



Q3 2017 FINANCIAL RESULTS



Transforming a
traditional
national
broadcaster

Into a global
digital video
entertainment
provider

With long-term
sales & profits
growth

And returning
value to
shareholders

A CLEAR AND SIMPLE STORY

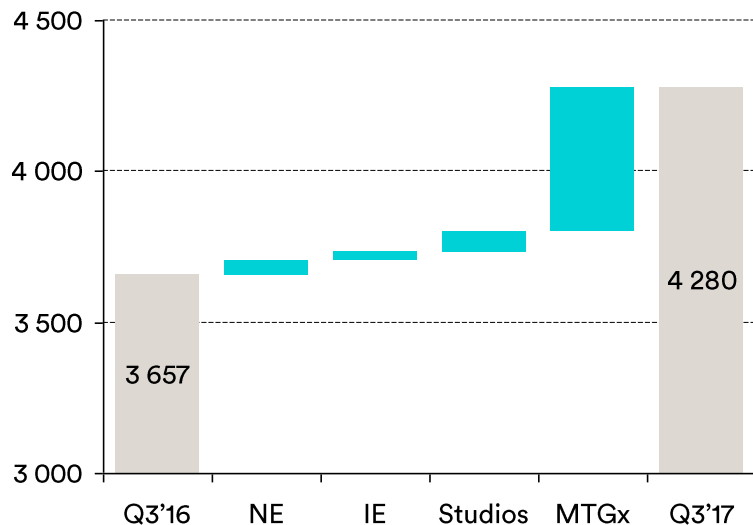
Q3 IN SUMMARY



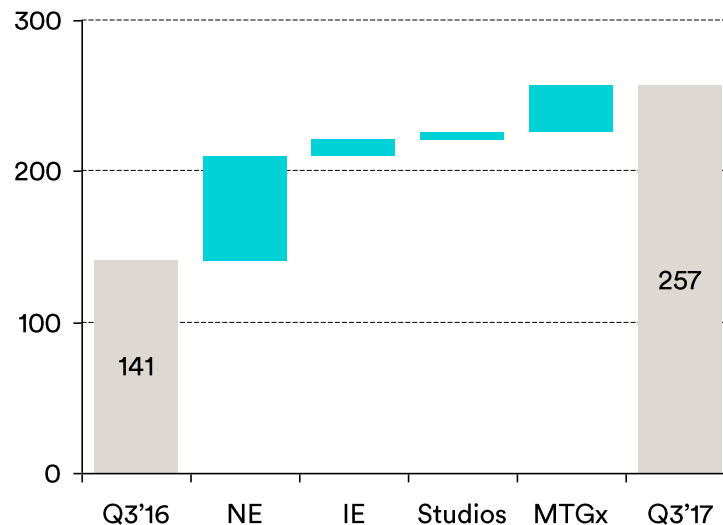
- 7% organic sales growth & 83% profit growth
- Nordic Entertainment, International Entertainment and MTG Studios all reported higher organic sales, higher profits and higher margins. Losses in MTGx down due to the consolidation of InnoGames
- Continued investment into content & digital expansion
- Continued strategic transformation
 - ✓ Closed acquisition of Kongregate
 - ✓ Completed divestment of Baltic businesses in Oct.

SALES & EBIT BY DIVISION

Sales (SEKm)



EBIT before IAC (SEKm)



Sales and EBIT refer to continuing operations

NORDIC ENTERTAINMENT

Key highlights

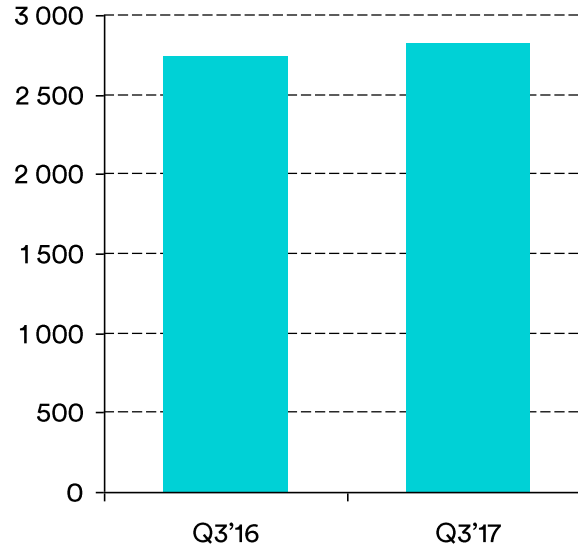
Organic sales up 3%

- FTV & Radio sales up in No & Dk, but down in Se due to last year's coverage of the Olympics & World Cup
- PTV sales up – Viaplay continues to be the main driver

