

Estimated 2022 results and 2023 outlook: strong focus on profitability

Paris, January 11, 2023 – The Board of Directors of Deezer (Euronext Paris: DEEZR) met today to review the group's estimated full-year 2022 results¹ and validate the full-year 2023 budget.

Estimated 2022 results

With regard to 2022, based on estimated figures, Deezer expects to achieve revenue of approximately €450 million, up c.13% compared to 2021², a strong acceleration of revenue growth compared to +5.6% in 2021. The group's performance was particularly strong in France, as reflected by a solid B2C subscriber growth of over 8% as of December 31, 2022 compared to December 31, 2021 (with the global B2C subscriber count remaining flat year-over-year).

Further to delivering double-digit revenue growth, Deezer was able to significantly improve its estimated adjusted EBITDA loss, expected to be in the range of €57-60 million in 2022 (compared to an adjusted EBITDA loss of €65 million in 2021). The group has strongly improved its operating performance, which allowed it to make substantial incremental spending, of approximately €7 million, in product development and innovation, notably for the development of the Zen application launched in December 2022.

Deezer will release its full-year 2022 results on February 28, 2023.

Outlook

With respect to 2023, in order to mitigate execution risks in the current market conditions and secure its path to profitability by 2025, Deezer has decided to prioritize its profitability, while still delivering double-digit revenue growth compared to 2022.

In 2023, the group will continue to execute on its four strategic priorities, seeking to further optimize its B2C business with a clear focus on improving unit economics, and continuing to expand its B2B business in its targeted geographies.

Consequently, Deezer expects for 2023:

- Double-digit revenue growth, in excess of 10% compared to 2022³, mainly driven by the further expansion of the B2B segment;
- A further significant reduction in adjusted EBITDA loss compared to 2022.

Given its focus on profitable growth, Deezer confirms it remains on a path to generate a positive cash flow⁴ in 2024 and to achieve a positive adjusted EBITDA in 2025, while delivering double-digit annual revenue growth over the period⁵.

¹ Unaudited.

² This compares to a guidance of revenue of approximately €455 million for 2022, representing a growth of approximately 14% compared to 2021.

³ This compares to the previous objective of revenue of approximately €560 million for 2023, representing a growth of approximately 24% compared to 2022.

⁴ Cash flow pre-funding.

⁵ In this context, and in a new challenging macroeconomic environment, the previous ambition to generate revenue of €1 billion and a cash flow pre-funding superior to €50 million in 2025 might be delayed.

