



**MTG**

23 March 2018

**Plan to split MTG into two listed companies**

# Today's presenters



**Jørgen Madsen Lindemann**

MTG President &  
Chief Executive Officer



**Anders Jensen**

MTG Executive Vice President;  
CEO of Nordic Entertainment

# Why we are here?

**MTG – the starting point**

**Proposal to split MTG into two separate listed companies**

**Nordic Entertainment Group**

**New MTG**

**Timeline**

# 2017 was MTG's best year yet

**8% organic sales  
growth & 19% profit  
growth**

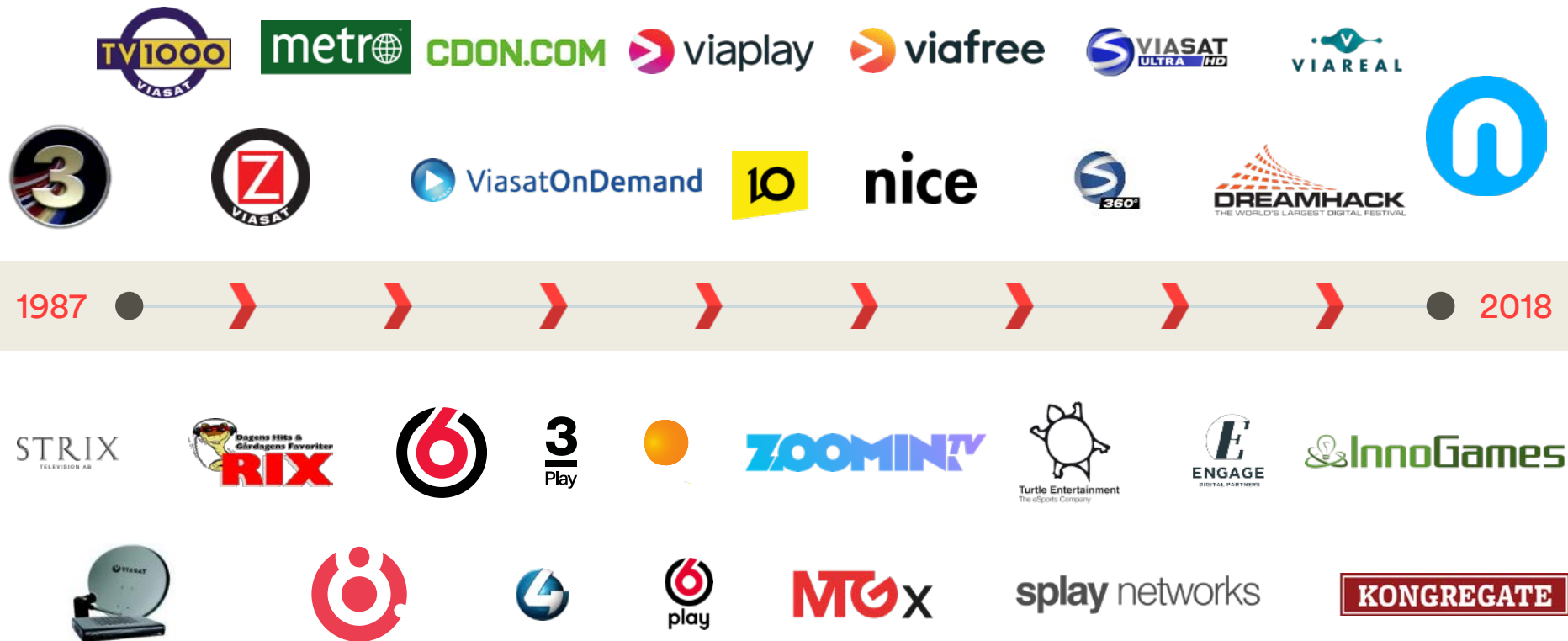
**7% Nordic Ent.  
organic sales growth  
& 15% profit growth**

