

JANUARY - SEPTEMBER 2021

# Continued stable growth and improved results



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CEO



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CFO



# Readly has pioneered the digital magazine industry and is the European category leader

1,200

Publishers

7,500

Titles

200k

Issues

12

Markets

50

Countries

17

Languages

4.7

App Store  
Rating

5

Offices

## PURPOSE

### Bringing the magic of magazines into the future

- enabling the discovery and survival of quality content -



 [Browse 7,500 titles](#)

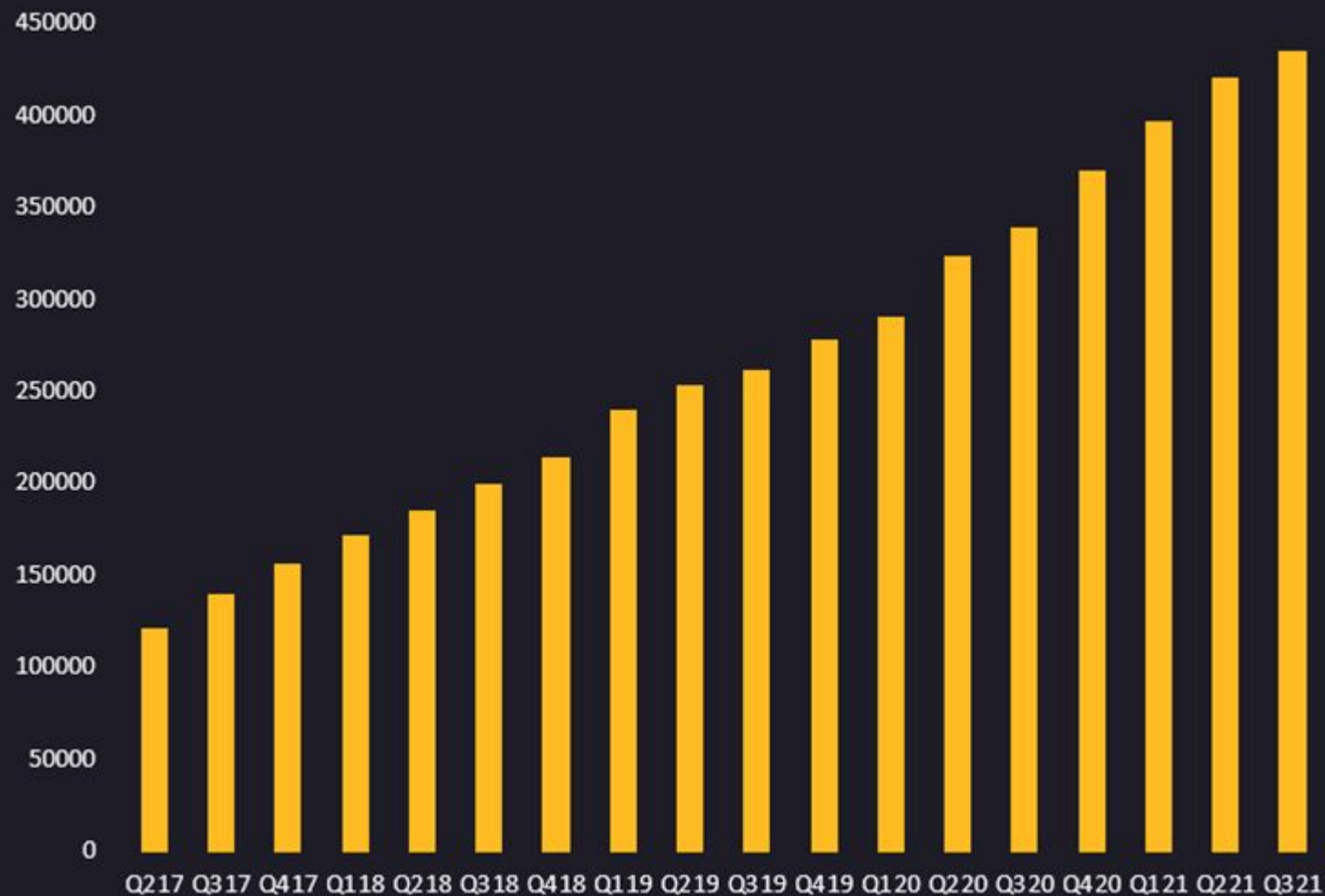
- ✓ Family sharing | Up to 5 profiles
- ✓ New and back issues available
- ✓ EUR 9.99 / month | Unlimited reading
- ✓ Offline reading | Downloadable content

