



Combination of Viasat Consumer & Canal Digital to form new JV

October 2019



Transaction highlights

Structure

- Combination of NENT Group's Viasat Consumer (satellite TV + BTV) with Telenor's Canal Digital (satellite TV) into new JV
- Complete ownership alignment based on equal valuation of each business
- The parties will commit to content supply & satellite services, respectively
- JV is not expected to have any external borrowings from the start & the intention is that the JV will pay out its distributable earnings to its owners in the form of dividends

Rationale

- A perfect match that will create a scale Nordic player with world class content
- Shared vision to capture synergies, enhance customer offering and create value for all stakeholders
- In line with NENT Group strategy to focus on streaming & content businesses
- Will accelerate development of Viaplay in Telenor universe

Synergies

- Expect annual cost synergies of approximately SEK 650m, with full effect from 2022
- Expect material sales synergies – higher upsell opportunities and lower churn in the JV following an improved customer offering
- Integration other related costs are expected to total approximately SEK 900m and to be incurred during 2020-2021

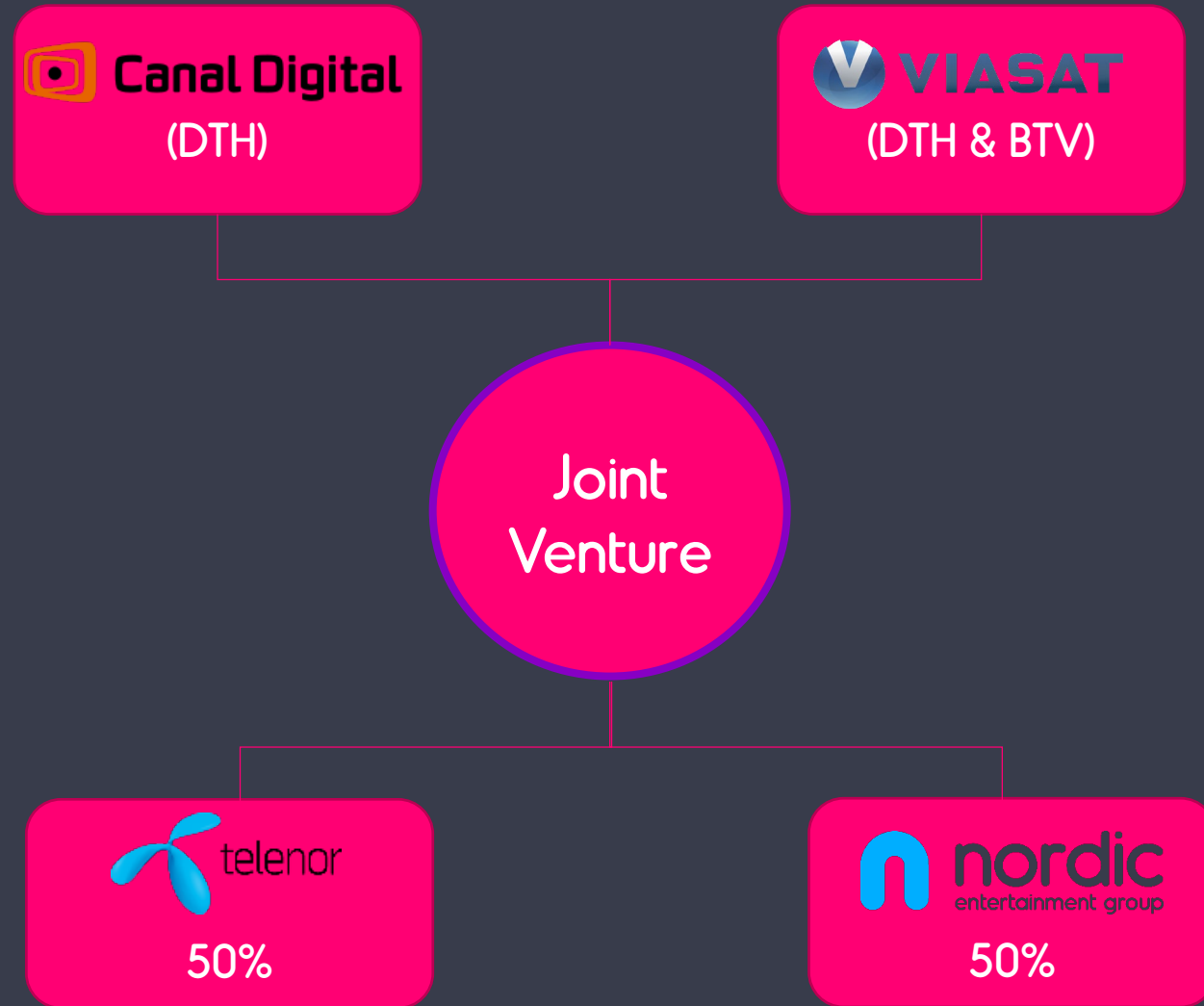
Governance

- The Board of Directors will have an equal representation from Telenor and NENT Group, with a rotating chairmanship
- The CEO of the joint venture will be Bjørn Ivar Moen (current CEO of Canal Digital and Telenor Broadcast), and the CFO and Head of Operations will be Jonas Gustafsson (current CEO of Viasat Consumer). Other key management positions will be jointly appointed and announced prior to the completion of the transaction
- The company will be headquartered in Stockholm and Oslo and will operate on an arm's length basis from its owners with an open platform providing content from multiple providers

Timetable

- The combination is subject to regulatory approvals and expected to be completed during the first half of 2020

Transaction structure



Transaction rationale



Creates stronger combined business with ability to invest in enhanced customer proposition

Substantial cost and revenue synergies + Prolongs life of traditional platforms

50/50 equity split - a clear win-win transaction with no cash payment from either side

