

Interim report First quarter 2024

May 7, 2024

Today's presenters



Johannes Larcher

CEO



Peter Messner

CFO

“The first quarter marked another step up in our financial performance as Storytel delivered a strong result with improved profitability and operational cash flow”

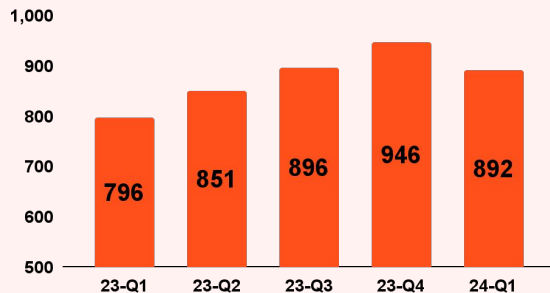
Operational Highlights in Q1 2024

- Highest level of adjusted EBITDA ever driven by strong operational performance
- Profitability improvements were the result of continued, disciplined strategy execution
 - Improved content cost economics due to higher share of in-house publishers
 - Increases in marketing efficiency
 - Launch of a further efficiency optimization initiative, including a 13% reduction in workforce
- Publishing highlights
 - Distribution agreement with Nextory since 1 February
 - Record consumption levels of titles from inhouse publisher Storyside
 - Norstedts signed and will release Björn Borg's memoirs in 2025
- VoiceSwitcher launch in Sweden in collaboration with Stefan Sauk

Financial Highlights Q1 2024

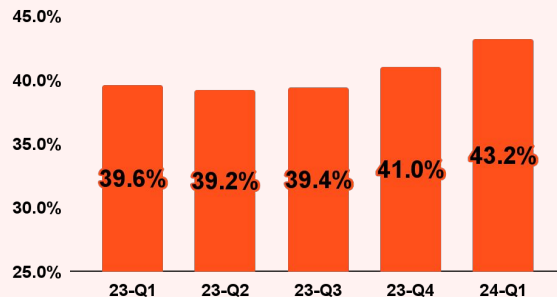
Group Revenue up 12%

MSEK



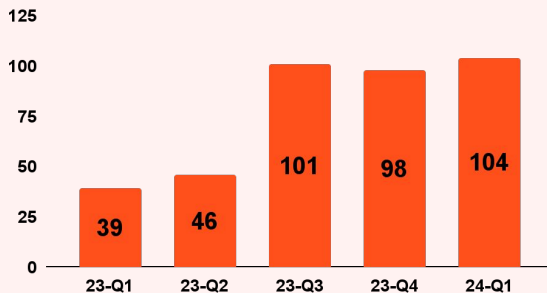
Group Gross Profit Margin up 3.6pp

Adjusted Margin (excl IAC)



Group EBITDA up 167%

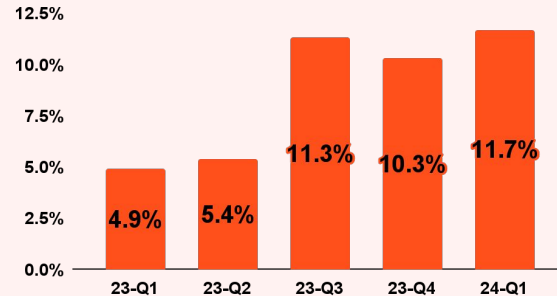
Adjusted EBITDA (excl IAC) MSEK



Interim report first quarter 2024

Record high group EBITDA Margin

Adjusted EBITDA Margin (excl IAC)