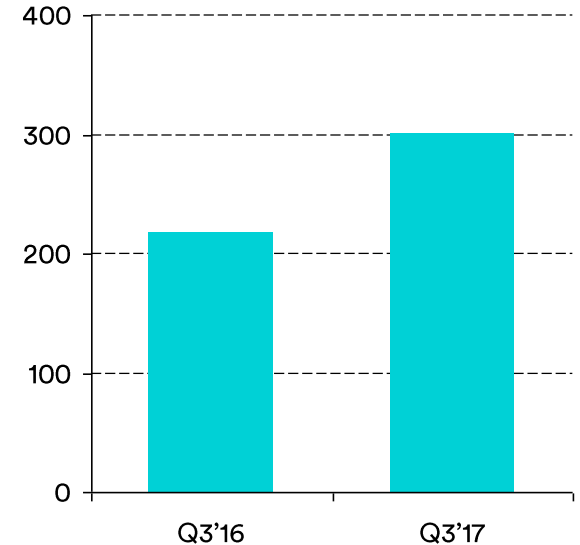
EBIT up 38%

- Healthy underlying performance
- Last year included the Olympic investments

Sales (SEKm)



EBIT (SEKm)



INTERNATIONAL ENTERTAINMENT

Key highlights

Organic sales up 12%

- Double-digit percentage growth in both Bulgaria and in Trace

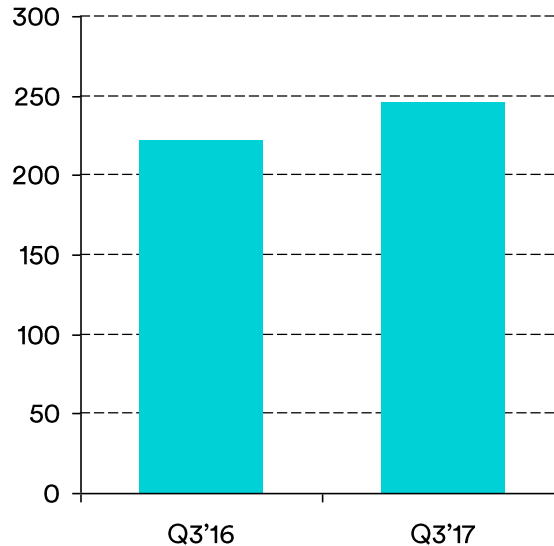
EBIT up 53%

- Despite continued investments into Trace Play

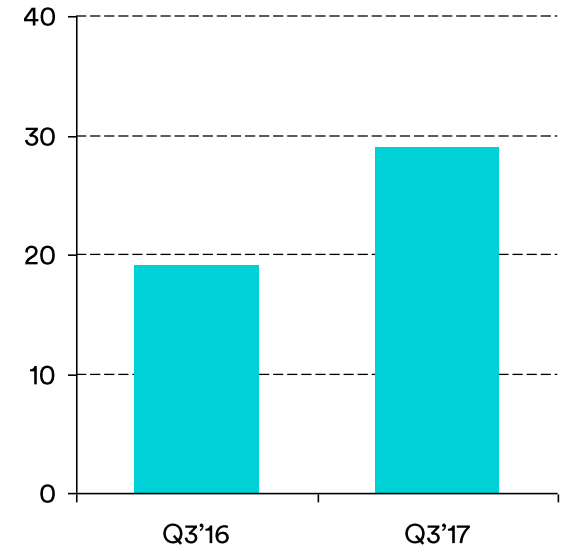
Closed divestment of the Baltics

- Disposal of Tanzania has yet to close

Sales (SEKm)



EBIT (SEKm)



