



Ice Group ASA: first quarter 2021 financial results

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6 May 2021 – Ice Group delivered a record high adjusted EBITDA result in the first quarter of 2021, ending at NOK 86 million compared to NOK 4 million in the same quarter last year. Total operating revenue in the quarter was NOK 552 million, a 12% increase from the first quarter last year (NOK 491 million), while smartphone service revenue was up 13% to NOK 426 million (378).

Operating margins are seeing significant increases indicating new earning levels for Ice Group. This is a result of the company's strategic long-term efforts to improve customer offering, network performance, cost position and deliver continuous customer growth. A new national roaming agreement (NRA) that came into effect on 1 January 2021 drives costs down substantially and the EBITDA result of NOK 86 million, equivalent to an adjusted EBITDA-margin of 16% (Q1 2020: 1%), is in line with Ice Group's guiding for 2021.

"Periodically the first quarter normally delivers lower sales, and was this year also affected by large parts of Norwegian society being in lockdown because of increasing levels of Covid-19. Our own and most of the bigger retail stores of our partners have therefore been temporarily closed, negatively affecting sales in the quarter. However, we continue to grow our customer base and added 11,000 new subscribers in the first quarter, maintaining our market leading win rate in the B2C segment," says Eivind Helgaker, CEO of Ice Group.

Ice Group's subscription growth in the first quarter 2021, is lower than the previous quarter, but at the same level as last year's first quarter, which was partly impacted by closure of retail stores because of the Covid-19 outbreak.

Ice Group's efforts to increase customer satisfaction and further improve customer offerings are paying off, reducing smartphone churn by 6 percentage points from the first quarter last year (27%) to 21% in this year's first 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. The Covid-19 related lockdowns have also reduced customer mobility somewhat in the first quarter and this has had a minor positive effect on churn.

ARPU improved steadily to NOK 226 in this year's first quarter compared to the corresponding quarter last year (224). 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 first quarter 2021.

Further network build-out is still key to Ice Group's business plan and improved profitability going forward. The company added 103 new 5G-ready smartphone base stations in the first quarter, bringing the total to 2,990. This run-rate is in line with Ice Group's guidance of adding between 300 and 500 base stations in 2021.

Because of Ice Group's improved network footprint, the share of traffic in its own network continues to improve. Average data on-net share improved to an all time high 90% in the first quarter of 2021, up from 89% in the fourth quarter of 2020 and an increase from 83% in the first quarter last year. On-net share of voice traffic also continued its positive growth in the first quarter 2021, ending at 68% in the quarter. This is up from 63% in the previous quarter and up from 37% in the corresponding quarter last year. Increasing share of data and voice traffic in Ice Group's own network is a key enabler for improved profitability and quality of services.

"In sum, our operational and financial parameters continue to point in the direction we want them to. The first quarter as a whole – including macro effects outside our control – demonstrates our strong platform, the scale effects in our business and our competitive advantages. Based on this, we remain confident about achieving our guiding of an adjusted EBITDA-margin of 15-20% in 2021," adds Eivind Helgaker.

Live webcast presentation at 08:00 CET

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

https://channel.royalcast.com/landingpage/hegnarmedia/20210506_3/

A recording of the presentation will be available on Ice Group's website shortly after the live webcast has ended.

For further information, please contact:

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Disclosure regulation

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

Attachments

- [Download announcement as PDF.pdf](#)
- [Ice Group ASA Interim Report 2021 Q1.pdf](#)
- [Ice Group ASA presentation Q1 2021.pdf](#)