

Interim report Second quarter 2024

July 30, 2024

Today's presenters



Johannes Larcher

CEO

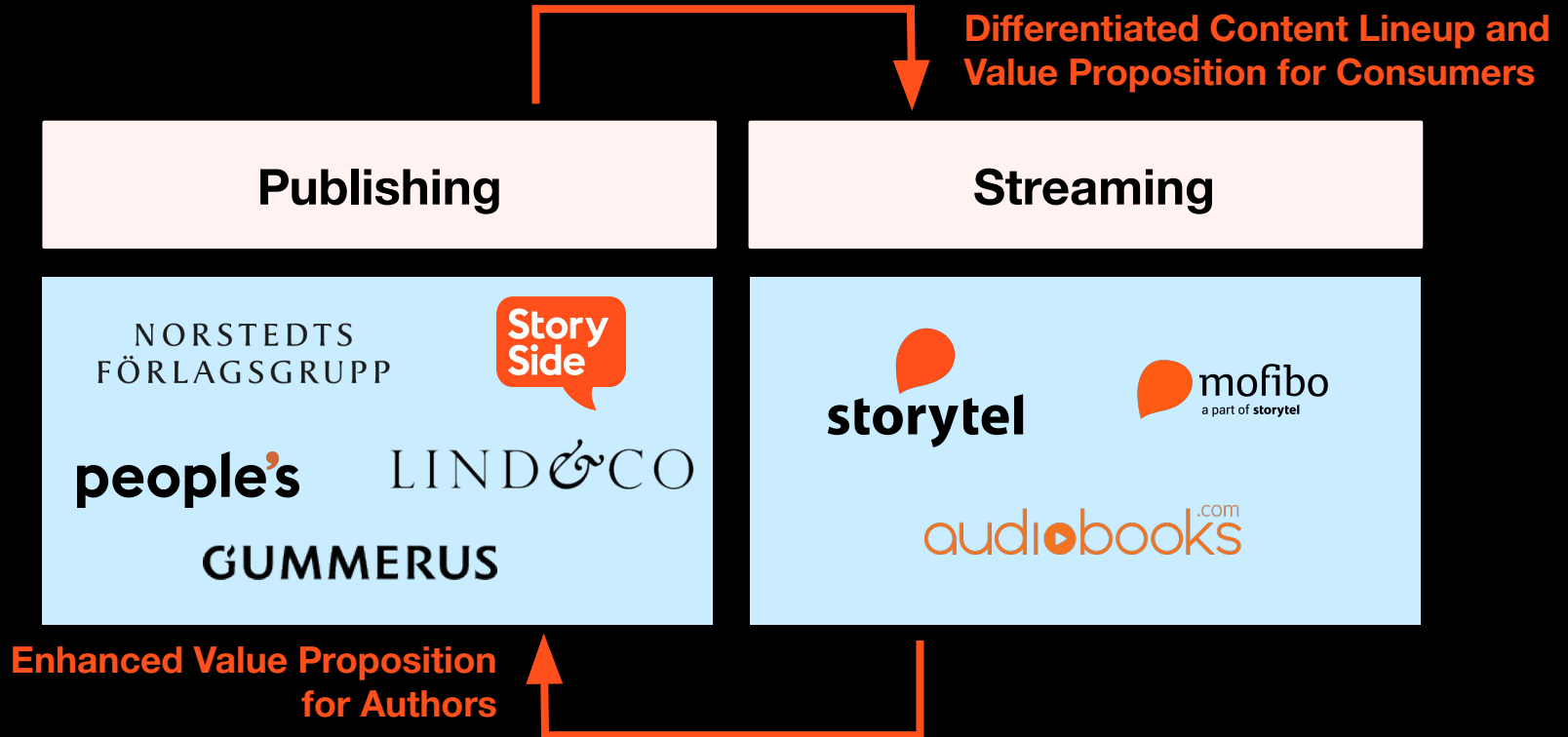


Peter Messner

CFO

“Delivering the best financial performance in the history of the company”

