

# Interim report third quarter 2024

October 29, 2024

# Today's presenters



**Bodil Eriksson Torp**

**CEO**



**Peter Messner**

**CFO**

# A word from the CEO



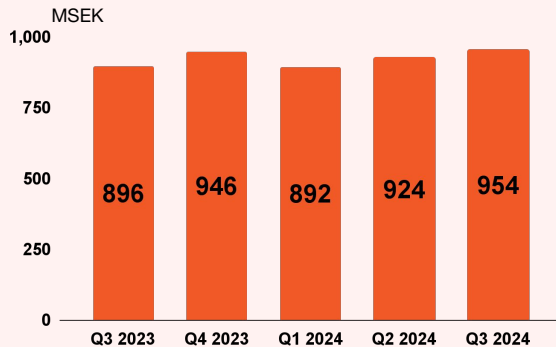
**“Storytel Group delivered record-high revenue, adjusted EBITDA, and cash flow”**

# Operational Highlights in Q3 2024

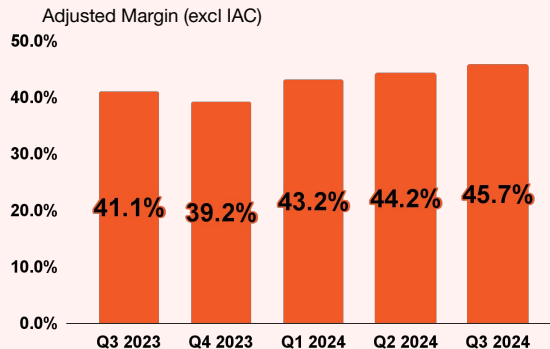
- Profitability improvements as a result of continued, disciplined strategy execution
  - 10% subscriber growth, above 2.3 million average paying subscribers
  - Downward paid churn trend, remaining at an all-time low level
  - Increased consumption from internal publishers, underscoring the quality of our content lineup
- Finland saw outstanding success with the “Premium for Life” campaign
  - Year-on-year paid subscriber base growth of 30 percent
- Release of bestseller lists and consumption-topping titles by our publishing houses
- Multi-book deal with Sammy Jeridi with Norstedts and Storytel