MTG STUDIOS

Key highlights

Organic sales up 15%

- Continued high demand for scripted drama and branded content

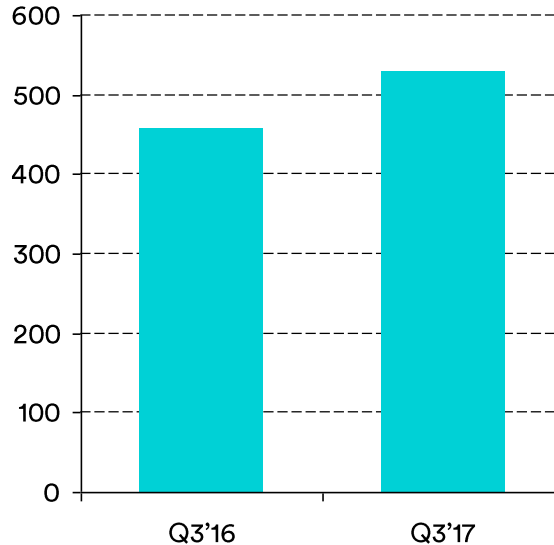
EBIT up 17%

- As the strong sales performance flowed through the P&L

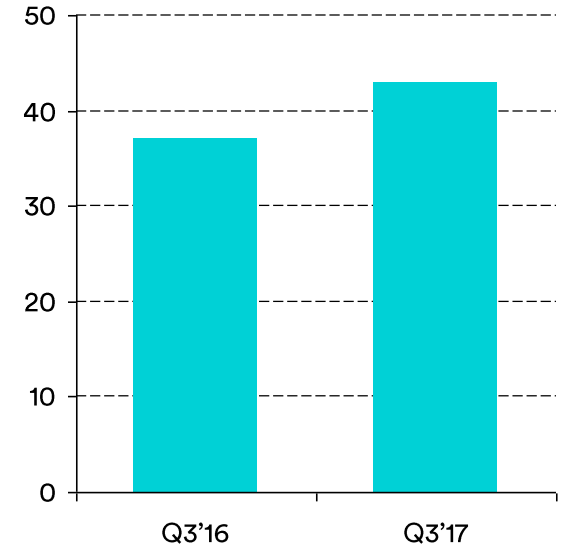
Great story-telling

- Hassel – most successful premiere ever for Viaplay
- Nobel won the Rose d'Or for Best Drama Series
- Worldwide distribution deal for Superswede
- Announced acquisition of Matador Film

Sales (SEKm)



EBIT (SEKm)



MTGx

Key highlights

Organic sales up 39%

- Fuelled by a 49% organic sales growth for esports
- Reported growth up 149% due to the consolidation of InnoGames
- No contribution from Kongregate in Q3

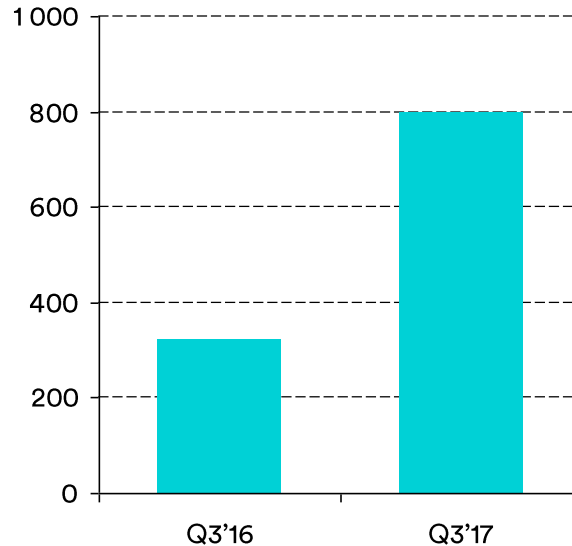
EBIT loss of SEK 38m vs. 69m in Q3'16

- Included SEK 57m contribution from InnoGames and M&A costs of SEK 6m

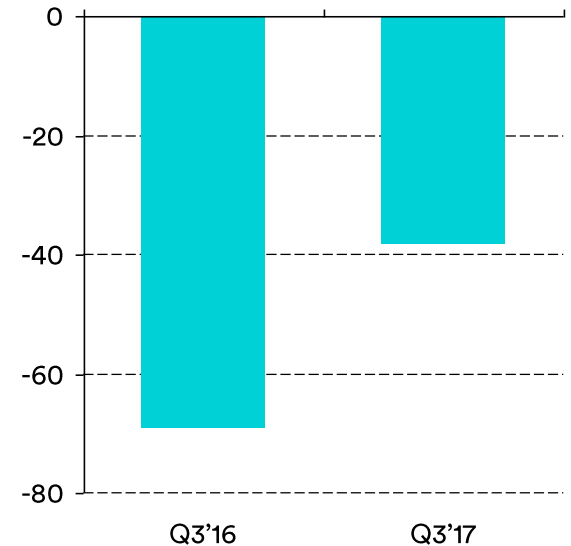
Potential write-down in Turtle

- Potential write-downs of accounts receivables of up to SEK 35m in Q4'17 relating to 2016

Sales (SEKm)