Combination of Publishing and Streaming businesses creates synergies and value



Operational Highlights in Q2 2024

- Profitability improvements as a result of continued, disciplined strategy execution
 - Strong subscriber growth, exceeding 2.3 million paid subscribers
 - Improved content cost economics due to higher share of in-house publishers
- Continued platform evolution and differentiation
 - Addition of further, exclusive original content
 - Introduction of free podcasts in Sweden
 - Phase-out of Storytel Reader
- Release of bestseller lists-topping titles by our publishing houses (bookstores, Storytel)
- Introduction of new packages and pricing targeting new customer segments

New plans and differentiated promotions in the Nordics

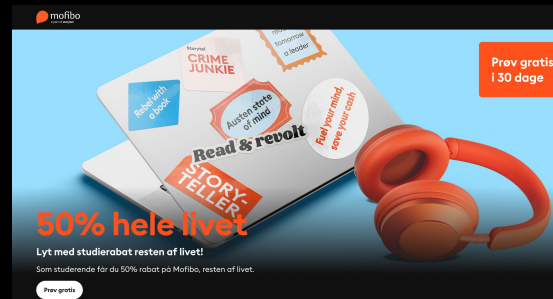
Flex

- 20 hours per month
- Unused hours automatically roll over to the next month
- SEK 99 per month



Student Forever

- For students in Sweden, Denmark and Finland
- 50% discount on the Premium subscription “for life”*



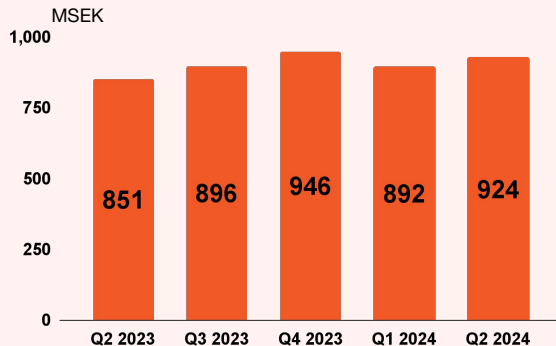
Premium For Life

- Limited campaign in Finland
- 50% discount on the Premium subscription “for life”*