# Group Financial Highlights Q3

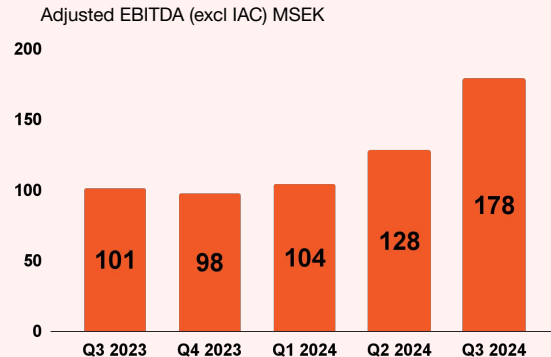
## Net sales up 7%



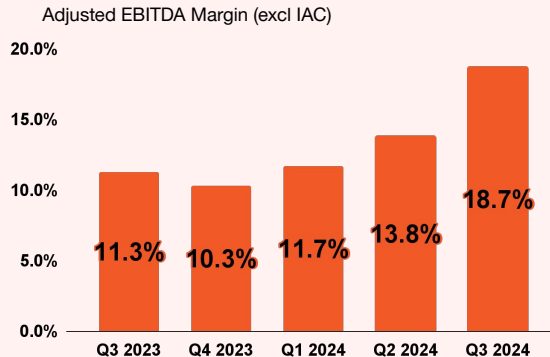
## Gross Profit Margin up 4.6pp



## EBITDA up 76%



## Record high EBITDA Margin



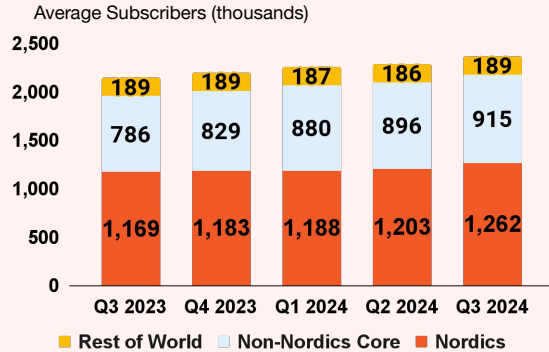
## Comments

Q3 2024 compared with Q3 2023

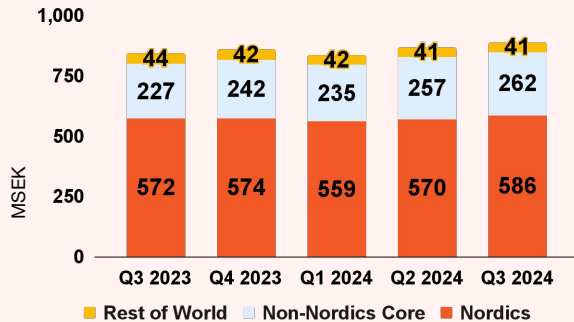
- Group net sales increased by 7% to 954 (896) MSEK, or 8% at constant exchange rates
- Adjusted Gross Profit margin up 4.6pp to 45.7% (41.1%)
- Adjusted EBITDA of 178 (101) MSEK, with a margin of 18.7% (11.3%)
- Operational cash flow amounted to 146 (65) MSEK
- Adjusted operating profit (EBIT) of 105 (20) MSEK
- Adjusted EBIT margin of 11.0%

# Streaming Performance Q3 2024

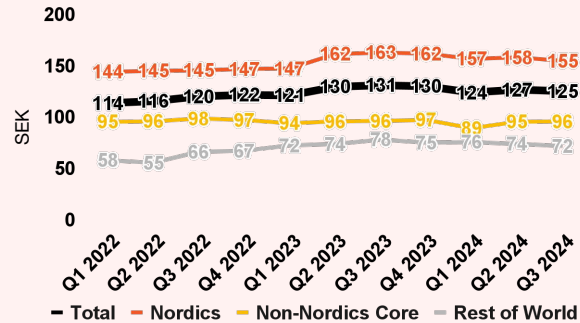
## 10% Increase in Average Subscribers



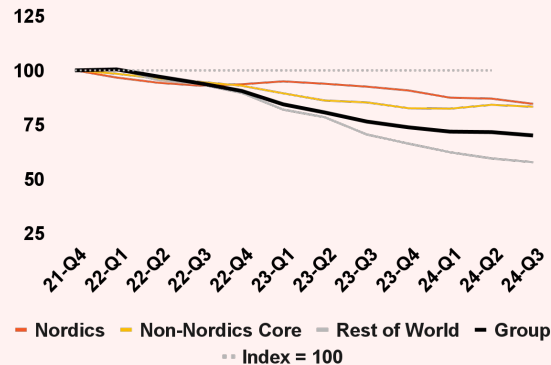
## Revenue, all markets\*



## ARPU remain at a high level



## Downward churn trend, Index (R12)



## Comments

Q3 2024 compared with Q3 2023

- Average number of subscribers increased by 222,000
  - Of which 93,000 in the Nordics
  - Storytel's Non-Nordics Core markets\* increased by 129,000 equal to 16%
  - Subscriber numbers in the Rest of World remained flat
- ARPU remained at a high level and decreased by 4.4%, or 2.0% at constant exchange rates
- Continued focus on average CLV relative to the acquisition cost
- Paid churn developed well and is at an all-time low

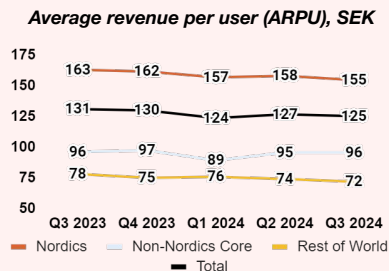
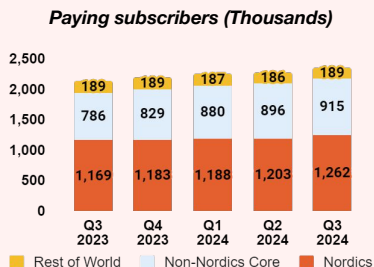
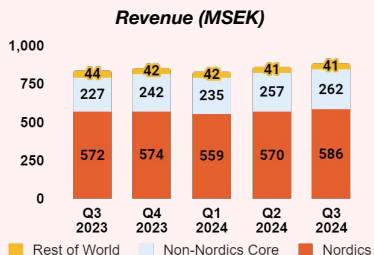
\* Nordics revenue includes 100% of Storytel Norway's revenue. See also footnote 4 on page 8 of the interim report.