# Q3 in brief

- Good quarter with continued stable growth
- Improved margins and results
- Continued execution on partnership strategy
- Further strengthened content portfolio
- Acquisition of Toutabo – leading position in France
- Sharp increase in marketing prices - adapting our strategy in all growth channels



# Development of subscriber base



**+28%**

YoY Growth

**435,372**

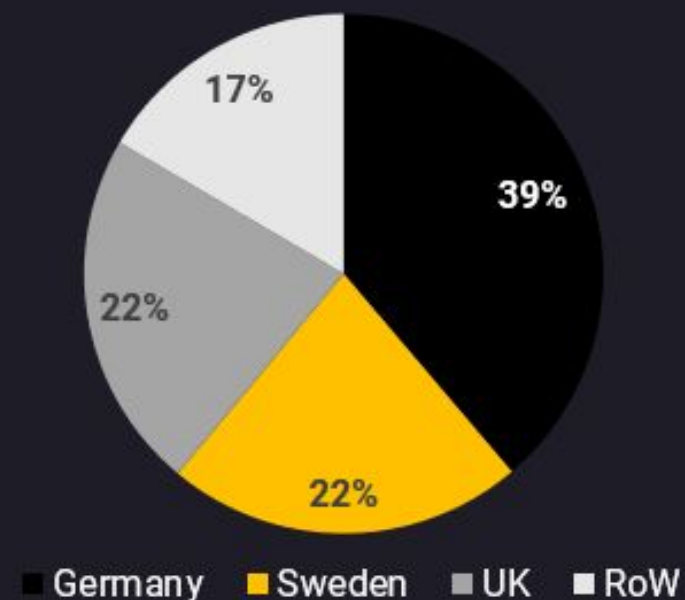
FPS



# Revenue development

- Stable revenue growth of 27% YoY
- Germany continues to perform well, 22% revenue growth YoY, 26% adj. for FX & VAT
- Increased revenue growth rate of 23% YoY in Sweden
- Growth rate of 26% in the UK, affected by VAT reductions last year and eased restrictions
- Continued good development in other markets, 43% revenue growth YoY

