



Interim Financial Statements Q2 and 1H 2021

2nd of September 2021



visir



SPORT

BYLGJAN
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ENDOR

Key Financial Results



Q2 and 1H 2021



Revenue 1H
ISK 10,289M

Q2 2021
ISK 5,289M



EBITDA 1H
ISK 2,876M

Q2 2021
ISK 1,488M



Earnings 1H
ISK -348M

Q2 2021
ISK -117M



FCF 1H
ISK 1,611M

Q2 2021
ISK 1,736M

Income Statement



	Q2 2021	Q2 2020	% ch.	1H 2021	1H 2020	% ch.
Revenues	5,289	5,387	-1.8%	10,289	10,418	-1.2%
Cost of sales	-3,759	-3,752	0.2%	-7,134	-7,138	-0.1%
Gross profit	1,530	1,635	-6.4%	3,155	3,280	-3.8%
Operating expense	-1,588	-1,571	1.1%	-3,171	-3,237	-2.0%
EBITDA	1,488	1,364	9.1%	2,876	2,719	5.8%
EBIT	-58	64	-	-16	43	-
Net financial expense	-117	-182	-	-210	-623	-
Effect of associates	20	28	-	-173	48	-
Income tax	38	30	-	51	122	-
Loss	-117	-60	-	-348	-410	-
<i>Gross Margin</i>	<i>28.9%</i>	<i>30.4%</i>		<i>30.7%</i>	<i>31.5%</i>	
<i>EBITDA</i>	<i>28.1%</i>	<i>25.3%</i>		<i>28.0%</i>	<i>26.1%</i>	
<i>EBIT</i>	<i>-1.1%</i>	<i>1.2%</i>		<i>-0.2%</i>	<i>0.4%</i>	

Key factors impacting Q2 and 1H 2021

- Good growth in revenues from the media and mobile. Decline in revenues in mainly due to decrease in Endor revenues.
- “Fjölskyldupakkinn” our newest bundle has been a success and increased the number of costumers together with the broadcasting of EURO2020.
- Immaterial change in exchange rate from Q1 2021. Exchange rate gain recognised in 1H 2021 was 68m compared to exchange rate loss of 242m in 1H 2020.
- Interest expenses decrease by 106m between periods because of lower interest rate.
- A loss of 179m was recognised due to the sale of the Faroese associate, Hey. Sales proceeds were used to lower debt.

Revenue Breakdown



	Q2 2021	Q2 2020	% ch.	1H 2021	1H 2020	% ch.
Media	2,116	1,875	13%	4,070	3,845	6%
Broadband	1,116	1,148	-3%	2,261	2,308	-2%
Mobile	1,061	835	27%	2,000	1,745	15%
Fixed Line	134	155	-14%	274	322	-15%
Hosting and operating solutions	352	944	-63%	665	1,315	-49%
Retail sale	311	240	30%	604	476	27%
Other revenue	199	190	5%	415	407	2%
Total Revenue	5,289	5,387	-2%	10,289	10,418	-1%

Media

Revenue from media increases by 13% between Q1 2021 and Q2 2020, mainly due to growth in customer in the new product bundle „Fjölskyldupakki“ and because of EURO2020 broadcasting in June. Advertising revenue increased by 19% in 1H 2021 compared to 1H 2020, the increase is mostly related to EURO2020 event and significant growth in advertising revenues from „Vísir“ which increased by 43% between 1H 2021 and 1H 2020.

Broadband

Revenue from broadband decreases by 2% between 1H 2021 and 1H 2020. Prices were lowered in accordance with the new service strategy POR which leads to lower churn and happier customers long term but reduces revenue short term.

Mobile

Revenue from mobile increases by 15% between 1H 2021 and 1H 2020 which is mainly due to growth in IoT revenue. At the same time roaming revenue have decreased by 43m between periods. Revenue from roaming have increased between Q1 2021 and Q2 2021 for the first time since the start of the pandemic. The increase is however insignificant.

Hosting and operating solutions

Negative revenue growth in Q2 is mainly due to less sales of technical products because of Covid-19 and unfavorable exchange rate development.

Retail sales

Continuing positive development in retail sales but forecast assumes reduction in revenue growth for 2H 2021 (compared to last year).