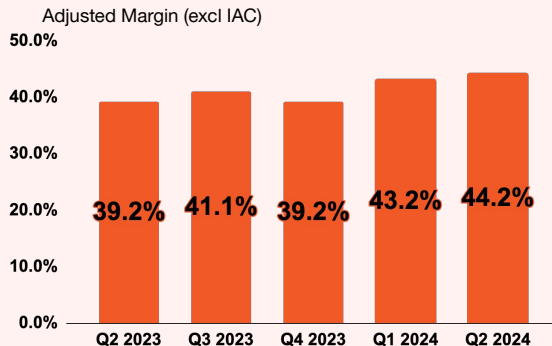


Group Financial Highlights Q2

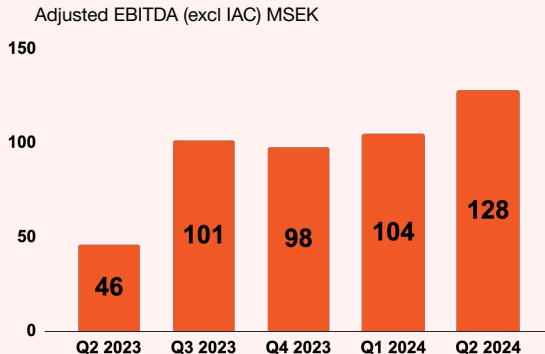
Net sales up 9%



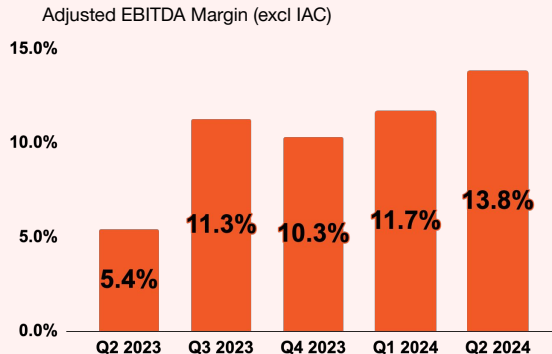
Gross Profit Margin up 5.0pp



EBITDA up 178%



Record high EBITDA Margin



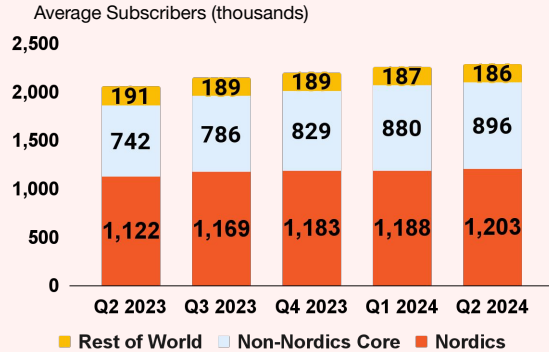
Comments

Q2 2024 compared with Q2 2023

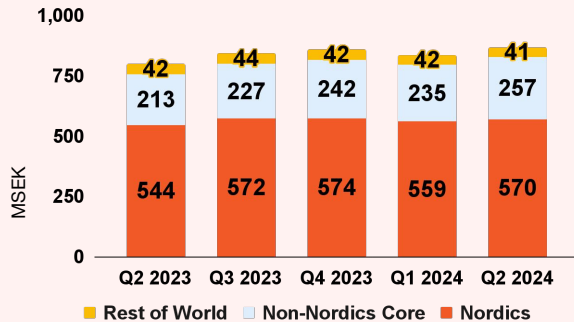
- Group net sales increased by 9% to 924 (851) MSEK
- Adjusted Gross Profit margin up 5.0pp to 44.2% (39.2%)
- Adjusted EBITDA of 128 (46) MSEK, with a margin of 13.8% (5.4%)
- Operational cash flow amounted to 87 (1) MSEK
- Adjusted operating profit of 62 (-25) MSEK

Streaming Performance Q2 2024

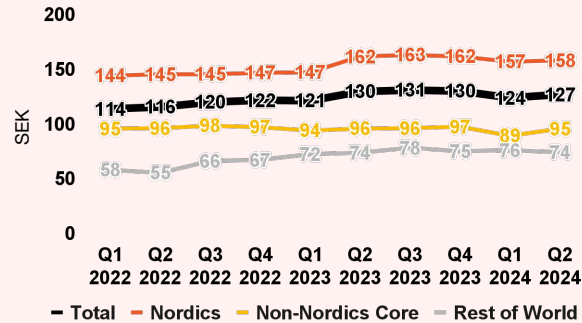
11% Increase in Average Subscribers



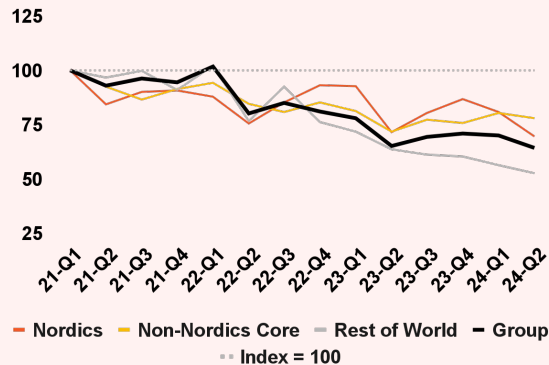
Revenue, all markets*



ARPU at a high level



Churn Trend continues down, Index



Comments

Q2 2024 compared with Q2 2023

- Average number of subscribers increased by 230,000
 - Of which 81,000 in the Nordics
 - Storytel's Non-Nordics Core markets* increased by 154,000 equal to 21%
 - Markets in the Rest of World decreased by 5,000
- ARPU remain at a high level but decreased by 2.2%
- Continued focus on average CLV relative to the acquisition cost
- Streaming revenue increased by 20% in Non-Nordics Core markets to 257 (213) MSEK
- Paid churn developed well and is at an all-time low