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

# Streaming segment

Table is adjusted for IACs

Streaming (MSEK)	Q3-24	Q3-23	Change, %	Jan-Sep 2024	Jan-Sep 2023	Change, %
Net sales	851.7	809.4	5%	2,498.1	2,298.6	9%
Cost of sales	-497.3	-489.1	2%	-1,457.7	-1,388.6	5%
<b>Adj. Gross profit</b>	<b>354.4</b>	<b>320.3</b>	<b>11%</b>	<b>1,040.4</b>	<b>910.0</b>	<b>14%</b>
<b>Adj. Operating profit</b>	<b>89.7</b>	<b>37.0</b>	<b>142%</b>	<b>211.7</b>	<b>64.0</b>	<b>231%</b>
Add back depr.	31.6	40.7	-22%	91.7	118.1	-22%
<b>Adj. EBITDA</b>	<b>121.2</b>	<b>77.7</b>	<b>56%</b>	<b>303.4</b>	<b>182.2</b>	<b>67%</b>
Key metrics	Q3-24	Q3-23	Change, p.p.	Jan-Sep 2024	Jan-Sep 2023	Change, p.p.
Adj. Gross margin	41.6%	39.6%	2.0	41.6%	39.6%	2.1
Adj. EBITDA margin	14.2%	9.6%	4.6	12.1%	7.9%	4.2



## Comments

Q3 2024 compared with Q3 2023

- Net sales up 5% to 852 (809) MSEK, or 8% at constant exchange rates
  - Nordics: revenue +3%, subscribers +8%, ARPU -5%
  - Non-Nordics Core: revenue +16%, subscribers +16%, ARPU -1%
  - Rest of World: revenue -8%, subscribers flat, ARPU -8%
- Adj. Gross profit up 11% to 354 (320) MSEK, with a margin of 41.6% (39.6%)
- Adj. EBITDA up 56% to 121 (78) MSEK, with a margin of 14.2% (9.6%)
- Adj. Operating profit improved by 142% to 90 (37) MSEK



# Publishing segment

Table is adjusted for IACs

Publishing (MSEK)	Q3-24	Q3-23	Change, %	Jan-Sep 2024	Jan-Sep 2023	Change, %
Net sales	285.0	251.6	13%	793.1	715.7	11%
Cost of sales	-186.6	-186.9	0%	-549.7	-546.3	1%
<b>Adj. Gross profit</b>	<b>98.4</b>	<b>64.7</b>	<b>52%</b>	<b>243.5</b>	<b>169.4</b>	<b>44%</b>
<b>Adj. Operating profit</b>	<b>47.2</b>	<b>19.6</b>	<b>141%</b>	<b>90.2</b>	<b>-2.2</b>	<b>n.a.</b>
Add back depr.	39.9	39.3	1%	114.3	114.9	-1%
<b>Adj. EBITDA</b>	<b>87.0</b>	<b>58.9</b>	<b>48%</b>	<b>204.5</b>	<b>112.7</b>	<b>82%</b>

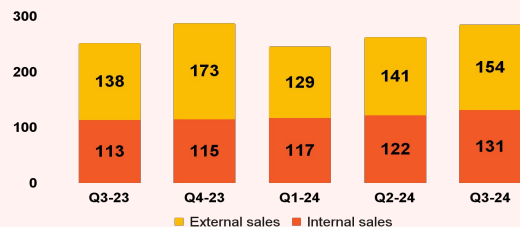
Key metrics	Q3-24	Q3-23	Change, p.p.	Jan-Sep 2024	Jan-Sep 2023	Change, p.p.
Adj. Gross margin	34.5%	25.7%	8.8	30.7%	23.7%	7.0
Adj. EBITDA margin	30.5%	23.4%	7.1	25.8%	15.7%	10.0