Statement of Financial Position



Assets

ISK m	30.6.2021	31.12.2020	% ch.
Fixed assets			
Right-of-use asset	4,651	5,227	-11%
Property, plant and equipment	3,485	3,818	-9%
Goodwill	8,883	8,932	-1%
Other intangible assets	4,456	4,403	1%
Shares in other companies	121	1,398	-91%
Deffered tax asset	427	383	11%
Fixed assets	22,023	24,161	-9%
Current assets			
Broadcasting license rights	1,690	1,876	-10%
Inventories	280	241	16%
Trade receivables and other short term receivables	3,420	3,217	6%
Cash and cash equivalents	402	831	-52%
Current assets	5,792	6,165	-6%
Assets available for sale	536	536	0%
Total assets	28,351	30,862	-8%

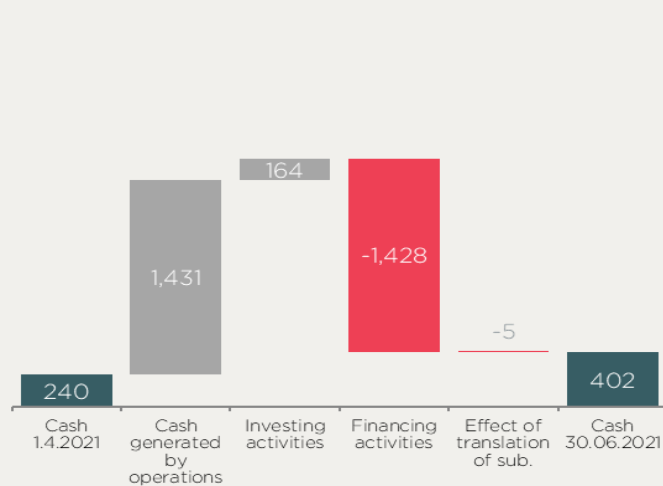
Liabilities and equity

ISK m	30.6.2021	31.12.2020	% ch.
Equity	8,084	8,549	-5%
Long term liabilities			
Interest bearing debt	8,632	9,492	-9%
Lease liabilities	4,237	4,507	-6%
Other liabilities	166	166	0%
Deferred tax liabilities	-	16	-
Non-current liabilities	13,035	14,181	-8%
Current liabilities			
Interest bearing debt	689	992	-31%
Lease liabilities	959	1,259	-24%
Accounts payable and other current liabilities	5,415	5,699	-5%
Current liabilities	7,063	7,950	-11%
Liabilities because of assets available for sale	169	182	-7%
Total equity and liabilities	28,351	30,862	-8%
<i>Interest bearing debt</i>	<i>14,517</i>	<i>16,251</i>	
<i>Net interest bearing debt</i>	<i>14,115</i>	<i>15,419</i>	
<i>Equity ratio</i>	<i>28.5%</i>	<i>27.8%</i>	

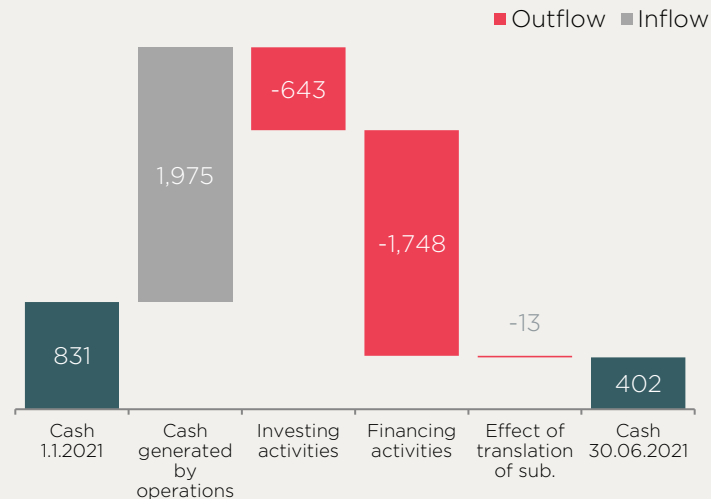
Cash Flow



Cash Flow Q2 2021



Cash Flow 6M 2021



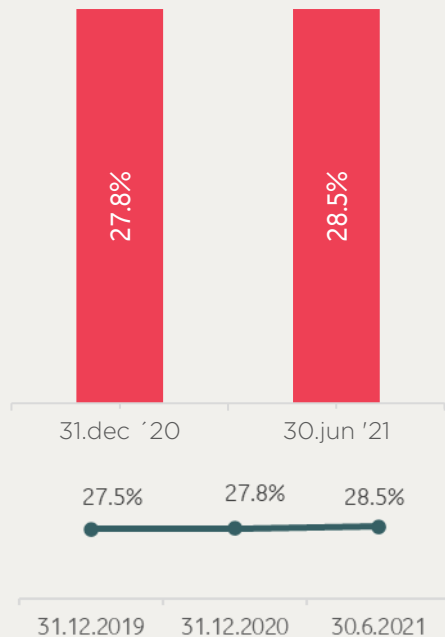
	Q2 2021	Q2 2020	% ch.	1H 2021	1H 2020	% ch.
Cash generated by operations before interest and tax	1,572	1,930	-19%	2,254	3,192	-29%
Investment activities	164	-857	-119%	-643	-1,595	-60%
Free cash flow	1,736	1,073	62%	1,611	1,597	1%