**27% revenue growth to SEK 119 million**



# Financial targets

**30-35%**

Mid-term:  
Uphold an annual organic  
revenue growth

**35%**

Long-term:  
Reach a gross margin of

**2025**

Reach a positive EBITDA

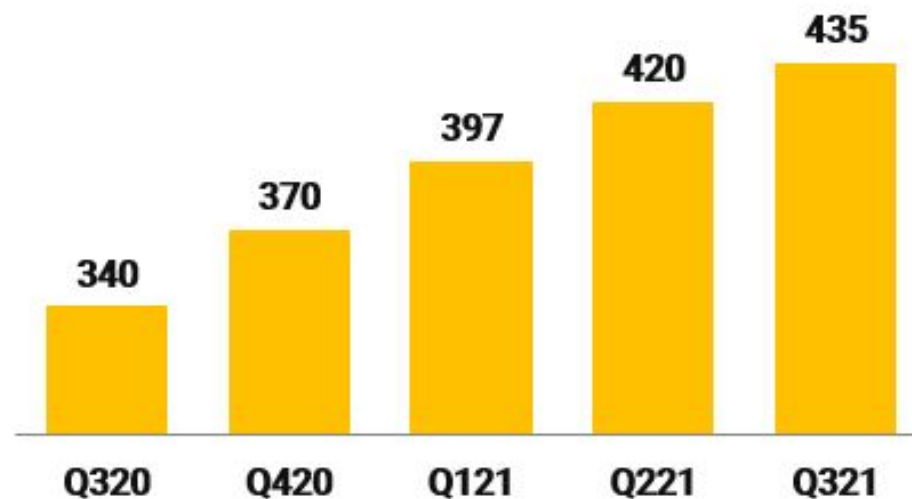
# +28%

Q3 FPS growth YoY

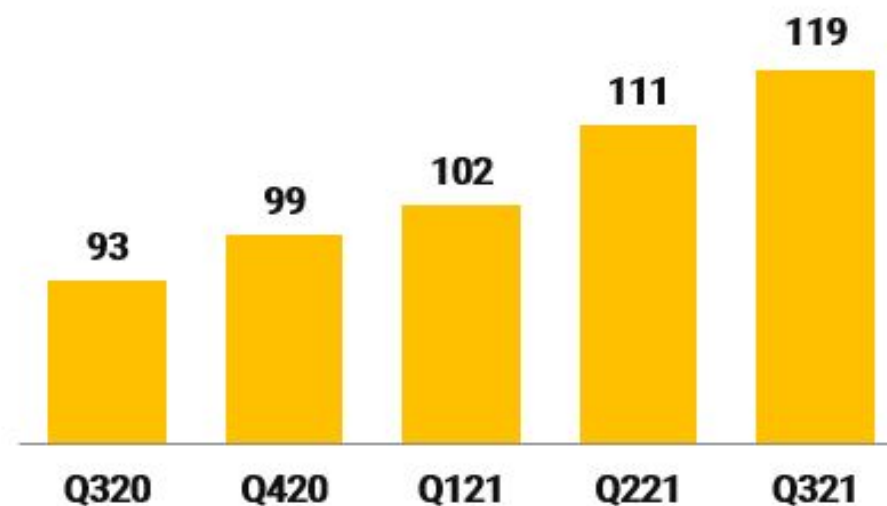
# +27%

Q3 revenue growth YoY

Number of FPS, thousand

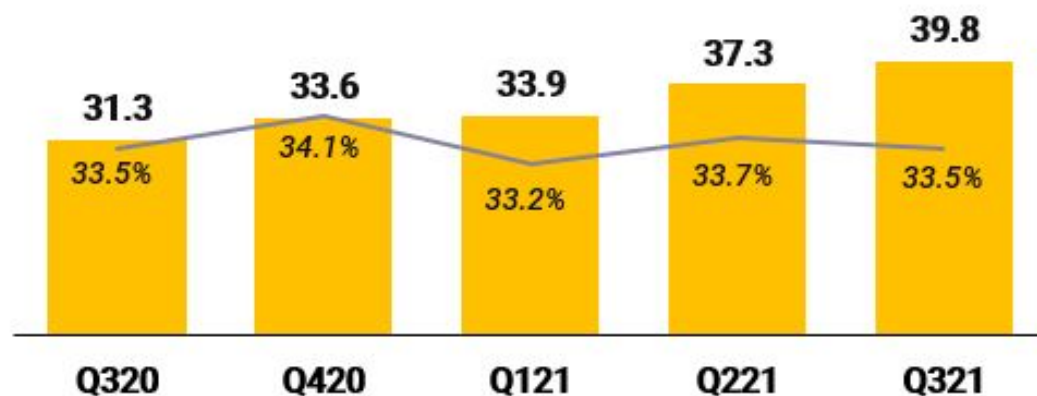


Total revenue, SEKm

