

Acast

Interim Report Jan-Sep 2023

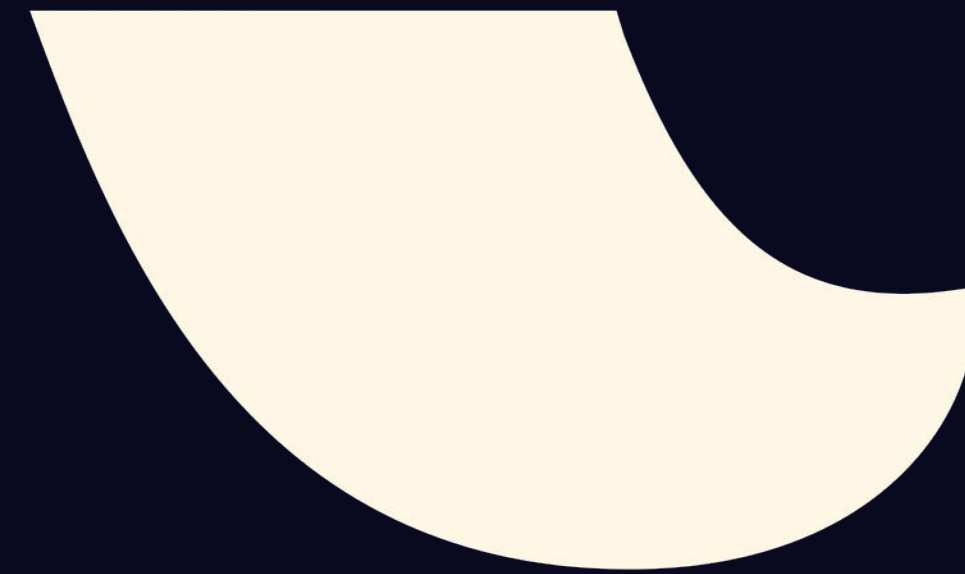
7 Nov 2023

www.acast.com





Hello!
We're Acast.



In The “Room”



Ross Adams

CHIEF EXECUTIVE OFFICER



Emily Villatte

CHIEF FINANCIAL OFFICER & DEPUTY CEO

ACAST'S BUSINESS STRATEGY IS To create the world's most valuable podcast marketplace

PODCAST CREATORS



1.3BN LISTENS / QTR

100,000+ SHOWS

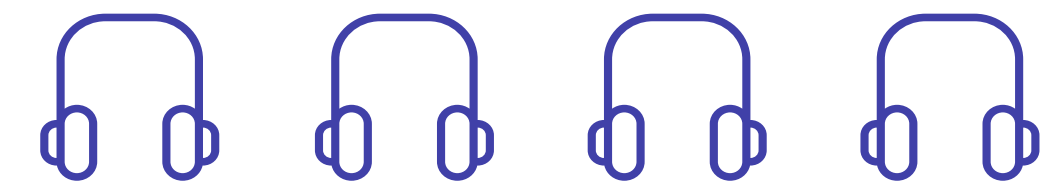
Acast

We're doing that by providing a **world-class experience** for podcasters, advertisers and listeners, laying the foundations for robust revenue streams for both Acast and its stakeholders

