

# Acast

**For The Stories.**

JAN-JUN 2021 INTERIM STATEMENT

FINANCIAL HEARING

18 Aug 2021

[www.acast.com](http://www.acast.com)

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### **FORWARD LOOKING STATEMENTS**

This presentation includes forward-looking statements, including statements reflecting management's current views relating to the growth of the market, future market conditions, future events, financial condition, expected operational and financial performance, including, in particular the following:

- Our goals, strategies, planning assumptions and operational or financial performance expectations;
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- Our future liquidity, capital resources, capital expenditures, cost savings and potential profitability;
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### **AUDIT**

All financials presented for Jan – Jun 2021 are unaudited.

# In the “Room”



**Ross Adams**

CHIEF EXECUTIVE OFFICER



**Emily Villatte**

CHIEF FINANCE OFFICER & DEPUTY CEO

**01**

**Acast in Brief**





# This Is How The Internet Works



WEBPAGE CREATOR



HOST



HTML



WEB BROWSERS



INTERNET USERS

# Podcasting Works The Same Way



PODCASTERS



HOST



RSS



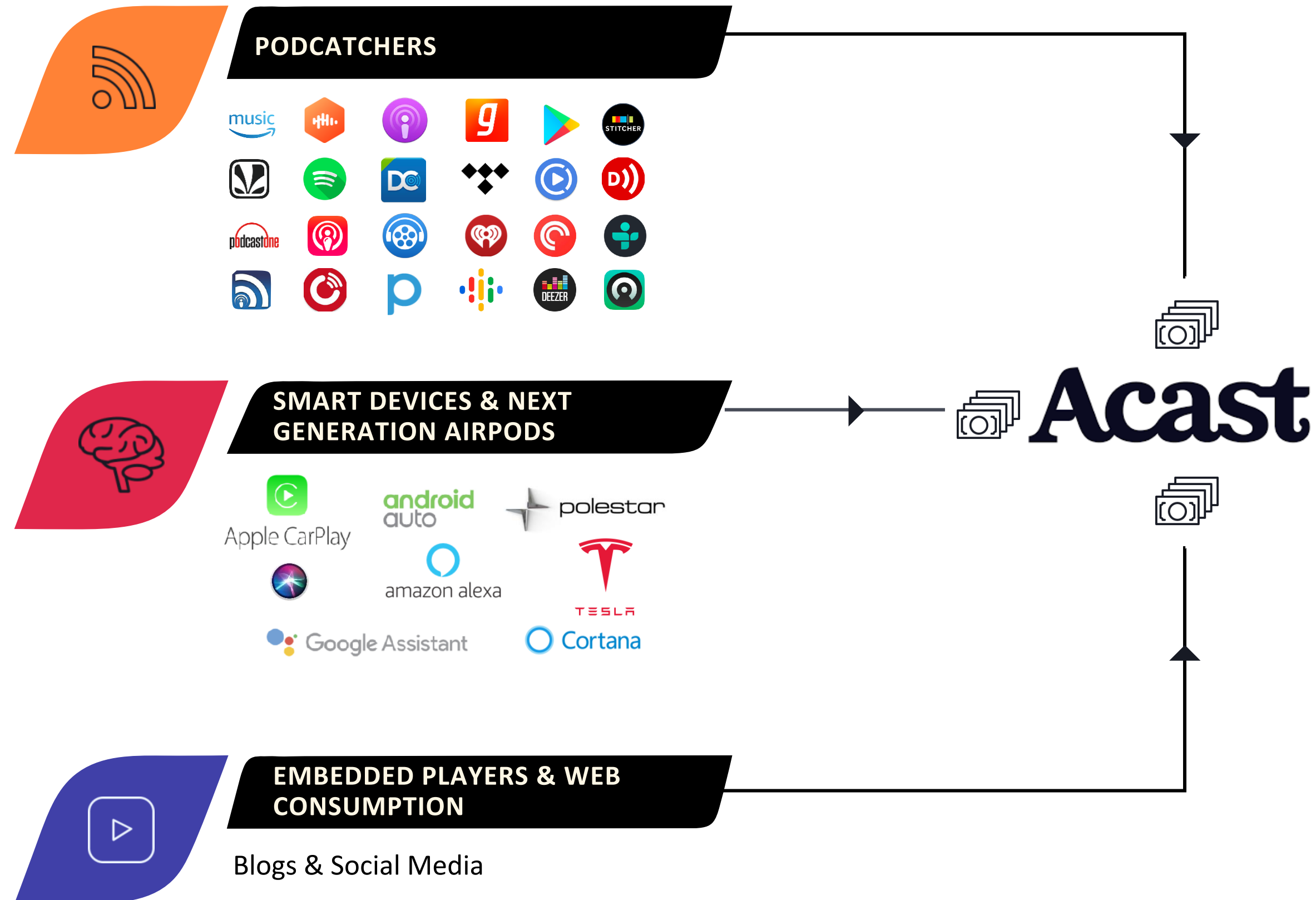
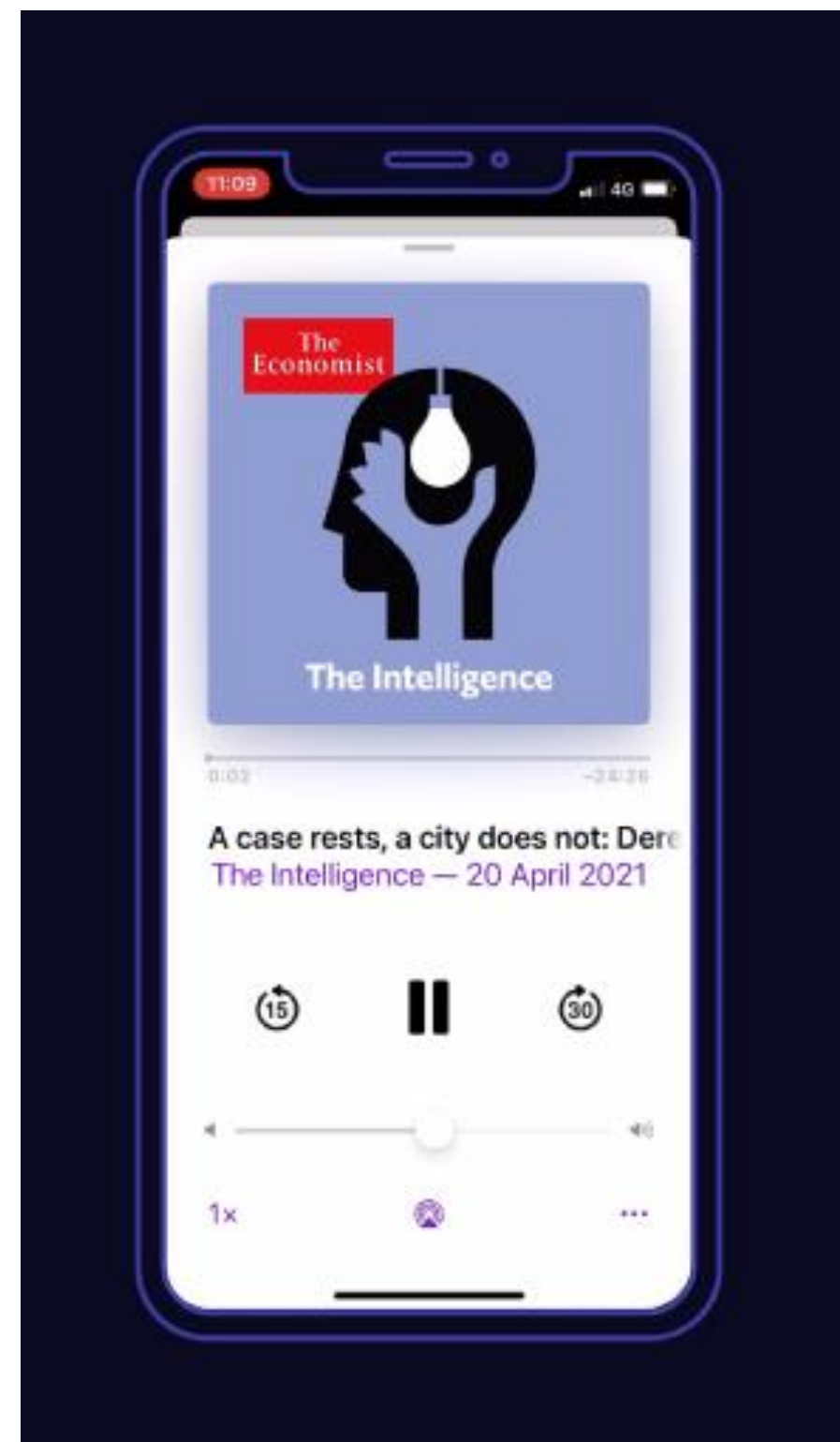
PODCATCHERS



LISTENERS



# No Matter Where And How Listeners Consume Their Podcasts...



...ACAST MONETIZES THE LISTENS – NOT THE APP



# Acast – A Global Podcasting Success Story

## ABOUT

A UNIQUE GLOBAL  
INFRASTRUCTURE PLATFORM FOR  
THE PODCASTING INDUSTRY

ENABLING  
31,000+ SHOWS TO  
GROW THEIR  
AUDIENCE  
AND MAKE MONEY

GIVING ADVERTISERS  
ACCESS TO THE MOST  
IMMERSED  
AUDIENCES

## TRACK RECORD

~3.4BN  
TOTAL LISTENS TTM<sup>(1)</sup>

81%  
NET SALES CAGR<sup>(2)</sup>

SEK 804m  
NET SALES TTM<sup>(3)</sup>

37%  
GROSS MARGIN

## OPPORTUNITY

USD ~30BN

TAM FOR PODCASTING  
OF WHICH 28Bn  
IS THE SIZE OF  
TODAY'S RADIO  
ADVERTISING MARKET<sup>(4)</sup>

PRESENT IN 12 MARKETS  
>40-80% MARKET SHARE IN CORE EUROPEAN MARKETS  
GROWING AT PACE IN ALL MARKETS WHERE WE PLAY<sup>(4)</sup>

(1) Total Acast's platform listens adhering to IAB 2.0 standards. Trailing Twelve Months as at the current reporting period.