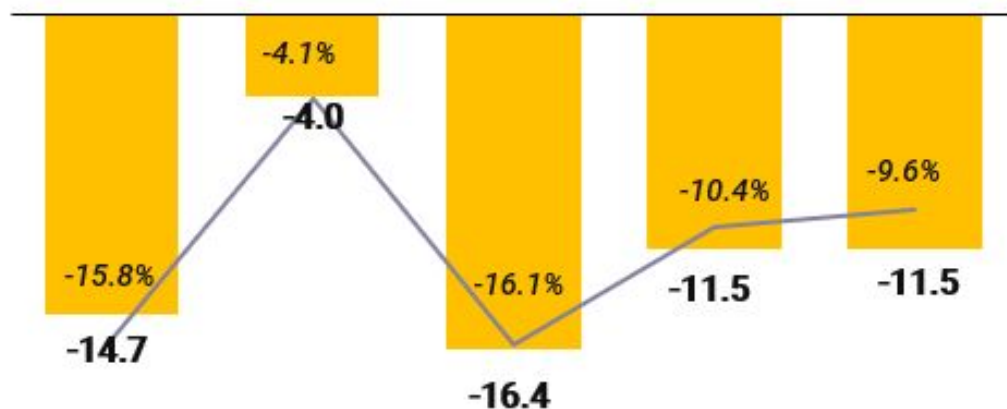


# Gross profit & gross contribution

Gross profit (SEKm) & margin



Gross contribution (SEKm) & margin



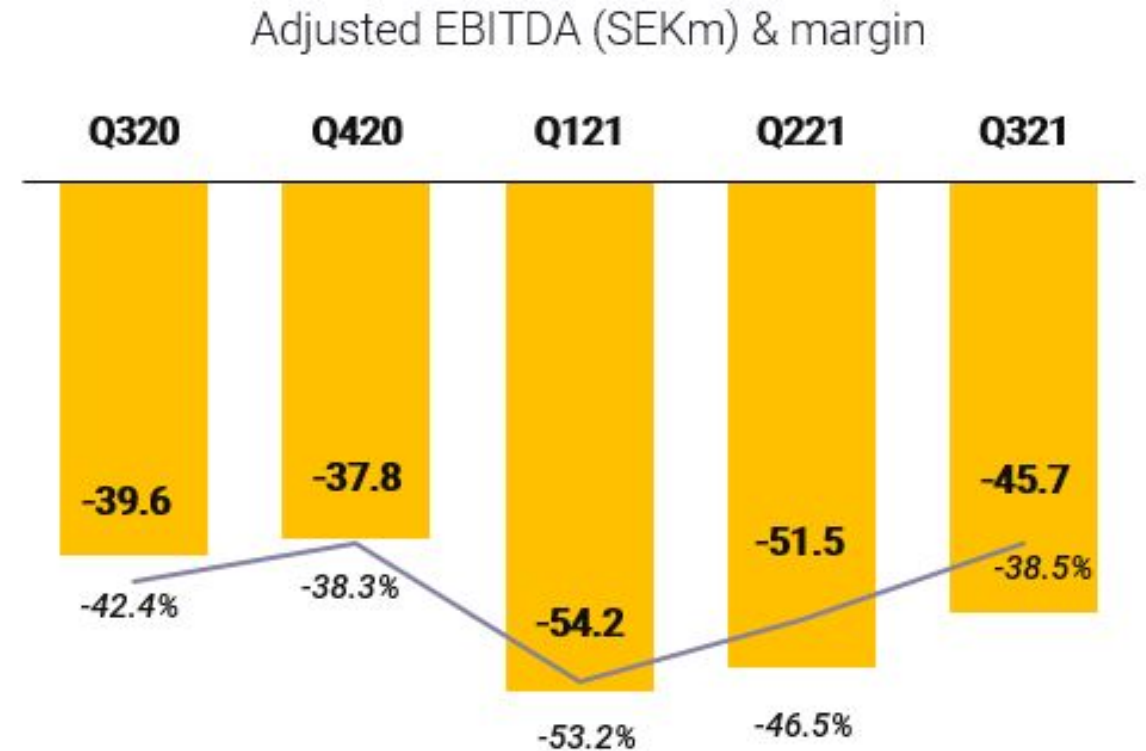
## Stable gross margin and improved contribution margin

- Gross margin of 33.5% (33.5)
- Contribution margin of -9.6% (-15.8)
- Sharp increase in marketing prices
- Marketing investments in line with previous quarters and according to plan