* Amounts are in ISK million

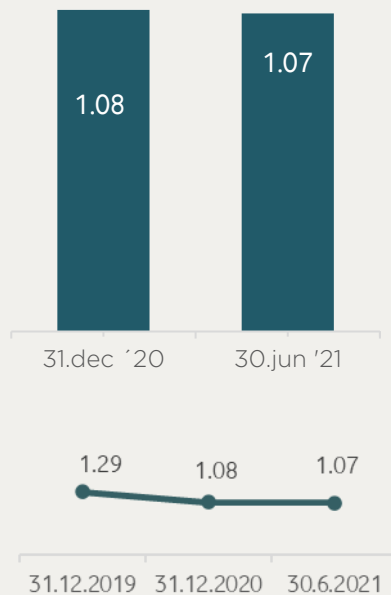
Statement of Financial Position - Key Ratios



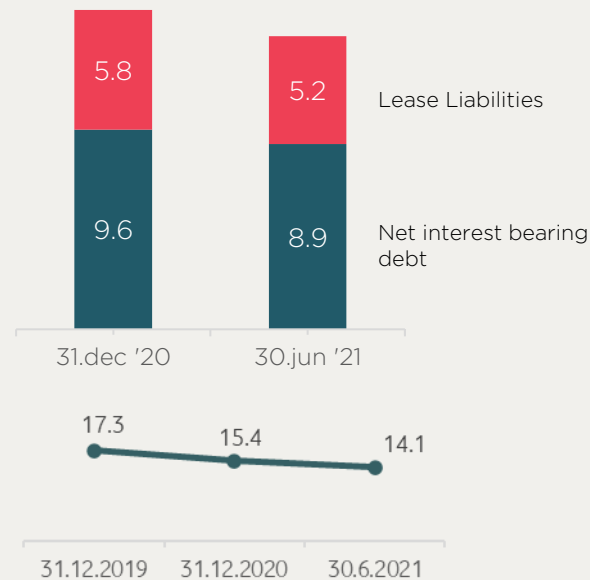
Equity Ratio



Current Ratio*



Net interest bearing debt



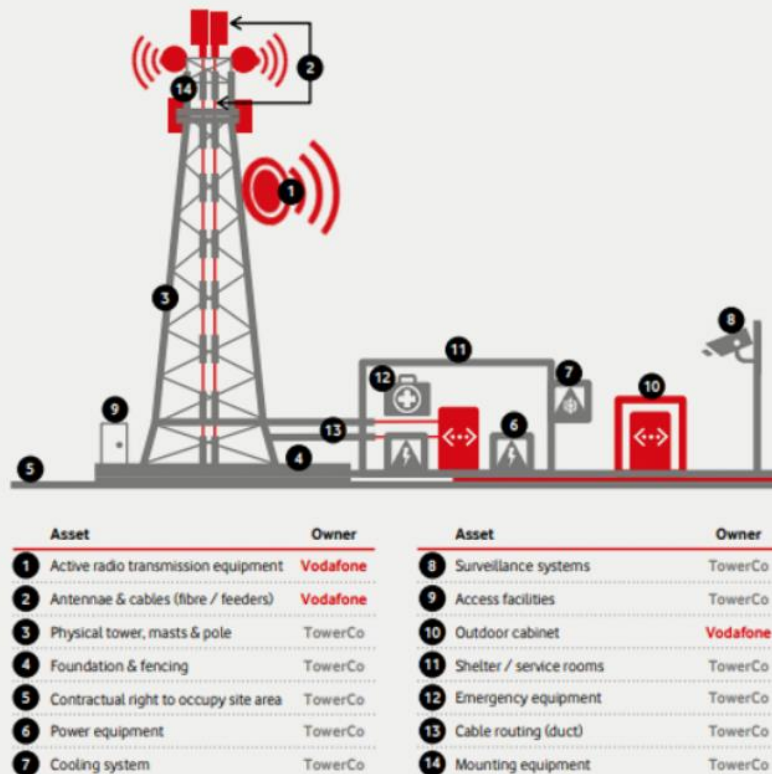
*Current Assets / liabilities and other current liabilities

*Amounts are in ISK million

Sales of passive mobile infrastructure



- Agreement signed on the 31st of March 2021. The total sales price is around 7.1 billion ISK.
- The agreement is subject to approval of the Competition Authority. It is expected to be obtained in the next few days and following that work will begin on transferring the sold assets to the buyer.
- Sale proceeds will be used to pay down loans, repurchase shares and for new investments. Sýn hf. is preparing for additional sales of other infrastructure in the year.



