



Full year 2021
and Q4 2021

17th February 2022



visir



SPORT

BYLGJAN
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ENDOR

Making a good company better



- Core business now resulting in profit instead of loss.
- Balance sheet turnaround
 - Payment of long-term loans and lowering other interest bearing debt.
 - Sale of passive mobile infrastructure resulted in a ISK 6,5 billion profit and a ISK 2,6 billion profit in operating results for 2021.
 - Further sale of passive infrastructure planned in 2022.
- New agreements with key suppliers with the objective of increasing the company's flexibility
 - Fixed cost changed to variable cost.
- Profit margin analysis used for decision making.
- Shareholders received ISK 1,390 million through a reverse share offering.
- Repurchase plan accepted for ISK 600 million.

Key financial results



Financial statement 2021



Revenue
ISK 21,765M

2020
ISK 20,944M



EBITDA*
ISK 8,984M

2020
ISK 5,739M



Earnings
ISK 2,100M

2020
ISK -405M



FCF
ISK 9,853M

2020
ISK 3,210M

* When adjusted for profits of the sales of passive mobile infrastructure the EBITDA for the year 2021 is ISK 6,432 million.

Income statement 2021



	Q4 2021	Q4 2020	% ch.	2021	2020	% ch.
Revenues	5,943	5,465	8.7%	21,765	20,944	3.9%
Cost of sales	-3,884	-3,864	0.5%	-14,672	-14,436	1.6%
Gross profit	2,059	1,601	28.6%	7,093	6,508	9.0%
Sale profit	2,552	-	-	2,552	-	-
Operating expense	-1,731	-1,625	6.5%	-6,359	-6,347	0.2%
EBITDA	4,222	1,427	195.9%	8,984	5,739	56.5%
EBIT	2,880	-24	-	3,286	161	-
Net financial expense	-152	-118	-	-573	-910	-
Effect of associates	-78	27	-	-251	98	-
Income tax	-374	112	-	-362	246	-
Profit / (Loss)	2,276	-3	-	2,100	-405	-
<i>Gross Margin</i>	<i>34.6%</i>	<i>29.3%</i>		<i>32.6%</i>	<i>31.1%</i>	
<i>Adjusted EBITDA *</i>	<i>1,670</i>	<i>1,427</i>		<i>6,432</i>	<i>5,739</i>	
<i>Adjusted EBIT *</i>	<i>328</i>	<i>-24</i>		<i>734</i>	<i>161</i>	
<i>Adjusted EBITDA %</i>	<i>28.1%</i>	<i>26.1%</i>		<i>29.6%</i>	<i>27.4%</i>	
<i>Adjusted EBIT %</i>	<i>5.5%</i>	<i>-0.4%</i>		<i>3.4%</i>	<i>0.8%</i>	

* Amounts are in ISK million

* Adjusted for the sale of infrastructure.

** Comparable figures have been changed, more information in the consolidated statement.

Key factors impacting Q4 and 2021

- Revenues in core business are ISK 21,765 million in 2021 and increase by 3.9% from 2020. Growth in revenues is mainly generated from mobile and media.
- In 2021 a sales profit for passive mobile infrastructure of ISK 2,674 million is accounted for. Cost of sale is accounted for as ISK 122 million and is deducted from profits.
- EBIT adjusted for the sales profit is ISK 734 million and is increasing by ISK 573 million from 2020.
- Foreign exchange profit decreases by ISK 34 million from Q4 2020 to Q4 2021 and is the main driver for higher net financial expense. Foreign exchange profits amounted ISK 18 million in 2021 compared to a loss of ISK 205 million in 2020.
- Interest expenses decrease by ISK 115 million due to lower interest-bearing debt.
- The subsidiary Endor recorded a loss of ISK 29 million in 2021 compared to an ISK 45 million profit in 2020.
- Included in the negative effect of associates is a sales loss of ISK 179 million due to the sale of Hey and a depreciation of shares in Reykjavik DC.