(2) Total Net sales CAGR for 2018 to 2020, Source: Acast Annual Reports

(3) Trailing Twelve Months as at the current reporting period.

(4) Source: Company information, Prospectus

## Acast's Vision

We will build, champion and supercharge a thriving, profitable, fair and sustainable open ecosystem for all the world's podcasts and empower the creator economy

## Acast's Mission

To be the most creator-centric podcast company, building the most innovative and world-class products, tools and services, allowing any podcaster to grow and monetize their shows to their full potential

## What We Do At Acast

Ensure Acast becomes the podcast marketplace of the world by connecting and winning the trust of both creators and advertisers

02

CEO Update



# Financial Highlights Q2-2021

130%

NET SALES GROWTH

134% organic net sales growth after adjusting for currency effects

37%

GROSS MARGIN

A healthy gross margin in line with the same quarter in the prior year

-33%

EBITDA MARGIN

A material improvement on Q2-20 EBITDA margin of -45%

The Adj. EBITDA margin after eliminating items affecting comparability was -21% (-45%)

# Business Highlights - Q2 2021



Listens reach 880M (701M) growing 26% as thousands of shows join the platform reaching 31,000 at the end of the quarter and ARPL increases by 86% to SEK 0.26 (0.14)



Continued roll out of Acast+ Beta generating important insights (full launch later this year)



Conclusion of IPO on Nasdaq First North Premier Growth Market and repayment of EIB loan



## Listens reach 880M in Q2-21 31,000+ Shows

### SELECTED KEY SIGNINGS Q2

THE YOUNG TURKS (US)

PANTHEON (US)

DATE NIGHT (US)

ADAM BUXTON (UK RE-SIGNING)

SCROBIUS PIP (UK RE-SIGNING)

JOCKE & JONNA (SE)

CANADALAND (CA)

EDELTALK - MIT DOMINIK & KEVIN (DE)

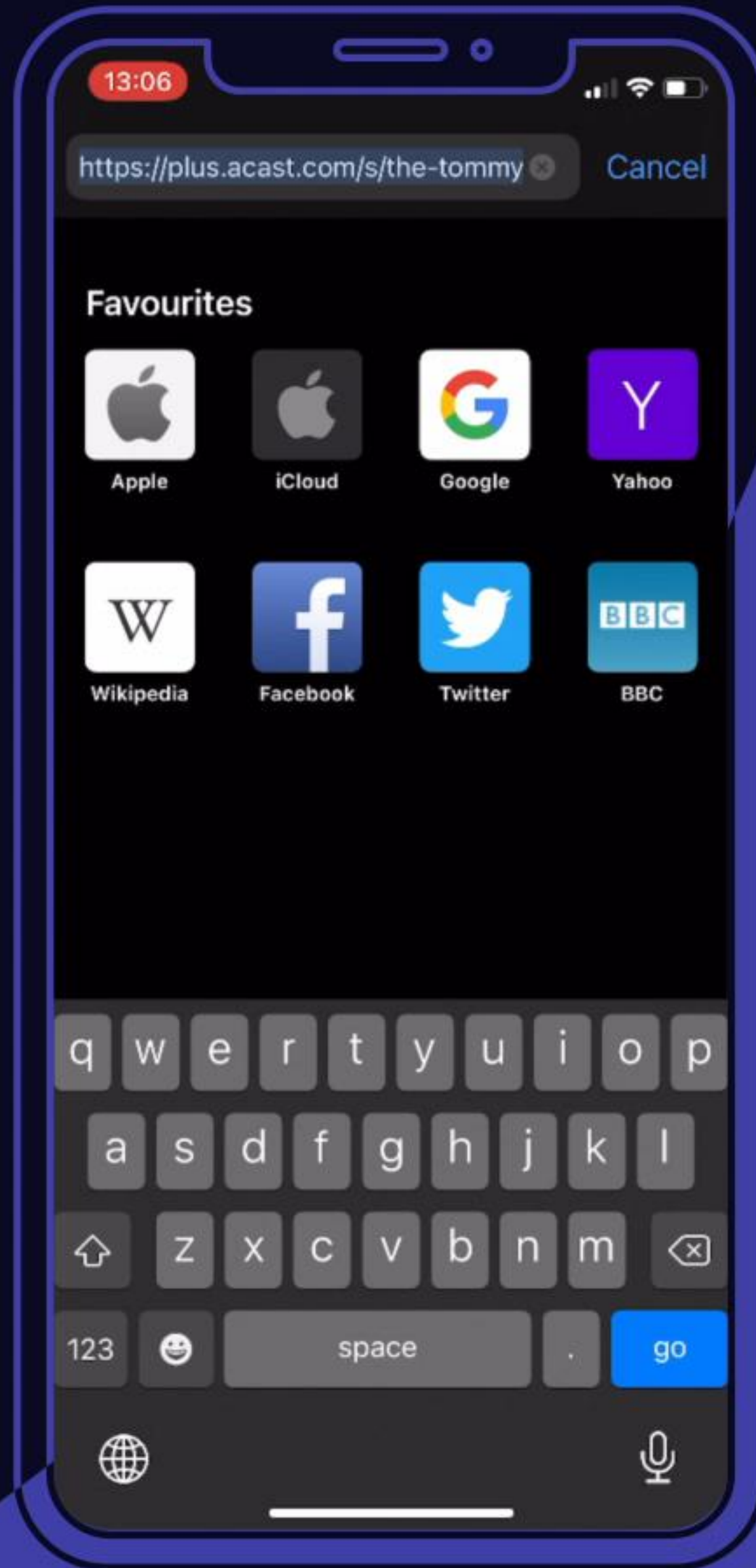
EL UNIVERSAL (MX)

EQUITY MATES (AU)

IRISH TIMES (IE)

MONTREUX COMEDY FESTIVAL (FR)

RELATOS DE LA NOCHE (MX)



