offering as a response – and to be at the fore-front of the market. We are looking at our business plan to evaluate any room for amendments for boosting our market position. Capital structure and financing are related aspects to this," says Eivind Helgaker, CEO of Ice Group.

Ice Group's efforts to increase customer satisfaction and further improve customer offerings are paying off, reducing smartphone churn further to 20% in the second quarter. This is the lowest quarterly churn ever reported for Ice Group. Churn reduction efforts continues to be a focus for the Ice team to increase the customer experience and further improve the net growth. Ice Group's efforts in improving customer experience are also showed by Ice once again winning the award for the best customer care in mobile in Norway. The Covid-19 related lockdowns have also reduced customer mobility somewhat in the second quarter and this has had a minor positive effect on the churn.

In June, Ice announced a summer campaign together with streaming service Strim, offering free streaming and Data Freedom throughout the summer. Ice also launched a Family package with included insurance for ID theft and safe e-commerce. These products are the first steps into value added services for Ice, and products like these are intended to improve customer loyalty, sales and ARPU going forward. ARPU improved steadily to NOK 226 in this year's second quarter compared to the corresponding quarter last year (223). Retail store sales generally represent higher ARPU compared to other sales channels. The temporary closure of retail stores has therefore also affected ARPU negatively in the second quarter 2021.

Further network build-out is still key to Ice Group's business plan and improved profitability going forward. We added 81 new smartphone base stations in the second quarter, bringing the total to 3,071. This run-rate is in line with Ice Group's guidance of adding between 300 and 500 base stations in 2021.

Increasing share of data and voice traffic in Ice Group's own network is a key enabler for improved profitability and quality of services. On-net share of voice traffic continued its positive growth in the second quarter 2021, ending at 71% in the quarter. This is up from 68% in the previous quarter and up from 43% in the corresponding quarter last year. Average data on-net ended at 90% in the second quarter of 2021, stable from the previous quarter and an increase from 84% in the second quarter last year.

"In sum, our operational and financial parameters continue to point in the direction we want them to, even though sales were disappointing due to Covid-19 lock-down. The second quarter as a whole – including macro effects outside our control – demonstrates our strong platform, the scale effects in our business and our competitive advantages. I want to give credit to my colleagues who make such a fantastic effort for Ice during another Covid-19 lock-down. We have now delivered 25 consecutive quarters of smartphone subscription growth and remain confident that we will continue to win market share and improve margins strongly going forward," says Eivind Helgaker, CEO of Ice Group.

A live presentation of the results will be held today at 08:00 (CET). CEO Eivind Helgaker and interim CFO Per Heyeraas will present. Investors, analysts, lenders and media are invited to follow the webcast on

[https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20210817\\_1](https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20210817_1)

A recording of the presentation will be available on our web site shortly after the live webcast has ended.

## **Disclosure regulation**

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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## **Attachments**

- [Download announcement as PDF.pdf](#)
- [Interim Report 2021 Q2.pdf](#)
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