

# Interim Report

**Q1 2022**

May 5, 2022



# Key highlights

- Jonas Tellander stepped down as CEO - Ingrid Bojner appointed acting CEO
- Storytel completed the acquisition of Audiobooks.com - entered the U.S. market
- An EGM was held at which Hans-Holger Albrecht was appointed Chair of the Board
- Storytel announced decision to implement operational pause in Russia
- Claus Wamsler-Nielsen appointed COO, Åse Ericson appointed CBO Nordics and Susanne Ekblom appointed interim CFO – all joined the management team
- Storytel right-sizing organization in line with strategic shift

# Financial highlights

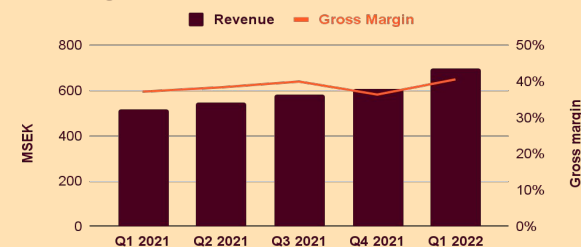
- Streaming revenue up 35% from Q1 2021 to 699 (517) MSEK, 33% with CER\*
  - Organic growth (excluding Audiobooks.com) at 19%
- Group Net Sales increased by 27% from Q1 2021 to 747 (588) MSEK
- Items affecting comparability, IAC, totaling 133 MSEK in the quarter
- Excluding items affecting comparability, Gross profit at 300 (219) MSEK
- Excluding items affecting comparability, EBITDA margin at -4.4% (-4.8%)
- First quarterly report post transition to function-based income statement and IFRS

# Streaming Topline & Profitability,

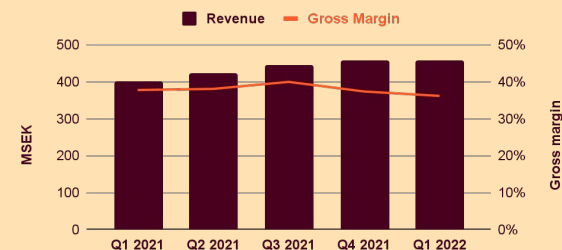
Q1 2022

MSEK	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
<b>Streaming Total</b>					
Revenue	517.1	545.5	583.1	605.1	698.6
Gross Profit	192.5	209.5	233.3	220.0	283.9
Gross Margin	37.2%	38.4%	40.0%	36.4%	40.6%
Avg. Paying Subscribers	1,540,600	1,626,900	1,724,000	1,784,600	2,051,000
ARPU (SEK/Month)	112	112	113	113	114
<b>Streaming Nordics</b>					
Revenue	401.8	423.3	447.2	459.0	458.6
Gross Profit	151.7	161.5	179.1	171.8	165.8
Gross Margin	37.8%	38.1%	40.0%	37.4%	36.2%
Avg. Paying Subscribers	957,500	983,600	1,024,000	1,047,900	1,061,000
ARPU (SEK/Month)	140	143	146	146	144
<b>Streaming Non-Nordics</b>					
Revenue	115.2	122.1	135.9	146.1	240.0
Gross Profit	40.8	48.1	54.2	48.2	118.1
Gross Margin	35.4%	39.4%	39.9%	33.0%	49.2%
Avg. Paying Subscribers	583,100	643,300	700,000	736,700	990,000
ARPU (SEK/Month)	66	63	65	66	81

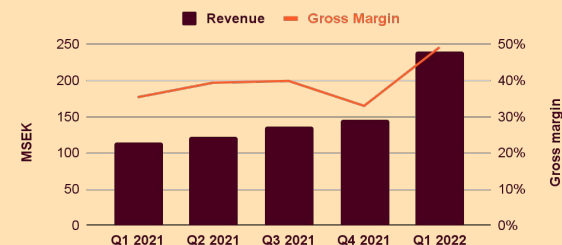
Streaming Total



Streaming Nordics



Streaming Non-Nordics



# Financial summary, excluding IAC

<i>MSEK</i>	<b>Q1-22</b>	<b>Q1-21</b>	<b>Change, %</b>
Net Sales	747.2	587.9	27
COGS	-447.7	-368.8	21
<b>Gross profit/loss</b>	<b>299.5</b>	<b>219.1</b>	<b>37</b>
<i>Gross margin</i>	<i>40.1%</i>	<i>37.3%</i>	<i>2.8 p.p</i>
Sales and marketing expenses	-275.0	-198.6	38
Technology and development expenses	-53.0	-42.6	24
General and admin. expenses	-70.0	-41.4	69
Other operating income	6.0	-1.6	<i>n/a</i>
Profit from participation in associates	-0.9	2.0	<i>n/a</i>
<b>Operating profit</b>	<b>-93.4</b>	<b>-63.0</b>	<b>48</b>
Net financial items	-6.4	-3.1	>100
<b>Profit/loss before tax</b>	<b>-99.9</b>	<b>-66.1</b>	<b>51</b>
<b>Key metrics</b>	<b>Q1-22</b>	<b>Q1-21</b>	<b>Change, %</b>
<i>EBITDA* margin excluding IAC</i>	<i>-4.4%</i>	<i>-4.8%</i>	<i>0.4 p.p</i>