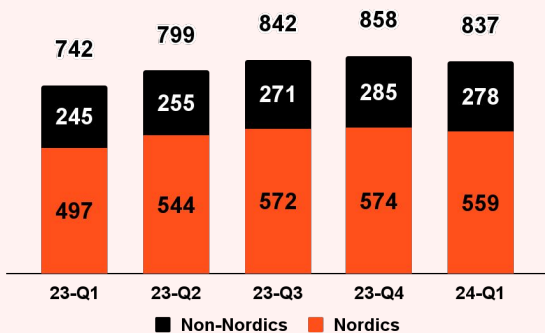
Comments

Q1 2024 compared with Q1 2023

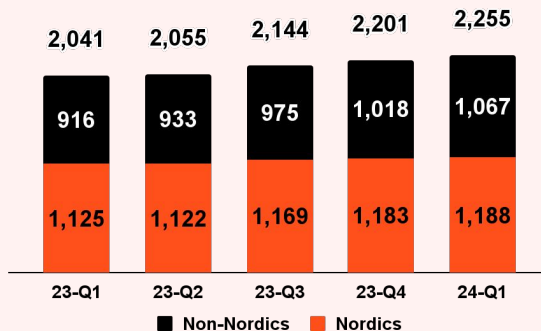
- Group net sales increased by 12% to 892 (796) MSEK
- Adjusted Gross Profit margin up 3.6pp to 43.2% (39.6%)
- Adjusted EBITDA of 104 (39) MSEK, with a margin of 11.7% (4.9%)
- Operational cash flow amounted to 73 (1) MSEK
- Adjusted operating profit of 31 (-43) MSEK

Streaming Development Q1 2024

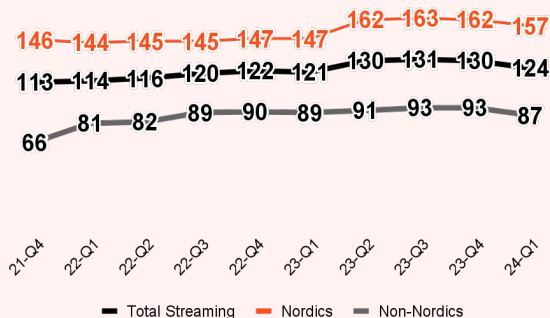
Streaming Revenue up 13%



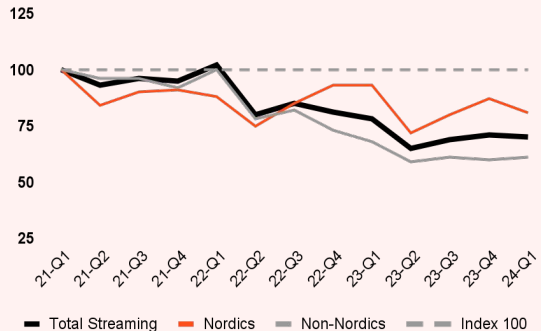
Increase in Average Paybase, 000'



ARPU up 2.5% YoY, SEK



Churn Trend continues down, Index



Interim report first quarter 2024

Comments

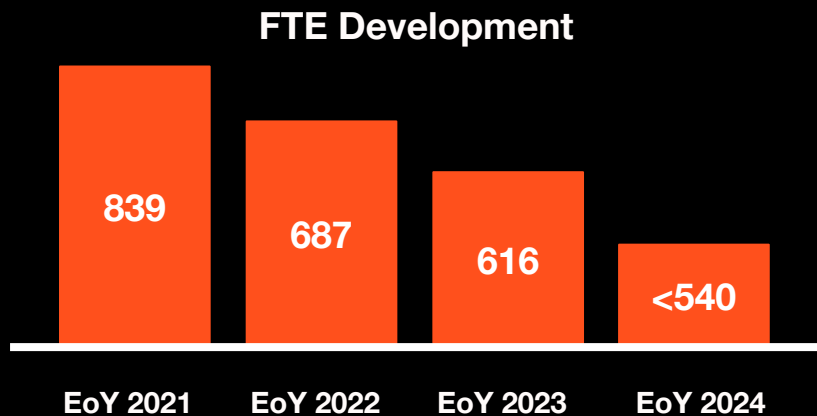
Q1 2024 compared with Q1 2023

- Streaming revenue increased by 13% to 837 (742) MSEK,
 - 13% in both the Nordics and Non-Nordics
- Average number of subscribers increased by 215,000
 - Of which 63,000 in the Nordics
 - Storytel's four Non-Nordic growth markets* increased by 25%
 - Double-digit growth in the US (Audiobooks.com)
- ARPU up 2.5% YoY driven by updated pricing and packaging in the Nordics
- Continued focus on average CLV relative to the acquisition cost
- Churn developed well and is at a healthy level

* The Netherlands, Poland, Bulgaria and Turkey

Efficiency optimization initiative and 2024 guidance

- Reduction of ~80 FTEs, or 13% of workforce
- Implemented in Q1 2024
- Will reach full run-rate in H2 2024
- Related 45 MSEK of IACs recognized in Q1
- Continued focus on efficiencies in marketing and other expenses