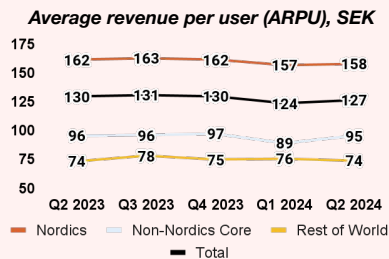
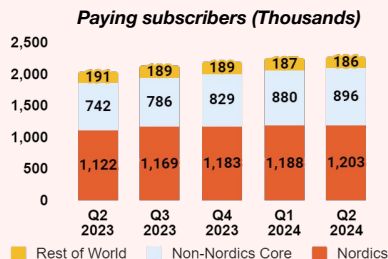
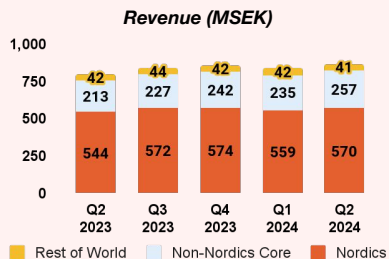
* Nordics revenue includes 100% of Storytel Norway's revenue. See also footnote 4 on page 8 of the interim report.

* The Netherlands, Poland, Bulgaria, Turkey, and all of the operations of Audiobooks.com

Streaming segment

Table is adjusted for IACs

Streaming (MSEK)	Q2-24	Q2-23	Change, %	Jan-Jun 2024	Jan-Jun 2023	Change, %
Net sales	834.1	773.9	8%	1,646.4	1,489.2	11%
Cost of sales	-487.3	-467.3	4%	-960.4	-899.6	7%
Adj. Gross profit	346.8	306.6	13%	686.0	589.7	16%
Adj. Operating profit	67.5	22.8	196%	122.1	27.0	352%
Add back depr.	28.8	34.3	-16%	60.1	77.4	-22%
Adj. EBITDA	96.3	57.0	69%	182.2	104.4	74%
Key metrics	Q2-24	Q2-23	Change, p.p.	Jan-Jun 2024	Jan-Jun 2023	Change, p.p.
Adj. Gross margin	41.6%	39.6%	2.0	41.7%	39.6%	2.1
Adj. EBITDA margin	11.5%	7.4%	4.2	11.1%	7.0%	4.1



Comments

Q2 2024 compared with Q2 2023

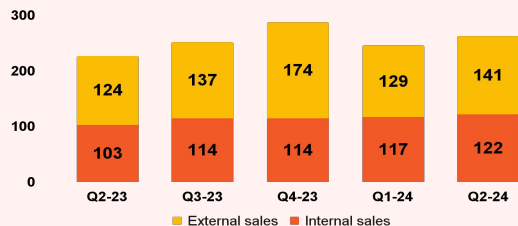
- Net sales up 8% to 834 (774) MSEK
 - Nordics: revenue +5%, subscribers +7%, ARPU -2%
 - Non-Nordics Core: revenue +20%, subscribers +21%, ARPU -1%
 - Rest of World: revenue -2%, subscribers -3%, ARPU flat
- Adj. Gross profit up 13% to 347 (307) MSEK, with a margin of 41.6% (39.6%)
- Adj. EBITDA up 69% to 96 (57) MSEK, with a margin of 11.5% (7.4%)
- Adj. Operating profit improved by 196% to 67 (23) MSEK

Publishing segment

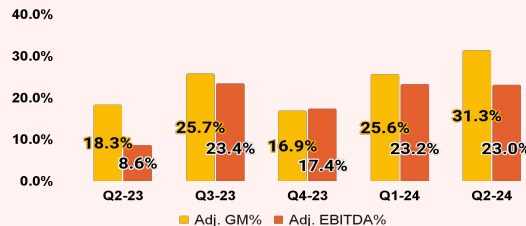
Table is adjusted for IACs

Publishing (MSEK)	Q2-24	Q2-23	Change, %	Jan-Jun 2024	Jan-Jun 2023	Change, %
Net sales	262.8	227.2	16%	508.1	464.1	9%
Cost of sales	-180.5	-185.5	-3%	-363.0	-359.4	1%
Adj. Gross profit	82.3	41.7	97%	145.1	104.7	39%
Adj. Operating profit	27.0	-18.3	n.a.	43.1	-21.8	n.a.
Add back depr.	33.4	37.7	-11%	74.4	75.6	-2%
Adj. EBITDA	60.5	19.5	211%	117.5	53.8	119%
Key metrics	Q2-24	Q2-23	Change, p.p.	Jan-Jun 2024	Jan-Jun 2023	Change, p.p.
Adj. Gross margin	31.3%	18.3%	13.0	28.5%	22.6%	6.0
Adj. EBITDA margin	23.0%	8.6%	14.4	23.1%	11.6%	11.5