ADVERTISERS & LISTENERS



2,300 ADVERTISERS / YEAR

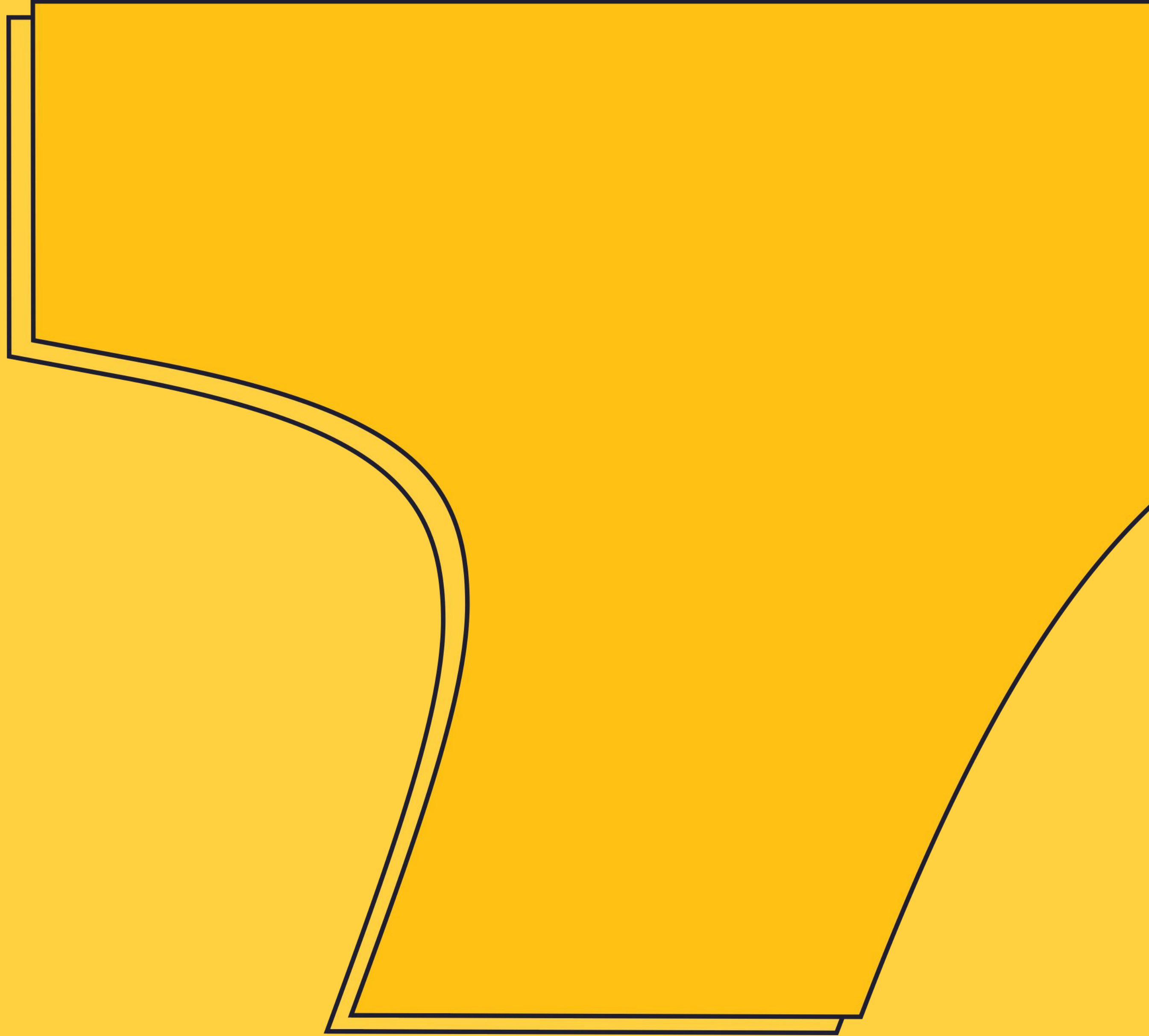


100M+ MONTHLY UNIQUES⁽¹⁾

(1) UNIQUES DEFINED AS UNIQUE COMBINATION OF IP ADDRESS AND DEVICE

1

CEO Update



Financial highlights Q3 2023

32%

**NET SALES
GROWTH**

35%

**GROSS
MARGIN**

-6%

**EBITDA
MARGIN**

On track towards profitability

Podcast advertising

An increasingly effective advertising channel

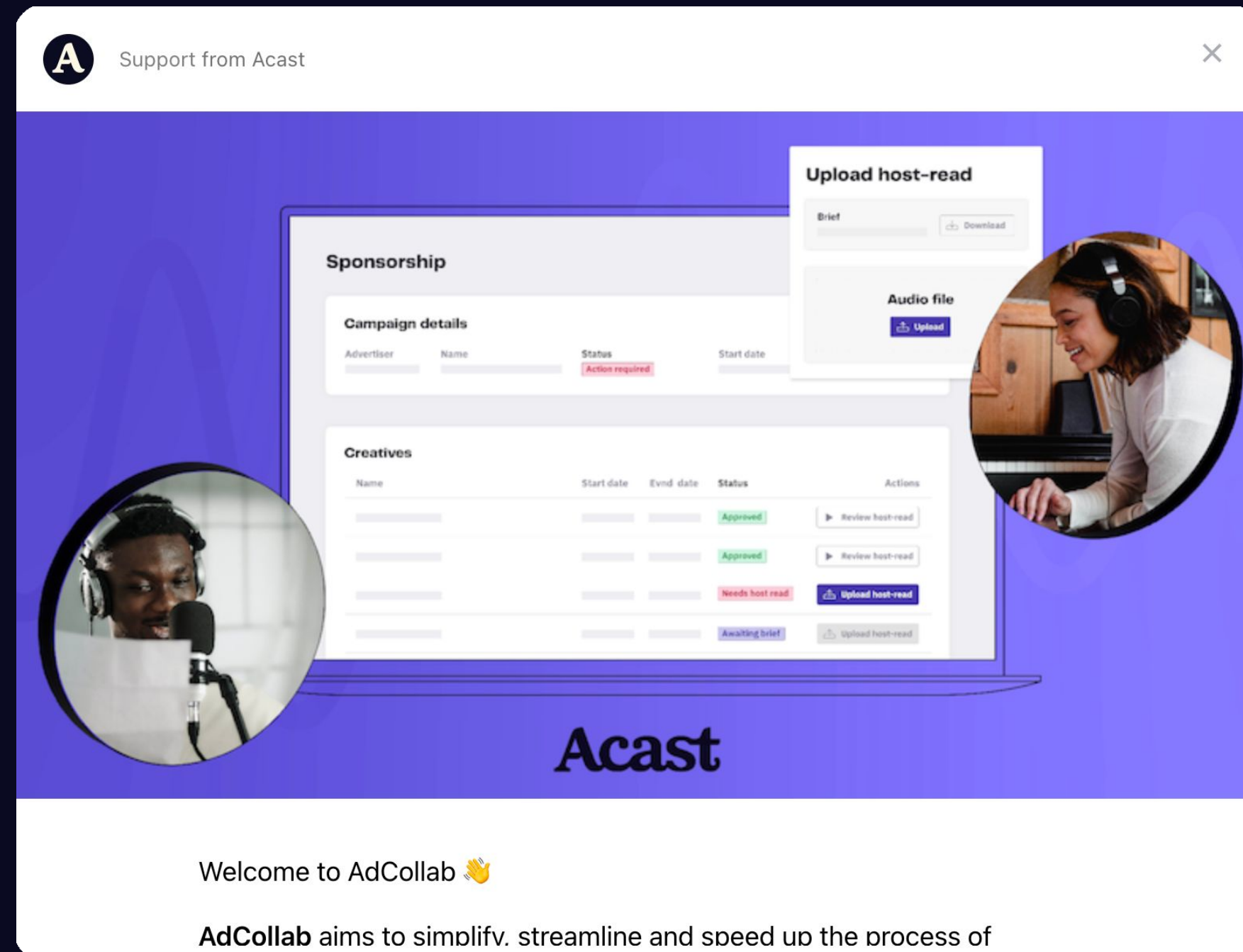


AI-powered show collections



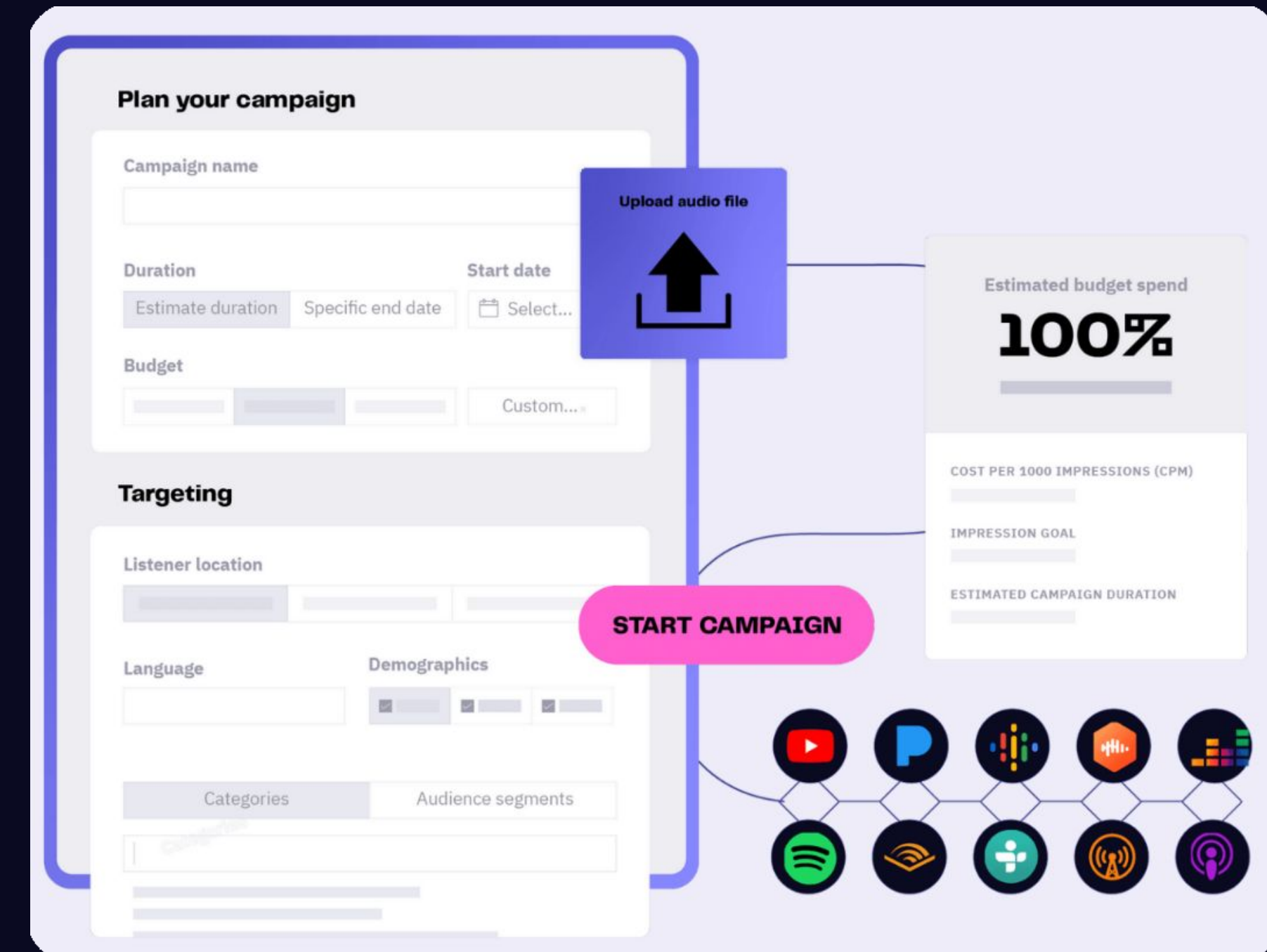
Finding audiences through AI

Efficiency through development of **scalable sales channels**



AdCollab

85% reduction in booking lead time



Self-Serve

Full-year annual target reached

New partnerships with leading podcast publishers

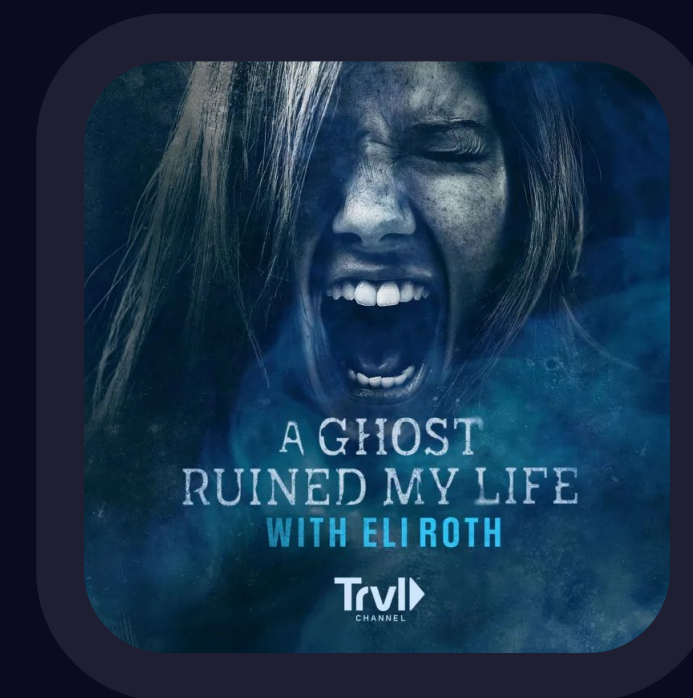
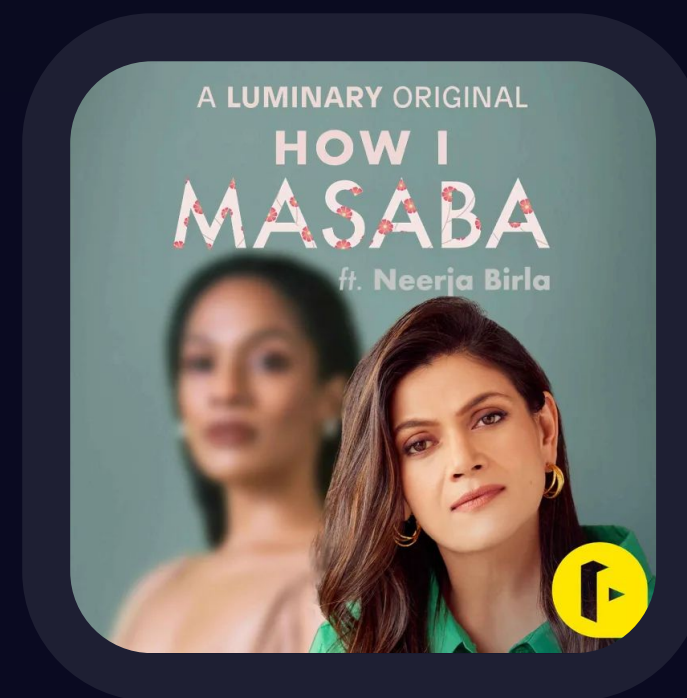
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Luminary

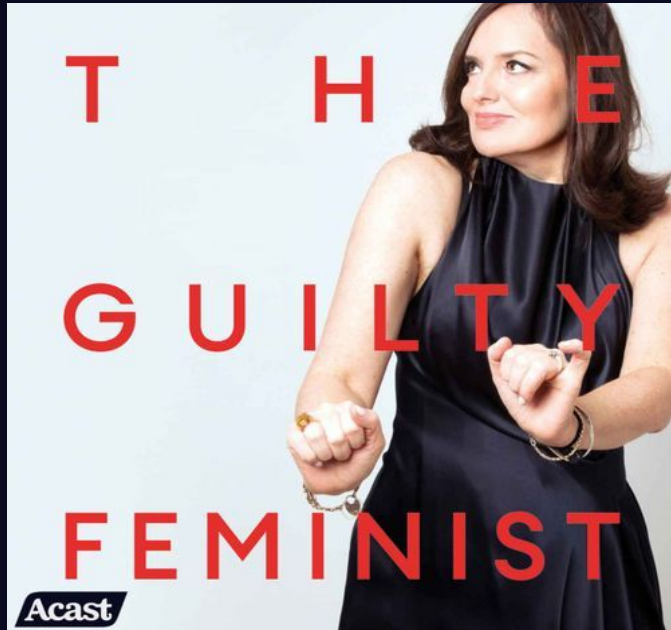


WARNER BROS.
DISCOVERY

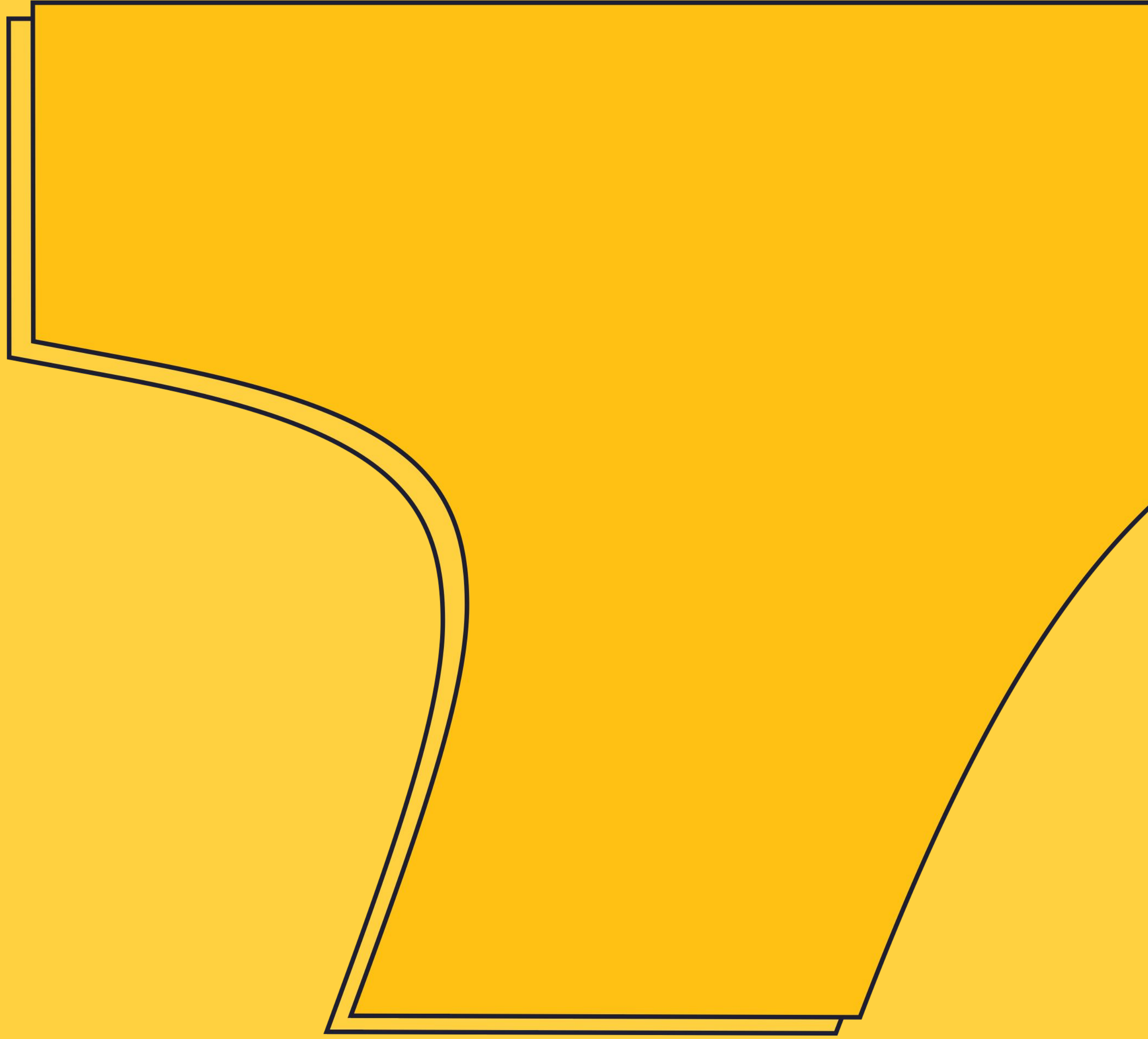
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Strengthened relationships with **largest podcasts**

