52% growth to 4.8m Viaplay subscribers with successful launch in the Netherlands

**2022  
Q1**

First quarter highlights

* Viaplay paying subscribers up 52% YoY to 4,783k (3,147) with 778k subscribers added QoQ
* 10% organic sales growth with reported sales of SEK 3,324m (2,982)
* Operating income before associated company income (ACI) and items affecting comparability (IAC) of SEK -49m (163) including SEK -305m impact of Viaplay International expansion
* Total reported operating income of SEK 602m (210) including ACI of SEK 55m (47) and IAC of SEK 595m (0) related to an agreed settlement of court cases with TV 2 Denmark
* Net income from total operations of SEK 483m (145), and EPS of SEK 6.20 (1.99)
* Adjusted net income from continuing operations of SEK 39m (231) and adjusted EPS of SEK 0.50 (3.16)

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| --- | --- | --- | --- | --- | --- |
| **Financial overview** |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  | Full |
|  |  |  | Q1 | Q1 | year |
| (SEKm) |  |  | 2022 | 2021 | 2021 |
| **Continuing operations** |  |  |  |  |  |
| Net sales |  |  | 3,324 | 2,982 | 12,661 |
| Organic growth |  |  | 9,9% | 15.9% | 16.7% |
|  |  |  |  |  |  |
| **Operating income before ACI and IAC** | | | **-49** | **163** | **607** |
| Associated company income (ACI) | | | 55 | 47 | 40 |
| **Operating income before IAC** |  |  | **6** | **210** | **647** |
| Items affecting comparability (IAC)1) | | | 595 | - | -74 |
| **Operating income** | | | **602** | **210** | **573** |
|  |  |  |  |  |  |
| Net income from continuing operations | | | 483 | 155 | 365 |
| Net income from discontinued operations2) | | | - | -10 | -40 |
| Net income from total operations | | | 483 | 145 | 325 |
| Basic earnings per share (SEK) |  |  | 6.20 | 1.99 | 4.23 |
|  |  |  |  |  |  |
| Adjusted net income from continuing operations | | | 39 | 231 | 864 |
| Adjusted earnings per share from continuing operations (SEK) | | | 0.50 | 3.16 | 11.26 |

President & CEO’s comments

“The launch of Viaplay in the Netherlands last month has beaten all expectations, and was the primary contributor to the Q1 intake of 778k Viaplay paying subscribers. Q1 was also our fifth consecutive quarter of double-digit organic sales growth. Our Nordic profits were up 29% despite significant content investments, and we delivered a group operating profit even when including the investments in our international expansion. The recently signed distribution agreement with Tele2 in Sweden has led us to upgrade our full year 2022 Viaplay subscriber target, with Viaplay revenue growth set to accelerate and the group revenue growth target unaffected.”

Our 10% YoY group organic revenue growth in Q1 was again primarily driven by Viaplay (39% of sales). Viaplay is our largest and highest growth revenue generator, which is why we are proposing to take the natural next step of becoming Viaplay Group. Viaplay sales were up 26% on an organic basis after 52% YoY subscriber growth. We added 778k Viaplay subscribers in Q1 and 1,635k YoY, to end the quarter with a total of 4,783k subscribers.

The continued growth in the Nordic Viaplay subscriber base was complemented by a significant acceleration in the growth of the international subscriber base. This followed the very successful launch in the Netherlands at the beginning of March. The Netherlands accounted for the majority of the 1,208k international subscribers at the end of the quarter.

Viaplay premiered 13 new originals in Q1, as well as extending exclusive coverage of key sports rights in existing and new markets. We will premiere more than 70 Viaplay originals this year, and even more of the high profile and long term sports coverage that we have secured. Combined with new multi-year deals with Hollywood and independent studios, this means that we have full visibility over our content-related cost base moving forward.

