



Press release

18 October 2024

Readly reports an adjusted operating result of 14.4 million SEK

Readly International AB (publ) reports a third quarter with an adjusted operating result of 14.4 million SEK (-2.5) corresponding to an adjusted EBIT margin at 8.0 per cent (-1.5), and a positive cash flow of SEK 8.0 million (-6.5). Adjusted for VAT, currency effects and divestments, revenue growth was 19.0 per cent. During the same period, ARPU rose to SEK 145 (120). As a result of the divestment of Readly France SA, the number of fully paying subscribers decreased by 9.7 per cent to 415,771 (460,686) compared to the same period last year. The corresponding figure compared to the previous quarter was -1.7 per cent. Gross profit was SEK 73.7 million (65.3) corresponding to a gross margin of 40.8 per cent (38.5). Adjusted EBITDA margin was positive for the fifth consecutive quarter and at a record high 11.0 (7.1) per cent.

*– In the third quarter, we took significant steps towards robust profitability with an adjusted operating margin of 8 per cent and a strong cash flow. In parallel, we've maintained our double-digit revenue growth, up from 17.6 per cent in Q2 to 19.0 per cent in Q3, adjusted for VAT, currency effects and divestments. As we move forward, the focus remains on driving growth through investments in product development and marketing. These efforts are crucial to maintain our strong position and deliver lasting value to our subscribers and publishers, says **Philip Lindqvist, president and CEO of Readly.***

1 July - 30 September 2024

- Revenue for the period totalled SEK 180.5 million (169.5), an increase of 6.5 per cent compared with the third quarter of 2023. Revenue for the period excluding divestments totalled SEK 180.5 million (154.4), an increase of 16.9 per cent compared with the third quarter of 2023.
- The number of full-paying subscribers (FPS) decreased 9.7 per cent to 415,771 (460,686) compared to last year. Adjusted for divestments, the number of full-paying subscribers decreased 3.8 per cent to 415,771 (432,111) compared to last year.
- Gross profit increased 13.0 per cent to SEK 73.7 million (65.3), corresponding to a gross profit margin of 40.8 per cent (38.5).
- The gross contribution margin for the period was 28.4 per cent (28.2).
- Adjusted operating result (EBITDA, excl. IAC) was SEK 19.8 million (12.0), corresponding to an EBITDA margin of 11.0 per cent (7.1).
- Adjusted operating result (EBIT, excl. IAC) was SEK 14.4 million (-2.5), corresponding to an adjusted operating margin of 8.0 per cent (-1.5).
- Operating result (EBIT) was SEK 13.2 million (-3.6), corresponding to an operating margin of 7.3 per cent (-2.1).
- Deferred tax asset of SEK 93.3 million related to tax loss carry forwards has been recognised as of 30 September 2024.
- Earnings per share were SEK 2.8 (-0.1) before and after dilution.
- Cash flow from operating activities was SEK 12.6 million (3.7)

1 January - 30 September 2024

- Revenue for the period totalled SEK 542.5 million (492.6), an increase of 10.1 per cent compared with the first nine months of 2023. Revenue for the period excluding divestments totalled SEK 511.9 million (442.1), an increase of 15.8 per cent compared with the first nine months of 2023.
- The number of full-paying subscribers (FPS) decreased 9.7 per cent to 415,771 (460,686) compared to last year. Adjusted for divestments, the number of full-paying subscribers decreased 3.8 per cent to 415,771 (432,111) compared to last year.
- Gross profit increased 18.0 per cent to SEK 217.3 million (184.2), corresponding to a gross profit margin of 40.1 per cent (37.4).
- The gross contribution margin for the period was 28.6 per cent (24.6).
- Adjusted operating result (EBITDA, excl. IAC) was SEK 45.6 million (1.5), corresponding to an adjusted EBITDA margin of 8.4 per cent (0.3).
- Adjusted operating result (EBIT, excl. IAC) was SEK 25.0 million (-38.4), corresponding to an adjusted operating margin of 4.6 per cent (-7.8).
- Operating result (EBIT) was SEK 21.7 million (-58.9), corresponding to an operating margin of 4.0 per cent (-11.9).
- Earnings per share were SEK -2.3 (-1.5) before and after dilution.
- Cash flow from operating activities was SEK 48.7 million (-30.6).
- The board of directors has decided to propose a dividend of SEK 1.75 per share to be decided on at an Extraordinary General Meeting (EGM). Further details regarding the EGM will be provided shortly in a separate notice.

Significant events during the period

Ranj Begley, Chief Content Officer and long standing member of the Senior Leadership Team at Readly, announced her resignation and will leave the company in February 2025 at the latest. It is yet to be decided how the role will be replaced.

Significant events after the end of the period

On 18 October the Board announced the decision to remove the dividend policy and proposed an extra dividend of SEK 1.75 per share. The board intends to convene an extraordinary general meeting as soon as possible.

The financial update will be available for download on:

<https://corporate.readly.com/investors/financial-reports-and-presentations/>

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About Readly

Readly is a European category leader for digital magazines and newspapers. The company offers a digital subscription service where customers have unlimited access to 8,000 national and international titles - all in one app and at a fixed monthly fee. Readly has subscribers in 50 countries and content available in 17 different languages. In collaboration with around 1,000 publishers worldwide, Readly is digitising the newspaper and magazine industry. In 2023, revenues amounted to SEK 663 million. The Readly share is listed on Nasdaq First North Growth Market and FNCA Sweden AB is the company's Certified Advisor. For more information, please visit <https://corporate.readly.com>