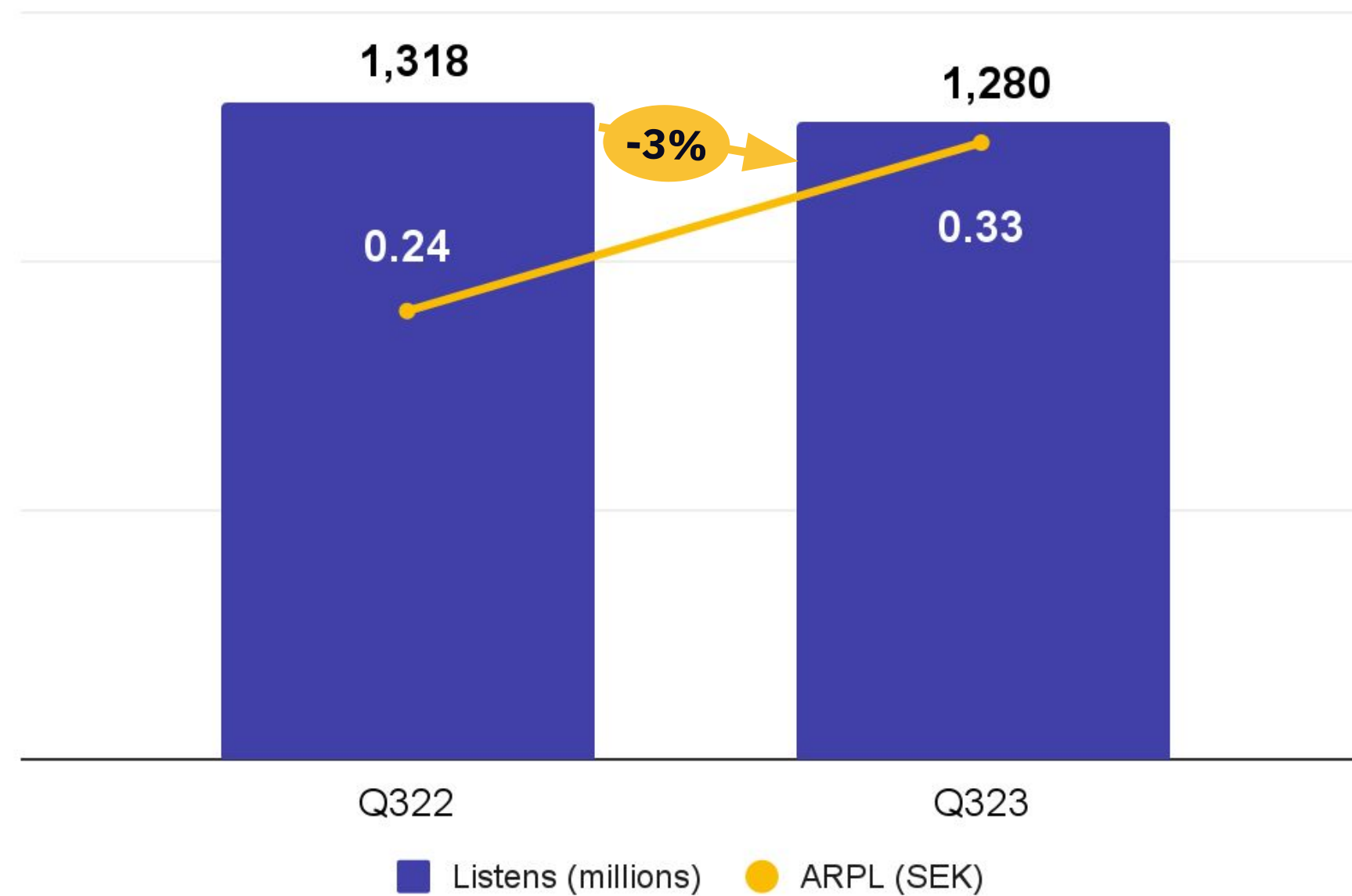


Financials



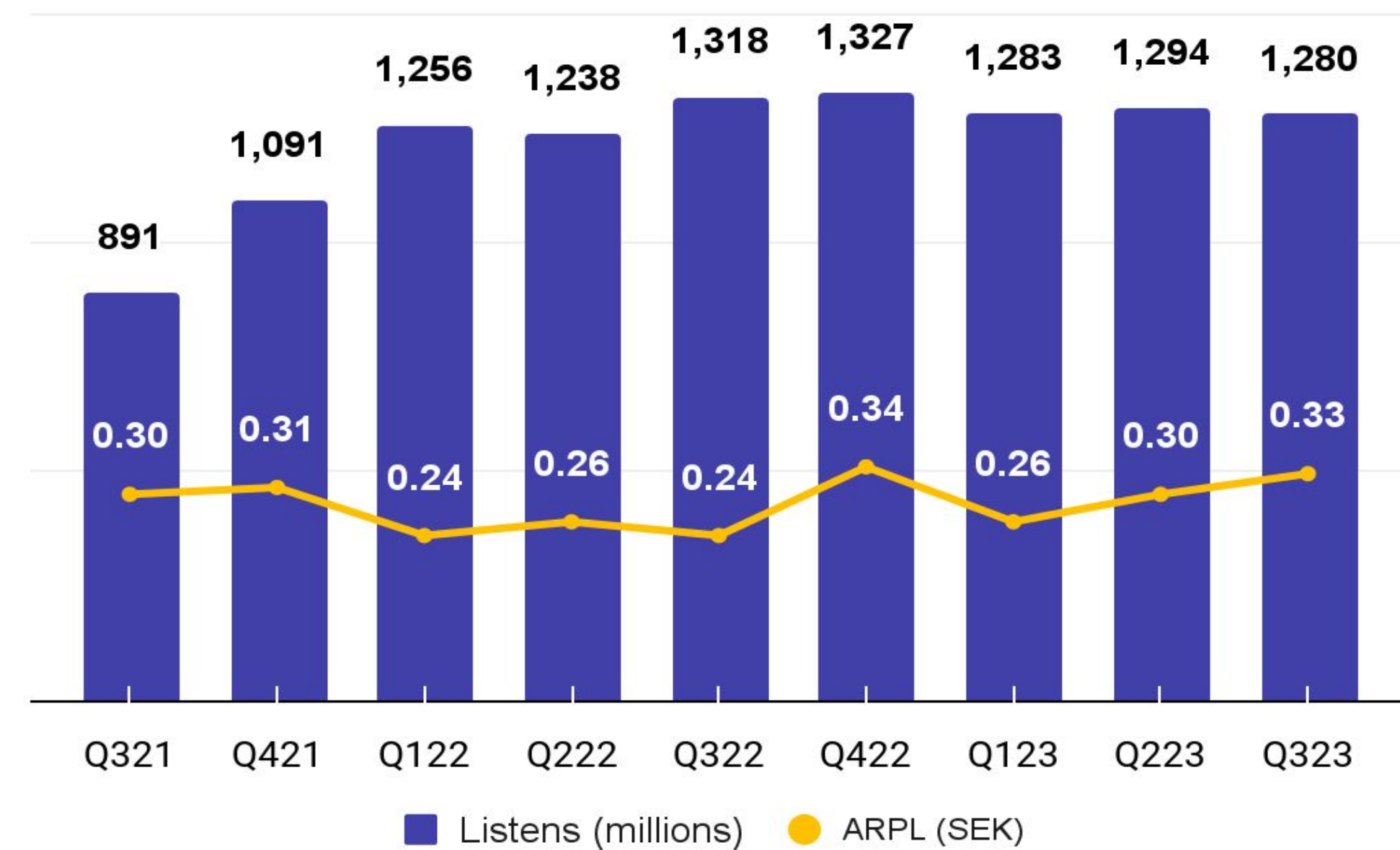
Significant **monetization improvement**

Listens YoY



- Monetization of existing listens portfolio has increased, resulting in ARPL growth of 36% in the quarter
- iOS17 roll out has had a minor negative impact on listens in the quarter

Quarterly Listens

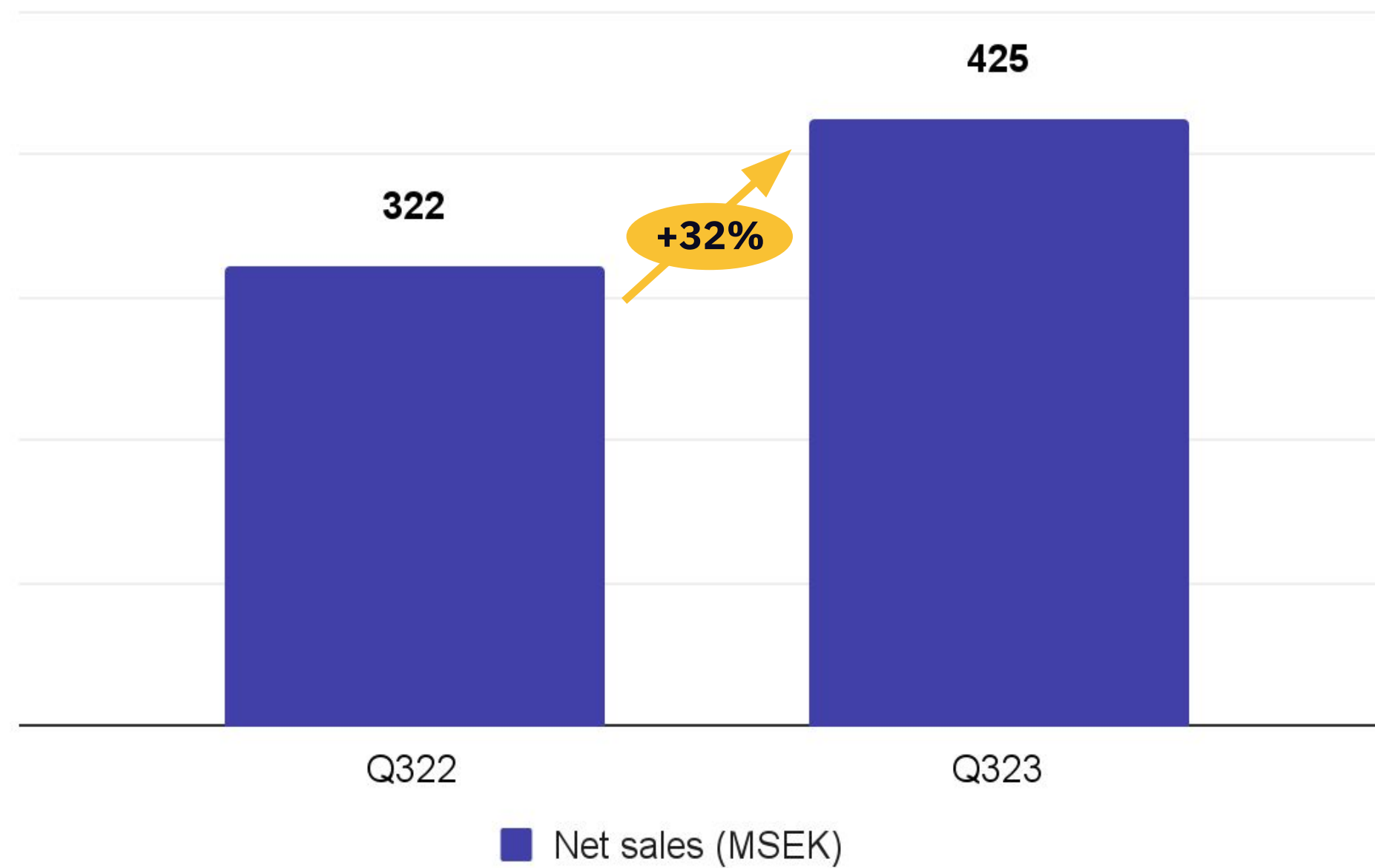


- Compared to prior quarters listens steady at 1.3Bn

Note: Number of listens based on Acast's IAB 2.0 certified measurement. A listen is defined as a minimum download of at least 60 seconds of the episode and Acast only count one listen per listener per episode within 24 hours.
ARPL: Average Revenue Per Listen measured in SEK

