

Viaplay Group downgrades outlook for 2023 and appoints new CEO

Viaplay Group ("the Group") today announced a downgrade of its short-term outlook for 2023 following an accelerated deterioration in the operating environment and longer than expected realisation of its cost savings programme. The Group has also withdrawn its long term operational and financial guidance. An update on the medium term outlook is expected to be provided in conjunction with the publication of the Group's Q2 results on 20 July 2023. Group CEO Anders Jensen has today offered his resignation. The Board of Directors has accepted Anders's resignation, and is pleased to announce the appointment of Jorgen Madsen Lindemann as the new CEO of Viaplay Group with immediate effect.

The Group expects a Q2 closing Viaplay subscriber balance of 7.7 million, Q2 sales of between SEK 4.5 and 4.6 billion, and Q2 EBIT before ACI and IAC of between SEK -250 and -300 million. Advertising revenues are expected to be down between 12% and 16% on an organic basis in Q2, due to the sharp and rapid deterioration in the TV and radio advertising markets. The rising cost of living is resulting in lower D2C streaming and wholesale linear subscription sales, as well as higher churn levels following price increases.

An extrapolation of the current environment would result in an adjustment of the Group's full year 2023 outlook as per the table below.

	Previous short-term outlook (provided on 9 November 2022)	New short-term outlook (based on current trends)
2023 Group organic sales growth	~24-26% (excl. FX and Premier Sports)	~16.0-17.5% (excl. FX and Premier Sports)
2023 Nordic organic sales growth	~12-15%	~7.0-8.0%
2023 EBIT (excl. ACI & IAC)	Nordics: Profit of ~ SEK 1.2bn-1.35bn	Nordics: Profit of ~ SEK 0.8bn-1.0bn
	International: Loss of ~ SEK 1.0bn-1.1bn	International: Loss of ~ SEK 1.4bn-1.5bn
2023 change in working capital	Negative ~ SEK 2.0bn	Unchanged

The downgrade of the short-term outlook for 2023 is a function of several factors. Firstly, the lower demand in the Nordic and international streaming D2C subscriber markets and lower wholesale subscription sales by linear distribution partners. Secondly, the accelerated deterioration of the Scandinavian TV and radio advertising markets.

Thirdly, the slower delivery of cost savings programmes. In addition, transactional FX headwinds have increased, and are not expected to recover until the end of the year.

As a result of the challenging and uncertain macro economic environment, as well as the appointment of the new CEO, the Board of Directors has also decided to withdraw its 2025 operating and financial targets.

Jorgen Madsen Lindemann is the former CEO of MTG, which is the previous parent company of Viaplay Group and also listed on Nasdaq Stockholm. Prior to becoming CEO of MTG, Jorgen held various senior leadership positions at MTG over 26 years, including Head of the Nordic operations and international operations, and Head of Sports rights acquisition and production.

Pernille Erenbjerg, Chair of the Board: "The outlook for the markets in which we are operating has shifted considerably and at a very rapid pace, and the execution of cost savings programmes has not been mitigating the effects from these conditions to a sufficient extent. The impact of the macroeconomic headwinds on the business require that we execute differently on our strategy. With more than 30 years of experience in the entertainment industry and leading Nordic and International businesses, we are confident that Jorgen has the right profile to lead this work. The overall strategic direction of the company is unchanged and Jorgen, together with the Board and his leadership team, will evaluate the need for structural, operational, and capital allocation enhancements to the delivery of the strategy."

"Anders Jensen has been the CEO of Viaplay Group since it was formed as an independent company in 2018, and has led the achievement of significant milestones for the Group, including the development of our unique content offerings. On behalf of the Board, I want to thank Anders and wish him the best of luck in his future endeavours."

Anders Jensen: "It has been a privilege and an honour to be on the team making Viaplay Group into the forward leaning and future focused company that it is today. I remain confident of the success that lies ahead for the company. But I also feel that, in the light of current challenges, the company is best served if I step down, and I have therefore decided to do so. I wish the company and the team the very best in the future."

Jorgen Madsen Lindemann: "I know Viaplay Group well, and have of course followed the company's journey closely over the years. I am passionate about the Group's tremendous potential. I am very much looking forward to the opportunity to be part of leading Viaplay Group through the currently challenging times, and delivering on the next phase of its development."

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, the UK, the US and Canada. Every day, millions of customers enjoy our unique entertainment offering, including acclaimed Viaplay Series, Films and more, 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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