

Viaplay Group reaffirms targets, signs Pickbox NOW deal and appoints new senior leaders

- Long-term strategic targets and full year 2022 guidance reaffirmed
- Full year 2023 guidance provided
- Viaplay Select agreement signed with Pickbox NOW in seven European countries
- Changes made to operational model and Group Executive Management team

Viaplay Group is today holding its 2022 Capital Markets Day in Stockholm from 14:00 CET – please register [here](#) to attend physically or virtually. The company is reaffirming its long-term strategic targets and full year 2022 guidance, and is now providing full year 2023 guidance. Changes have been made to the operational model and the Group Executive Management team to reflect the Group's expansion, and to enable even greater focus on growing its customer bases in each established local market. Viaplay has also signed an agreement with Pickbox NOW to make its content available in an additional seven European markets through the Viaplay Select branded content concept.

Viaplay Group's reaffirmed long-term strategic targets and full year 2022 guidance were updated at its recent Q3 results announcement. The subscriber growth, revenue growth, profitability and leverage targets can be found [here](#), and reflect short-term changes in the company's performance and operating environment, as well as limited changes to the 2025 outlook.

The Group's international operations are performing ahead of plan, while short-term challenges are being addressed in the Nordic markets. The Group's 2023 outlook is for Group sales to grow by 24-26% on an organic basis, and for Nordic sales to grow by 12-15% on an organic basis. The number of paying Viaplay subscribers is expected to grow by 23% from approximately 7.3 million at the end of 2022 to approximately 9 million at the end of 2023, of which 5 million subscribers are expected to be in the Nordics, and 4 million subscribers in the Group's international markets.

Viaplay is currently available direct-to-consumer in 11 European countries and will launch in the US and Canada in February and March respectively. No further direct-to-consumer markets are expected to be launched in 2023.

In 2023, Viaplay Group expects to deliver approximately SEK 1.2-1.35 billion of operating income (EBIT) for its Nordic operations; a loss of approximately SEK 1.0-1.1 billion for its international operations; and associated company income of approximately SEK 300-350 million from its 50% shareholding in Allente.

Viaplay Group is guiding for an approximately SEK 2 billion negative change in working capital in 2023, which reflects its ongoing investments in content and technology, as well as currency effects. As before, the Group will from time to time exceed its target leverage of 2.5 times net debt to trailing 12-month EBITDA and is fully funded for its expansion, with line of sight over its main cost items. The Group has initiated a significant cost savings and investment deferral programme to offset the headwinds that it currently faces.

An agreement has been signed with European streaming operator Pickbox NOW to make Viaplay Select available in Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, North Macedonia, Serbia and Slovenia. Viaplay Select is a curated offering of Viaplay Originals and third-party content made available to distribution partners for a fixed fee. As a result, Viaplay Select will now be available in 18 markets in Europe, Asia, Australia and Latin America.

Viaplay Group's adjusted operational model will introduce four regions to the company's existing functional set-up. As a result, Kim Poder has been appointed EVP and Chief Commercial Officer for the Group's Nordic operations; Alexander Bastin EVP and Chief Commercial Officer for the Group's Baltic, Polish and Dutch operations; Matthew Hooper EVP and Chief Commercial Officer for the UK operations; and Vanda Rapti EVP and Chief Commercial Officer for North America and Viaplay Select.

Anders Jensen, Viaplay Group President and CEO: "We are today reaffirming our 2022 and 2025 targets, which demonstrates the significant progress that we have already made, and the considerable potential of the Group. We have come a long way since the launch of our five-year strategy and goals in 2020. After just two years, we are already over halfway towards our 12 million Viaplay subscriber target. Our international expansion is running ahead of plan and we expect to achieve combined profitability for the international operations in 2024 – one year ahead of schedule. We have just launched in the UK and will launch in the US and Canada in the coming months. These are three mature markets in which we have tailored content offerings and need relatively small market shares to generate healthy profits.

"The addition of seven new European territories for Viaplay Select shows how we can monetise our content and build our brand in markets where we do not currently plan to offer Viaplay on a direct-to-consumer basis. At the same time, we are implementing a cost savings and investment deferral programme in order to offset currency headwinds due to the inflation of our US dollar content acquisition costs, and the impact of the weaker macro-economic environment. We remain fully funded for our expansion, are adjusting our operational model and have appointed senior commercial leaders in our markets to ensure we execute on our regional development plans and get even closer to our customers, while ensuring the operational benefits of a platform-based business. All in all, the popularity and appeal of Viaplay is growing. We have attractive price points

and tailored content offerings that mean we are well positioned to deliver on our strategic objectives and to build a truly sustainable entertainment provider.”

NOTES TO EDITORS

Viaplay Group AB (publ) is the international entertainment provider. Our Viaplay streaming service is available direct-to-consumer in every Nordic and Baltic country, Poland, the Netherlands and the UK, and we are expanding rapidly by launching in the US and Canada in 2023. Every day, millions of customers enjoy our unique entertainment offering, including acclaimed Viaplay Originals and an unrivalled line-up of premium live sports. In addition, our innovative Viaplay Select branded content concept makes Viaplay’s compelling storytelling available to partners around the world. From streaming to TV channels, radio stations and production companies, our purpose is to tell stories, touch lives and expand worlds. Viaplay Group is listed on Nasdaq Stockholm (‘VPLAY B’).

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