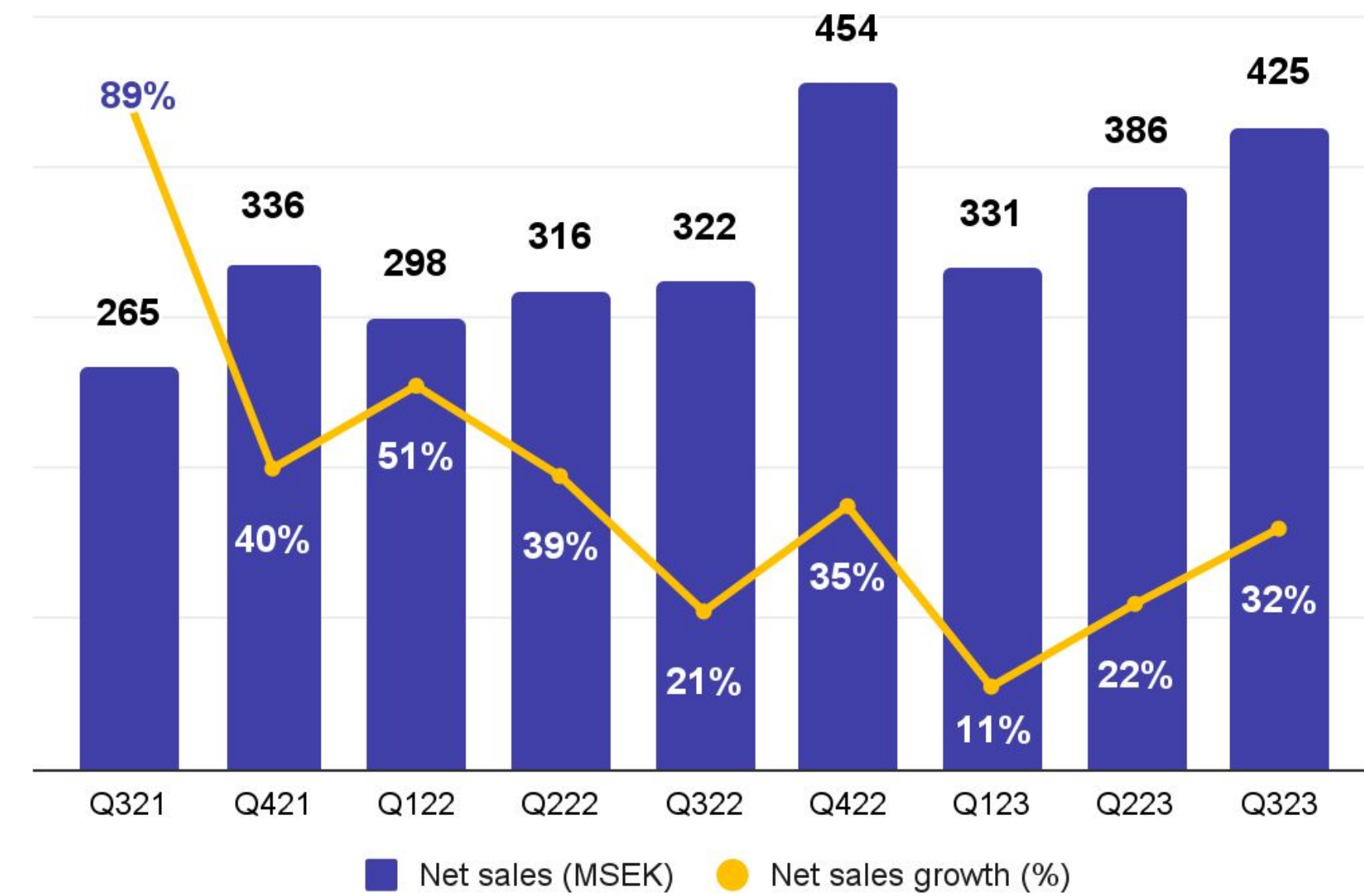
Net sales growth of 32%

Net Sales YoY (SEKm)



- Organic growth was 26% in the quarter - FX +5% and Podchaser acquisition +1% contributions

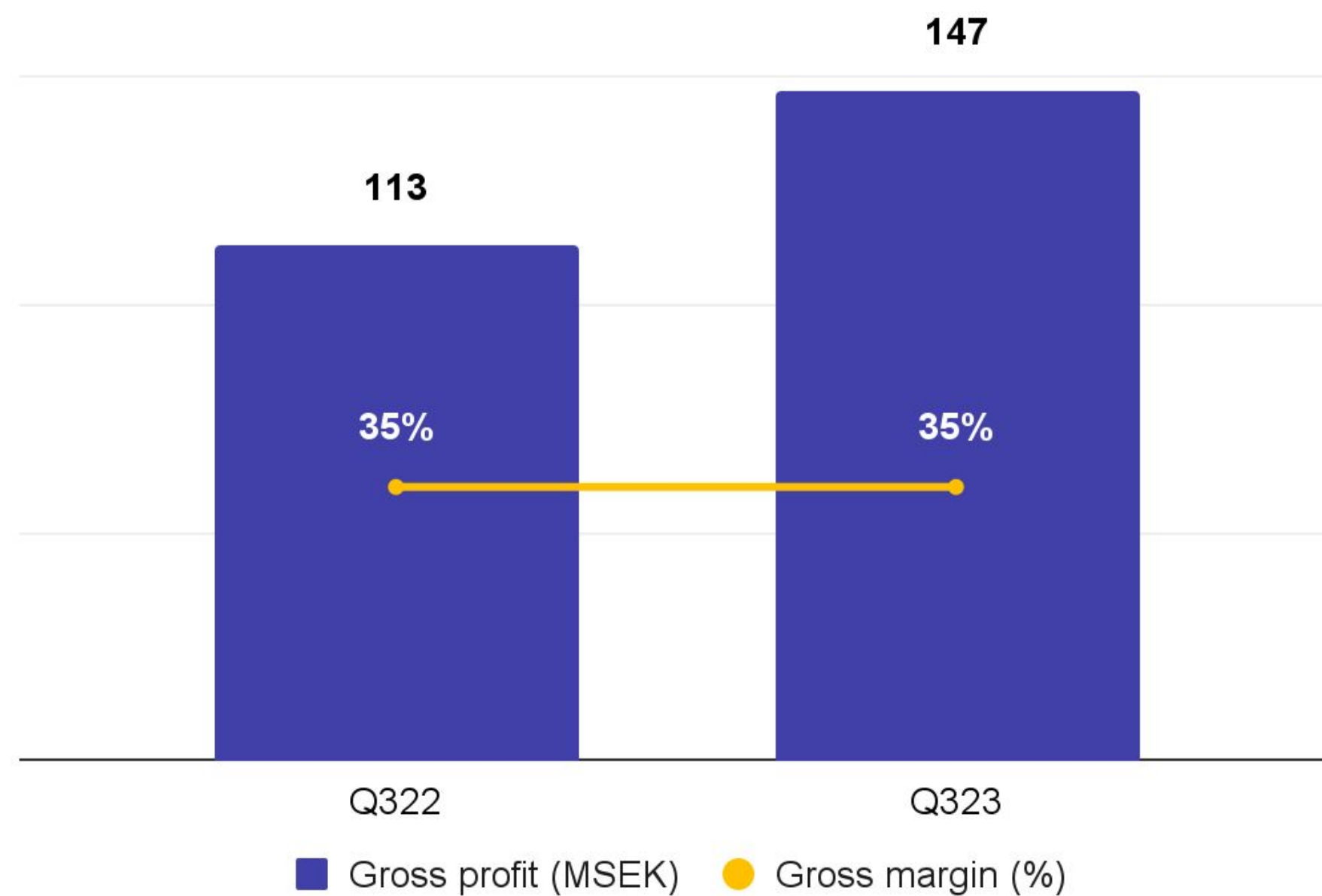
Quarterly Net Sales (SEKm)



- Higher revenue growth in Q3-23 compared to Q2-23

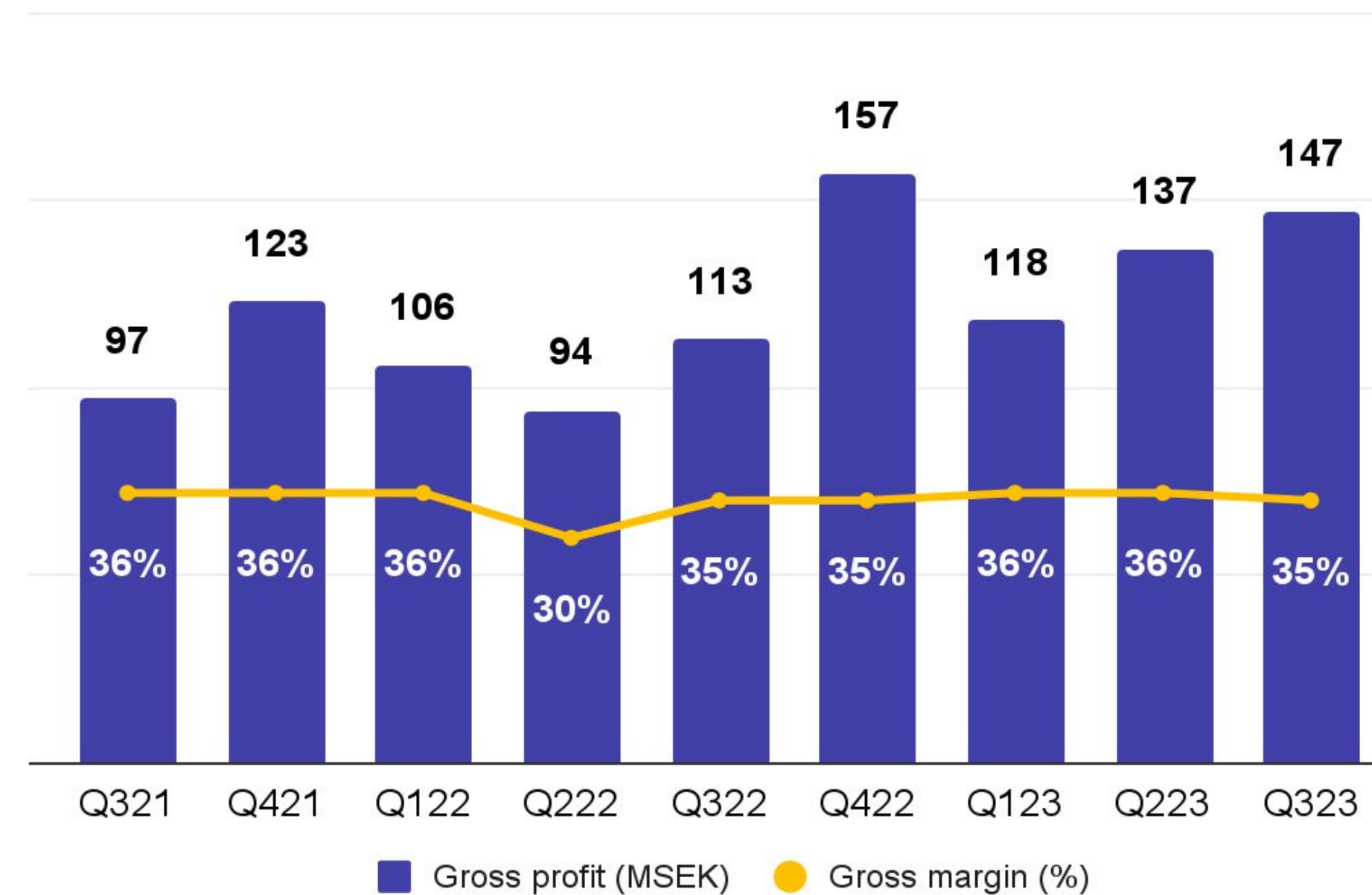
Stable gross margin with underlying improvements

Gross Profit (SEKm)



- Negative impact on the gross margin, from certain larger podcast guarantee contracts affected by Apple's ongoing roll out of iOS17 of -5%
- Underlying gross margin excluding guarantee contracts / iOS17 was 40%

Quarterly Gross Profit (SEKm)