Split of publishing sales (MSEK)



Adj. GM% & EBITDA% development



Comments

Q2 2024 compared with Q2 2023

- Net sales up 16% to 263 (227) MSEK
 - External sales up 13% to 141 (124) MSEK
 - Group-internal sales up 18% to 122 (103) MSEK
- Adj. Gross profit up 97% to 82(47) MSEK, with a margin of 31.3% (18.3%)
- Adj. EBITDA up 211% to 61 (20) MSEK, with a margin of 23.0% (8.6%)
- Adj. Operating profit improved and turned positive to 27 (-18) MSEK

Improved group operating profit

Table is adjusted for IACs

MSEK	Q2-24	Q2-23	Change, %	Q1-24
Net sales	924.5	851.1	9%	891.9
Cost of sales	-516.0	-517.3	0%	-506.8
Adj. Gross profit / loss	408.5	333.7	22%	385.1
Sales and marketing expenses	-215.6	-215.9	0%	-212.0
Technology and development expenses	-54.4	-63.9	-15%	-60.5
General and admin. expenses	-77.4	-85.9	-10%	-79.7
Other operating items	-0.9	4.7	<i>n.a.</i>	4.1
Profit from participation in associates	2.1	2.0	6%	-5.6
Adj. Operating profit	62.3	-25.1	<i>n.a.</i>	31.4
Add back depr.	65.2	71.0	-8%	72.8
Adj. EBITDA	127.5	45.8	178%	104.2
Key metrics	Q2-24	Q2-23	Change, p.p.	Q1-24
<i>Adj. Gross margin</i>	44.2%	39.2%	5.0	43.2%
<i>Adj. EBITDA margin</i>	13.8%	5.4%	8.4	11.7%

Comments

Q2 2024 compared with Q2 2023

- Net sales for the quarter grew by 9% to 924 (851) MSEK
- Adjusted Gross profit up by 22% to 409 (334) MSEK; margin of 44.2% (39.2%)
- Adjusted Sales and marketing expenses stable at -216 (-216) MSEK
- Adjusted Technology and development expenses decreased by 15% to -54 (-64) MSEK
- Adjusted General and administrative expenses decreased by 10% and totaled -77 (-86) MSEK
- Adjusted Operating profit improved to 62 (-25) MSEK
- Adjusted EBITDA improved to 128 (46) MSEK with a margin of 13.8% (5.4%)
- Total IACs amounted to -15.5 (-4.2) MSEK, of which -17.3 MSEK affected EBITDA

Improved cash flow generation

<i>MSEK</i>	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
EBITDA (incl. IAC)	110.3	50.9	-7.3	96.4	41.6
Depreciation and amortisation	-63.5	-74.5	-672.6	-81.4	-71.0
Net financial items	-16.3	8.7	-45.9	-14.3	11.4
Profit before tax	30.4	-14.9	-725.9	0.7	-18.0
Adjustments for non-cash items	85.3	46.7	715.9	88.2	53.0
Taxes paid	-9.2	-3.8	-9.0	-10.0	-10.7
Cash flow from operating activities before changes in working capital	106.5	28.0	-19.0	78.9	24.3
Change in working capital	-28.7	-27.0	89.5	41.0	12.1
Cash flow from operating activities	77.8	1.0	70.5	119.9	36.5
Cash flow from investing activities	-44.4	-38.4	-47.0	-46.4	-52.2
Cash flow from financing activities	-65.5	-59.3	-111.6	-59.4	-10.4
Cash flow for the period	-32.1	-96.7	-88.0	14.1	-26.1
Available funds at the beginning of period	351.8	436.1	540.6	531.3	540.4
Translation differences in available funds	-4.9	12.3	-16.4	-4.8	17.1
Available funds at end of period	314.8	351.8	436.1	540.6	531.3