03

Financial Review

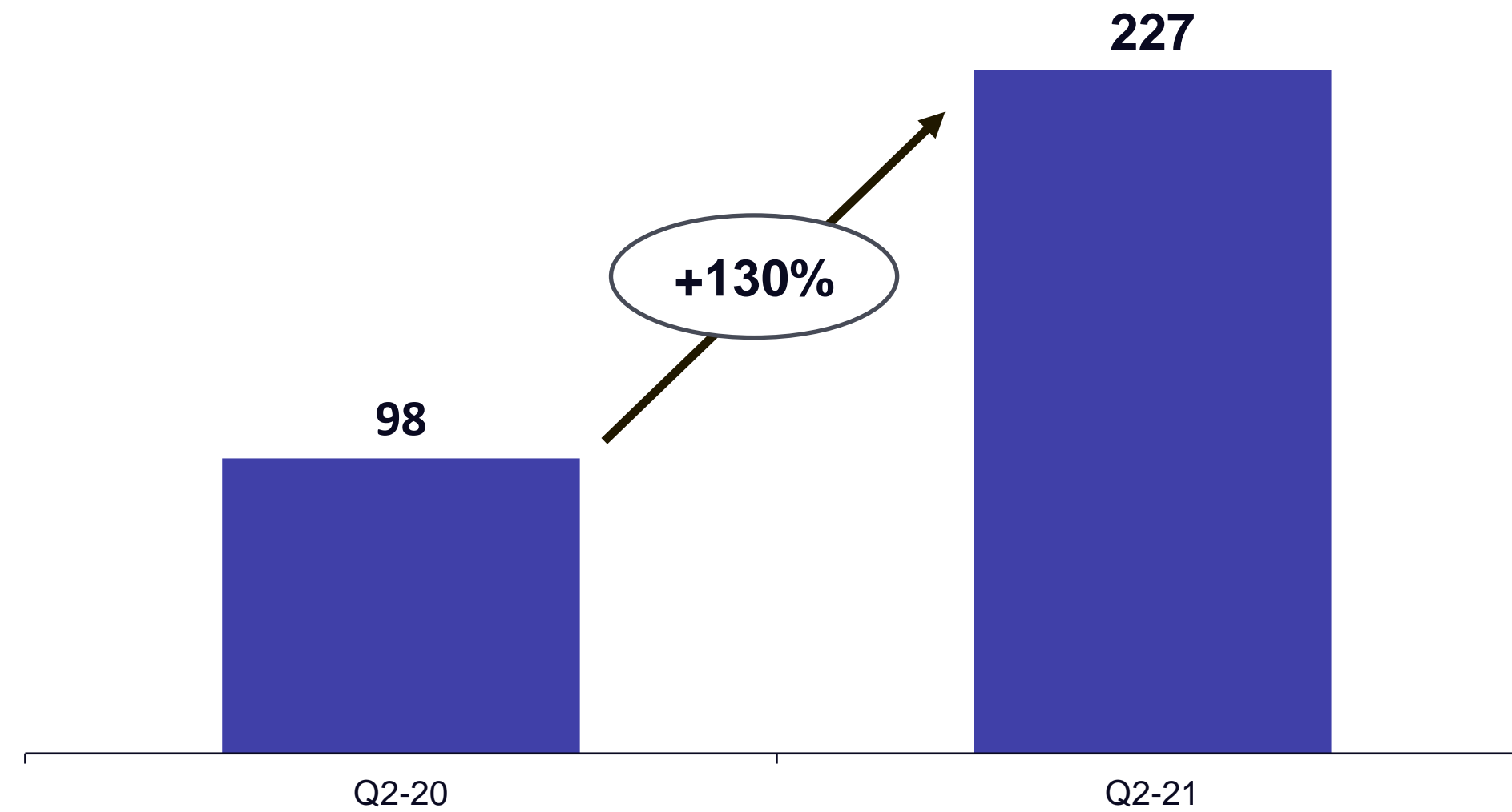




# Triple Digit Net Sales Growth – 130%

## Net Sales (SEKm)

Q2-21 vs Q2-20

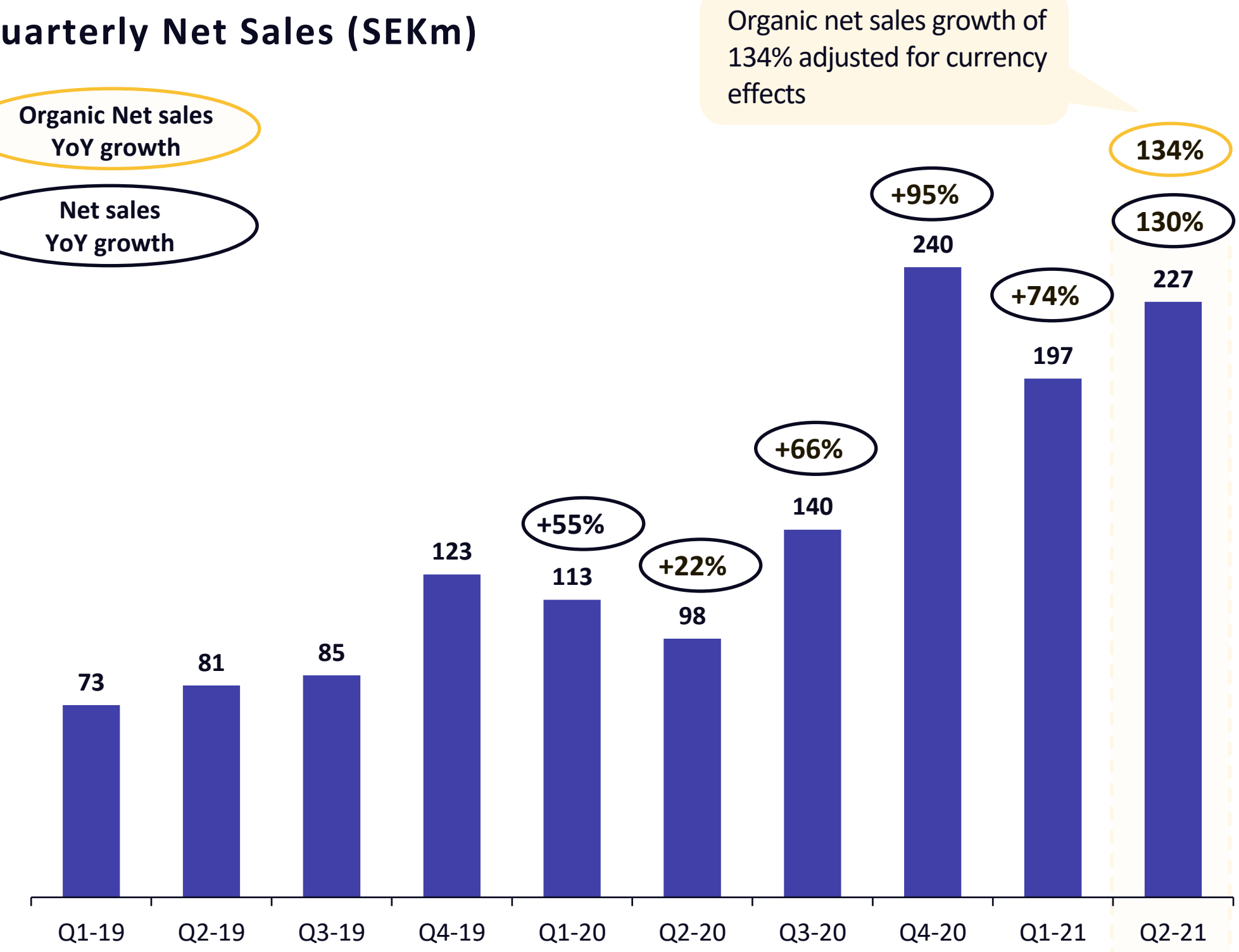


- Triple digit net sales growth of 130% Q2-21 vs Q2-20
- Net sales growth is mainly driven by increase in monetization of listens and is supported by increased advertising spending making up >90% of net sales

## Quarterly Net Sales (SEKm)

Organic Net sales YoY growth

Net sales YoY growth



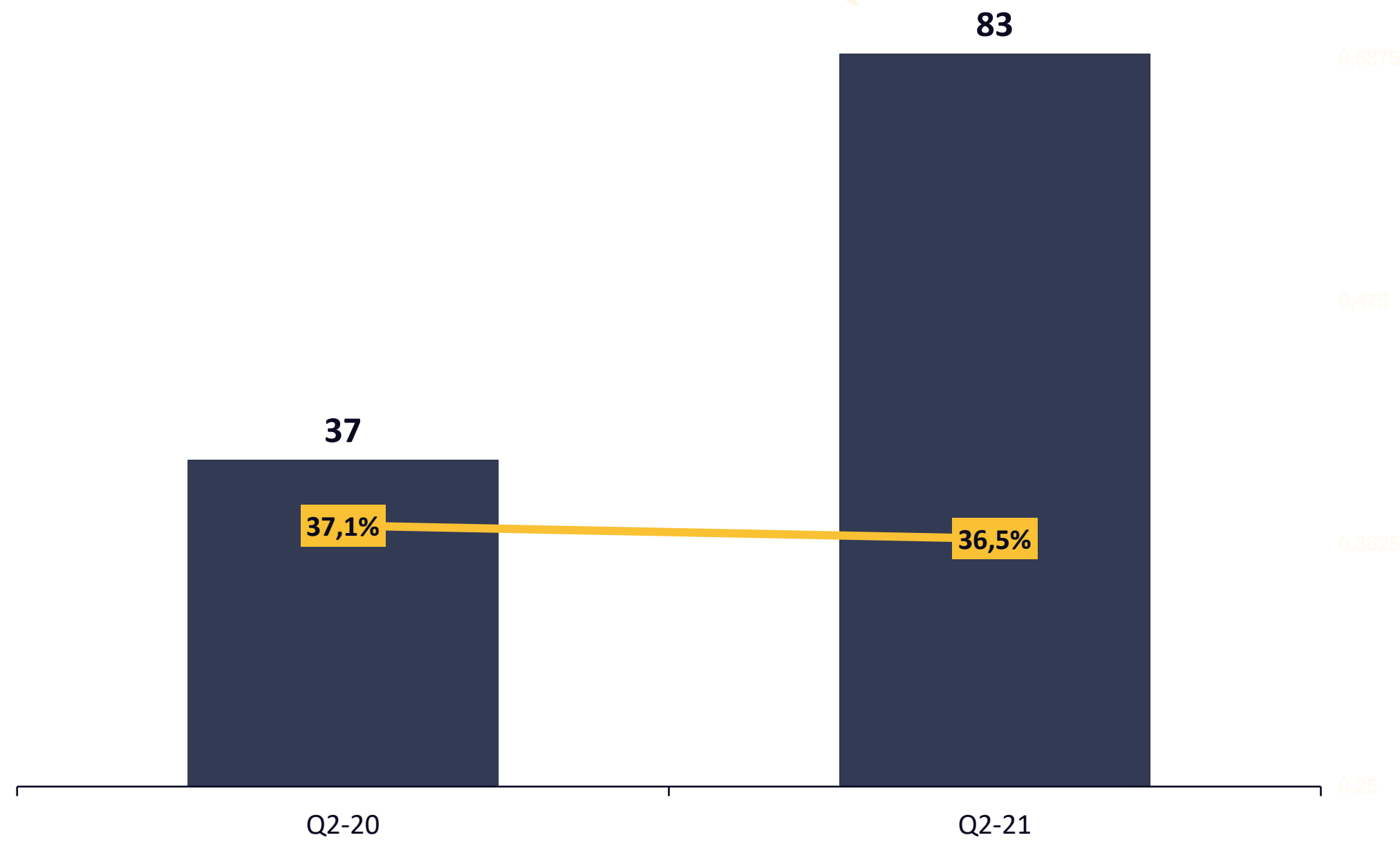
- Q2-21 organic net sales growth of 134%
- Q2-20 was impacted by lower advertising spend caused by the Covid-19 pandemic, some of which was recovered in Q4-20

# A Healthy 37% Gross Margin

## Gross Profit (SEKm)

■ Gross Profit  
— Gross Margin (%)

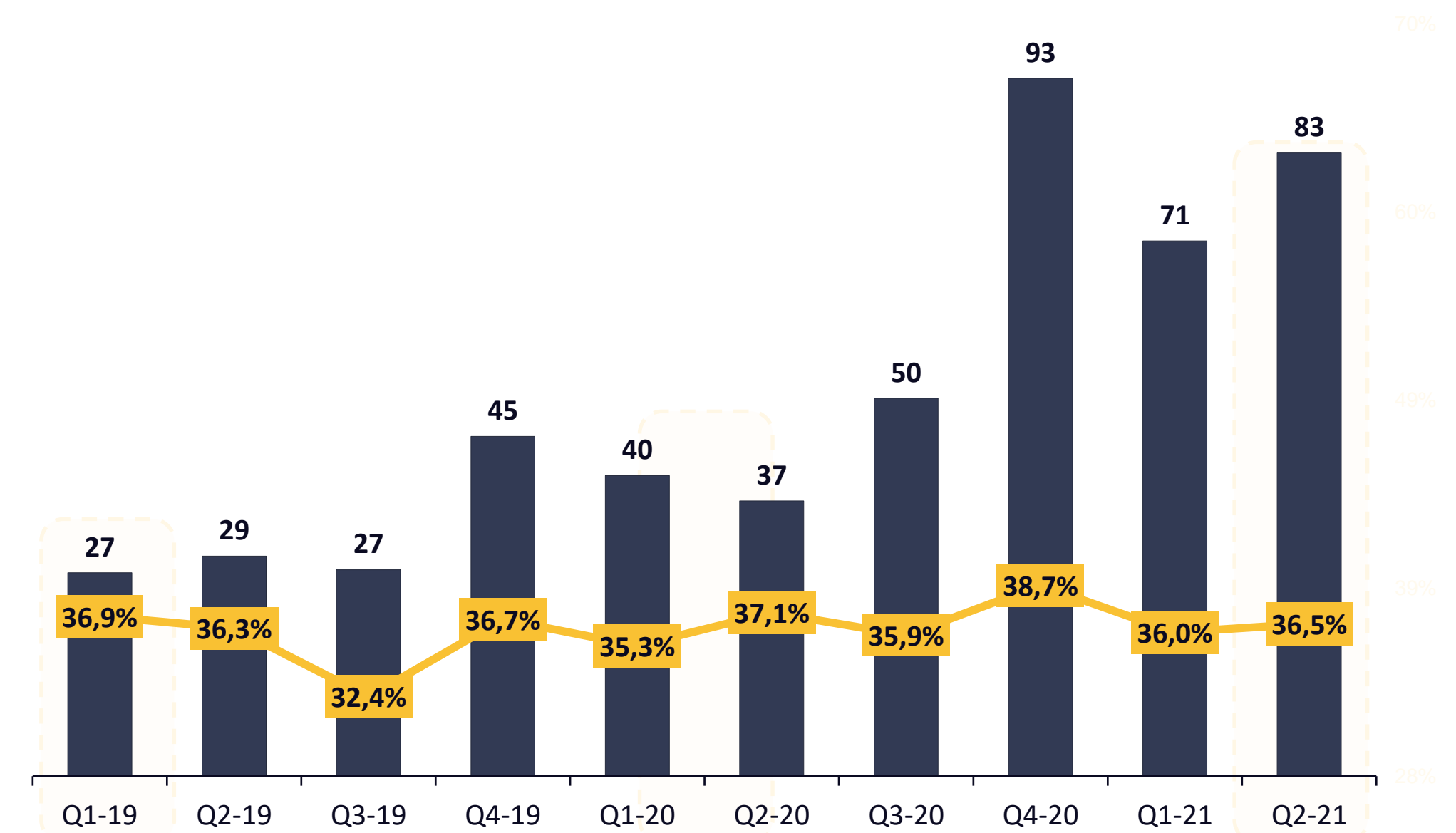
Gross profit of MSEK 83 in Q2-21, which is a 127% increase vs Q2-20