Revenues



	Q4 2021	Q4 2020	% ch.	2021	2020	% ch.
Media	2,178	2,129	2%	8,372	7,933	6%
Broadband	1,097	1,115	-2%	4,463	4,557	-2%
Mobile	1,364	838	63%	4,616	3,512	31%
Fixed Line	128	141	-9%	535	608	-12%
Hosting and operating solutions	601	662	-9%	1,676	2,420	-31%
Retail sale	371	353	5%	1,267	1,082	17%
Other revenue	204	227	-10%	836	832	0%
Total Revenue	5,943	5,465	9%	21,765	20,944	4%

Media

Advertising revenues increased by 17% between 2020 and 2021, largely due to a 52% increase in revenues from Vísir. In the beginning of 2021, the decision was made to make Stöð 2 subscription only. Additionally, the bundle of services in the Family pack has proven to have a positive impact on subscription revenues which increased by 11%.

Broadband

Broadband revenue decreases by 2% between years. The corporate market had a 6% increase in Q4 2021 compared to Q4 2020.

Mobile

Growth in mobile revenues is mainly due to increased IoT and roaming revenues increase, the latter increased by 40% between 2020 and 2021. The pandemic still has an impact on roaming revenues as they are approximately 50% of pre-pandemic revenues.

Hosting and operating solutions

Decrease in revenues are mostly generated in Q2 2021. Projections for 2022 assume a strong increase in revenues after a decrease in revenues following the pandemic.

Retail sales

Retail sales increased by 5% between Q4 2020 and Q4 2021. Margin from retail sales increased between years.

*Amounts in ISK millions.

**Comparable figures have been changed, more information in the consolidated statement

Balance sheet



Assets

ISK m	31.12.2021	31.12.2020	% ch.
Fixed assets			
Right-of-use asset	8,049	5,227	54%
Property, plant and equipment	3,212	3,818	-16%
Goodwill	8,888	8,932	0%
Other intangible assets	4,469	4,403	1%
Shares in other companies	62	1,398	-96%
Deffered tax asset	26	383	-93%
Fixed assets	24,706	24,161	2%
Current assets			
Broadcasting license rights	1,762	1,876	-6%
Inventories	356	241	48%
Trade receivables and other short term receivables	5,463	3,217	70%
Cash and cash equivalents	4,214	831	407%
Current assets	11,795	6,165	91%
Assets available for sale	-	536	0%
Total assets	36,501	30,862	18%

Liabilities and equity

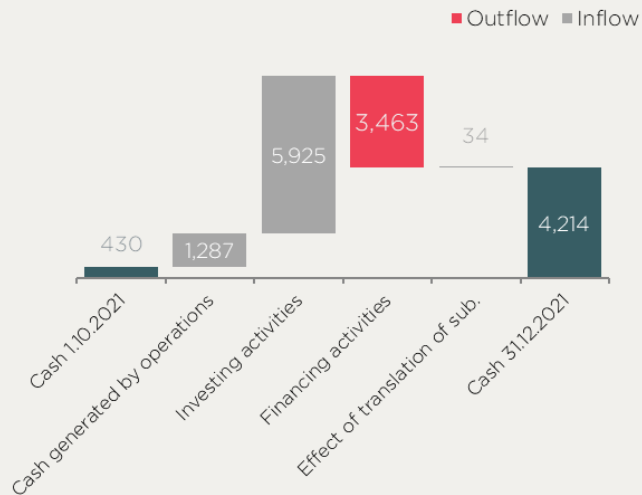
ISK m	31.12.2021	31.12.2020	% ch.
Equity	10,535	8,549	23%
Long term liabilities			
Interest bearing debt	4,965	9,492	-48%
Lease liabilities	11,393	4,507	153%
Other liabilities	180	166	8%
Deferred tax liabilities	19	16	19%
Long term liabilities	16,557	14,181	17%
Current liabilities			
Interest bearing debt	723	992	-27%
Lease liabilities	1,206	1,259	-4%
Accounts payable and other current liabilities	7,480	5,699	31%
Current liabilities	9,409	7,950	18%
Liabilities because of assets available for sale	-	182	-100%
Total equity and liabilities	36,501	30,862	18%
<i>Interest bearing debt</i>	<i>18,287</i>	<i>16,251</i>	
<i>Net interest bearing debt</i>	<i>14,073</i>	<i>15,419</i>	
<i>Equity ratio</i>	<i>28.9%</i>	<i>27.8%</i>	