**37% MTGx organic  
sales growth &  
EBITDA profitable**

**33% total  
shareholder return**



# We never stand still – transformation is in our DNA



# Digital transformation & portfolio management



Refers to acquisitions and divestments from 2015 onwards

\* Expected to close in Q2 2018

# Plan to split MTG into two listed companies



## New MTG

- A pure play in digital entertainment
- Comprising esports (ESL & DreamHack), online gaming (InnoGames & Kongregate), Zoomin.TV, and other investments
- CEO: Jørgen Madsen Lindemann
- CFO: Maria Redin
- Company name: MTG
- Shares will remain listed on Nasdaq Stockholm
- HQ at Skeppsbron, Sweden



## Nordic Entertainment Group

- Nordics leading entertainment provider
- Comprising Nordic Entertainment, MTG Studios and Splay Networks
- CEO: Anders Jensen
- CFO: TBA
- Company name: Nordic Entertainment Group
- Shares will be distributed to MTG shareholders and listed on Nasdaq Stockholm during H2 2018
- HQ at Ringvägen, Sweden

# Compelling rationale – the natural next step

## 1 Strategic

- Greater focus & clarity
- Serving different target markets
- Adapting faster to market dynamics

## 2 Operational

- Aligned accountability & incentivisation
- Simpler decision making
- Attracting highly skilled talent

## 3 Financial

- Distinct investment cases & equity stories
- Facilitates separate funding models & capital allocation
- Enables fair valuation of both businesses



# Nordic Entertainment Group operations

Norway	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
Free TV <b>3 4 6</b>	AVOD streaming <b>viafree</b>

Denmark	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
Free TV <b>3 4 5 6 7 8 9 10</b>	AVOD streaming <b>viafree</b>

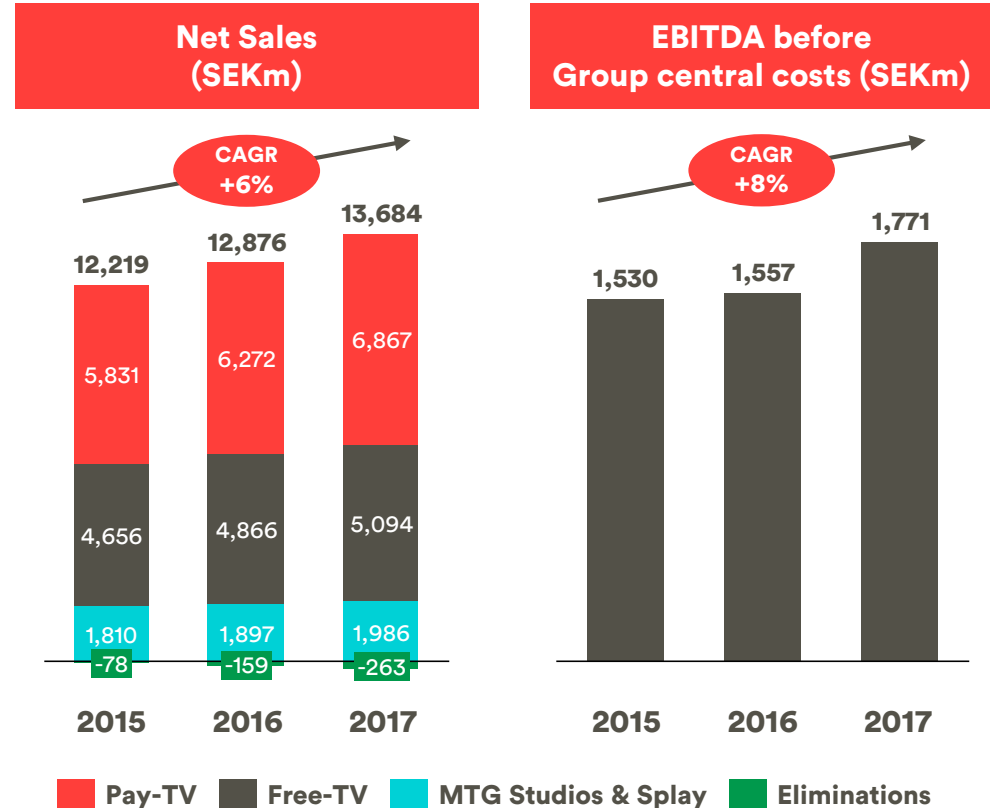
MTG Studios (17 countries)	



