

STILLFRONT GROUP

Press Release
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Stillfront Group hosts Capital Markets Day and announces updated financial targets

At Stillfront Group's digital Capital Markets Day today, February 15, 2023, Stillfront will provide a strategic update and present updated financial targets for the group as stated per below.

Stillfront's updated financial targets will replace the previous financial targets, initially announced in connection with the Capital Markets Day in November 2019 and updated in connection with the Capital Markets Update in September 2020. Stillfront's updated financial targets will be followed up annually and are valid until further notice.

"Since 2019, Stillfront has grown its revenues by more than 3.5x, while increasing free cash flow by more than 4.5x. We have successfully added several major game franchises to our product portfolio, increased our market share within mobile games, and further expanded our global footprint in North America, MENA, and Asia. Going into 2023, Stillfront is entering a new phase, leveraging the scale that we have achieved, to continue building the best games company in the world. To support this development, we have today announced new financial targets reflecting the value generation potential in the business today and going forward," says Jörgen Larsson, CEO, Stillfront Group.

Updated financial targets:

- Annual organic revenue growth above addressed market (supported by selective and accretive M&A)
- Annual adjusted EBITDAC margin in the range 26-29 percent.
- Leverage ratio below 2.0x (including cash earnouts next 12 months)

Background and definitions:

- Annual organic revenue growth above addressed market (supported by selective and accretive M&A).
 - The addressed market is defined as the global mobile games market excluding China.
 - Gaming is today one of the largest entertainment industries in the world with more than 3 billion gamers globally, and Stillfront is well positioned in the attractive mobile games industry. The global mobile games market declined in 2022 following several years of strong growth but the market is expected to return to growth in coming years. While Stillfront's organic growth is dependent on the overall market growth rate, Stillfront performed significantly better than the mobile games market in 2022. By leveraging our diversification, our major game franchises and further developing the Stillops platform, we expect to continue to outgrow the underlying market going forward.
 - Stillfront's outcome FY 2022 was -1.4 percent organic net revenue development, while the mobile games market declined by approximately -8 percent, based on average market growth numbers from data.ai, Newzoo and Sensor Tower.

- Annual adjusted EBITDAC margin in the range 26-29 percent.
 - Adjusted EBITDAC is defined as profit before interest, tax, depreciation, amortization, less capitalized product development, adjusted for items affecting comparability.
 - In this fourth operational phase, Stillfront will put an increased focus on incrementally growing margins as well as continue generating strong cash flow. By focusing on adjusted EBITDAC, we highlight our clear ambition to become more efficient in how we allocate capital for game development. Going forward, we will impose even tougher requirements on development projects across our studios and allocate a larger share of investments towards our key game franchises. As a result, we will aim to gradually lower our investments in product development in relation to net revenue.
 - Stillfront's outcome FY 2022 was 22.7 percent.
- Leverage ratio below 2.0x (including cash earnouts next 12 months).
 - Stillfront's leverage ratio is defined as net interest-bearing debt, including short-term cash earnout payments, in relation to the last twelve month's Adjusted EBITDA pro forma. Stillfront may, under certain circumstances, choose to exceed this level during shorter time periods.
 - Stillfront's ambition is to continue to have a conservative leverage ratio in line with its historic levels.
 - Stillfront's outcome as of December 31, 2022, was 1.75x.

Stillfront's Capital Markets Day:

Stillfront will further explain the new financial targets and strategic priorities during its digital Capital Markets Day, which is hosted today, February 15, at 15:00 CET.

Link to the live webcast: <https://ir.financialhearings.com/stillfront-cmd-2023>

Participants will have the opportunity to ask questions during the event via chat. Questions can also be sent in advance to ir@stillfront.com.

A recorded version of the webcast will be available on stillfront.com after the event.

More information and the full agenda are available at <https://www.stillfront.com/en/cmd-2023/>

For additional information, please contact:

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About Stillfront

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by almost 70 million people every month. Stillfront is focused on realizing synergies by connecting and empowering game teams globally through our Stillops platform. We are a fast-growing company and an active global strategic acquirer. Our 1,500+ professionals thrive in an organization that embodies the spirit of entrepreneurship. Stillfront shares (SF) are listed on Nasdaq Stockholm Large Cap. For further information, please visit: stillfront.com

This information is information that Stillfront Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-02-15 07:08 CET.

Attachments

[Stillfront Group hosts Capital Markets Day and announces updated financial targets](#)