

Storytel beats forecast for the third quarter of 2020

Storytel had an average of 1,360,300 paying subscribers in the third quarter of 2020, which is an increase of 103,300 customers compared to the second quarter of 2020, and exceeding the forecast of 1,345,000 paying subscribers that was previously estimated. The annual subscriber growth in the third quarter of 2020 was 345,900 customers compared to the third quarter of 2019. Streaming revenues for the second quarter of 2020 came in at 490.2 MSEK, compared to the forecasted 483.5 MSEK. Annual revenue growth amounts to 23%.

The average number of paying Storytel subscribers in the Nordic segment in the third quarter of 2020 was 902,000, which corresponds to 12,000 paying subscribers above forecast and a customer base increase of 166,000 subscribers compared to the third quarter of 2019. Streaming revenues in the Nordics came in at 394.5 MSEK, which was 5.5 MSEK above forecast. The ARPU for the Nordic segment came in at 120 SEK, which was in line with forecast.

In the Non-Nordic segment, the average number of subscribers grew by 65% compared to the third quarter of 2019 and totalled 458,300, which corresponds to an annual growth of 179,900 paying subscribers and an increase of 34,600 customers compared to the second quarter of 2020. This exceeded the previously communicated forecast of 455,000 subscribers for the third quarter of 2020. Streaming revenues for the Non-Nordic segment totalled 95.8 MSEK in the third quarter of 2020, corresponding to an annual revenue growth of 63%.

“Storytel saw an increased demand for the service and an influx of customers that exceeded expectations regarding both subscriber and revenue growth for the third quarter – a period that historically is the strongest of the year in our industry. In a world where the Covid19 pandemic affects the everyday life of the entire global community, Storytel continues to successfully create value for authors, publishers and its growing customer base, both in the Nordic and the Non-Nordic segments”, says Jonas Tellander, founder and CEO of Storytel.

“The consumers’ growing interest and commitment to Storytel and audiobooks spurs us on in our long-term investment to making the most attractive stories easily accessible for everyone, everywhere and at any time. Our acquisitions of the Arabic audiobook service Kitab Sawti, the Israeli audiobook service iCast, the leading Icelandic publisher Forladið and the Nordic audiobook production company Earselect in the recent months, underline the conviction in Storytel’s global expansion”, says Jonas Tellander.

Table 1: Key performance indicators for Streaming and Print Publishing

Currency: SEK 000's	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q3 2020
Streaming Total					Actual⁶	Forecast¹
Revenue	399,178	421,454	429,251	459,115	490,234	483,500
Contribution Profit ^{2,6}	53,043	58,977	92,611	100,493		
Contribution Margin	13.3%	14.0%	21.6%	21.9%		
Avg. Paying Subscribers ³	1,014,400	1,083,400	1,154,800	1,257,000	1,360,300	1,345,000
ARPU ⁴ (SEK/Month)	131	130	124	122	120	120
Streaming Nordics⁵						
Revenue	340,315	352,222	349,768	366,322	394,453	389,000
Contribution Profit ^{2,6}	109,563	115,689	113,476	107,176		
Contribution Margin	32.2%	32.8%	32.4%	29.3%		
Avg. Paying Subscribers ³	736,000	757,600	785,800	833,300	902,000	890,000
ARPU ⁴ (SEK/Month)	154	155	148	147	146	146
Streaming Non-Nordics						
Revenue	58,863	69,233	79,484	92,793	95,781	94,500
Contribution Profit ^{2,6}	-56,521	-56,713	-20,866	-6,684		
Contribution Margin	-96.0%	-81.9%	-26.3%	-7.2%		
Avg. Paying Subscribers ³	278,400	325,800	369,000	423,700	458,300	455,000
ARPU ⁴ (SEK/Month)	70	71	72	73	70	69

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, external production costs, transaction/payment costs and marketing costs. Storytel Reader and Ztory are not included in Streaming.

3 Avg. Paying Subscribers means the average number of paying Storytel subscribers during the quarter. Stand-alone customers from Ztory are not included. For Family subscriptions, each standard stream (not so-called Kids Mbde) is considered one paying customer.

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

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

6 Storytel has chosen to voluntarily apply the capitalisation model instead of the expensing model regarding internally developed intangible assets. In this table, the development of our digital catalogue will be capitalised and no longer treated as an expense as of Q1 2020.

FNCA Sweden AB is the company's certified adviser. FNCA can be reached at info@fnca.se or +46 8 528 00 399.

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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 500 000 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 20 markets around the globe and is headquartered in Stockholm, Sweden.