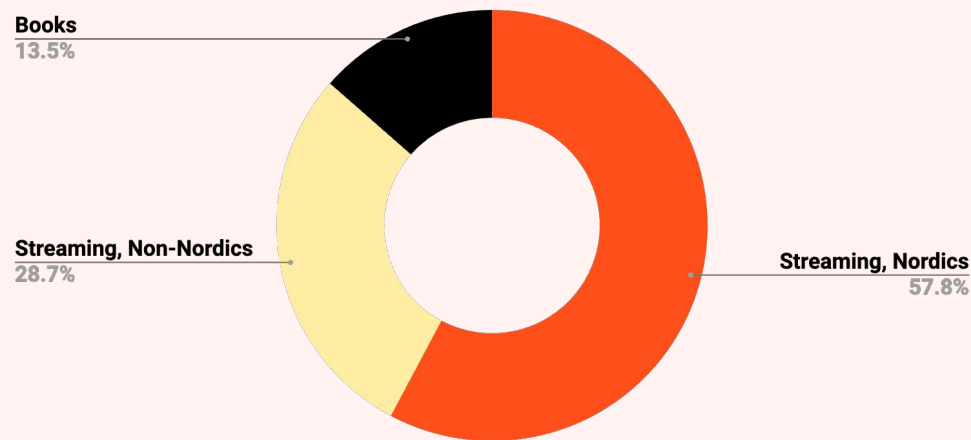
	FY23 Result	Q1 24 Result	2024 FY Guidance
Group revenue growth	9.0%	12.0%	~10%
Adjusted EBITDA margin	8.1%	11.7%	>13%
Operational cash flow*	3.5%	8.2%	>8%

* Operational Cash Flow: Adjusted EBITDA less operational capex, in % of revenue

Q1 Segments performance

Revenue split, Q1 2024

(100% = 968 MSEK)



Comments

Q1 2024 compared with Q1 2023

Streaming, Nordics

- Reported revenue growth of 13%
- Adjusted Gross margin of 45.2% (40.5%)
- ARPU increased by 7% to 157 (147) SEK
- Avg. paying subscribers increased by 63,000

Streaming, Non-Nordics

- Reported revenue growth of 13%
- Adjusted Gross margin of 48.3% (47.3%)
- ARPU decreased by 2% to 87 (89) SEK
- Avg. paying subscribers grew by 151,000

Books

- Reported external revenue increased 1%
- Internal revenue increased by 22%
- Higher share of digital sales
- Gross margin increased to 58.7% (52.6%)

Continuous improved EBITDA margin

Table is adjusted for IACs

MSEK	Q1-24	Q1-23	Change, %	Q4-23
Net sales	891.9	796.3	12	946.1
COGS	-506.8	-480.8	5	-558.5
Gross profit / loss	385.1	315.5	22	387.6
Sales and marketing expenses	-212.0	-205.7	3	-218.5
Technology and development expenses	-60.5	-69.5	-13	-71.8
General and admin. expenses	-79.7	-92.1	-14	-102.0
Other operating items	4.1	5.3	-23	-2.2
Profit from participation in associates	-5.6	3.4	n/a	5.0
Operating profit	31.4	-43.0	n/a	-1.9
Net financial items	8.7	-16.2	n/a	-45.9
Profit/loss before tax	40.1	-59.2	n/a	-47.8
Key metrics	Q1-24	Q1-23	Change, p.p.	Q4-23
Gross margin	43.2%	39.6%	3.6	41.0%
Adj. EBITDA margin	11.7%	4.9%	6.8	10.3%

Comments

Q1 2024 compared with Q1 2023

- Net sales for the quarter grew by 12% to 892 (796) MSEK
- Adjusted Gross profit up by 22% to 385 (315) MSEK; margin of 43.2% (39.6%)
- Adjusted Sales and marketing expenses increased by 3% to -212 (-206) MSEK
- Adjusted Technology and development expenses decreased 13% to -61 (-69.5) MSEK
- Adjusted General and administrative expenses decreased by 14% and totaled -79 (-92) MSEK
- Adjusted Operating profit improved to 31 (-43) MSEK
- Adjusted EBITDA improved to 104 (39) MSEK and the EBITDA margin to 11.7% (4.9%)