*Amounts in ISK millions

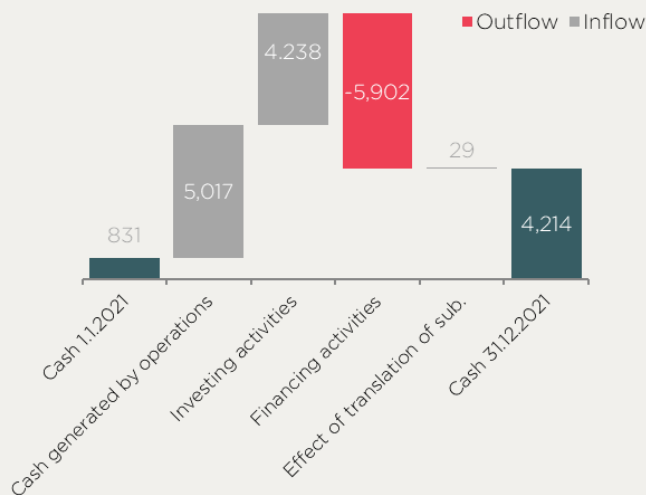
Cashflow



Cashflow Q4 2021



Cashflow 12M 2021

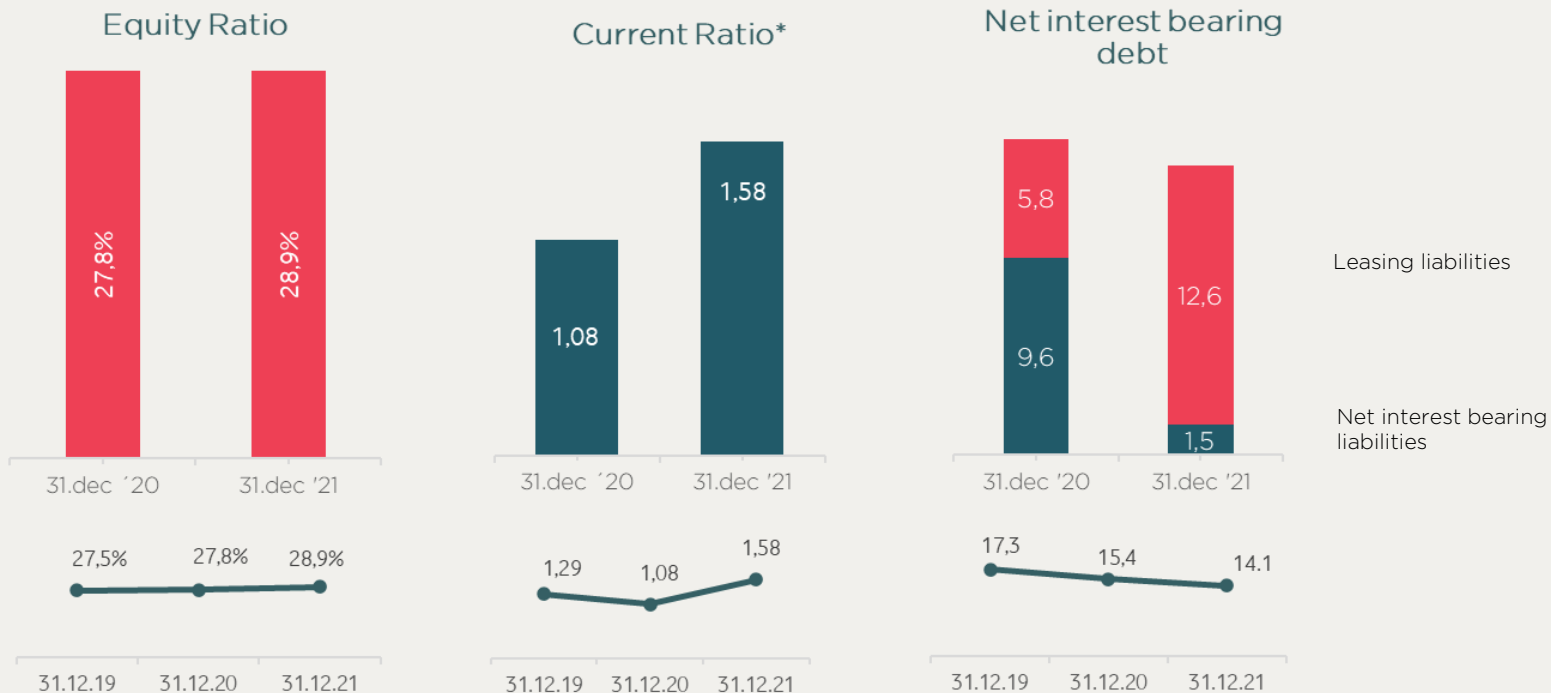


	Q4 2021	Q4 2020	% ch.	2021	2020	% ch.
Cash generated by operations before interest and tax	1,450	2,225	-35%	5,597	6,626	-16%
Investment activities	5,943	-1,071	-655%	4,256	-3,416	-225%
Free cash flow	7,393	1,154	541%	9,853	3,210	207%

*Excluding net investment in share in other companies

*Amounts in ISK millions

Balance sheet – Key indicators



* Current assets / payables and other short term liabilities.