Comments

Q2 2024 compared with Q2 2023

- Adjustments for non-cash items relate to depreciation and amortization, FX movements and changes in provisions
- Cash flow from operating activities before changes in working capital increased >300% to 106 (24) MSEK
- Change in working capital of -29 (12) MSEK, an effect of the reorganisation rolled out in Q1-24, and usual seasonality on receivables and payables
- Cash flow from investing activities was -44 (-52) MSEK reflecting mainly operational capital expenditures
- Cash flow from financing activities was -66 (-10) MSEK including a 50 MSEK repayment of a term loan
- Total cash flow for the period was -32 (-26) MSEK

Solid financial position

<i>MSEK</i>	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Intangible assets	1,905	1,939	1,902	2,643	2,669
Tangible assets	16	17	18	20	23
Right-of-use assets	62	70	84	98	110
Non-current financial assets	70	66	76	81	76
Inventory	57	59	60	89	95
Trade receivables	203	198	194	152	152
Other current receivables	307	304	370	426	410
Cash and cash equivalents	315	352	436	541	531
Total assets	2,934	3,004	3,141	4,049	4,065
Equity	1,313	1,287	1,273	2,100	2,104
Non-current liabilities	156	826	174	947	953
Trade payables	243	256	275	253	234
Other current liabilities	1223	634	1419	749	774
Total equity and liabilities	2,934	3,004	3,141	4,049	4,065
Non-utilized RCF	100	100	200	150	150
Total available liquidity	415	452	636	691	681

Comments

- No major movements within assets, with intangible assets stable at c. 1.9 bn SEK
- Cash and cash equivalents were 315 MSEK, following a 50 MSEK repayment of a term loan that is now fully repaid
- The equity-to-asset ratio was 44.7% and improved vs the previous quarter
- In February, Storytel extended the existing RCF until 2 April 2025. The liabilities have been reclassified from non-current to current liabilities, explaining the respective move in balances
- Negotiations with financial institutions have commenced to refinance the existing RCF

Improved leverage ratio

Operational Cash Flow (MSEK)	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
EBITDA excluding IAC	127.5	104.2	97.6	101.0	45.8
Operational Capex*	-40.2	-31.1	-39.2	-35.8	-44.7
Operational cash flow	87.3	73.1	58.4	65.2	1.1

*Operational Capex consist of product & tech investments and investments into audiobook productions

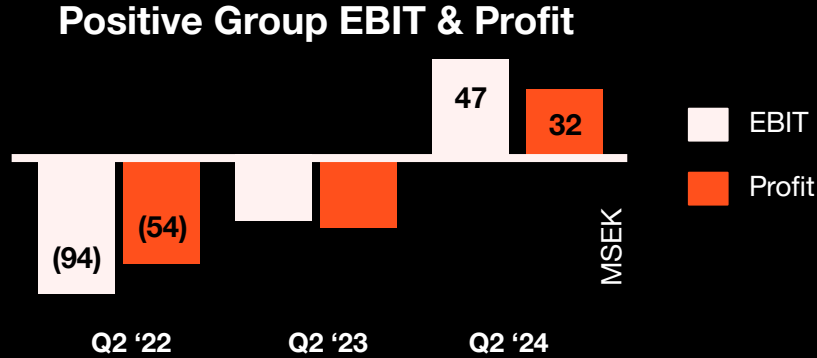
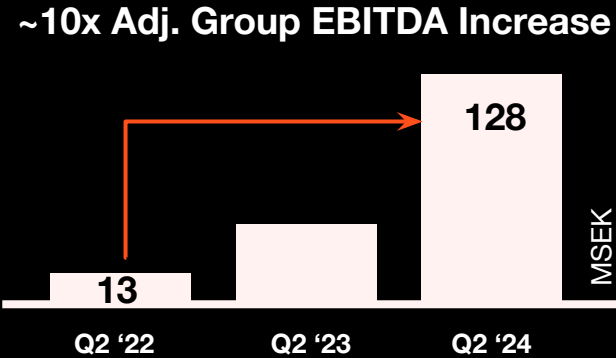
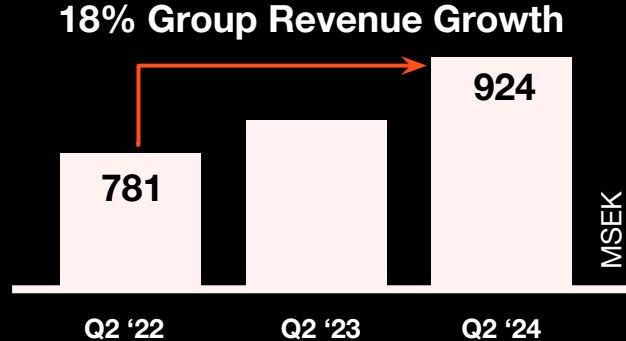
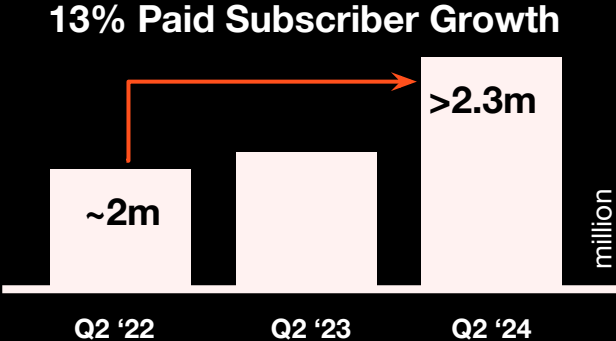
Net Interest-Bearing Debt (MSEK)	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Interest-bearing liabilities within Current liabilities	649.7	49.4	749.2	150.0	200.0
Interest-bearing liabilities within Non-current liabilities	-	647.8	-	699.1	698.8
Cash and cash equivalents	314.8	351.8	436.1	540.6	531.3
Total Net Interest-Bearing Debt (NIBD)	334.9	345.4	313.1	308.4	367.5
NIBD / adjusted EBITDA ratio	0.8	1.0	1.1	1.3	1.9