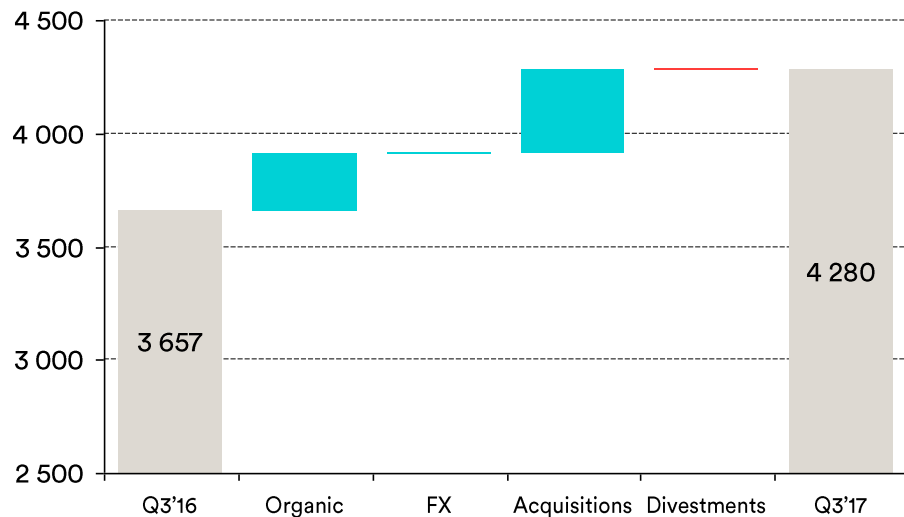


EBIT (SEKm)

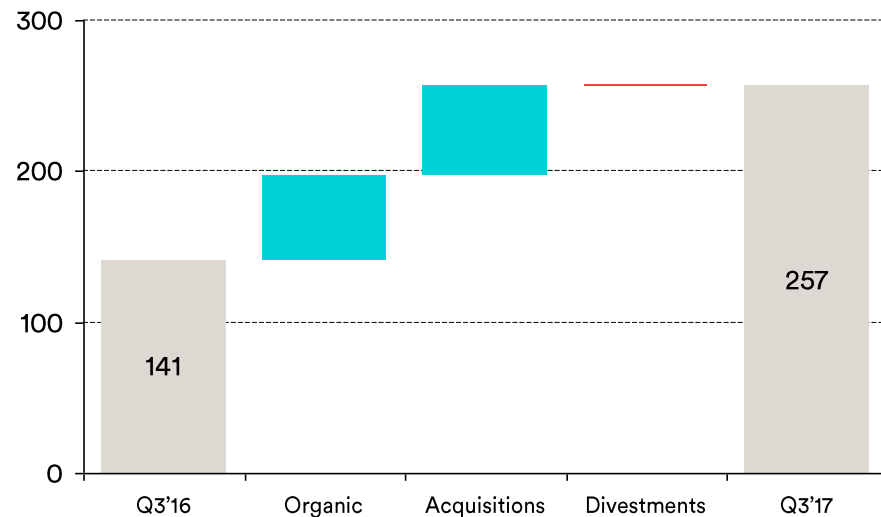


SALES & EBIT BY TYPE

Sales (SEKm)



EBIT before IAC (SEKm)

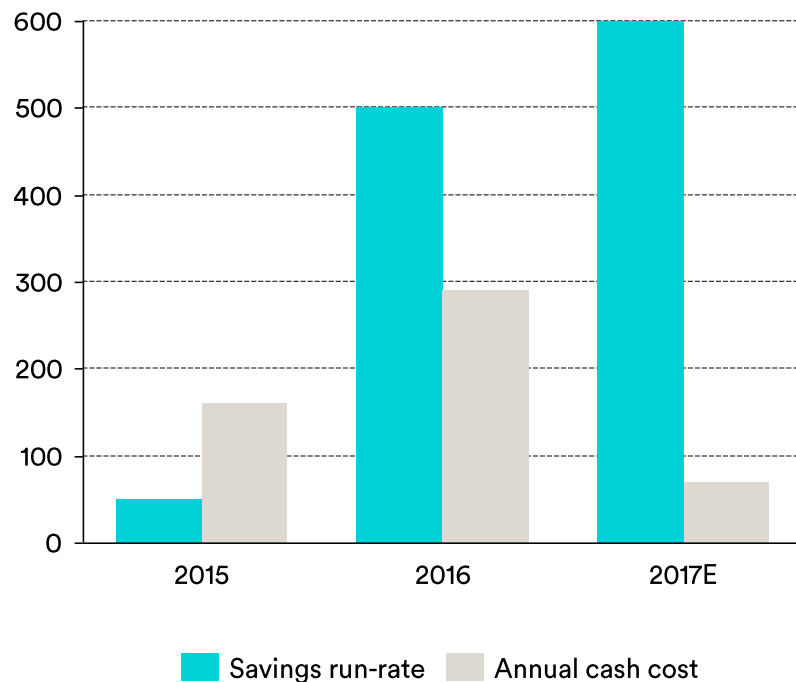


For continuing operations. Organic EBIT includes FX translation & transaction effects. Acquisitions includes M&A costs.

