



MX1 playout room at the media centre at Emek Ha'ela. Photo courtesy of MX1

Content is King

A wholly-owned subsidiary of SES, MX1 is an international media services provider with operations hubs in Germany, Israel, the UK, the US and Romania. The company distributes more than 2,750 TV channels, manages channel origination for more than 500 channels, and delivers syndicated content to more than 120 VOD platforms every day. Amy Saunders met with Frank Hoffmann, Chief Strategy Officer of MX1, to discuss the latest trends in all things broadcast, and the company's expectations for the future.

Question: MX1 was formed in 2016 following the merger of RR Media and SES Platform Services. What can you tell us about that process, and the developments within the company since then?

Frank Hoffmann: Under the umbrella of SES, we created MX1 as a global provider of advanced media services and solutions serving customers in three major business segments in the media industry: Traditional broadcasters and broadcast networks, DTH, cable and IP platform operators, as well as content rights owners such as major

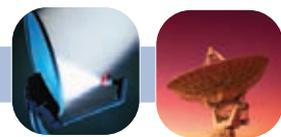
sports leagues and premium content brokers. We orchestrate and operate fitting solutions for our customers and enable them to monetize their content.

We combined two companies with a very different DNA – former SES Platform Services with a strong footprint in the German-speaking countries (Germany, Austria, Switzerland) and a strong tier 1 focus, and former RR Media with offices and operations in Israel, the UK, the US and Romania, specialized in very flexible, efficient and agile services for smaller customers. From day one, we decided to run the

company on a truly global level. So, you won't find one management team member responsible for just one single country. We wanted to take the best parts from both organizations, and I think we are well on our way. We are winning deals that neither one of the two former companies on their own would have won.

Question: What can you tell us about the services MX1 has to offer?

Frank Hoffmann: We are serving media customers all along the content value chain - from aggregating their produced content and processing it for various distribution and contribution purposes (live-linear as well as non-live, on satellite, cable, fibre and IP) - we distribute this content to the targeted audiences or reception stations. To cut a long story short, we orchestrate and operate end-to-end media delivery chains for our customers, and thus enable them to monetize their video content on all possible end consumer video platforms. Based on strong service level agreements (SLAs), our customers can focus on their core business - creating high quality content to satisfy the never-ending appetite of their audiences - while we take care of



all technical operations and service delivery.

Question: With the rise of OTT, some broadcasters are expecting a significant downfall in their traditional business operations. What is your assessment of the potential of OTT, and how can traditional broadcasters ensure they remain relevant?

Frank Hoffmann: The potential of OTT is huge – and we see in various markets that what has initially been a loss-making, but must-have business now turns more and more into a profitable one. So yes, OTT is here to stay. But is it a threat? I don't think so. Consumers love to watch video on any screen. I think what really matters is the content they watch. Content is king and will remain king – and whilst OTT solutions provide consumers a great user experience - think for example of the option to binge-watch your favourite new series anytime on any device – live events, sports, concerts, and news are still better enjoyed live in traditional broadcasting. Who wants to watch the Champions League finals time-shifted or as VoD? Live video has a definitive role to play, as has VoD. They are complementing each other. It is all about content, and any attractive piece of content will find a fitting audience.

Question: Content piracy has become an increasing challenge as a greater proportion of the population becomes ever-more tech-savvy. People aren't even restricted to downloading pirated content anymore; they can simply stream it from an illegal site. What are your

thoughts on this topic and the potential implications for OTT?

Frank Hoffmann: High quality content always needs protection. But I don't think that OTT is a vehicle for more piracy. Eventually we will see this problem resolved, with advanced technologies protecting content and networks. At MX1, we know how to process content in a fully secured way. From the moment content is ingested into our networks, to the point where we hand over signals, streams, and digital content packages in an encrypted way for further distribution.

Question: According to reports, 2016 marked the first year when more OTT content was consumed via device instead of a TV. What's your take on this news?

Frank Hoffmann: I agree with a statement from AT&T: "The future of video is mobile, and the future of mobile is video." Indeed, consumers watch more and more content on mobile devices. But we always have to ask: What kind of content is that? Sure, you watch a short news video on your smartphone, or a cat-video on your tablet. And especially the so-called 'Millennials' or 'Generation-Y' is often said to be a generation not interested in having a big TV screen in the living room anymore.

But here again: I think this is fully dependant on the video content you watch. Yes – you consume user-

generated, entertaining content easily on your smartphone or tablet, and in the future presumably also in your self-driving car that drives you to work. But will you binge-watch 10 episodes of a series on a 5-inch screen? Or your favourite football match? All video content has a fair chance to reach an audience. And transporting the video to the audience, is part of our job at MX1 as well as part of the job of SES.

Question: In your opinion, what were MX1's biggest achievements of 2017, and how might they be built upon for 2018?

Frank Hoffmann: We have won some very important new customers and contracts in 2017, such as Amazon, for which we are contributing both live events and linear channels via IP. We also provide full content management and delivery services to Goalplay, an online coaching platform for soccer, founded by world-famous goalkeeper Oliver Kahn. These are just a couple of examples which highlight what we do in the 'next-generation-video' segment.

On the other hand, we continue to serve our important traditional customer base, broadcasters and Pay TV platforms, with our conventional media solutions portfolio. We will continue to do so in 2018. We will build on top of our achievements this year, and strengthen our approach to be a true orchestrator of all kinds of media delivery. ■



Satellite station at Emek Ha'ela. Photo courtesy of MX1