- Gross profit margin remains at a healthy 37% in Q2-21 compared to Q2-20
- Q2-21 saw a slightly higher contribution from sales of sponsorships, which carry a lower gross margin than ads, when compared to Q2-20

## Quarterly Gross Profit (SEKm)

■ Gross Profit  
— Gross Margin (%)

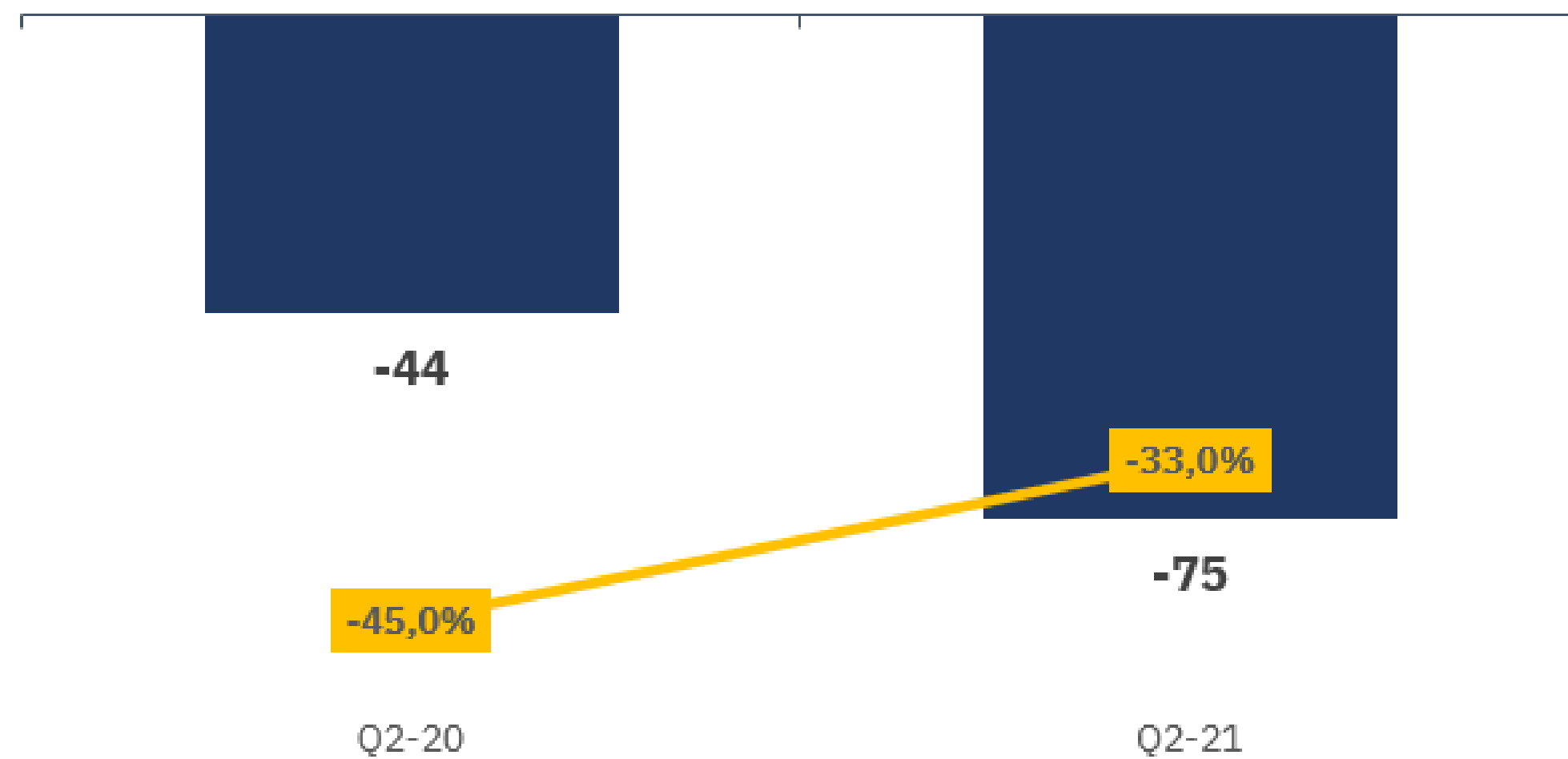


- Gross profit continues its upwards growth trajectory
- Gross profit in Q4 is impacted by the same seasonality as sales, i.e. the strongest quarter of the year is Q4

# EBITDA Margin Improves

## EBITDA (SEKm)

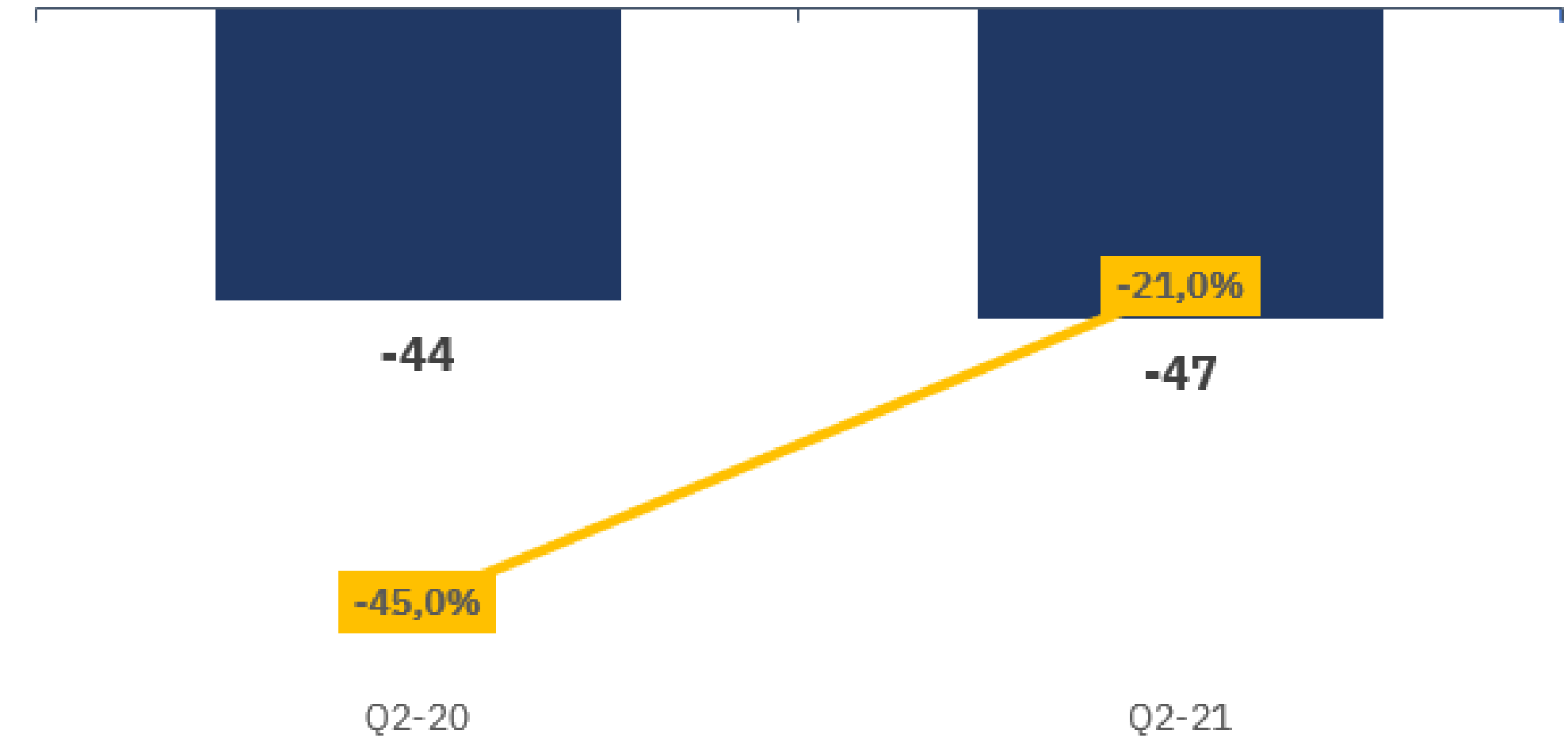
■ EBITDA  
— EBITDA margin %



- As the organization continues to grow revenues faster than operating expenses the EBITDA margin has improved from -45% in Q2-20 to -33% in Q2-21
- EBITDA in Q2-21 was -75 MSEK (-44), which was heavily impacted by IPO related costs