Sweden	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
Free TV <b>3 4 5 6 7 8 9 10</b>	AVOD streaming <b>viafree</b>
Radio 	
Triple Play <b>VIASAT</b>	
Finland	
Pay TV <b>VIASAT</b>	SVOD streaming <b>viaplay</b>
AVOD streaming <b>viafree</b>	
Splay Networks	

# Nordic Entertainment Group – a powerhouse

- Leading entertainment provider with a uniquely integrated structure
  - Nordic Entertainment: Pay- & Free-TV + leading pay and free streaming services
  - MTG Studios: Nordic's leading content production company
  - Splay: Nordic's leading digital video network
- Undisputed content leadership: sports, acquired content & top quality original productions from MTG Studios and Splay
- Leading digital positions through Viaplay, Viafree, Viareal, I Like Radio & Splay
- Digital revenues increased by 31% in 2017 to account for 19% of total sales



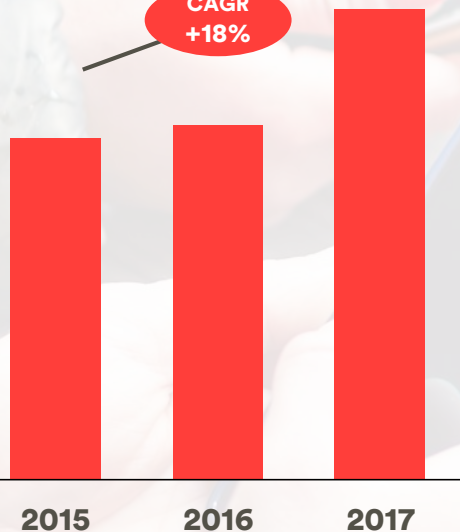
Note: USD transaction headwind on EBIT amounted to SEK 187m, 184m and 78m for 2015, 2016 and 2017 respectively