## Comments

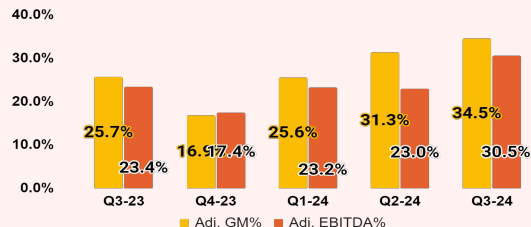
Q3 2024 compared with Q3 2023

- Net sales up 13% to 285 (252) MSEK
  - External sales up 11% to 154 (138) MSEK
  - Group-internal sales up 15% to 131 (113) MSEK
- Adj. Gross profit up 52% to 98 (65) MSEK, with a margin of 34.5% (25.7%)
- Adj. EBITDA up 48% to 87 (59) MSEK, with a margin of 30.5% (23.4%)
- Adj. Operating profit up 141% to 47 (20) MSEK

Split of publishing sales (MSEK)



Adj. GM% & EBITDA% development



# Record-high cash flow generation

<i>MSEK</i>	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
EBITDA (incl. IAC)	160.6	110.3	50.9	-7.3	96.4
Depreciation and amortisation	-73.3	-63.5	-74.5	-672.6	-81.4
Net financial items	-25.9	-16.3	8.7	-45.9	-14.3
<b>Profit before tax</b>	<b>61.5</b>	<b>30.4</b>	<b>-14.9</b>	<b>-725.9</b>	<b>0.7</b>
Adjustments for non-cash items	96.5	85.3	46.7	715.9	88.2
Taxes paid	-9.7	-9.2	-3.8	-9.0	-10.0
<b>Cash flow from operating activities before change in working capital</b>	<b>148.2</b>	<b>106.5</b>	<b>28.0</b>	<b>-19.0</b>	<b>78.9</b>
Change in working capital	44.7	-28.7	-27.0	89.5	41.0
<b>Cash flow from operating activities</b>	<b>192.9</b>	<b>77.8</b>	<b>1.0</b>	<b>70.5</b>	<b>119.9</b>
Cash flow from investing activities	-43.6	-44.4	-38.4	-47.0	-46.4
Cash flow from financing activities	-9.3	-65.5	-59.3	-111.6	-59.4
<b>Cash flow for the period</b>	<b>140.0</b>	<b>-32.1</b>	<b>-96.7</b>	<b>-88.0</b>	<b>14.1</b>
<b>Available funds at the beginning of period</b>	<b>314.8</b>	<b>351.8</b>	<b>436.1</b>	<b>540.6</b>	<b>531.3</b>
Translation differences in available funds	-6.6	-4.9	12.3	-16.4	-4.8
<b>Available funds at end of period</b>	<b>448.2</b>	<b>314.8</b>	<b>351.8</b>	<b>436.1</b>	<b>540.6</b>

## Comments

Q3 2024 compared with Q3 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 by 88% to 148 (79) MSEK
- Change in working capital of 45 (41) MSEK, and explained by seasonality in accrued expenses
- Cash flow from investing activities was -44 (-46) MSEK reflecting mainly operational capital expenditures
- Cash flow from financing activities was -9 (-59) MSEK, the comparable period includes a 50 MSEK repayment of the term loan
- Total cash flow for the period was 140 (14) MSEK

# Solid financial position

<i>MSEK</i>	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
Intangible assets	1,838	1,905	1,939	1,902	2,643
Tangible assets	15	16	17	18	20
Right-of-use assets	77	62	70	84	98
Non-current financial assets	69	70	66	76	81
Inventory	57	57	59	60	89
Trade receivables	210	203	198	194	152
Other current receivables	317	307	303	370	426
Cash and cash equivalents	448	315	352	436	541
<b>Total assets</b>	<b>3,032</b>	<b>2,934</b>	<b>3,004</b>	<b>3,141</b>	<b>4,049</b>
Equity	1,330	1,313	1,287	1,273	2,100
Non-current liabilities	166	156	826	174	947
Trade payables	229	243	256	275	253
Other current liabilities	1,307	1,223	635	1,419	749
<b>Total equity and liabilities</b>	<b>3,032</b>	<b>2,934</b>	<b>3,004</b>	<b>3,141</b>	<b>4,049</b>
Non-utilized RCF	100	100	100	200	150
Total available liquidity	548	415	452	636	691