## Adj. EBITDA (SEKm)

■ Adj. EBITDA  
— Adj. EBITDA margin %

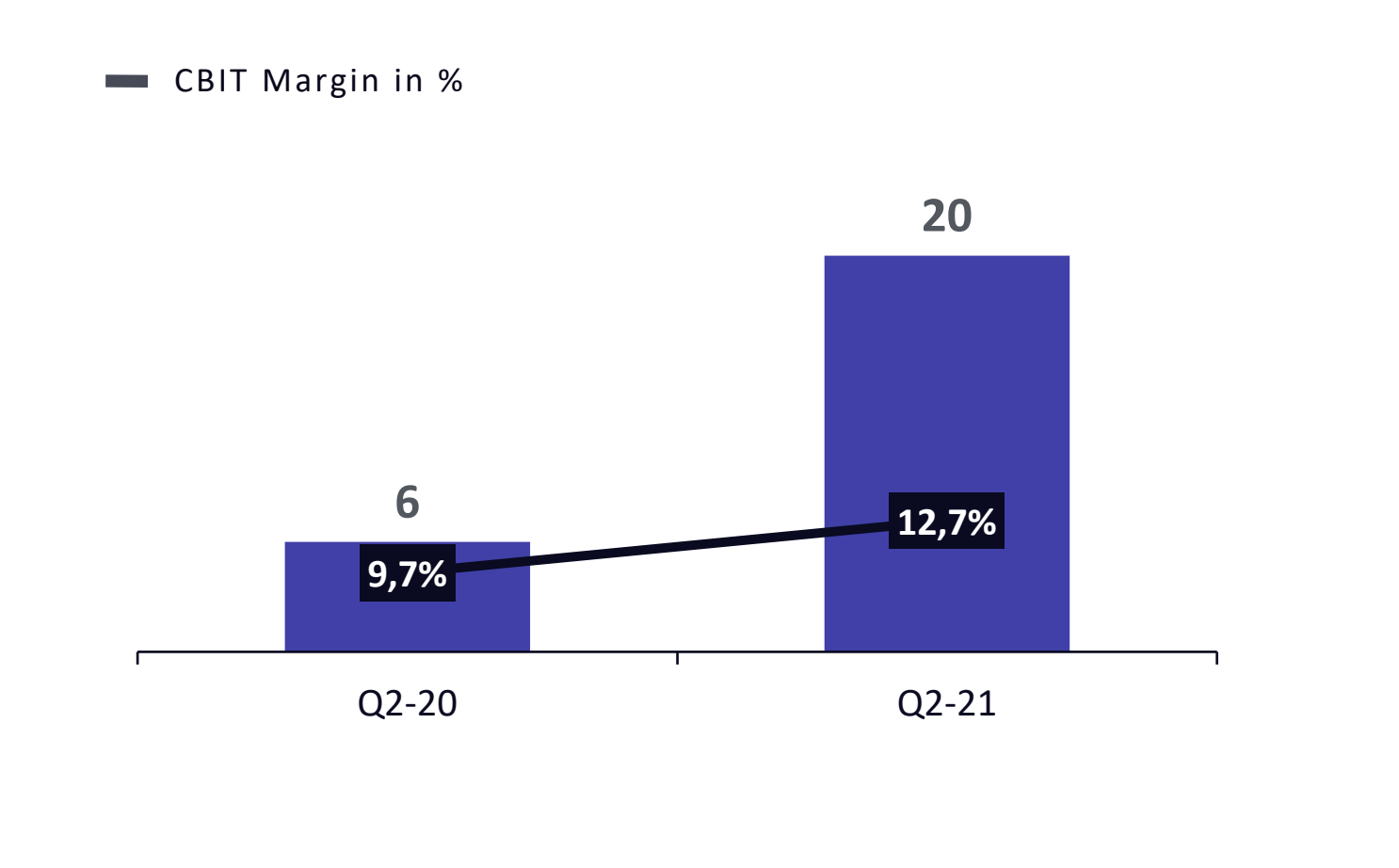
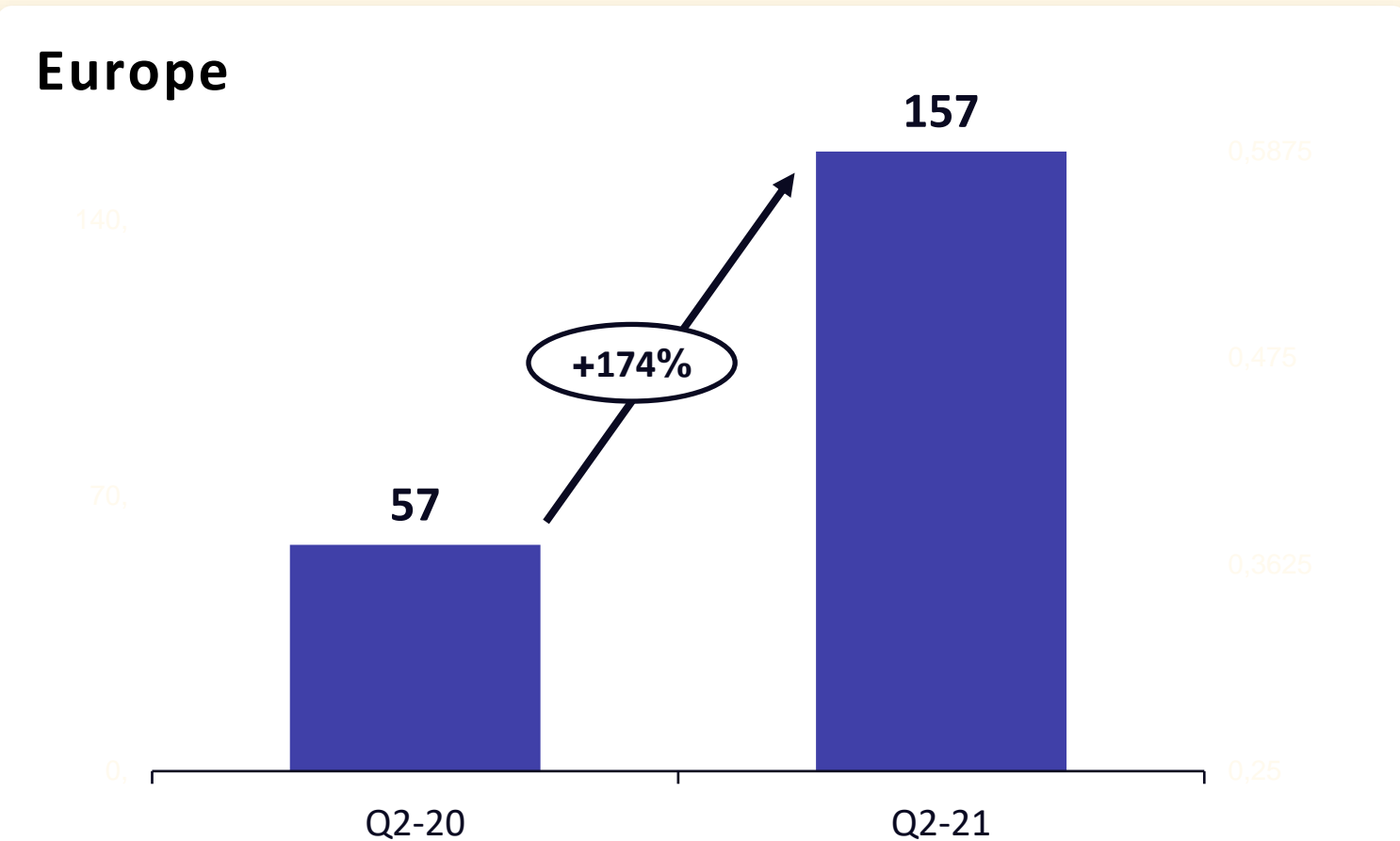


- When adjusting for items affecting comparability (mainly IPO related costs) the Adj. EBITDA margin has improved from -45% in Q2-20 to -21% in Q2-21
- EBITDA in Q2-21 was -47 MSEK (-44)