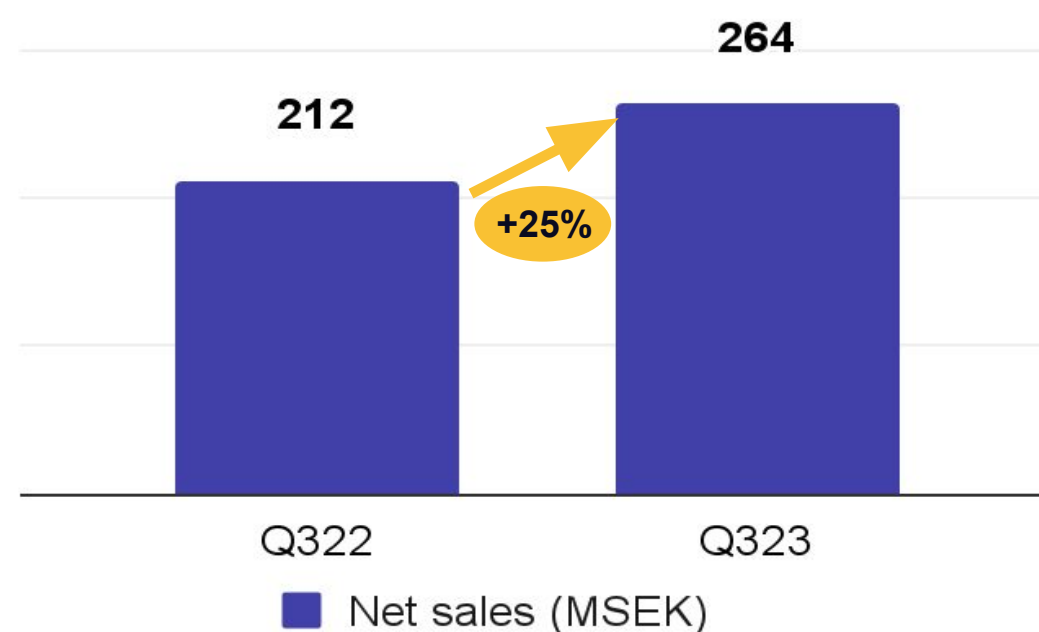


- Overall stable gross margin over the last 5 quarters

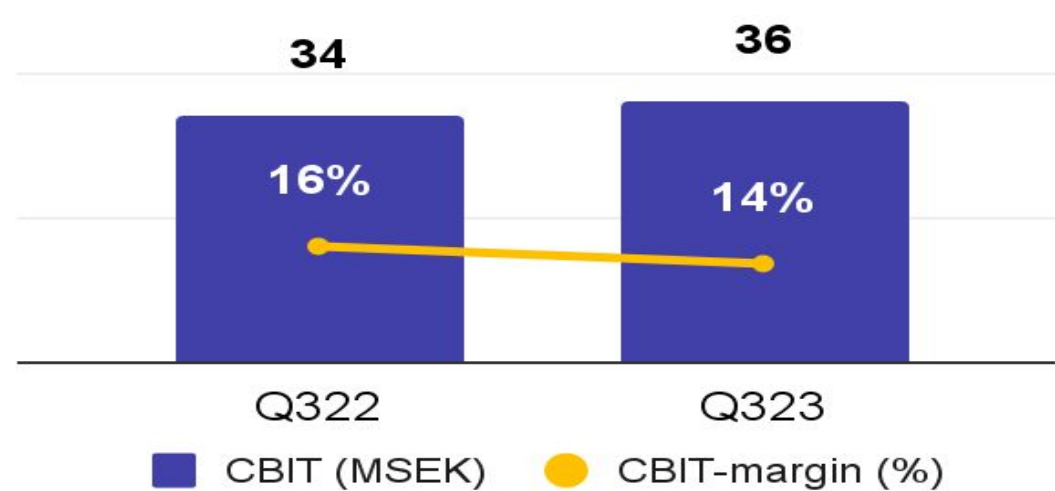
North America remains an important growth driver

Europe

Net Sales (SEKm)



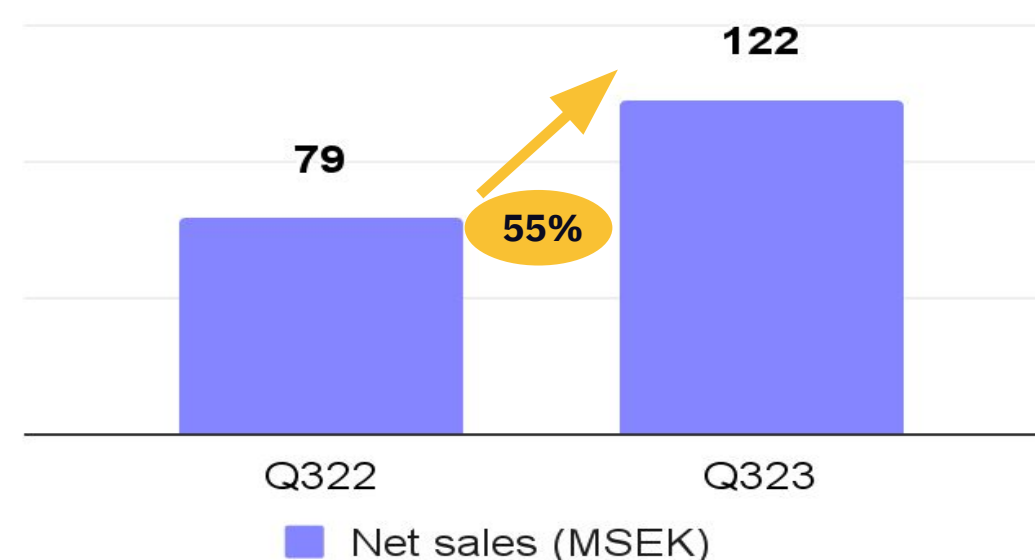
CBIT⁽¹⁾ (SEKm)



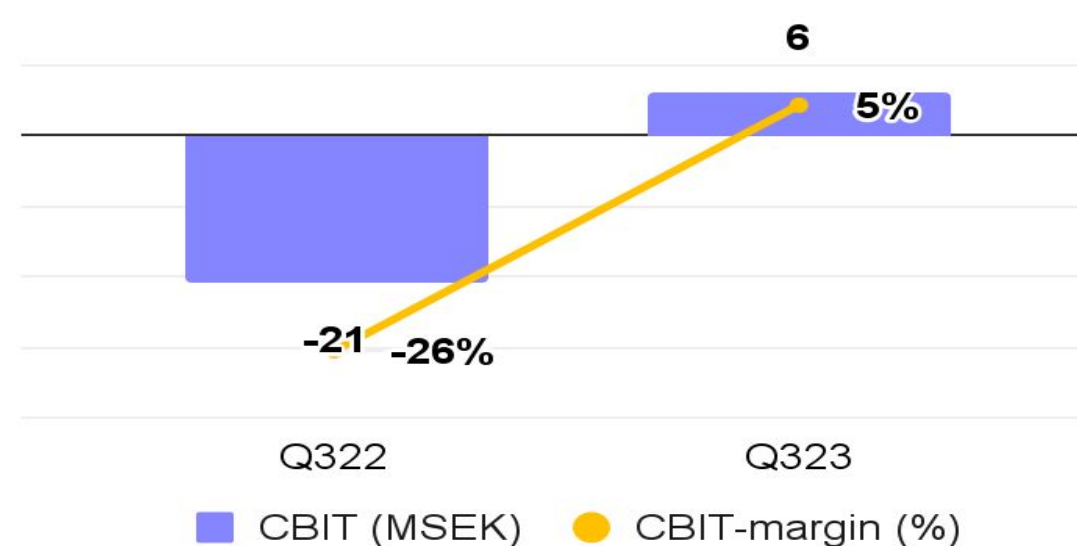
- CBIT impacted by podcast contracts / iOS17

North America

Net Sales (SEKm)



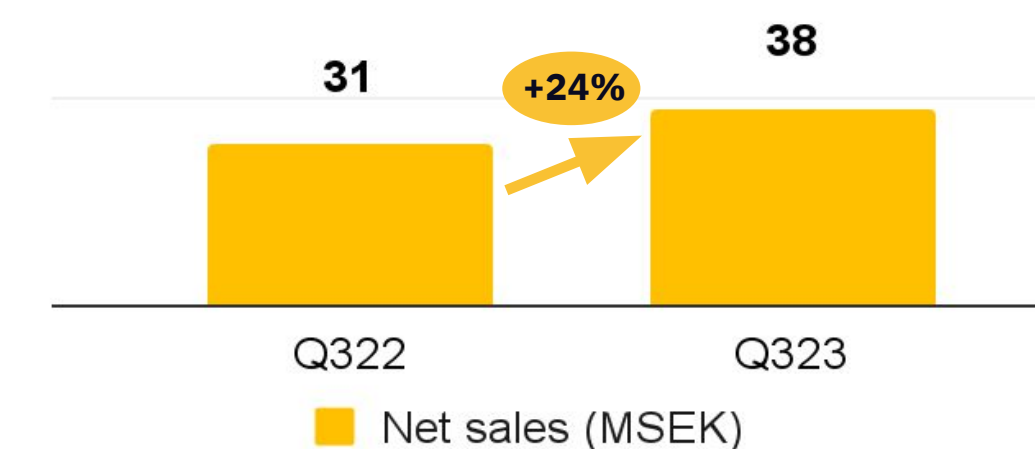
CBIT⁽¹⁾ (SEKm)



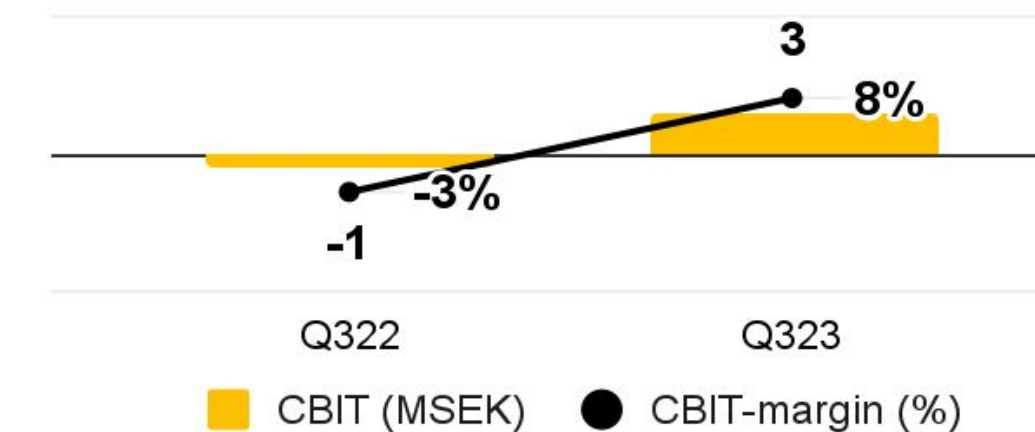
- North America net sales growth improved compared to Q2

Other Markets

Net Sales (SEKm)



CBIT⁽¹⁾ (SEKm)