## Comments

- Cash and cash equivalents were 448 MSEK, increases due to solid cash flow development. Previous quarter includes a 50 MSEK repayment of a term loan
- The equity-to-asset ratio was 43.9%
- In October, after the end of the period, Storytel extended the existing RCF until 2 April 2026. As of the end of the period, the liabilities were still classified as current liabilities

# Improved leverage ratio

<b>Operational Cash Flow (MSEK)</b>	<b>Q3-24</b>	<b>Q2-24</b>	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q3-23</b>
EBITDA excluding IAC	178.4	127.5	104.2	97.6	101.0
Operational Capex*	-32.5	-40.2	-31.1	-39.2	-35.8
<b>Operational cash flow</b>	<b>145.9</b>	<b>87.3</b>	<b>73.1</b>	<b>58.4</b>	<b>65.2</b>

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

<b>Net Interest-Bearing Debt (MSEK)</b>	<b>Q3-24</b>	<b>Q2-24</b>	<b>Q1-24</b>	<b>Q4-23</b>	<b>Q3-23</b>
Interest-bearing liabilities within Current liabilities	650.0	649.7	49.4	749.2	150.0
Interest-bearing liabilities within Non-current liabilities	-	-	647.8	-	699.1
Cash and cash equivalents	448.1	314.8	351.8	436.1	540.6
<b>Total Net Interest-Bearing Debt (NIBD)</b>	<b>201.8</b>	<b>334.9</b>	<b>345.4</b>	<b>313.1</b>	<b>308.4</b>
<i>NIBD / adjusted EBITDA ratio</i>	<i>0.4</i>	<i>0.8</i>	<i>1.0</i>	<i>1.1</i>	<i>1.3</i>