## Comments

- First quarterly report post transition to function-based income statement and IFRS
- Expenses allocated to respective function
- Net sales growth of 27%, with audiobooks contributing significantly
- Excluding IAC, EBITDA at -4.4%
- Joint venture in Norway now reported on separate line

# Financial summary, reported figures

<i>MSEK</i>	<b>Q1-22</b>	<b>Q1-21</b>	<i>Change, %</i>
Net Sales	747.2	587.9	27
COGS	-458.7	-368.8	24
<b>Gross profit/loss</b>	<b>288.5</b>	<b>219.1</b>	<b>32</b>
<i>Gross margin</i>	<i>38.6%</i>	<i>37.3%</i>	<i>1.3 p.p</i>
Sales and marketing expenses	-294.5	-198.6	48
Technology and development expenses	-96.3	-42.6	>100
General and admin. expenses	-129.7	-41.4	>100
Other operating income	6.0	-1.6	n/a
Profit from participation in associates	-0.9	2.0	n/a
<b>Operating profit</b>	<b>-226.9</b>	<b>-63.0</b>	<b>&gt;100</b>
Net financial items	-6.4	-3.1	>100
<b>Profit/loss before tax</b>	<b>-233.3</b>	<b>-66.1</b>	<b>&gt;100</b>
<b>Key metrics</b>	<b>Q1-22</b>	<b>Q1-21</b>	<i>Change, %</i>
<i>EBITDA margin</i>	<i>-19.9%</i>	<i>-4.8%</i>	<i>-15.1 p.p</i>

## Comments

- Total IAC in Q1 of 133 MSEK, vs no IAC in Q1-21:
  - Strategic shift and related restructuring costs of ~71 MSEK
  - Costs related to operational pause in Russia at ~45 MSEK
  - Transaction fees in connection with acquisition of Audiobooks.com at ~9 MSEK
  - Severance costs in connection with Jonas Tellander leaving at ~8 MSEK
- Reported EBITDA of -149 MSEK

# Balance sheet overview

<i>MSEK</i>	Q1-22	Q4-21	Change, %
Intangible assets	2,537.1	1,063.1	>100
Tangible assets	30.0	27.7	8
Right-of-use assets	122.4	131.4	-7
Non-current financial assets	93.6	46.1	>100
Inventory	83.0	65.7	26
Current receivables	718.9	768.8	-6
Cash and cash equivalents	447.6	905.9	-51
<b>Total assets</b>	<b>4,032.5</b>	<b>3,008.7</b>	<b>34</b>
Equity	1,705.7	1,910.6	-11
Non-current liabilities	888.7	256.6	>100
Current liabilities	1,438.1	841.5	71
<b>Total equity and liabilities</b>	<b>4,032.5</b>	<b>3,008.7</b>	<b>34</b>

## Comments

- Audiobooks.com acquired in Q1-22, mainly affecting:
  - Intangible assets
  - Non-current liabilities
  - Current liabilities
- Total available liquidity of 847.6 MSEK
- Equity decreasing as a result negative profits

# Strategic focus

- **Focus** investments and growth in top markets
- Scale through **product led innovation**
- Invest in **proprietary content catalogue**
- Accelerate a **high-performing organisation and operations**



**Accelerate Growth**



**Product Leadership**



**Content Powerhouse**



**Scalable Organisation**





# Accelerate growth

## Priority markets

## Pioneering markets



### Growth

- Growing large subscriber base
- Majority of focused marketing investments

- Growth and awareness through alternative paths



### Content

- Continuously invest in content and bold bets

- Invest and build catalogue



### Scalability

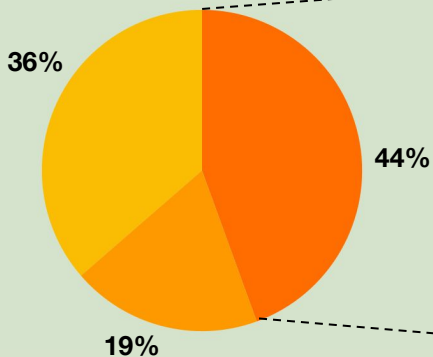
- Local presence
- Potential M&A activity