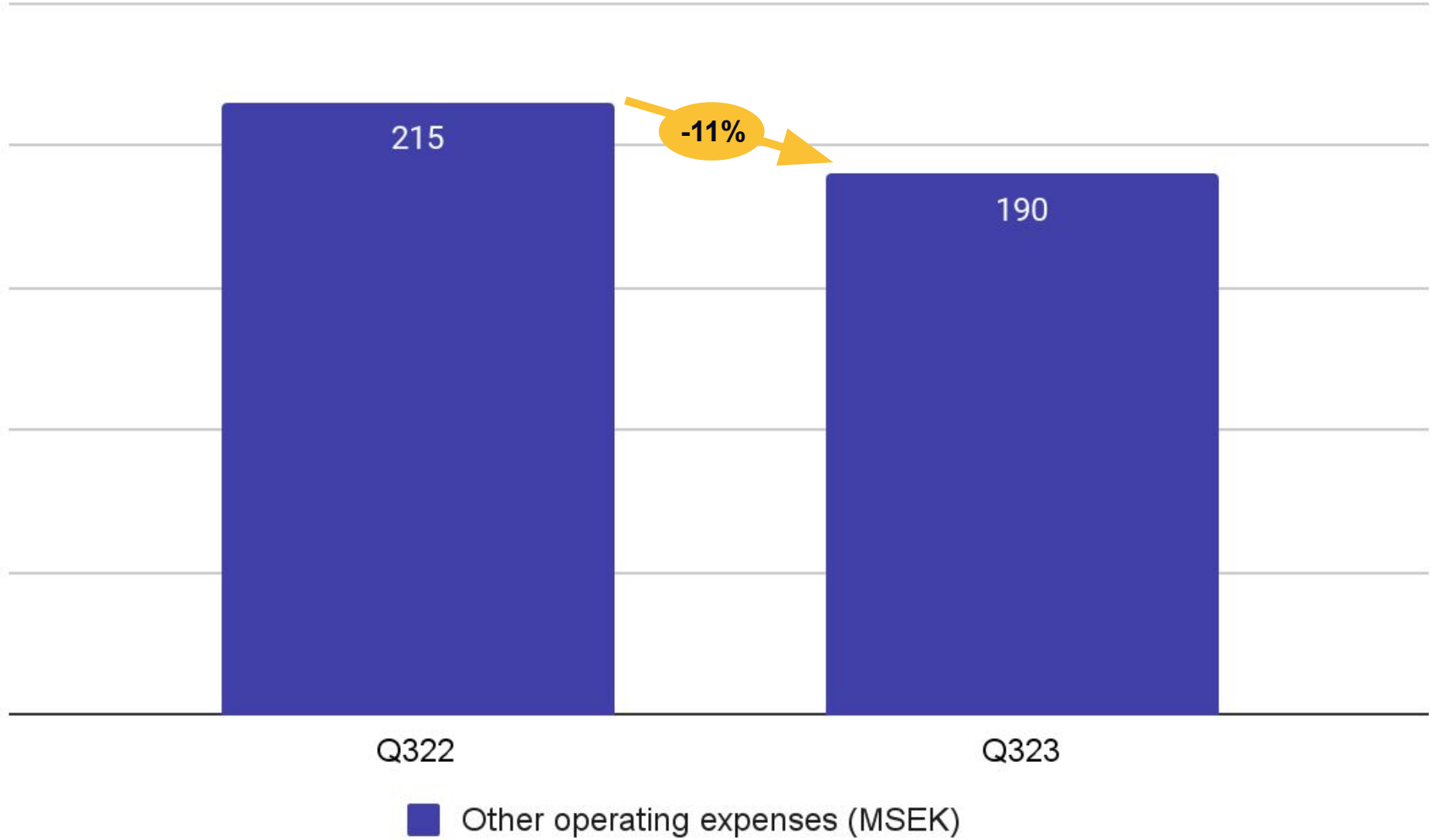


- Continued progress in Other Markets

(1) CBIT refers to a local market or segment's operating profit before allocation of global costs

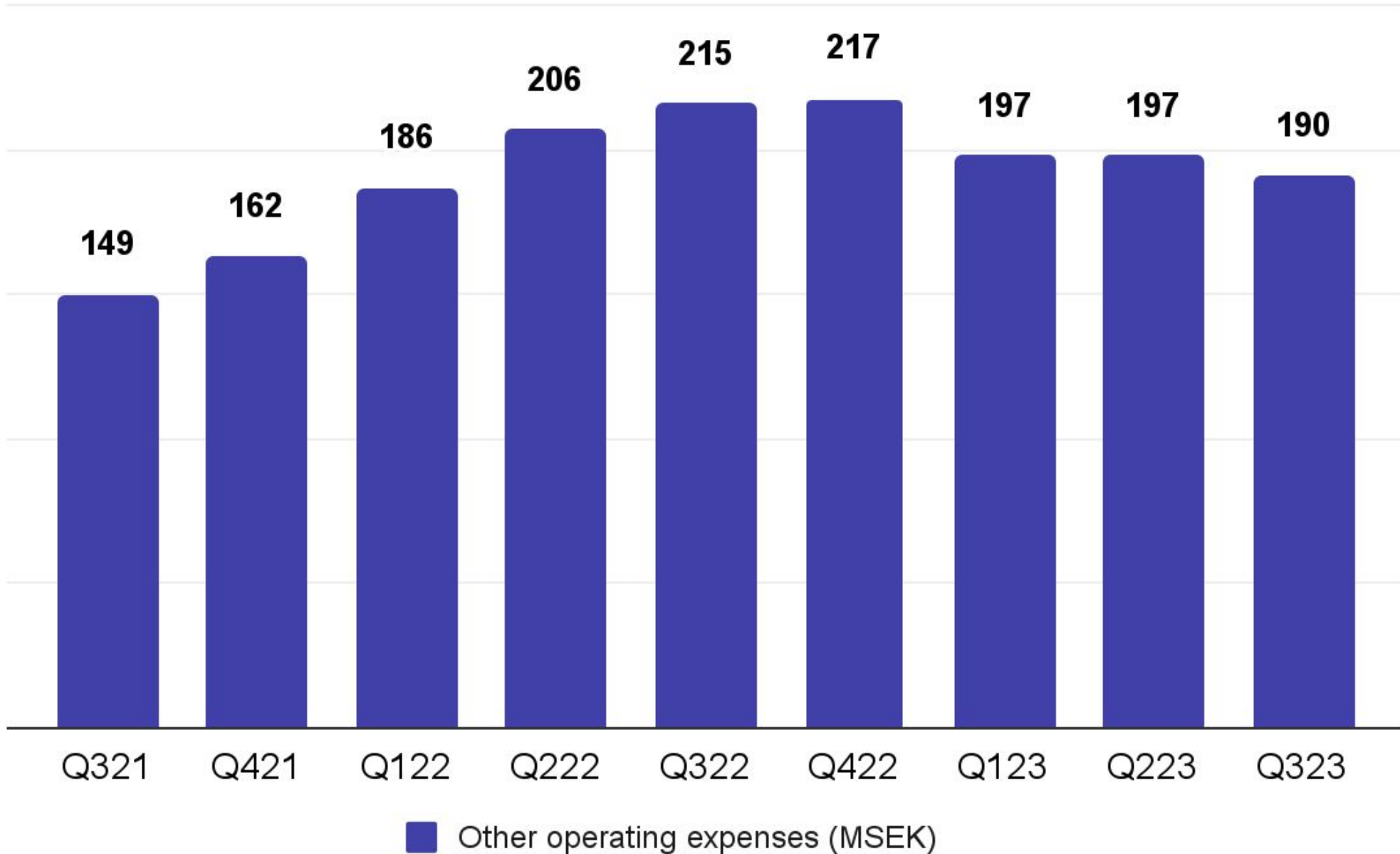
Diligent expense management delivers 11% YoY reductions

Other Operating Expenses (SEKm)



- Following the reduction of staff in Q3 and Q4 of 2022 there is ongoing focus on cost efficiencies

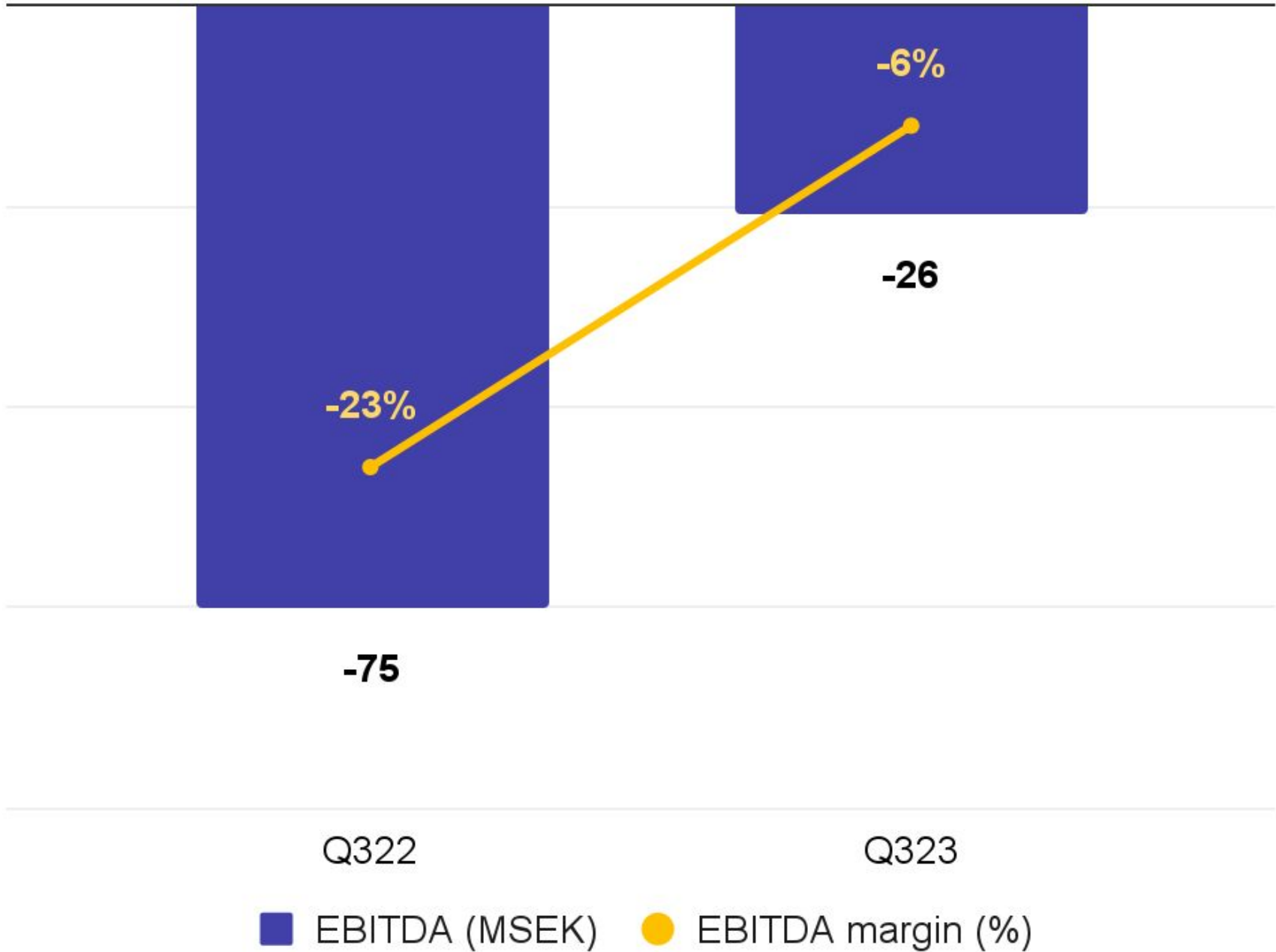
Quarterly Other Operating Expenses (SEKm)



- Staffing has continued to reduce: Q1 2023: 400 full time employees and consultants, Q3 2023: 374

