



Storytel meets its forecast for Q4, 2018

During the fourth quarter of 2018, Storytel had on average 768,700 paying subscribers¹, an increase of nearly 48,000 subscribers compared to the third quarter of 2018, and somewhat higher than the published forecast of 765,000 paying subscribers. Streaming revenue for the fourth quarter of 2018 also beat expectations at app. 291.3 MSEK (as compared to the forecast of 290 MSEK), indicating a 39.2% annual growth rate.

During the fourth quarter of 2018, the average number of Swedish subscribers totalled 345,000, or 4,200 more than forecast. In addition, revenue forecasts were surpassed by approximately 2.5 MSEK, and Swedish streaming revenue totalled 140 MSEK during the fourth quarter of 2018. The increase of subscribers in Sweden was partially spurred on by the introduction of the Family Subscription which was introduced in December. In total, the Swedish subscriber base increased by 52,500 subscribers during 2018, in line with Storytel's goals for the year.

“After a well-executed effort involving a large proportion of the organisation, we’ve now developed our version of a family subscription plan, which has initially been very well received by our customers. With individual accounts and a special focus on children through our Kids Mode, we’ve developed a solution which we believe fits the entire family. A few weeks after its introduction, we can already see a large number of customers upgrading to the new plan, and we look forward to seeing how it progresses throughout 2019 as we introduce the plan to markets outside of Sweden, Norway, Denmark, Finland and Iceland,” says CEO Jonas Tellander.

During the fourth quarter of 2018, the average number of international subscribers was 423,500, slightly lower than the forecast though still in line with expectations, and representing an increase of 39,000 paying subscribers compared to the third quarter of 2018. International streaming revenue totalled approximately 151 MSEK during the fourth quarter of 2018, about one million SEK lower than forecast. During 2018, the total number of international subscribers increased by 182,000.

“During 2018 our annual subscriber growth rate outside of Sweden was 76%, in line with our goals. Our international expansion the last few years has been fairly aggressive, and during the quarter we launched in two new markets Mexico and Bulgaria, all according to our plan of opening in six new markets last year,” says CEO Jonas Tellander.

¹ Paying subscribers refers to customers paying to use the service. On a Family plan, each full content stream (not Kids-Mode) is counted as a paying subscriber.



Key numbers for Streaming

Currency: thousand SEK	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Streaming Total						
Revenue	197 881	209 225	222 133	239 139	279 979	291 315
Contribution Profit ¹	27 784	30 277	24 079	25 045	22 063	
Contribution Margin	14,0%	14,5%	10,8%	10,5%	7,9%	
Paying Subscribers	503 900	533 400	577 900	621 200	720 900	768 700
ARPU ² (SEK/Month)	131	131	128	128	129	126
Streaming Sweden						
Revenue	113 709	118 038	122 046	125 759	135 986	139 977
Contribution Profit	32 872	38 501	43 067	35 763	40 888	
Contribution Margin	28,9%	32,6%	35,3%	28,4%	30,1%	
Paying Subscribers	282 300	292 700	305 100	314 700	336 200	345 200
ARPU (SEK/Month)	134	134	133	133	135	135
Streaming International³						
Revenue	84 172	91 187	100 087	113 380	143 993	151 338
Contribution Profit	-5 088	-8 224	-18 988	-10 718	-18 826	
Contribution Margin	-6,0%	-9,0%	-19,0%	-9,5%	-13,1%	
Paying Subscribers	221 600	240 700	272 800	306 500	384 700	423 500
ARPU (SEK/Month)	127	126	122	123	125	119

1. Contribution Profit is defined as streaming revenue minus costs for content (licensed content and in-house productions) and marketing. Storytel Reader is not included in Streaming.

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

3. Storytel Norway included in figures @ 100%. In the consolidated group accounts Norway is reported according to the principle of proportional consolidation.

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About Storytel

The Storytel group consists of two divisions, Streaming and Publishing. The Streaming division currently offers a subscription service for audio books and e-books under the brand names Storytel and Mofibo in Sweden, Norway, Denmark, Finland, Iceland, The Netherlands, Poland, Russia, Spain, India, the United Arab Emirates, Turkey, Italy, Mexico and Bulgaria. The Streaming division also publishes audio books and Storytel Originals, mainly through the audio-book publisher Storyside. The Publishing division consists of the publishers Norstedts, Massolit, Printz Publishing, the Danish People's Press, Storytel Publishing, Rabén & Sjögren and B. Wahlströms, as well as Norstedts Kartor