# Nordic Entertainment Group digital growth drivers



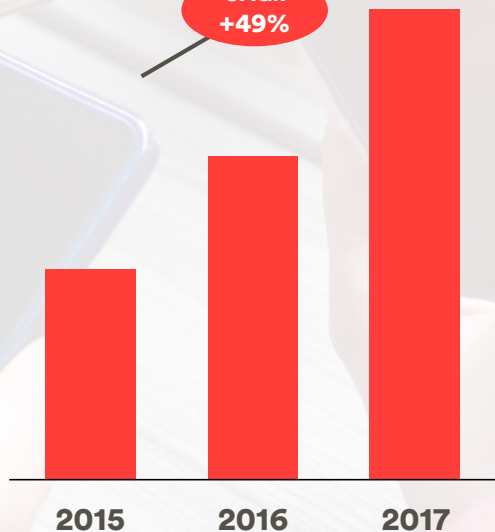
Started streams

CAGR  
+18%



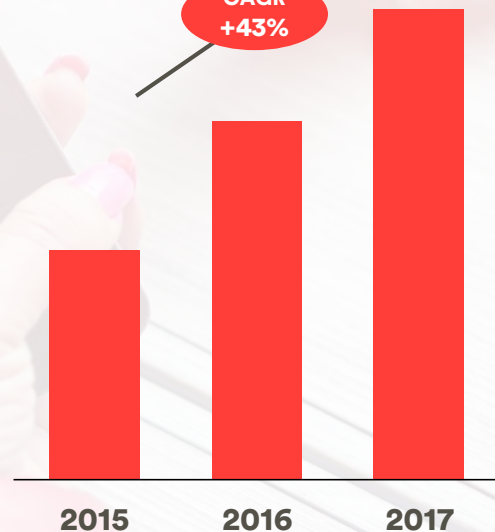
Started streams

CAGR  
+49%



BTV subs

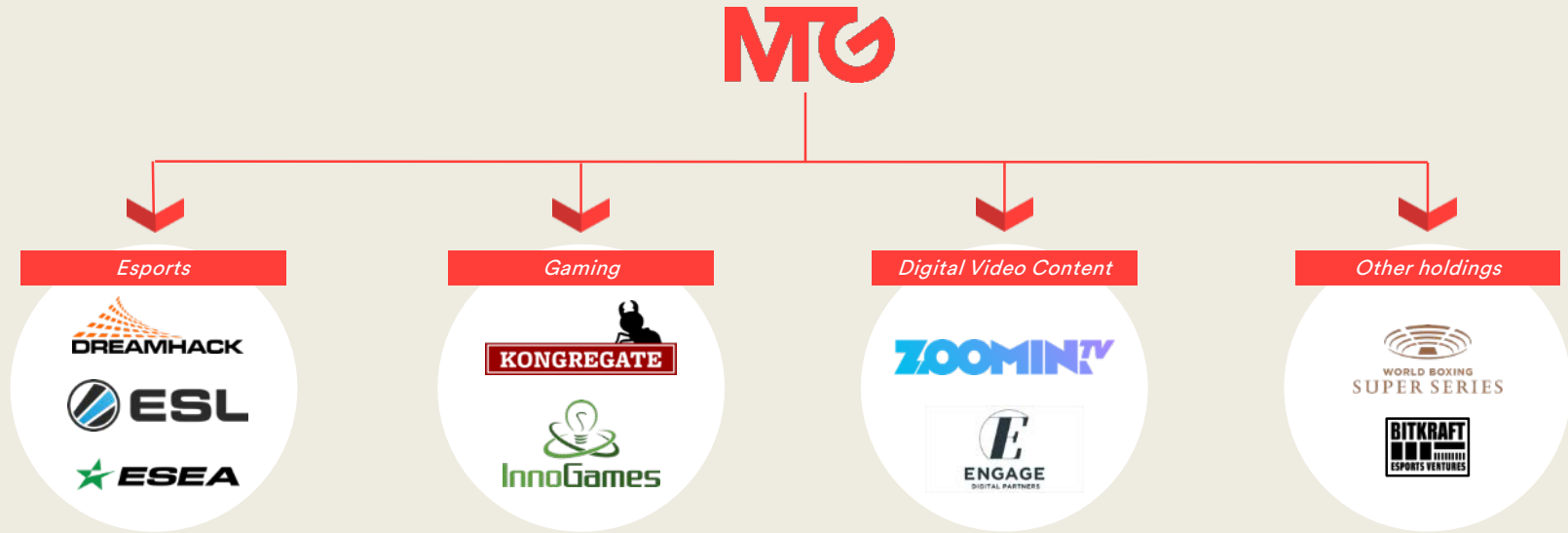
CAGR  
+43%



# Nordic Entertainment Group – key priorities

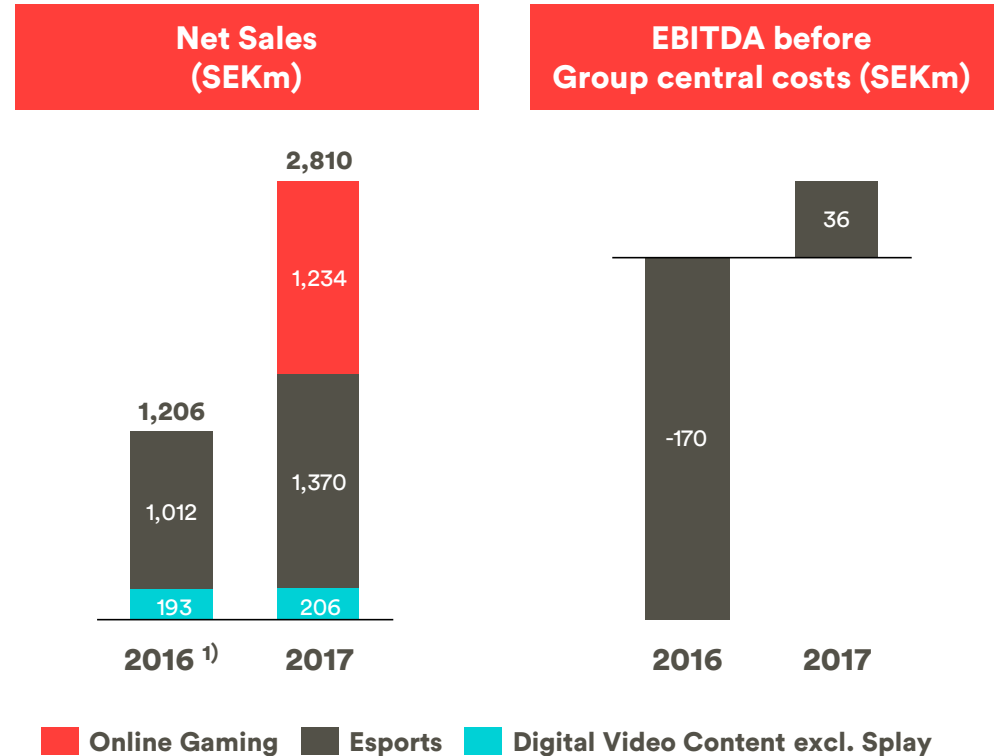
- Capitalise on content and digital leadership positions
- Cost control & continue to shift investments to content & online
- Build a strong international IP, production and distribution house
- Expand product offering in each market
- Look for structural opportunities to drive convergence

# New MTG – digital experiences with a global appeal



# New MTG – a digital hyper-growth story

- A pure-play global digital entertainment company
  - Esports: The world's leading esports company with category brand leaders that are shaping the future of the industry
  - Online gaming: 2 proven concepts with developing & publishing capabilities across all platforms
  - Digital video content: Helps influencers, brands & creators to succeed on digital & social platforms
- Successful M&A record. Investing in globally attractive digital entertainment verticals with portfolio synergies
- VC fund to provide new opportunities to secure access to future M&A targets



<sup>1)</sup> Prize money from 3rd party esports events has been excluded from 2017. FY16 sales would have been SEK 98m lower if presented on the same basis.



# New MTG - key priorities

- **Become Europe's preferred partner for digital entertainment companies around the world**
- **Maintain position as the world's #1 esports company**
- **Further develop our positions in online gaming**
- **Selective M&A to expand position in existing verticals and exploit opportunities in new verticals**
- **Look for strategic partnerships to drive further value creation**

# The timetable

Date	What	How
23 March 2018	MTG announces intention to split the Group into two separate listed companies by distribution of all shares in Nordic Entertainment Group (Nordic Entertainment, MTG Studios, Splay Networks) to MTG shareholders	Press release and conference call
H2 2018	Publication of Information Brochure	MTG.com
H2 2018	Resolution/decision on distribution of the shares of Nordic Entertainment Group to the shareholders of MTG AB	Extraordinary General Meeting
H2 2018	Publication of the listing prospectus and Nordic Entertainment Group listed as a separate company	MTG.com and Nasdaq Stockholm, Sweden

Note: subject to changes

# Summary

- Creates **two publicly listed companies** that are **shaping the future of their respective industries** with leading brands
- Provides both businesses with **improved focus and agility** to capitalise on growth opportunities and **drive shareholder value**
- Provides two distinct investment cases with **clear financial profiles and capital structures**
- **The time is right – decision taken from a position of strength.** Robust financial performance, strong leadership teams and an inspired workforce

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