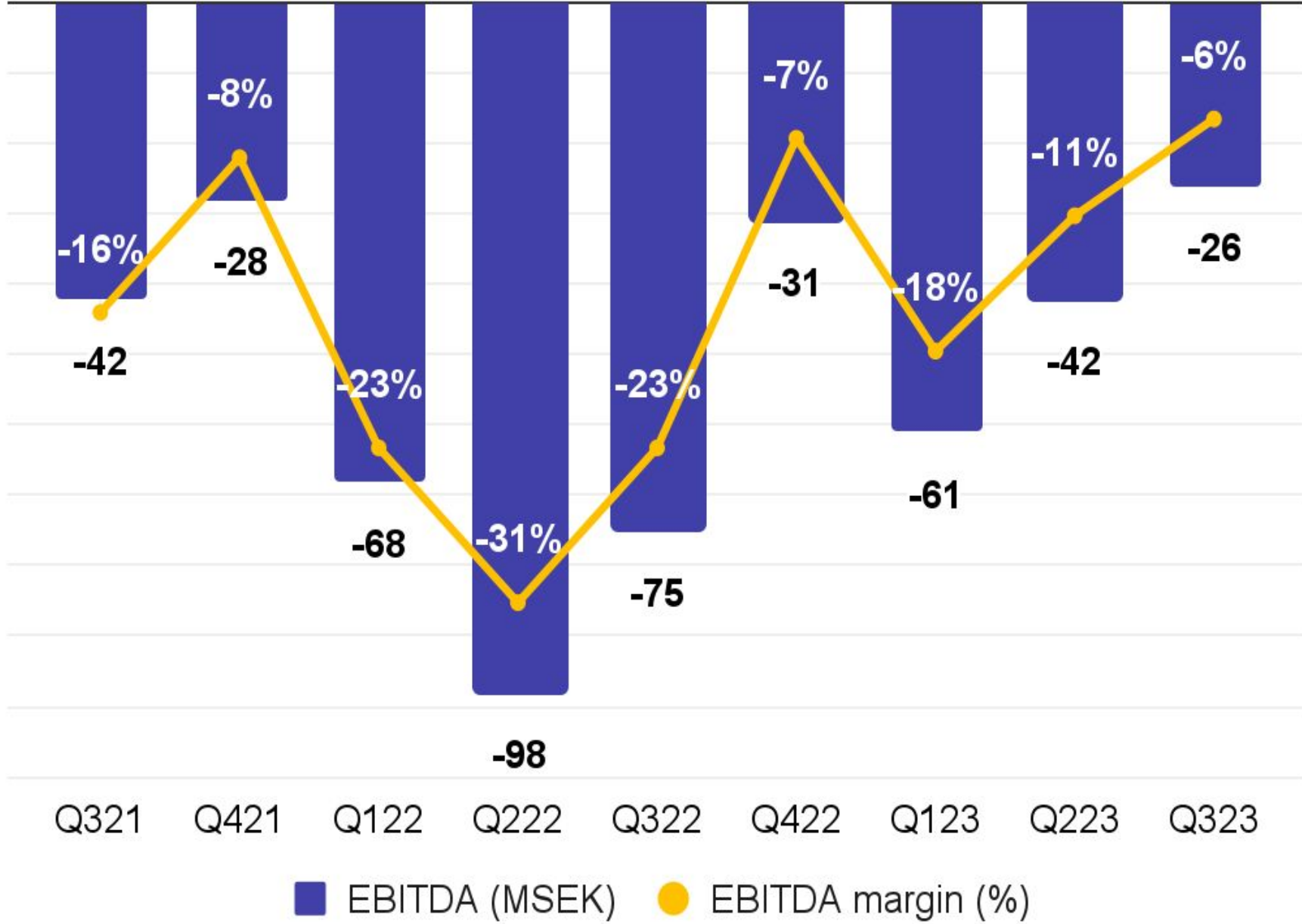
Balancing growth and cost control leads to EBITDA improvement

Adj. EBITDA (SEKm)



- Impact from iOS17 of c. 22MSEK were not adjusted the quarter without which Acast would be near break even

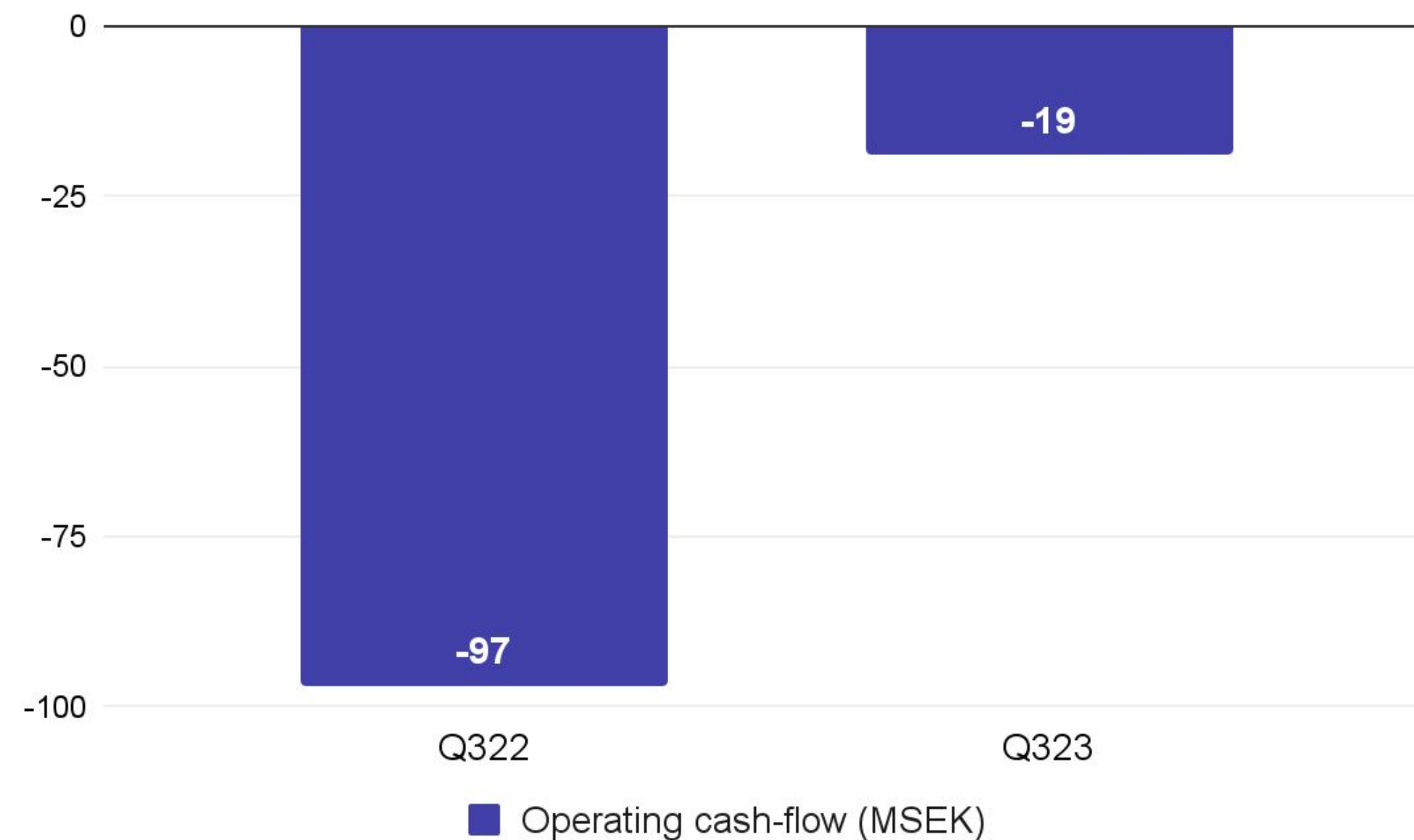
Quarterly Adj. EBITDA (SEKm)



- Adj. EBITDA development is subject to usual seasonality
- On track towards profitability in 2024

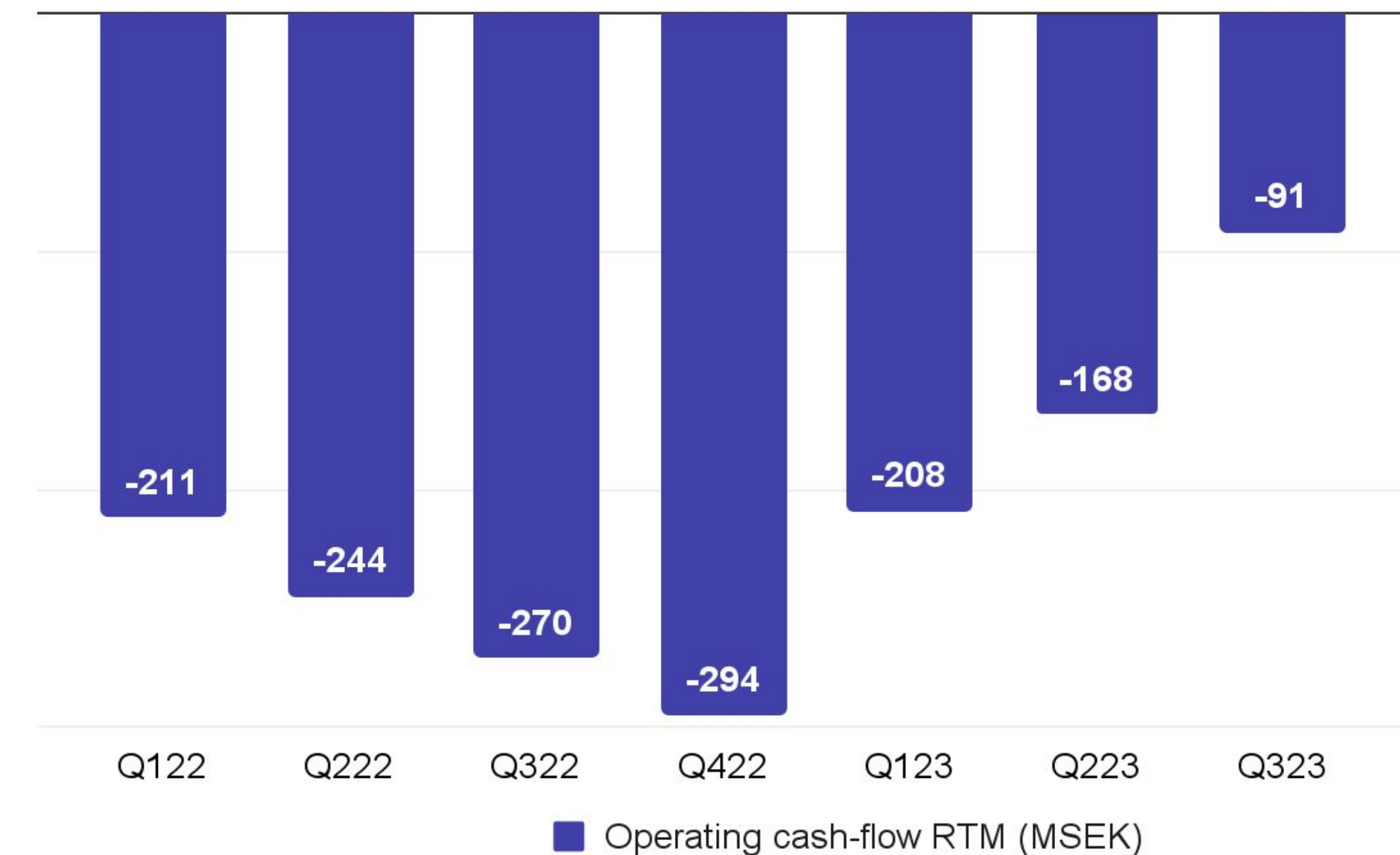
Significant improvement in operating cash flows

Cash flow from operating activities (SEKm)