Balance sheet

MSEK	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23
Intangible assets	1,939	1,902	2,643	2,669	2,584
Tangible assets	17	18	20	23	27
Right-of-use assets	70	84	98	110	115
Non-current financial assets	66	76	81*	76*	70*
Inventory	59	60	89	95	103
Current receivables	502	564	578*	562*	562*
Cash and cash equivalents	352	436	541	531	540
Total assets	3,004	3,141	4,049*	4,065*	4,003*
Equity	1,287	1,273	2,100*	2,104*	2,061*
Non-current liabilities	826	174	947	953	992
Current liabilities	891	1,694	1,002	1,008	950
Total equity and liabilities	3,004	3,141	4,049*	4,065*	4,003*
<i>Non-utilized RCF</i>	<i>100</i>	<i>200</i>	<i>150</i>	<i>150</i>	<i>150</i>
<i>Total available liquidity</i>	<i>452</i>	<i>636</i>	<i>691</i>	<i>681</i>	<i>690</i>

*Restated amount, see Note 1

Interim report first quarter 2024

Comments

- Intangible assets increased by 37 MSEK vs Q4-23 as a net result of investments, amortization, fx effects, and the IAC write downs
- The equity-to-asset ratio was 42.9% (51.5%)
- During the quarter, 50 MSEK in bank debt have been repaid
- Cash and cash equivalents were 352 MSEK
- In February, Storytel extended the RCF until 2 April 2025 and reduced the total facility by 100 MSEK to 750 MSEK, at otherwise unchanged terms
- As a result from the prolongation of the RCF, 650 MSEK has been reclassified from current liabilities to non-current liabilities

Improved profitability and cash flows

MSEK	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23
EBITDA (incl. IAC)	50.9	-7.3	96.4	41.7	33.9
Depreciation and amortisation	-74.5	-672.6	-81.4	-71.0	-82.0
Net financial items	8.7	-45.9	-14.3	11.4	-16.2
Profit before tax	-14.9	-725.9	0.7	-18.0	-64.3
Adjustments for non-cash items	46.7	715.9	88.2	53.0	84.2
<i>of which, reversal depreciation and amortisation</i>	74.5	687.5	81.4	71.0	82.0
<i>of which, change in capital gains/losses</i>	5.4	-2.1	-1.9	-3.5	-4.6
<i>of which, change in FX gains/losses</i>	-19.9	23.1	-9.8	-23.1	0.0
<i>of which, change in provisions</i>	-13.5	7.4	21.1	8.3	6.9
<i>of which, change in other non-cash items</i>	0.0	0.0	-2.5	0.2	0.0
Taxes paid	-3.8	-9.0	-10.0	-10.7	-2.2
Cash flow from operating activities before change in working capital	28.0	-19.0	78.9	24.3	17.8
Change in working capital	-27.0	89.5	41.0	12.1	3.9
Cash flow from operating activities	1.0	70.5	119.9	36.5	21.7

* 6.4M SEK has been reclassified between Operating activities and Financing activities in the 2023 annual report, therefore Adjustments for non-cash items, deviate from Q4'23 presentation

Interim report first quarter 2024

Comments

- Profit before tax impacted by IACs
- Cash flow from operating activities before change in working capital increased to 28 (18) MSEK
- Change in working capital of -27 (4) MSEK, an effect of the reorganisation rolled out in Q4-23, seasonality on receivables and payables, as well as variable pay and holiday accruals being paid out
- Cash flow from investing activities was -38 (-48) MSEK and cash flow from financing activities was -59 (-212) MSEK
- Total cash flow for the period was -97 (238) MSEK

Operational cash flow

<i>MSEK</i>	Q1-24	Q4-23	Q3-23	Q2-23	Q1-23
EBITDA excluding IAC	104.2	97.6	101.0	45.8	39.0
Operational Capex*	-31.1	-39.2	-35.9	-44.7	-38.3
Operational cash flow	73.1	58.4	65.1	1.1	0.7

Comments

- 167% Y/Y improvement in EBITDA in line with strategic shift
- Continuous investments in content and in product & technology
- Targeting an operational cash flow above 8% of revenue for 2024

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

Balanced Profitable Growth Across Our Regions

	10 Core Growth Markets			15 Markets
	Nordics	USA	Netherlands, Turkey, Poland, and Bulgaria	Expansion
Strategic Role	Generate Substantial Profitability & Cash Flow			Preserve Growth Potential
Growth Ambition	~10%	~7.5%	~20%	±0%