- Smaller teams

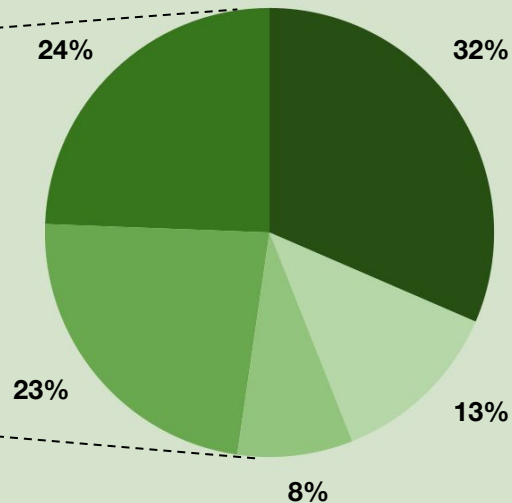
# Accelerate growth - entering mature markets

Global Audiobook Market Share

2020



Rest of the World

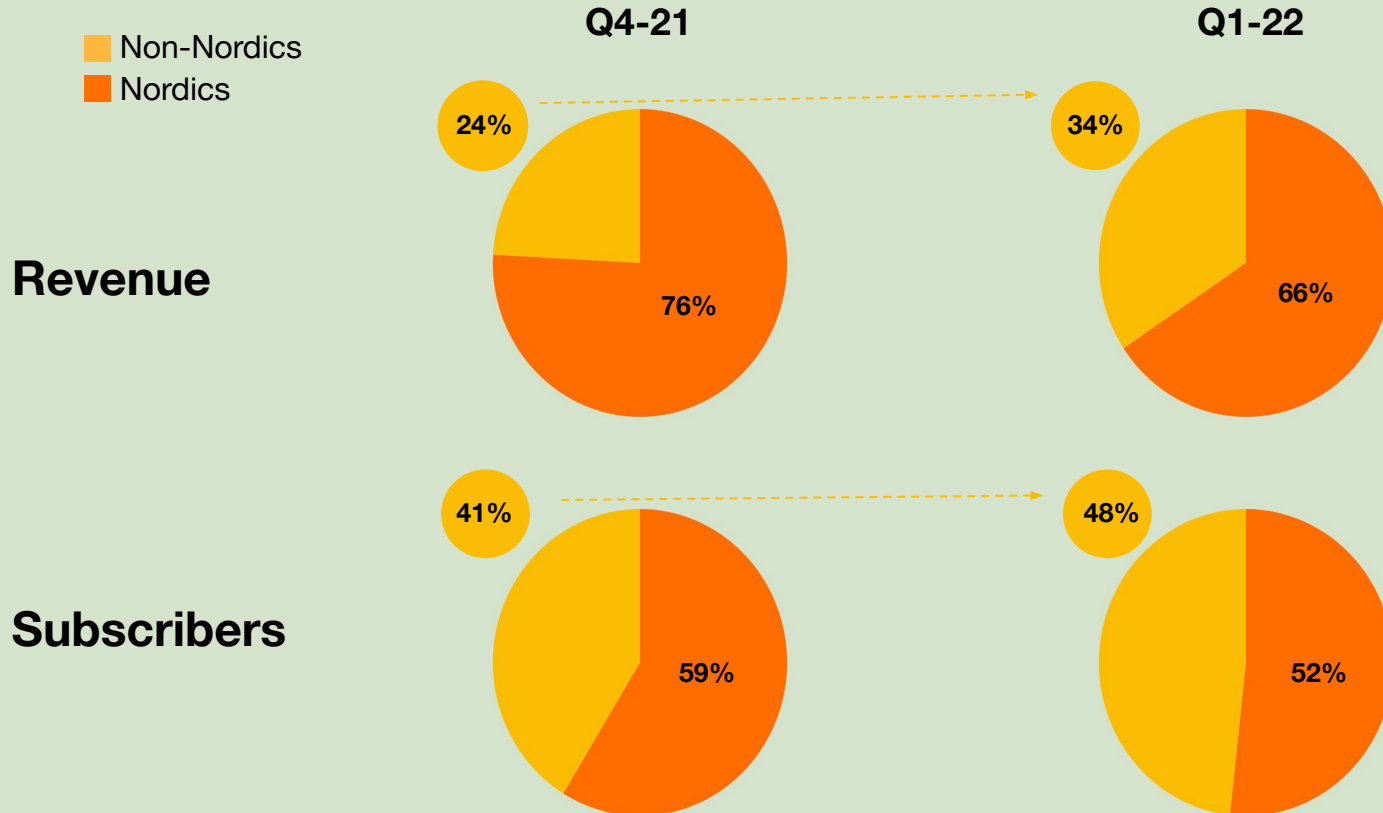


- Rest of the World
- China
- USA

- Major English markets, excluding the US
- Other
- The Nordics
- France
- Germany

