

Storytel exceeds forecast – strong revenue and subscriber growth in Q3 2019

Storytel had 1,014,400 paying subscribers on average in Q3 2019, which is an increase of 126,900 subscribers compared to Q2 2019. Storytel's strong growth thus exceeds the previously published forecast of 1,005,000 paying customers. Streaming revenue for Q3 2019 was 399 MSEK, compared to the forecast of 395 MSEK. This corresponds to an increase of 79 MSEK compared to Q2 2019, and revenue growth is 43% compared to Q3 2018.

“Storytel exceeds the forecast for the period, both in terms of revenue and subscribers, with strong customer intake that has lifted us past yet another fantastic milestone. For the first time in our history, Storytel can record a quarter with an average of more than one million paying customers. I am extremely thankful for and humbled by the fantastic responses we receive every day from people all over the world who love stories”, says Storytel's CEO Jonas Tellander.

On 12 August 2019, Storytel passed the milestone of one million paying customers. The average number of Storytel subscribers for Q3 2019 was 1,014,400. Customer intake for the service has been strong in both the Nordic markets and the Non-Nordic segment. The average number of paying subscribers in Q3 2019 in the Nordic region amounted to 736,000, which corresponds to 4,000 paying subscribers more than the forecast and an increase of 140,600 subscribers compared to Q3 2018. Streaming revenue in the Nordic region was 340 MSEK compared to a forecast of 338 MSEK and 276 MSEK in Q2 2019. The increase in revenue is attributable to strong subscriber growth during the summer but also largely to greater ARPU of 154 SEK in Q3 2019, compared to 138 SEK in Q2 2019, due to the reduction in VAT in Sweden, Norway and Finland.

“In July, VAT on digital books was reduced in Sweden, Norway and Finland, which has given us the momentum to sharpen our customer offering and at the same time, thanks to our revenue-sharing model with the publishers, improve earnings for authors”, says Storytel CEO Jonas Tellander. “We are now confidently looking forward to the coming VAT reductions in Poland and the Netherlands in November 2019 and January 2020, respectively”, he says.

There were 278,400 subscribers in the Non-Nordic segment on average in Q3 2019, which corresponds to an increase of 60,100 paying subscribers compared to Q2 2019 and exceeds the previously published forecast of 273,000 subscribers. Annual subscriber growth amounted to 122%. In the Non-Nordic segment, streaming revenue increased to approximately 59 MSEK in Q3 2019 compared to the forecast of 57 MSEK – an increase of 119% compared to Q3 2018

Table 1: Key performance indicators for Streaming

Currency: SEK 000's	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q3 2019
Streaming Total					Forecast¹	Actual
Revenue	279,979	291,315	295,994	320,034	395,000	399,178
Contribution Profit ²	22,063	30,444	31,372	29,407		
Contribution Margin	7.9%	10.5%	10.6%	9.2%		
Avg. Paying Subscribers	720,900	768,700	834,300	887,500	1,005,000	1,014,400
ARPU ³ (SEK/Month)	129	126	118	120	131	131
Streaming Nordics⁴						
Revenue	253,081	259,256	258,288	276,347	338,000	340,315
Contribution Profit ²	62,327	82,645	75,329	70,443		
Contribution Margin	24.6%	31.9%	29.2%	25.5%		
Avg. Paying Subscribers	595,400	616,300	645,500	669,200	732,000	736,000
ARPU ³ (SEK/Month)	142	140	133	138	154	154
Streaming Non-Nordics						
Revenue	26,898	32,059	37,706	43,687	57,000	58,863
Contribution Profit ²	-40,264	-52,200	-43,957	-41,036		
Contribution Margin	-149.7%	-162.8%	-116.6%	-93.9%		
Avg. Paying Subscribers	125,500	152,400	188,800	218,300	273,000	278,400
ARPU ³ (SEK/Month)	71	70	67	67	70	70

1 "Forecast" means an approximation based on information available at the time the report was prepared.

2 Contribution Profit is defined as streaming revenue minus royalties to third-party publishers and rights holders, in-house production costs, transaction costs and marketing costs. Storytel Reader and Ztory is not included in Streaming.

3 ARPU = Average Revenue Per User (Subscriber) per month.

4 Storytel Norway is included in the figures @ 100%. In the consolidated group accounts, Norway is reported in accordance with the principle of proportional consolidation.

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This information is such that Storytel AB (publ) is obliged to disclose in accordance with the EU Market Abuse Regulation. The information was provided, through the agency of the above contact person, at the time stated in this press release.



About Storytel

Storytel is one of the world's leading audiobook and e-book streaming services and offers unlimited listening and reading of more than 300 000 titles on a global scale. Our vision is to make the world a more empathetic place with great stories to be shared and enjoyed by anyone, anywhere and anytime. Storytel is a digital platform provider as well as a comprehensive publishing group. The streaming business area offers subscriptions for audiobooks and e-books under the Storytel and Mofibo brands. Storytel's publishing business area is carried out through the publishing houses Norstedts, Massolit, StorySide, Printz Publishing, People's Press, Rabén & Sjögren, B.Wahlströms, Gummerus Kustannus and Norstedts Kartor. Ztory - a subscribed digital read-all-you-can streaming service for newspapers and magazines, is part of Storytel since January 2019. Storytel operates in 18 markets around the globe and is headquartered in Stockholm, Sweden.