Storytel in 2026: Mid-term financial targets




~4.5 BSEK
Group Revenue

10-12%
Streaming
Revenue CAGR

>15%
EBITDA Margin

>10%
Operational Cash
Flow*

Key Takeaways

-  Strong improvements of operational and financial performance through disciplined execution of our strategy
-  Showcasing profitability and cash generation through healthy subscriber growth, higher ARPU and more disciplined cost management
-  Solid foundation to cater for further growth and development while improving profitability

Updated Near Term Guidance for 2024



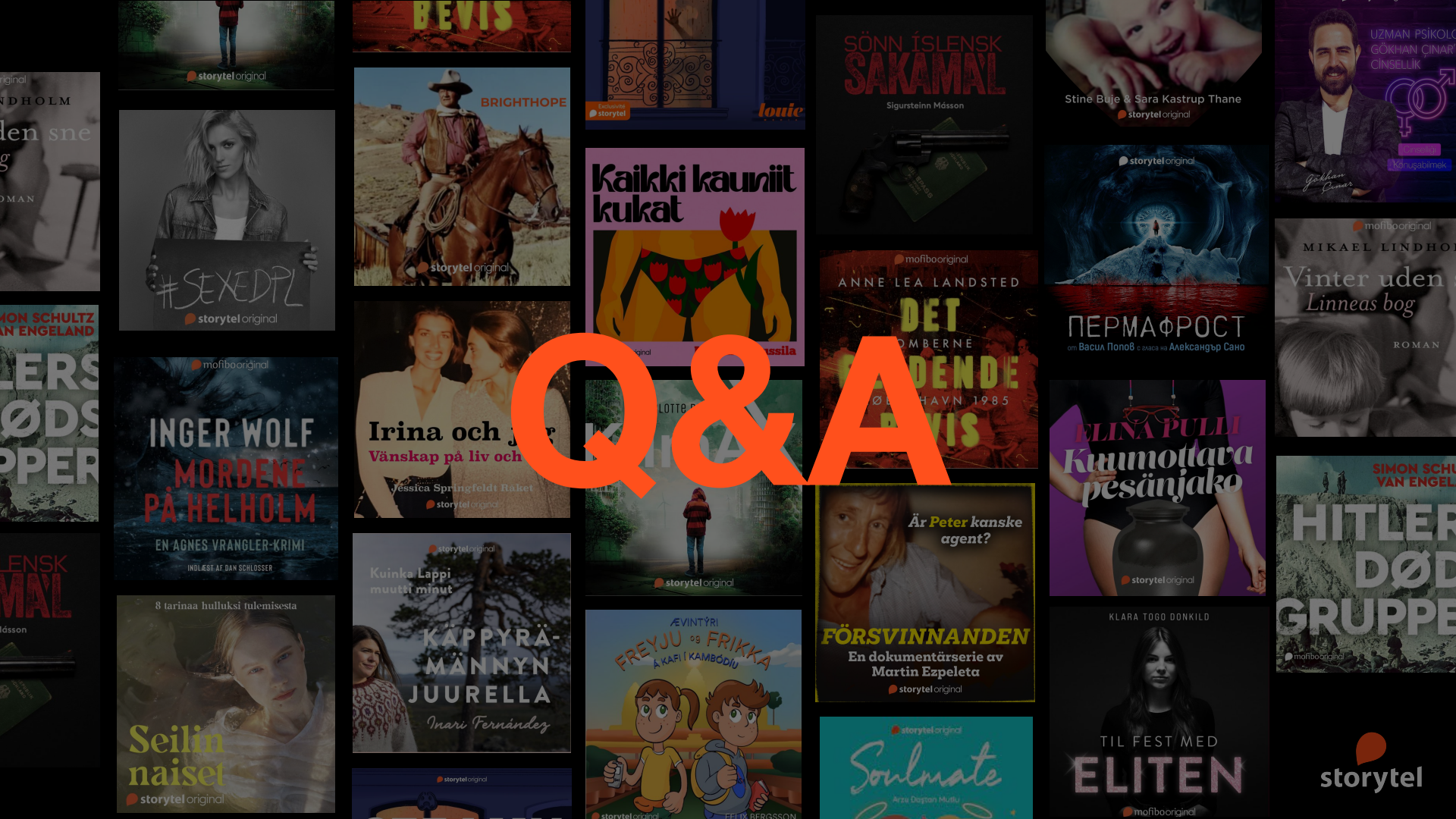
**Group revenue growth
of around 10%**



**Full year adj. EBITDA
margin above 13%**



**Operational cash
flow* above 8%**



original
NDHOLM
den sne
g
OMAN

storytel original
#SEXEDPL
storytel original

BRIGHTHOPE
storytel original

LOUIE
storytel original

Kaikki kauniit kukat

SÖNN ÍSLENSK SAKAMÁL
Sigursteinn Mðsson
mofibooriginal

Stine Buje & Sara Kastrup Thane
storytel original

storytel original
PERMAΦΡΟΣΤ
with Βασίλ Παπώβ & ΒΑΣΙΛΙΑ Αλεξανδρής Σαχο

UZMAN PSIKOLO
GÖKHAN ÇINAR
CİNSELİK
Jordan Çinar

mofibooriginal
MIKAEL LINDHOLM
Vinter uden
Linneas bog
ROMAN