# Accelerate growth - Non-Nordics growing

- Non-Nordics
- Nordics





# Product Leadership

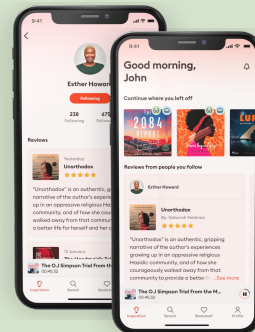
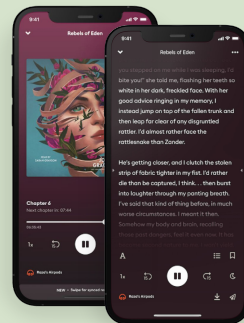
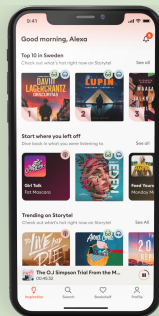
More immersive  
Exploration

Find the right  
first book

Personalised  
exploration

Easy and  
delightful  
listening  
experience

Peer-driven  
recommendations





# Content Powerhouse

500 million  
hours consumed  
in 2021

71,300 hours  
produced in  
2021

Licensed

Publishing  
houses

Storytel  
Books

Storytel  
Originals

HarperCollins

BONNIER

hachette  
BOOK GROUP



ÇAPPELEN DAMM

Penguin  
Random  
House



SIMON &  
SCHUSTER

NORSTEDTS

people's

GUMMERUS

LIND & CO

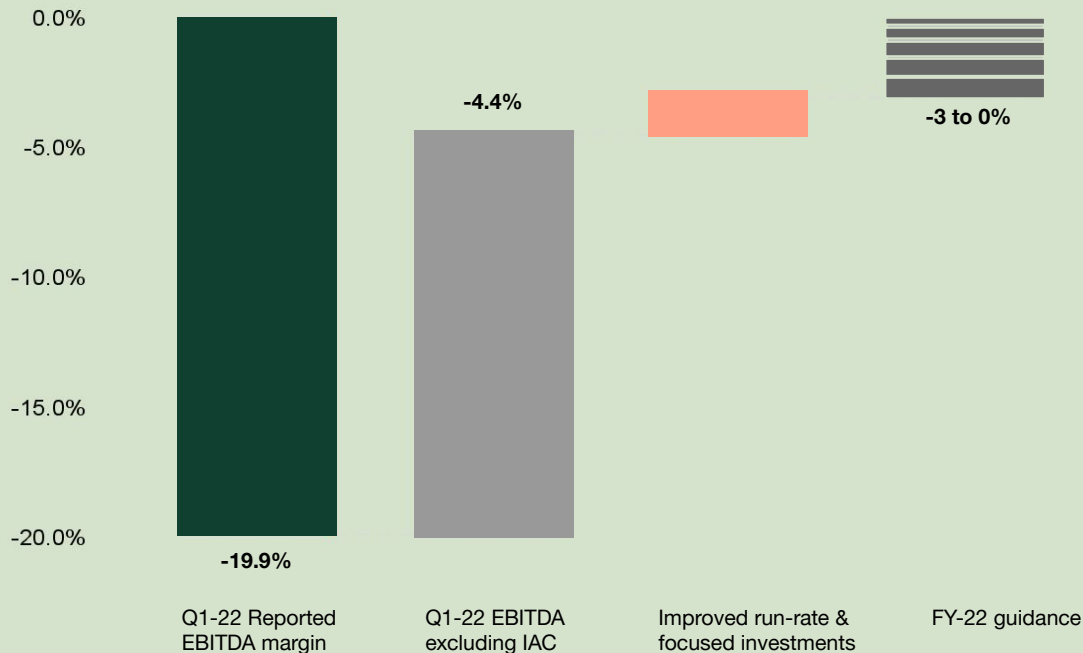
AULA & CO

Story  
Side



# On track to reaching FY EBITDA guidance

EBITDA margin



## Comments

- As previously highlighted, IAC affecting EBITDA by 116 MSEK, equaling 15.5%
- Improved run-rate and focused investments in Q2-Q4
- FY-guidance intact

# Financial targets

February 18

May 5

**Q2-22**  
forecast



**Streaming revenue: 698-705 MSEK**  
(31-33% growth excluding Russia)



No EBITDA target

**Full year guidance**

**2022**  
targets

Streaming revenue growth of 30-34%

-3% to 0% EBITDA margin

**Russian effect**

**2022**

Revenue from Russia in 2021: 69 MSEK

No significant impact on the EBITDA margin

# Continuous implementation

- **Focus** investments and growth in top markets
- Scale through **product led innovation**
- Invest in **proprietary content catalogue**
- Accelerate a **high-performing organisation and operations**



**Accelerate Growth**



**Product Leadership**



**Content Powerhouse**



**Scalable Organisation**



# Q&A



**Thanks.**