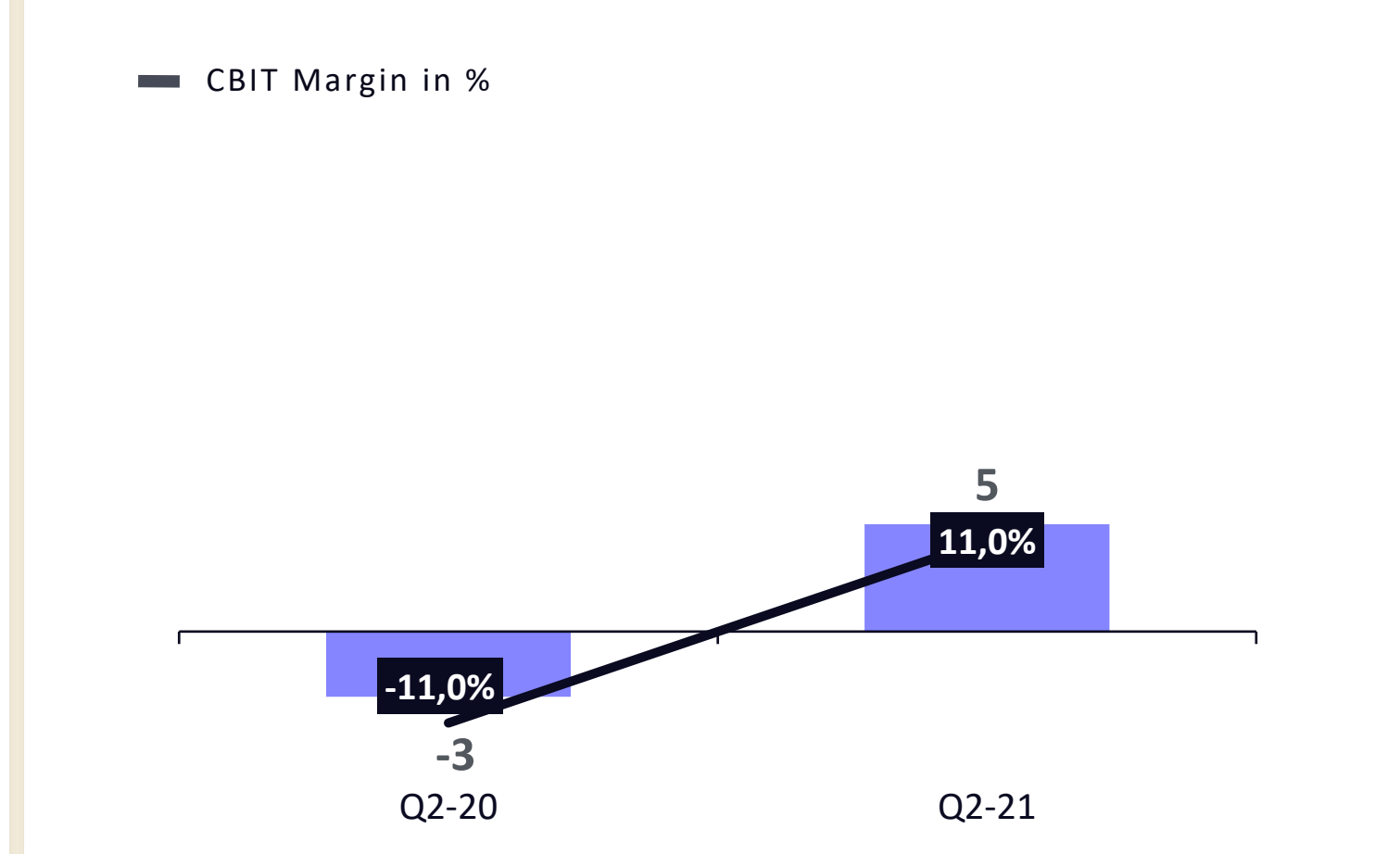
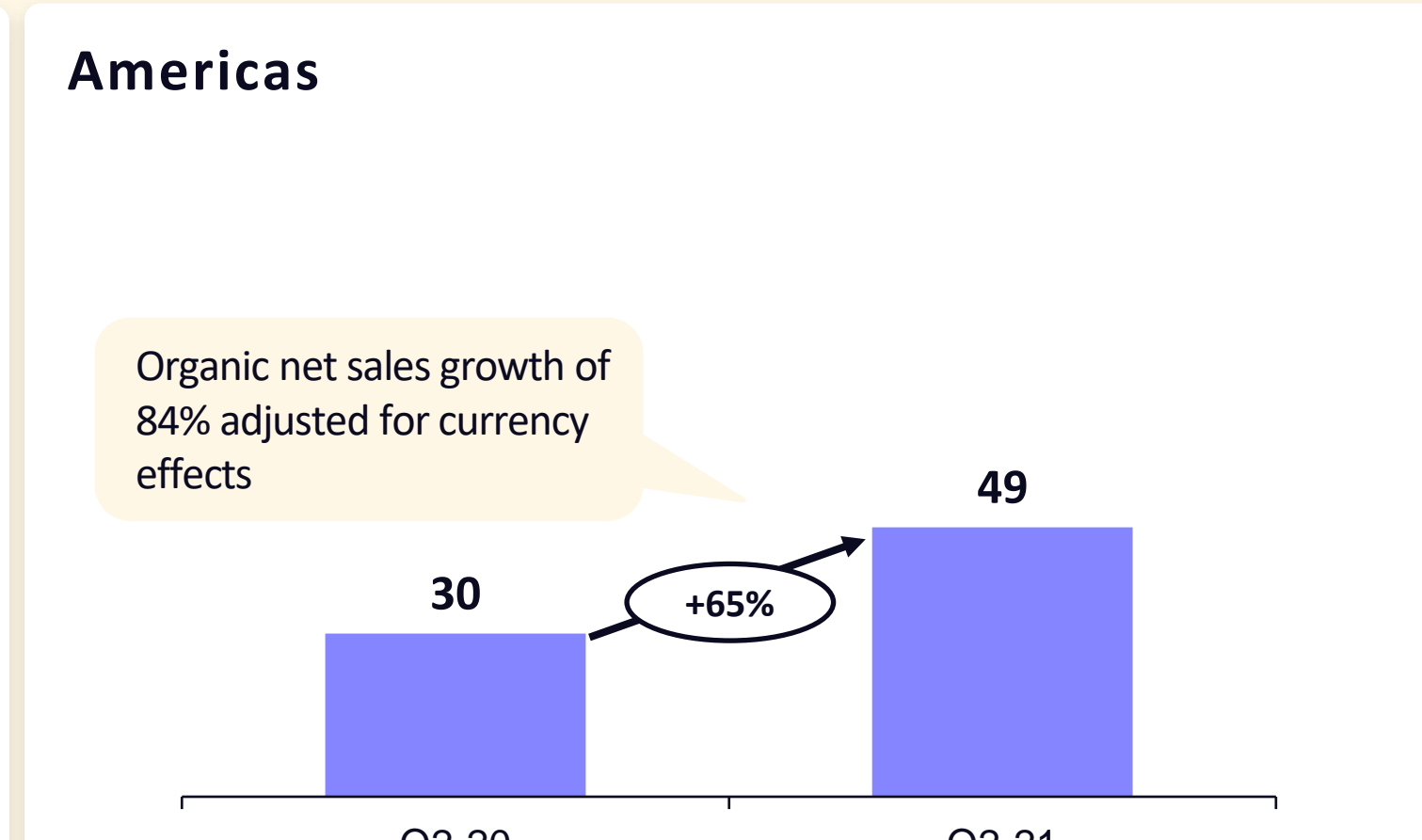
# Positive Profit Contribution From All Segments

Net Sales (SEKm)

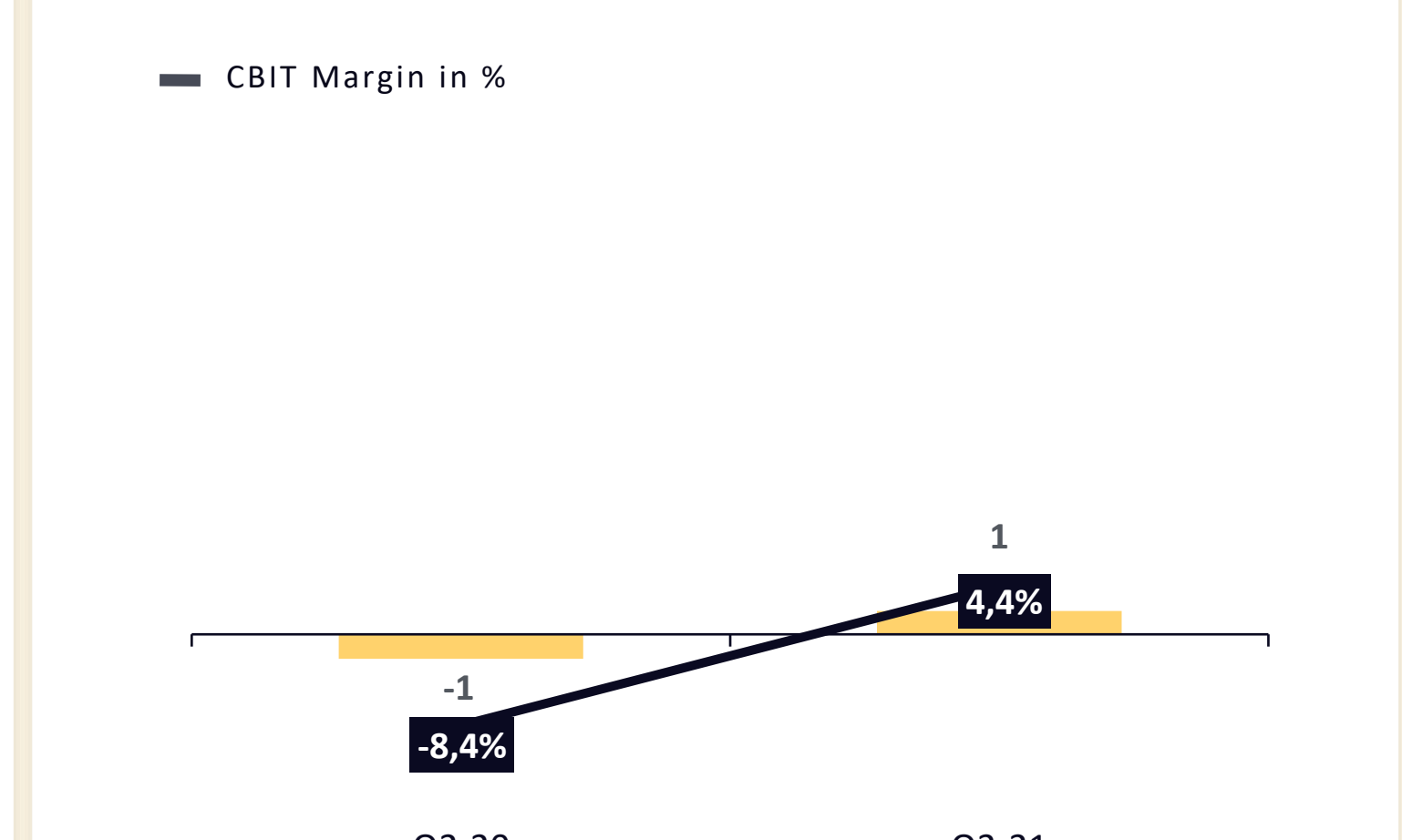
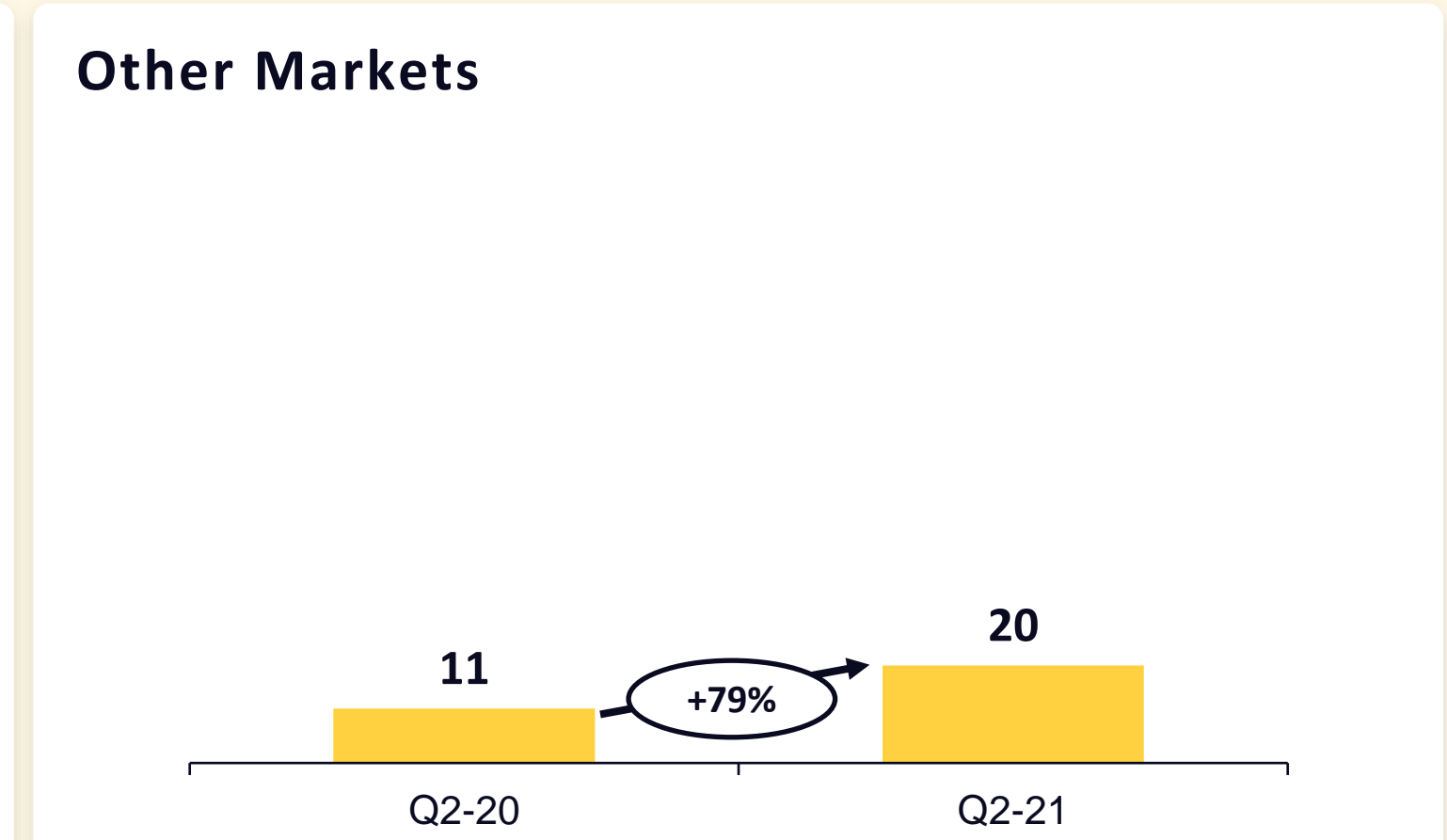
CBIT<sup>(1)</sup> (SEKm)