Comments

Q2 2024 compared with Q2 2023

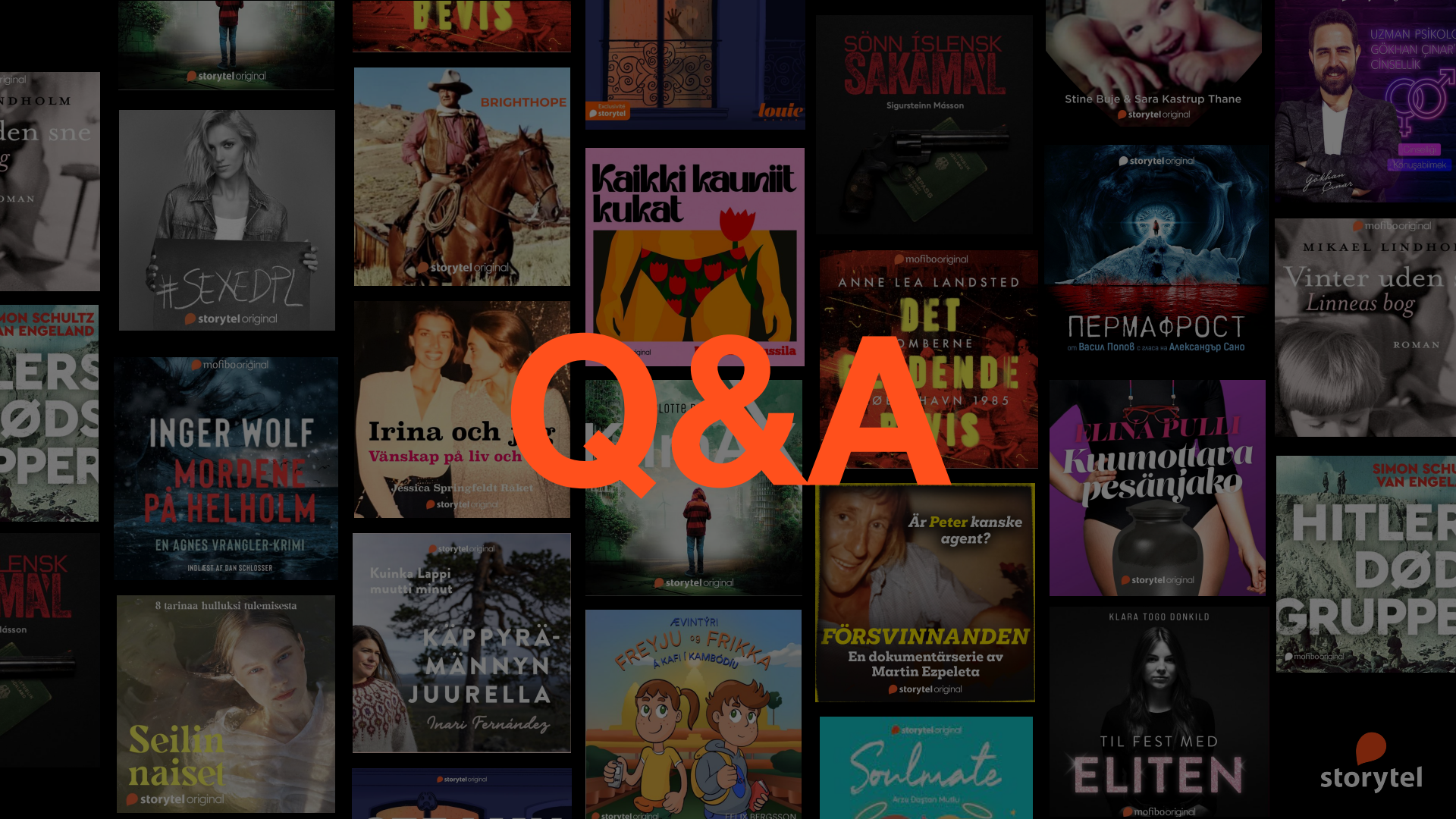
- Operational Cash Flow significantly improved to 87 (1) MSEK, 9.4% of revenues
- Operational Capex reflect the investments in content and in product & technology
- Net interest-bearing debt was 335 (367) MSEK
- The leverage ratio, NIBD to adjusted EBITDA, improved to 0.8 (1.9)