* In the beginning of 2022 the board accepted to repurchase shares of ISK 1,390 million. Following a repurchase plan was activated for an additional buyback of up to ISK 600 million shares. When adjusted for this the equity ratio on the 31.12.2021 is 24.8% and the current rate 1,31.

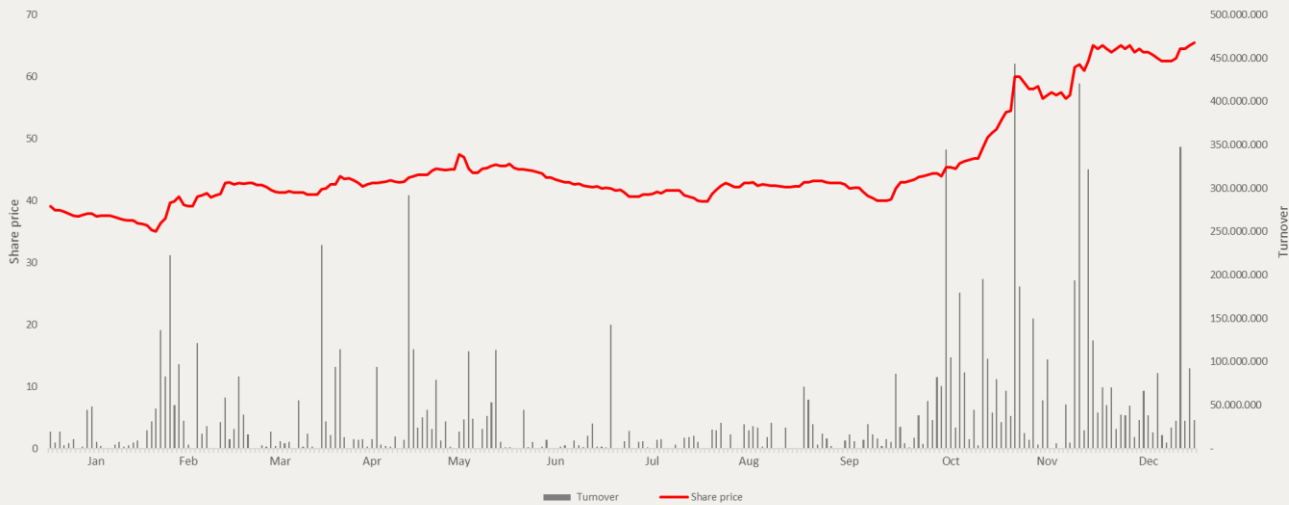
*Amounts in ISK millions

Year 2022

- Projections for 2022 assume that revenue growth will exceed economy growth.
 - Healthy growth of new revenue streams
 - Negative impact of pandemic decreases. Roaming will be back on track in 2023.
- Development in foreign exchange rates has a significant effect on operating results, especially investment in broadcasting licences and mobile infrastructure.
- Investments estimated ISK 1.5-2.0 billion. Increased focus on 5G investment.
- Part of the profit from the sale of passive mobile infrastructure to be used for internal investment.
- Security solutions becoming more and more important when selecting a telecommunication provider, we prove to be strong on that side.



Development of share price and market turnover



10 largest shareholders at the year end

	Share
Gildi - lífeyrissjóður	11,3%
Lífeyrissjóður verzlunarmanna	10,4%
Ursus ehf.	9,2%
Kvika banki hf.	8,0%
Arion banki hf.	7,4%
Lífeyrissj.starfsm.rið. A-deild	6,3%
Birta lífeyrissjóður	5,3%
Akta Stokkur hs.	3,9%
Frostaskjól ehf.	2,5%
Festa - lífeyrissjóður	2,5%

- The share price of the company increased by 67.9% between years. The share price held steady for the most part of the year and was at 40 by the end of September. In the last quarter the share price rose fast and ended at 65,5 by year end.
- Trading of the company's shares equalled 9.3 billion in 1,766 transactions and increases by 25.7% between years.



Thank you



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