MON 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
Jessica Springfield Raket
storytel original

LOTTE
storytel original

ANNE LEA LANDSTED
DET
OMBERNE
ØBETHAVN 1985
SÖNN ÍSLENSK SAKAMÁL

ELINA PULLI
Kinimottava
pesänjako
storytel original

SIMON SCHULTZ
VAN ENGEL
HITLER
DØD
GRUPPE
mofibooriginal

LENSK
MAL
Mðsson

8 tarinaa hulluksi tulemisesta
Seilin naiset
storytel original

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

EVINTYRI
FREYJU OG FRIKKA
A KAFI KAMBODIU
storytel original
FELIX BERGSSON

Är Peter kanske
agent?
FÖRSVINNANDEN
En dokumentärserie av
Martin Espeleta
storytel original

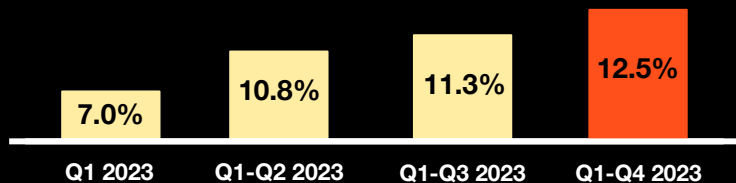
KLARA TOGO DONKILD
TIL FEST MED
ELITEN
mofibooriginal

storytel

OLD SLIDES

Exceeding full year 2023 financial targets

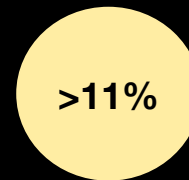
Organic streaming revenue growth with CER



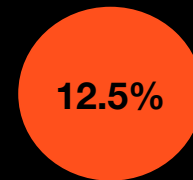
Original
FY Guidance



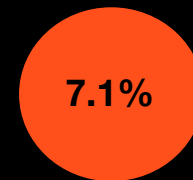
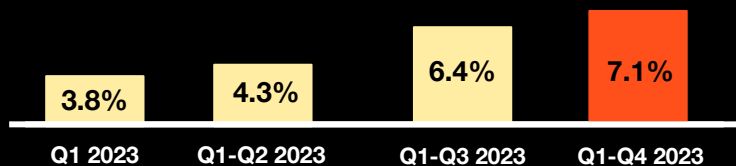
Updated
FY Guidance



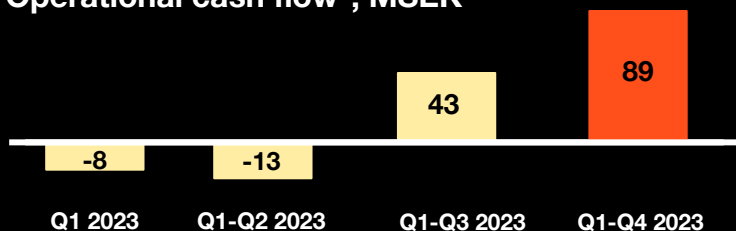
FY23 Result



Adjusted EBITDA margin



Operational cash flow*, MSEK



* Operational Cash Flow: Adjusted EBITDA less operational capex