- Strong cash position with end Q3 cash balance of 750 MSEK

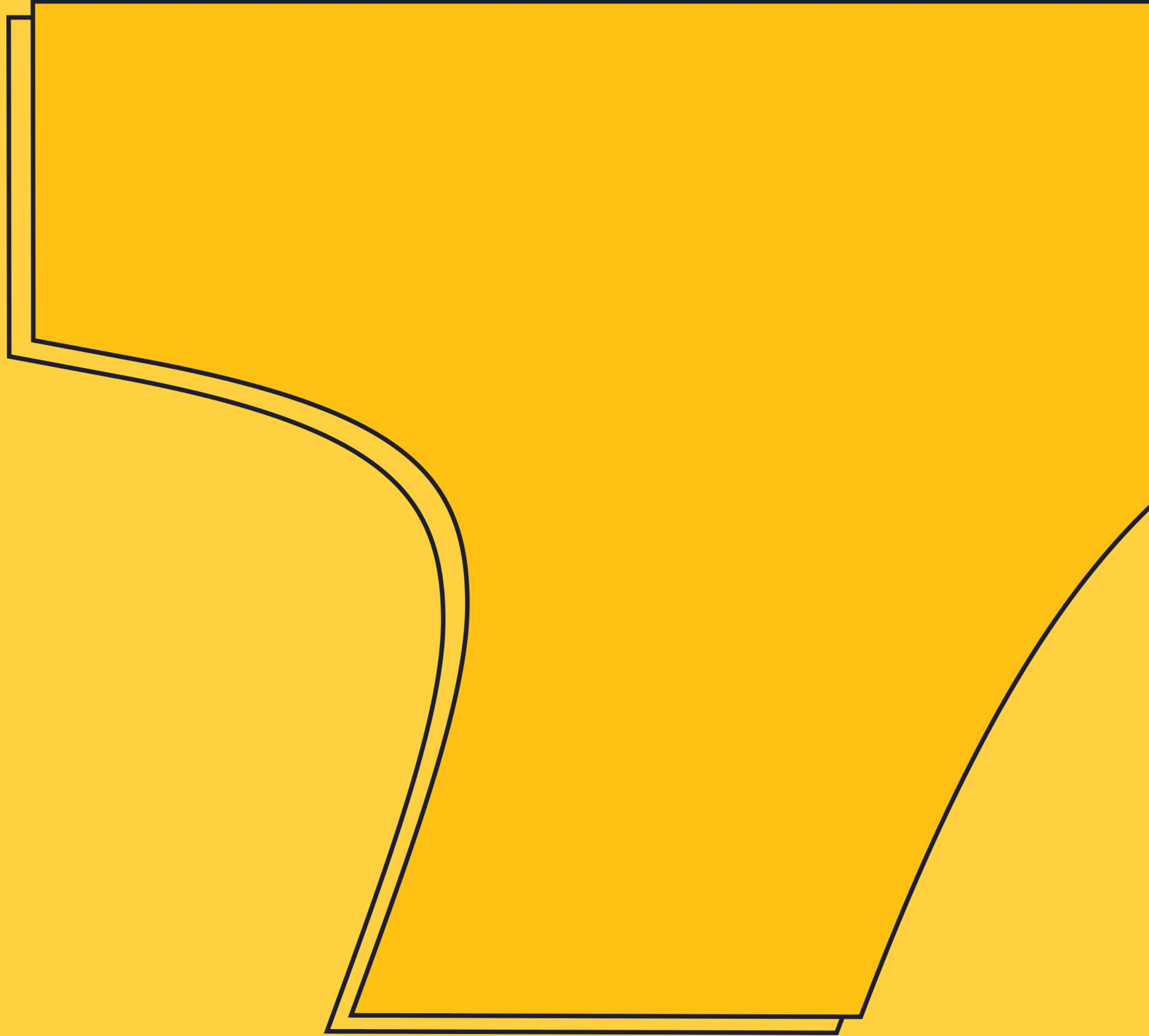
Cash flow from operating activities RTM* (SEKm)



- Operating cash flows illustrated on a RTM basis show a significant improvement since the end of 2022
- Note that cash flows from operating activities RTM are tracking ahead of cumulative EBITDA in the last 12 months

*Rolling Twelve Months

Upcoming Areas of Focus



Recent and Upcoming Areas of Focus



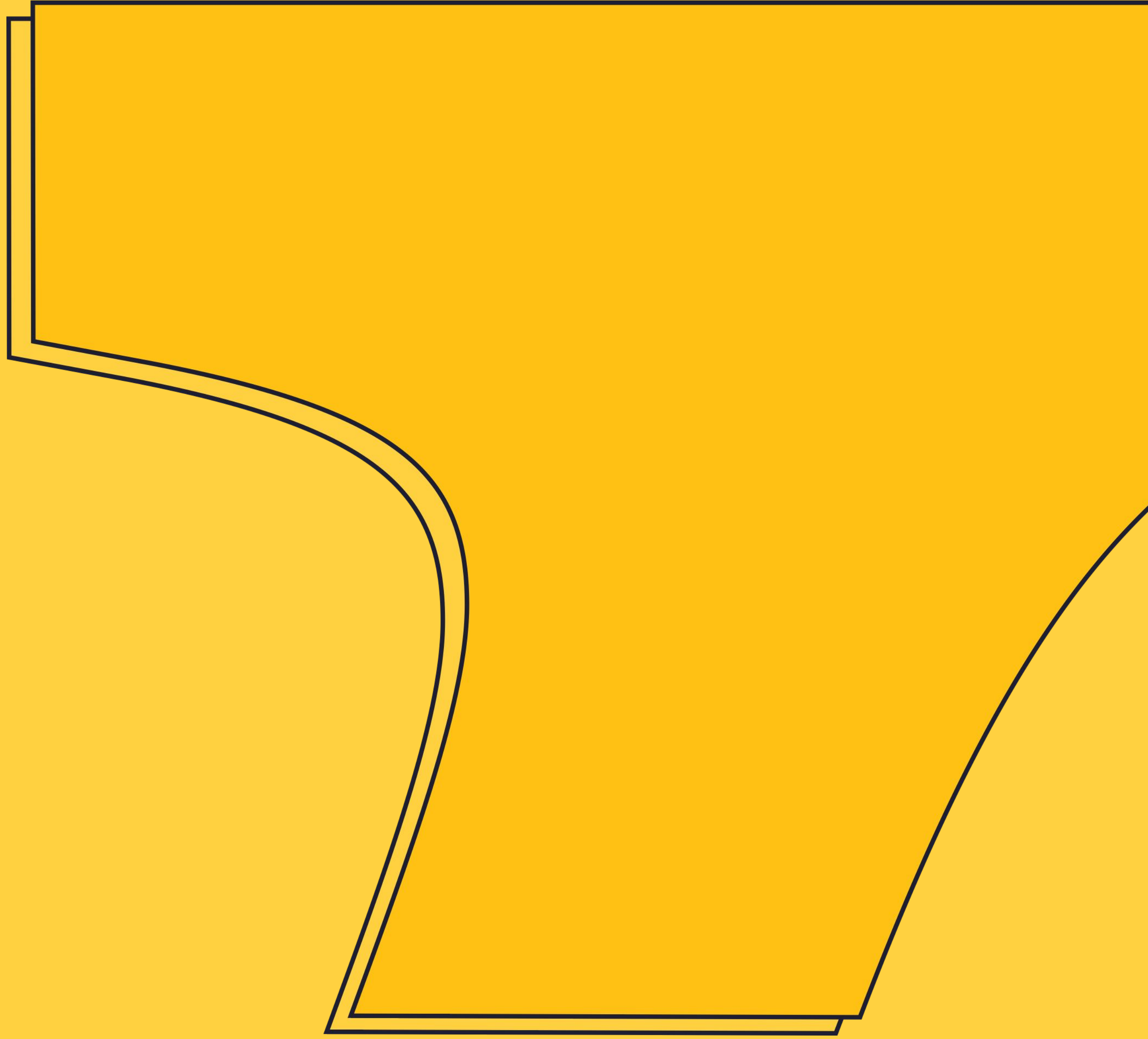
Consensus published
to improve transparency
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Driving scale and
efficiency in ad sales

4

Q&A



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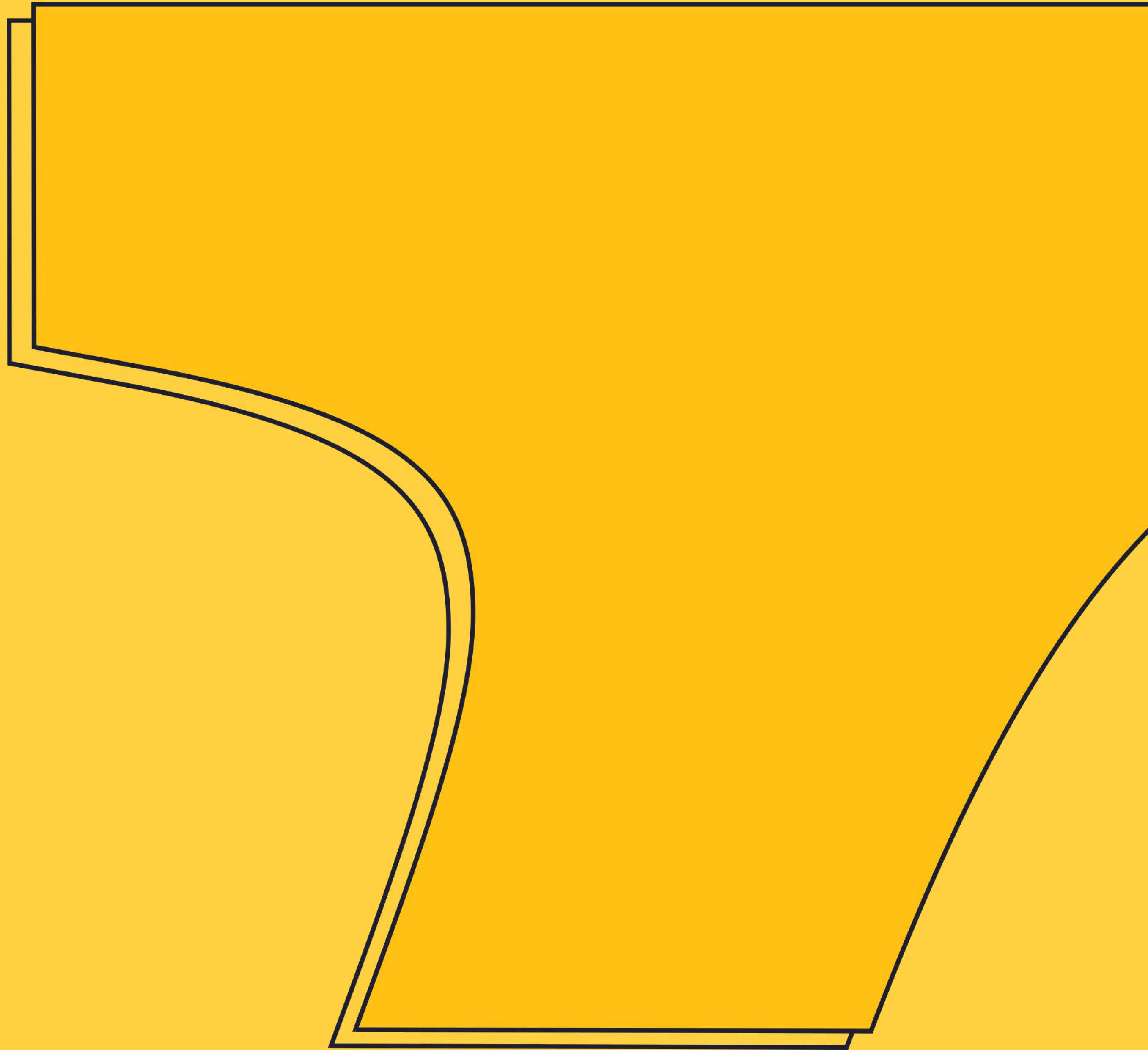
**Year-end report for the period
January 1 - December 31**

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For The Stories.

Appendix

Financial KPIs



Group financial KPIs and alternative performance measures

SEK thousand	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net sales	424,549	321,950	1,142,146	936,069	1,390,366
Net sales growth (%)	32%	21%	22%	36%	36%
Organic net sales growth (%)	26%	7%	16%	23%	26%
Gross profit	146,651	112,551	402,226	312,839	469,856
Gross margin (%)	35%	35%	35%	33%	34%
EBITDA	-25,683	-86,117	-128,065	-252,518	-294,949
EBITDA margin (%)	-6%	-27%	-11%	-27%	-21%
Adj. EBITDA*	-25,683	-75,144	-128,065	-241,228	-272,337
Adj. EBITDA margin (%)*	-6%	-23%	-11%	-26%	-20%
Operating loss	-43,631	-101,986	-180,980	-294,008	-352,643
Operating margin (%)	-10%	-32%	-16%	-31%	-25%
Adj. operating loss*	-43,631	-91,013	-180,980	-282,718	-330,031
Adj. operating margin (%)*	-10%	-28%	-16%	-30%	-24%
Items affecting comparability*	–	10,973	–	11,290	22,612
Loss for the period	24,085	-68,543	-62,146	-212,379	-286,375
Cash flow from operating activities	-19,266	-96,707	-78,466	-281,971	-294,284
Basic and diluted earnings per share (SEK)***	0.13	-0.38	-0.34	-1.19	-1.59
Listens (millions)	1,280	1,318	3,857	3,812	5,139
Average revenue per listen, ARPL (SEK)	0.33	0.24	0.30	0.25	0.27

*Q3 and full year 2022 adjusted for costs from the acquisition of Podchaser and restructure costs.

For definitions and purpose see note 9, and for reconciliations see note 10.

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For The Stories.