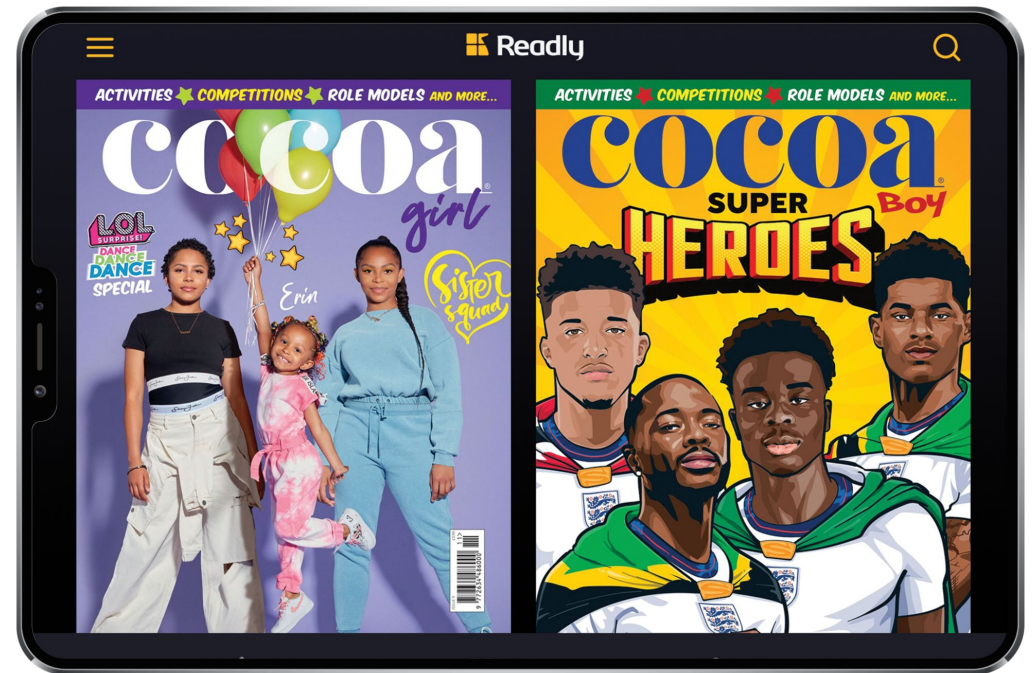
# Improving EBITDA

- Personnel costs of SEK -21.7 (-16.5) million, an expected increase following our investments in primarily product development but also within other areas such as data analytics
- EBITDA expected to be positive by 2025 in line with our financial targets