- Net sales in Europe increased by 174% in Q2-21 vs Q2-20
- All markets within Europe contributed to this growth, including markets already holding significant market share (UK and SE)
- Europe also includes newer growth markets such as Norway, Denmark, France, Germany and Ireland



- Americas growth was heavily impacted by currency and underlying organic net sales growth for the segment was 84%
- Americas local operating profit positive in Q2-21.
- Americas mainly includes the US but also newer growth markets Mexico and Canada

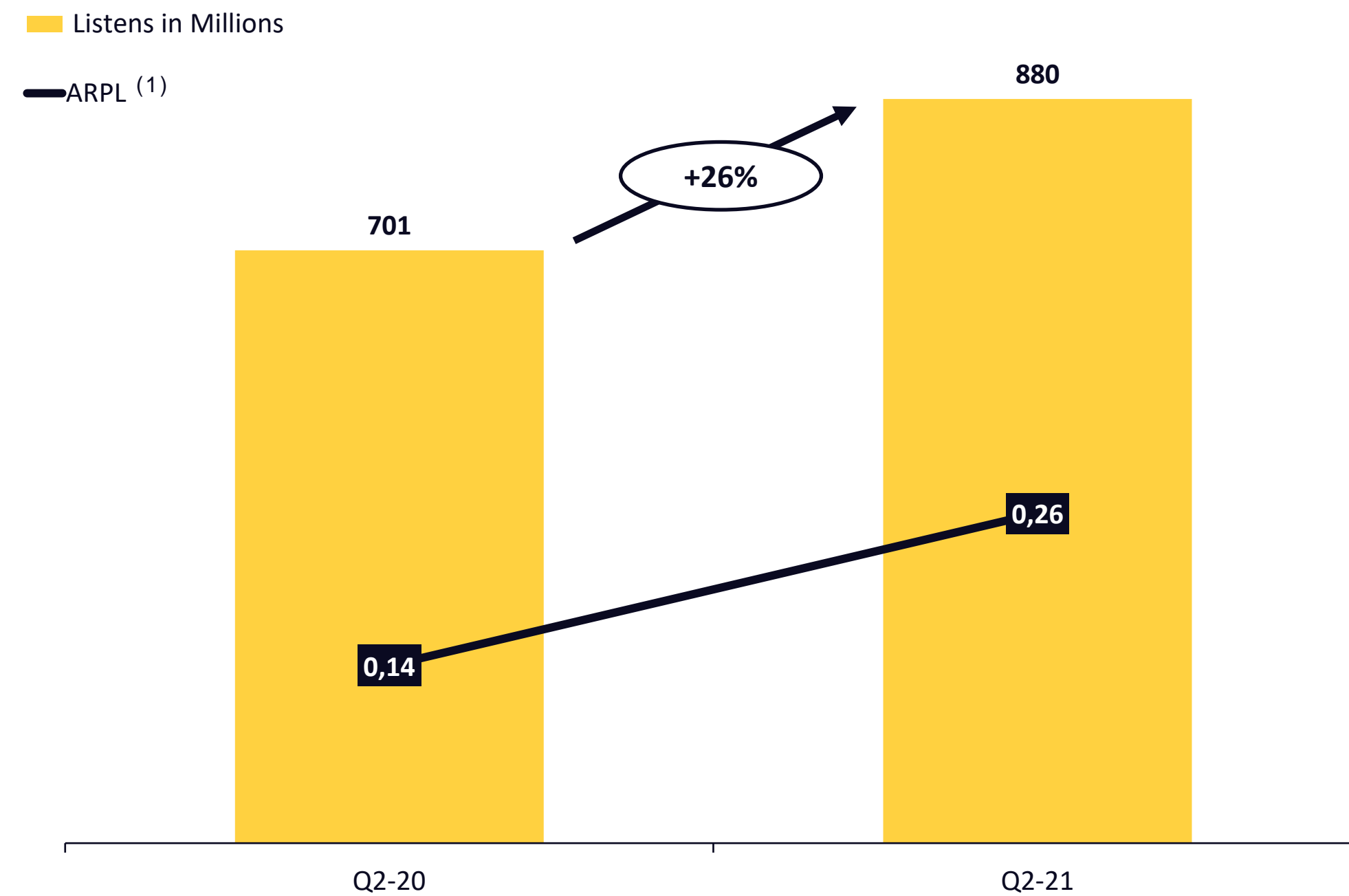


- Mainly driven by growth in Australia
- Other Markets also include NZ, and an international sales team

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

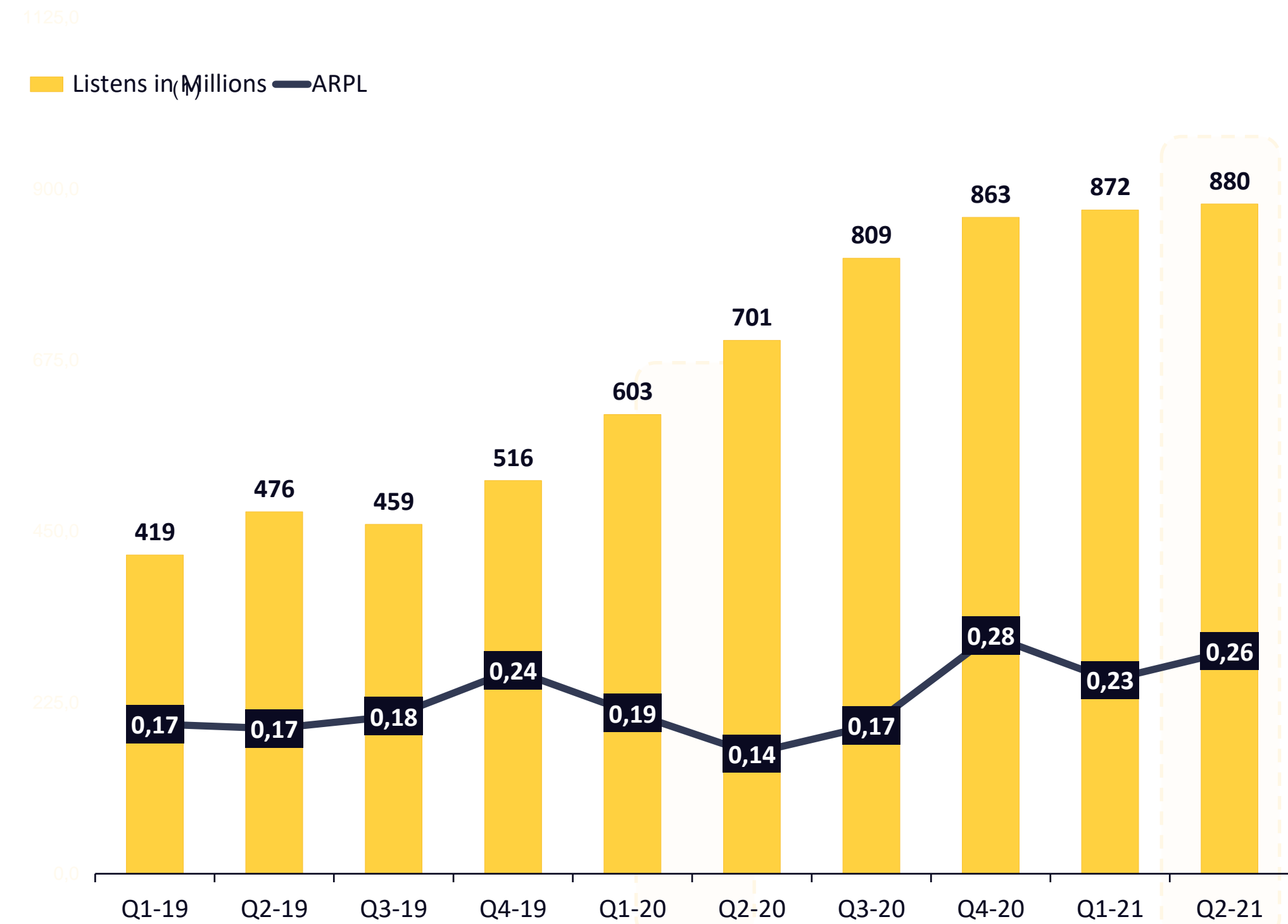
# Listens Monetization Continues to Improve