The newly signed distribution agreement in Sweden will ensure that Viaplay will be part of each of Tele2’s pay-TV offerings moving forward. This had no effect on the Q1 results, but we are increasing our year-end 2022 Nordic Viaplay subscriber target from 4.3m to 4.8m. Our Nordic revenue growth target of approximately 20% for 2022 is unchanged, with the growth now even more weighted to Viaplay rather than linear subscription revenues. We are not changing our year-end target of 2.2m international Viaplay subscribers at this time, or our 2022 group revenue growth target of approximately 28%.

Linear subscription and other revenues (34% of sales) were up 4% YoY on an organic basis, with the lower growth reflecting the inclusion of the Studios operations. The growth rate is expected to accelerate as pay-TV prices rise in line with the enhanced content offerings.

Advertising revenues (26% of sales) were down 1% YoY on an organic basis, and reflected the Winter Olympics coverage on rival channels, as well as the impact of the Ukraine crisis. The 2022 annual agreements have now been concluded at higher prices with stable volumes.

The YoY increase in the profitability of our Nordic operations was achieved despite our ongoing investments in originals and new sports rights. The losses related to the international expansion were in line with expectations. Our full year outlook is unchanged. Allente delivered the anticipated positive earnings contribution, and will benefit from the full run-rate post-integration synergies.

The SEK 595m of proceeds from the Danish court cases has further strengthened our financial position. Our expansion plan is fully funded and is now accelerating as we continue to add the planned new content rights and expand into new markets. The investments that we are making in our growth are reducing like for like group profits in 2022, before they rise again significantly in 2023.

The humanitarian crisis in the Ukraine is a tragedy. We are doing all that we can to support the victims of the war through various group wide initiatives. This reflects our values as an organisation and our recently launched 5-year sustainability strategy, roadmap and targets, which are all about contributing to a sustainable future for all our stakeholders and societies.

Anders Jensen  
President & CEO

Shareholder information

2022 Annual General Meeting

Nordic Entertainment Group AB (publ)’s Annual General Meeting of shareholders will be held on Wednesday 18 May 2022 by postal voting. As previously communicated, the NENT Group Board of Directors will propose to the Annual General Meeting that no cash dividend be paid for 2021 and that the 2021 profits be carried forward into 2022. The AGM resolutions will be published as soon as the outcome of the postal voting has been established. The AGM notice and related documentation are available at www.nentgroup.com.

Financial calendar 2022

Annual General Meeting 18 May

Publication of Q2 interim report 21 July

Publication of Q3 interim report 25 October

**Webcast and video message from the CEO**

A teleconference and webcast will be held at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. The webcast will be streamed via the following link: <https://edge.media-server.com/mmc/p/a35cv39c>

To participate in the conference call, please dial:

Sweden: +46 (0) 8 50 69 21 80

UK: +44 (0) 20 71 92 80 00

US: +1 63 15 10 74 95

The access code for the call is 7799512**.**

Click here to see the video message from the CEO [INSERT LINK: <https://www.nentgroup.com/reports-presentations/q1-2022-interim-report-january-march>]

[INSERT PICTURE OF ANDERS WITH THE PLAY BUTTON OVERLAY – make the picture link to the link above]

**Contact us**

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**Notes to editors**

*Nordic Entertainment Group AB (publ) (NENT Group)'s Viaplay streaming service is available in Sweden, Denmark, Norway, Finland, Iceland, Estonia, Latvia, Lithuania, Poland, the US and the Netherlands. Viaplay will launch in the UK in 2022, followed by Canada, Germany, Austria and Switzerland by the end of 2023. We operate streaming services, TV channels, radio stations and production companies, and our purpose is to tell stories, touch lives and expand worlds. Headquartered in Stockholm with a global perspective, NENT Group is listed on Nasdaq Stockholm (`NENT B'). NENT Group has proposed to rebrand as Viaplay Group, subject to approval at its Annual General Meeting on 18 May. This information is information that Nordic Entertainment Group AB (publ) (NENT Group) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 26 April 2022.*



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