COST TRANSFORMATION UPDATE

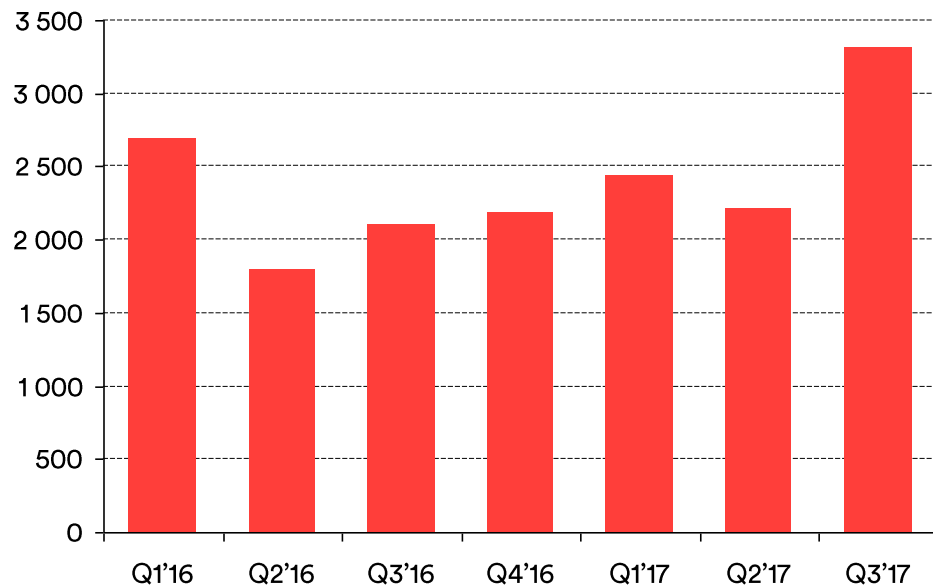
- On track & according to plan with total estimated savings of ~SEK 600m fully impacting in 2017
- Incremental savings of ~SEK 20m in Q3, taking the run-rate to SEK 575m
- Cash flow impact from restructuring of ~SEK 15m in Q3, taking the total so far to SEK 495m
- Expect total cash cost of ~SEK 520m (vs. original estimate of ~550m)

Cost transformation (SEKm)

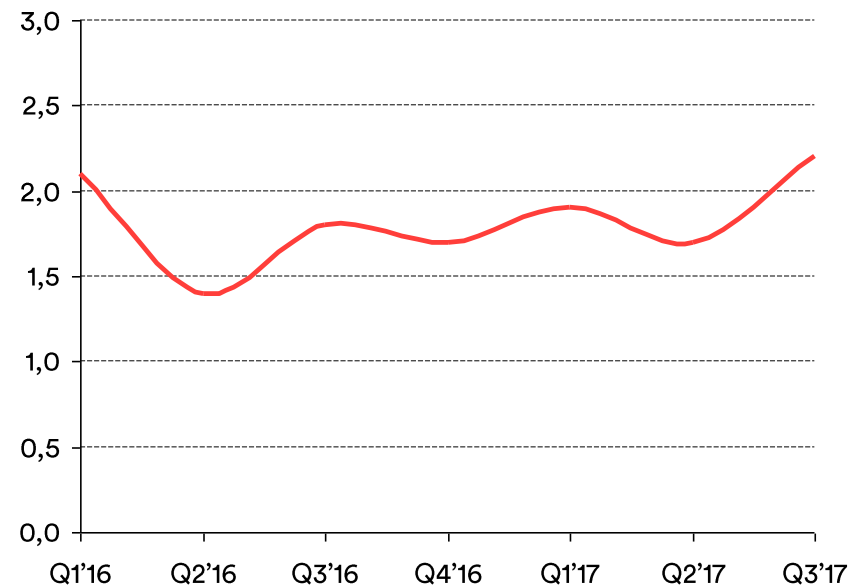


LEVERAGE

Net debt (SEKm)



Net debt to 12m trailing EBITDA before IAC



SUMMARY & OUTLOOK



- 7% organic sales growth & 83% profit growth
- Stronger products than ever before following continued digital and content investments
- Outlook
 - Higher sales & profits for the Groups continued operations
 - Higher sales & profits for Nordic Entertainment
 - >40% organic esports sales growth in H217
 - First quarterly profit for MTGx in Q417
 - Higher full year losses for MTGx (excluding InnoGames and Kongregate) compared to 2016

QUESTIONS PLEASE

