



Storytel presents mid-term financial targets and strategic direction to further strengthen its leading position

At today's Capital Markets Day in Stockholm, Storytel's CEO Johannes Larcher and members of the Group Executive Management Team, will provide a detailed update on the Group's strategic direction and operations, as well as present new mid-term financial targets.

Mid-term financial targets

The Board of Directors in Storytel has decided on the following mid-term financial targets:

Revenue

- Total Net Sales to reach at least 5,000 MSEK in 2026 through organic growth.
- Organic average annual streaming revenue growth of 15 percent.

EBITDA margin

- EBITDA margin of at least 12 percent in 2026, with a long-term ambition of 15 percent or higher.

CAPEX

- CAPEX of about 5 percent of Group revenue.
- Positive and significant increase in Operational Cash Flow from 2023.

“Together with the Board, my Executive Management Team and I have now set the direction for our strategic journey going forward and how we will deliver, step by step, in accordance with our mid-term financial targets. Storytel is a well-positioned leader in the fast growing audiobooks sector, and our strategy of operating both D2C Streaming services and leading Publishing houses provides us with valuable advantages. In Streaming, we have a proven business model with a current EBITDA margin of over 20 percent in the Nordics and the US, excluding central overhead. We will allocate our resources to markets with the right conditions for success, and by increasing our subscriber base to more than 3.2 million paid subscribers by 2026, we are in a position to deliver growth with increased profitability over time,” says **Johannes Larcher**, CEO of Storytel since October 2022.

Combined value

Operating both Publishing and D2C Streaming businesses creates unique value for Storytel. Content from the Publishing business creates a differentiated content line-up that benefits the Streaming business, and the opportunities created by the Streaming business enhance Storytel's value proposition for authors. The combination secures content supply and provides differentiation as well as improved content economics over time.

Focus on ten core markets

The growth strategy is focused on ten selected core streaming markets with high audiobook penetration or high incremental growth potential, and includes the Nordics, US, Netherlands, Poland, Turkey and Bulgaria, in which Storytel already has a leading position. Besides the ten core markets, Storytel intends to drive a careful and capital-efficient expansion strategy in a small number of high-potential streaming markets selected from the company's earlier expansion efforts.

Stronger unit economics

Benefits from improved scale effects, higher efficiency and decreasing content costs are the main pillars of the profitable growth strategy to get to the right unit economics. Storytel sees great potential in achieving lower content cost through investing in its own content to improve profitability over time. As its subscriber and revenue base expand, Storytel expects further economies of scale in the organization and in the central overhead function.

Investments with highest return

Storytel has established structured processes with the aim to allocate resources to areas with highest return, as well as balance the right level of investment to increase profitability over time by:

- Achieving higher levels of content and product differentiation in strategic markets, as the company continues to consolidate its solid leadership position.
- Deploying sufficient marketing investment at increased levels of marketing effectiveness to drive substantial incremental revenue growth, while continuing to capture operational efficiencies and scale-effects.
- Being valued as a great place to work that will support attracting and retaining the best talent in the field.

“The high level of ambition to continue the positive trajectory of improving efficiency and scalability across the business remains unchanged. Continued investments in content as well as tech and product development, combined with efficient marketing and streamlined operational processes, are the foundation for our sustained and profitable growth journey ahead,” says **Johannes Larcher**, CEO of Storytel.

The CMD will take place today at IVA Konferenscenter, Grev Turegatan 16 in Stockholm at 14:00–17:00 CEST, followed by a mingle. Doors will open from 13:30 CEST. The presentations will be held in English and will be streamed live and made available on Storytel's website.

Registration is required, both for the physical event and the livestream, via the following link: http://storytel-invite.creo.se/2023/storytel_capital_markets_day_2023

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This information constitutes inside information that Storytel AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 13 June 2023 08:30 AM CEST.

FNCA Sweden AB is the company's certified adviser.

About Storytel

Storytel is one of the world's largest audiobook and e-book streaming services and offers more than one million titles on a global scale. Our vision is to make the world a more empathetic and creative place, with great stories to be shared and enjoyed by anyone, anywhere and anytime. The streaming business within the Storytel Group is conducted under the brands Storytel, Mofibo and Audiobooks.com. The publishing business is managed by Storytel Books, and by the audiobook publisher StorySide. The Storytel Group operates in over 25 markets. The headquarters is located in Stockholm, Sweden.