Ready for the next phase after 24 months of successful transformation and profitable growth strategy execution



Tracking well relative to our guidance

	FY23 Result	YTD 24 Result	2024 FY Guidance	2026 Mid term financial targets
Group revenue growth	9.0%	10.3%	~10%	~10%
Adjusted EBITDA margin	8.1%	12.8%	>13%	>15%
Operational cash flow*	3.5%	8.8%	>8%	>10%



original
NDHOLM
den sne
g
OMAN

storytel original
#SEXEDPL
storytel original

BRIGHTHOPE
storytel original

LOUIE
storytel

Kaikki kauniit kukat

SÖNN ÍSLENSK SAKAMÁL
Sigursteinn Mðsson
mofibooriginal
ANNE LEA LANDSTED
DET
ØBERHAVN 1985

Stine Buje & Sara Kastrup Thane
storytel original

storytel original
PERMAΦPOCT
BIM BACUA ΠOΠOB - PABICA H AΛEKCAHΓYBP CAYO

UZMAN PSIKOLO
GOKHAN CINAR
CINSELLIK
Jordan Cinars

mofibooriginal
MIKAEL LINDHOLM
Vinter uden
Linneas bog
ROMAN

SCHULTZ
AN ENGELAND
LERS
ØDS
PPER

mofibooriginal
INGER WOLF
MORDENE
PÅ HELHOLM
EN AGNES VRANGLER-KRIMI
INDLEST AF DAN SCHLOSSER

Irina och Jessica
Vänskap på liv och död
Jessica Springfield Raket
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LOTTE
K
storytel original

Är Peter kanske agent?
FÖRSVINNANDEN
En dokumentärserie av Martin Espeleta
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ELINA PULLI
Kinimottava pesänjako
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SIMON SCHULTZ
VAN ENGEL
HITLER
DØD
GRUPPE
mofibooriginal

LENSK
MAL
Mðsson

8 tarinaa hulluksi tulemisesta
Seilin naisei
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Kuinka Lappi muuttii minut
KÄPPYRÄ-MÄNNYN JUURELLA
Mari Fernández
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EVINTYRI
FREYJU OG FRIKKA
A KAFI I KAMBODIU
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FELIX BERGSSON

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Soulmate
Arzu Dogan Mutlu
mofibooriginal

KLARA TOGO DONKILD
TIL FEST MED
ELITEN
mofibooriginal

storytel