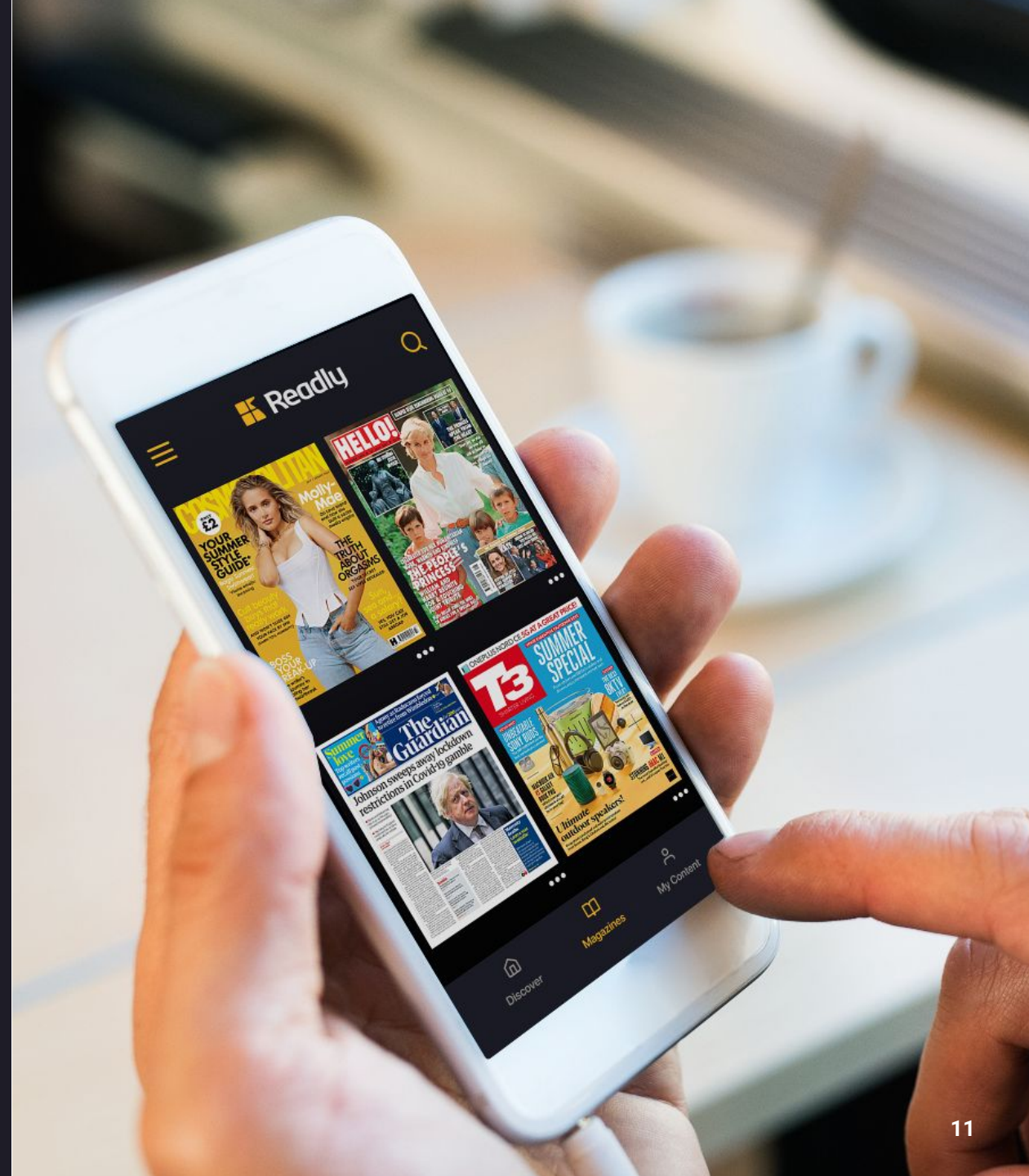
# Growing base of top tier publishers and content category excellence in focus

- 32 new publishers and 225 new titles
  - Cocoa Girl/Boy magazines
  - Elfen, She works! and Courage
- Continued growth of Readly Exclusives
  - M3
  - Aktieportföljen (Unga Aktiesparare)
  - Success for exclusive parenting title Boom



# Continued execution on partnership strategy

- 40 new partnerships launched in Q3 including:
  - BMW and Nespresso in the UK
  - Vodafone in the UK and Italy
  - Govia in the UK
- Increased focus on strategic partnerships
  - Expanded global partnership with Klarna
  - Extended global partnership with Lidl launching in the Netherlands





# Completion of Toutabo acquisition

- Leading French digital subscriptions provider
- Experienced and well connected team of 14 employees with headquarter in Paris, France.
- Establishing a leading position in Europe's largest magazine market
  - Estimated to be valued at ~7.2 BN USD in 2021)
- Best-in-class French content portfolio
  - ~1,000 magazines and 300 newspapers from around 280 publishers
- Solidifying our category leadership in Europe.



# Clear strategy to capture growth opportunities

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**Transform the consumption of magazine content,  
offering the greatest experience and the broadest selection**

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**Category  
excellence**

**Product  
innovation**

**Geographic  
footprint**

**Partnerships**

**Brand and  
marketing**

**A USD 60BN market opportunity characterized by low digital maturity - supported by strong megatrends**

## Q3 in summary

- Good quarter with continued stable growth and improved results
- Germany continues to perform well
- Continued execution on partnership and content strategy
- Completion of Toutabo – establishing a leading position in France
- Sharp increase in marketing prices - adapting our strategy in all growth channels
- Somewhat lower organic growth rate going forward, growth target of 30 per cent for 2021 remains





# Q&A