## Comments

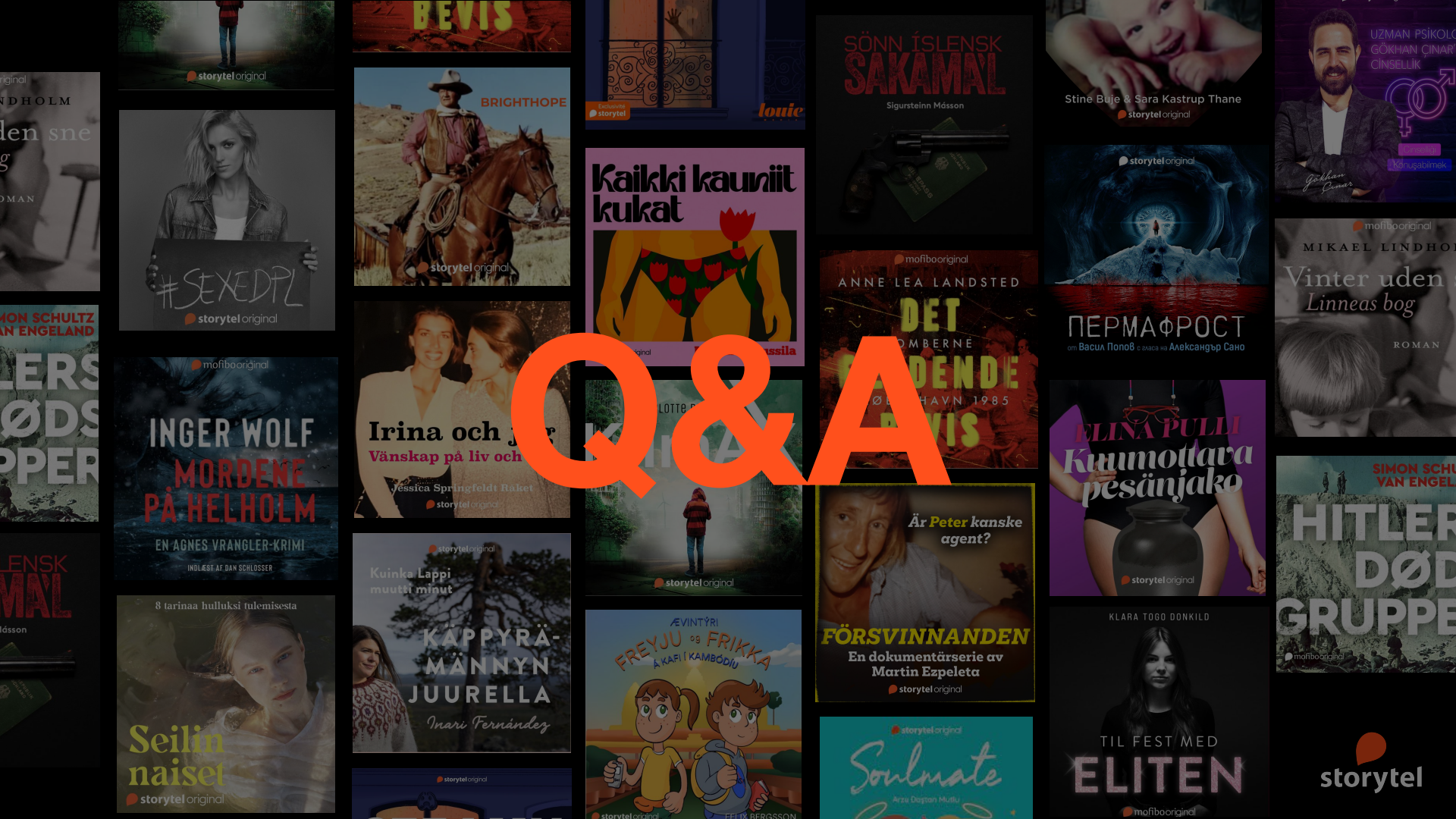
Q3 2024 compared with Q3 2023

- Operational Cash Flow significantly improved to 146 (65) MSEK, 15.3% of revenues
- Operational Capex reflect the investments in content and in product & technology
- Net interest-bearing debt was 202 (308) MSEK
- The leverage ratio, NIBD to adjusted EBITDA, improved to 0.4 (1.3)

# Updated guidance for 2024

	FY23 Result	YTD 24 Result	Updated 2024 FY Guidance	2026 Mid term financial targets
Group revenue growth	9.0%	9.4%	~8%	~10%
Adjusted EBITDA margin	8.1%	14.8%	~15%	>15%
Operational cash flow*	3.5%	11.0%	>10%	>10%

\* Operational cash flow = EBITDA excluding items affecting comparability less operational capex



original  
NDHOLM  
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storytel original  
#SEXEDPL  
storytel original

BRIGHTHOPE  
storytel original

LOUIE  
storytel original

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 ΠPACIHA AΛEKCAHΓYBP CAYO

UZMAN PSIKOLO  
GOKHAN CINAR  
CINSELLIK  
Jordan Cinars

mofibooriginal  
MIKAEL LINDHOLM  
Vinter uden  
Linneas bog  
ROMAN

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  
storytel original

LOTTE  
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Är Peter kanske agent?  
FÖRSVINNANDEN  
En dokumentärserie av Martin Espeleta  
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ELINA PULLI  
Kinimottava pesänjako  
storytel original

SIMON SCHULZ  
VAN ENGEL  
HITLER DØD GRUPPE  
mofibooriginal

8 tarinaa hulluksi tulemisesta  
Seilin naisei  
storytel original

storytel original  
Kuinka Lappi muuttii minut  
KÄPPYRÄ-MÄNNYN JUURELLA  
Mari Fernández

EVINTYRI  
FREYJU OG FRIKKA  
A KAFI I KAMBODIU  
storytel original  
FELIX BERGSSON

storytel original  
Soulmate  
Arzu Dogan Mutlu

KLARA TOGO DONKILDO  
TIL FEST MED  
ELITEN  
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