Media

GULLI
BYGGIR

Allskonar
KYNLÍF

Fyrsta
Blikid

Ætíð 3

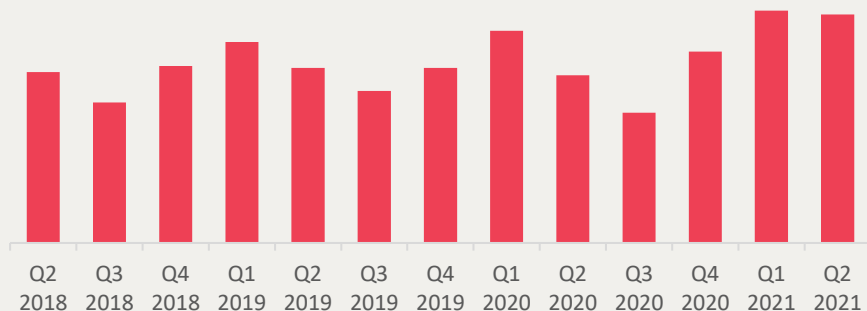
KVISS

DRAUMAHEIMILÍÐ



Growth in number of subscribers Stöð 2 og Stöð 2+

Stöð 2 and Stöð 2+
Subscribers development

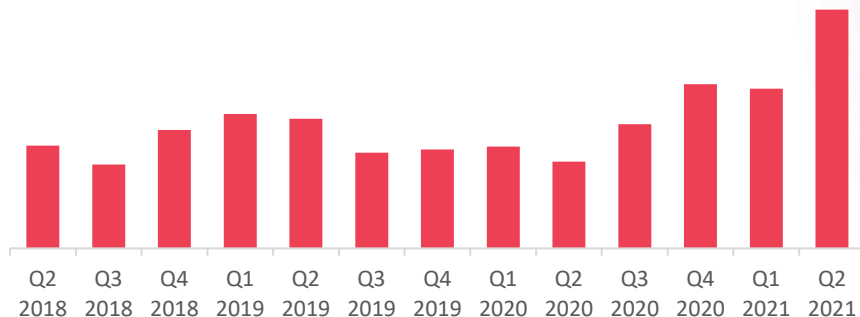


— Number of subscribers increased by 13% between Q2 2020 and Q2 2021.



Record set for subscribers to Stöð 2 Sport

Stöð 2 sport
Subscribers development



- Strong growth in sport's subscriptions and the broadcasting of EM2020 was a success.



EM 2020

- A record in number of subscribers in the 25 year history of Stöð 2 Sport.
- According to Gallup media survey, Stöð 2 Sport channels had 35% share of television view during the week 5th-11th of July. A remarkable success in the history of sports television in Iceland.
- “EM í dag”, the evening show presented by Guðmundur Benediktson and Helena Ólafsdóttir became very popular and the viewing of the show was no less than the viewing of the games themselves.
- Well-known individuals were regular guests at „EM í dag“, for example Guðni Th. Jóhannesson, the president of Iceland and Heimir Hallgrímsson, former coach of the Icelandic national football team.
- Over 50 games and 90 shows streamed live.



Blökastið



- „Blökastið“ is the first podcast in a new content platform for podcasts that is being established.
- The radio show „FM95Blö“ has been on the radio station FM957 for a decade. The podcast is based on the show but with other emphases. The podcast will be broadcasted once or twice a month from „Stöð 2“ studio so it will be turned into a TV show in a podcast environment.
- The podcast will be sold by a monthly subscription for ISK 1.390 + VAT. The launch was a success.
- In the coming weeks, more podcasts will be released, both with people inside and outside of the Company.



New business media



- New business media that specializes in news about the Icelandic business and economic environment will be launched in „Vísir“ later this year.
- The media will be subscription based.
- The media will be led by Hörður Áegisson and Ólöf Skaftadóttir.
- The media intends to be a leader when it comes to coverage of the Icelandic business and economic environment and thus create value for the readers that will not be found in the same way in other media in Iceland.
- Almost 200 thousand people visit „Vísir“ website every day enjoy its content of various kinds. The new business media will be a great addition to all that.



VÍSIR

FRÉTTIR | VIÐSKIPTI | SPORT | LÍFIÐ | SKOÐUN | FASTEIGNIR | ÚTVARP | SJÓNVARP

Mest lesni vefur landsins



Thank you



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