Provides for accelerated development of Viaplay & Viasat in Canal Digital universe

In line with NENT Group strategy - a game changing agreement long in the making

A perfect match



Satellite TV distributor
Operations in Norway, Sweden,
Denmark and Finland

766k subscribers
250 employees



Satellite & Broadband-TV distributor
Operations in Norway, Sweden,
Denmark and Finland

491k subscribers
160 employees



Financial & operating profile



(SEKm)	Viasat Cons. 2018	Canal Digital 2018	Viasat Cons. H1 2019	Canal Digital H1 2019
Net sales	2,846	4,786	1,460	2,294
EBITDA	508	854	247	362
EBIT	490	760	241	322
Subscribers	493k	793k	491k	766k

Note: Canal Digital's figures are converted to SEK using a NOK/SEK exchange rate of 1.069 for 2018 and 1.080 for H1 2019



Synergies and integration costs

Costs

- Combined Transponder, Product and Tech investments
- SG&A savings in central and common functions

SEK ~650m

Sales

- There are expected to be substantial sales synergies arising primarily from Viaplay upsell opportunities and reduced churn in the joint entity

Substantial

Integration

- Integration and restructuring costs from combining platforms, moving Viasat subscribers to Telenor Satellite Service, re-branding etc to be taken during 2020 and 2021

SEK ~900m



Governance

Board of Directors

- The Board will have equal representation from Telenor and NENT Group
- The Chairmanship will be rotating

Management & employees

- The CEO will be Bjørn Ivar Moen, current CEO of Canal Digital and Telenor Broadcast
- The CFO and Head of Operations will be Jonas Gustafsson, current CEO of Viasat Consumer
- Other key management positions will be announced prior to the completion of the transaction

Headquarter

- The company will be headquartered in Stockholm and Oslo with substantial presence in Copenhagen
- The company will operate on an arm's length basis from its owners, and will be an open platform providing content from multiple providers



Timetable

Approvals required

- The European Commission Competition Authority under the EU Merger Regulation
- One stop principle so no filings required with national competition authorities in the EU or Norway

Timing

- Overall timing depends on the Commission's review and questions
- Expected closing in H1 2020

Questions please



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