## Listens



- Listens increased by 26% compared to Q2-20
- Q2-21 listens were negatively impacted by a bug in listens consumed on Apple devices. The bug was consequently fixed during Q3.
- ARPL has increased over time due to more effective monetization

## Quarterly Listens



- There has been an increase in listens over the recent quarters as the number of shows on Acast grows and as the listening to existing shows grows in parallel

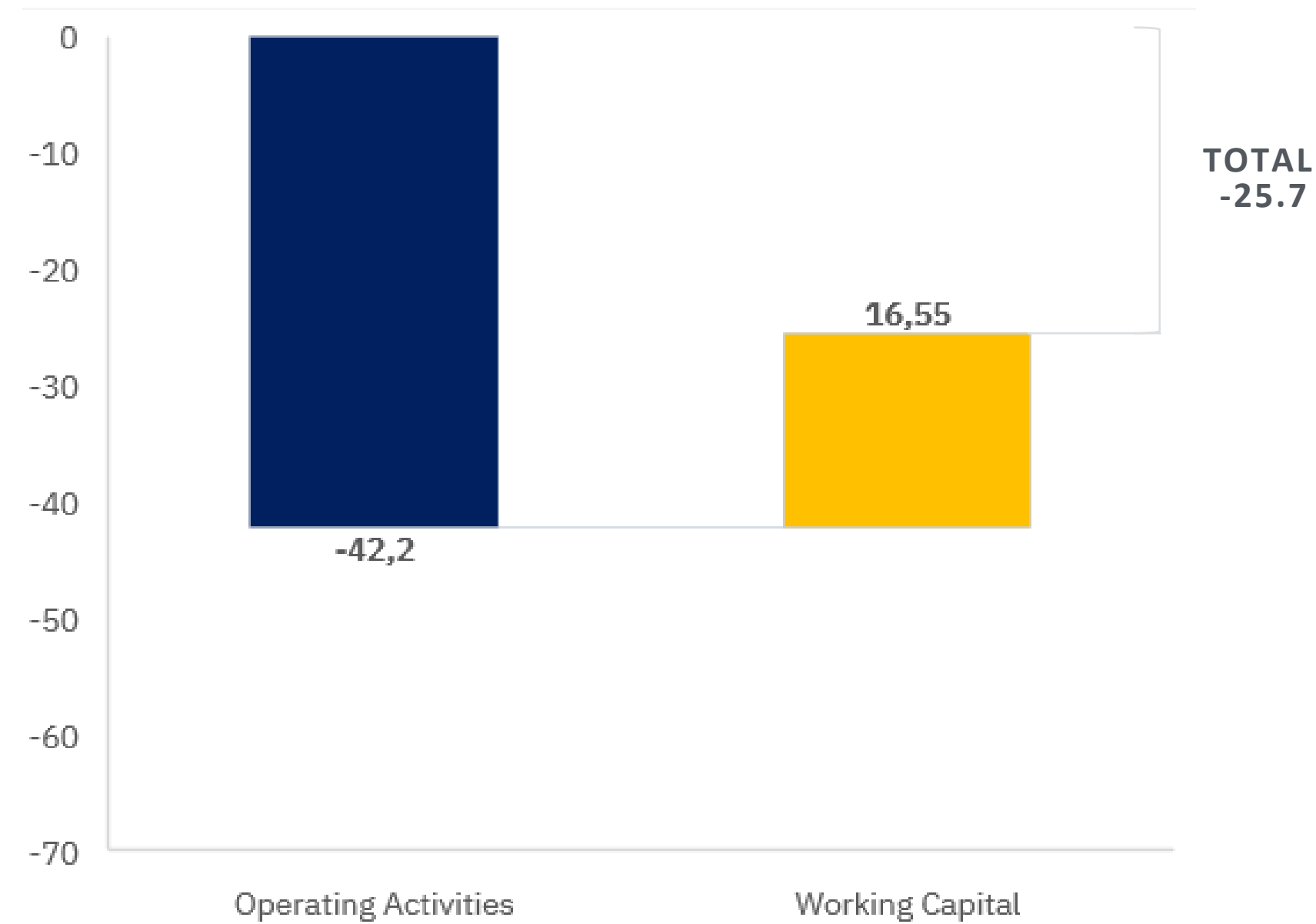


# Operating Cash Flows Impacted by IPO Costs

Q2-20

Operating Cash Flow (SEKm)

Increase  
Decrease

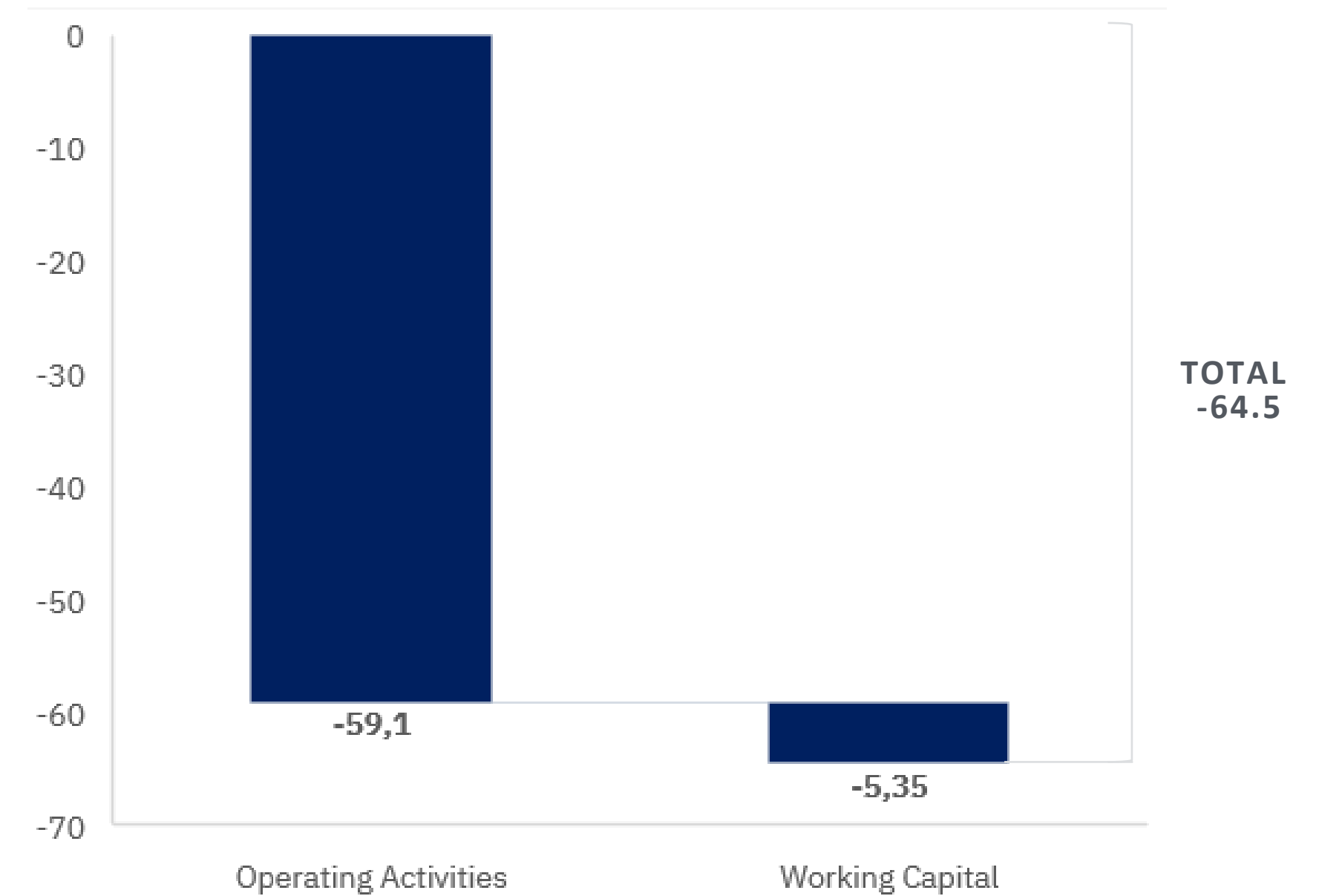


- Total operating cash flow of SEK -25.7 million in Q2-20

Q2-21

Operating Cash Flow (SEKm)

Increase  
Decrease



- Total operating cash flow of SEK -64.5 million in Q2-20

# Non-Recurring Items and IPO Impact



Items affecting comparability of SEK 31,212 thousand. Of these SEK 35,521 thousand arose as a result of the IPO and SEK -4,310 thousand relate to PPP loan forgiveness in Q2-2021.



Financial costs were primarily driven by the repayment of the loan-element of the quasi-equity instrument Acast had with the European Investment Bank (EIB). The repayment resulted in a SEK 99,729 thousand financial cost, but the remaining treatment of the combined quasi-equity instrument resulted in a net equity increase of SEK 25,540 thousand.



Cash increase from new share issue of SEK 1,249,135 thousand net of associated costs.

**04**





**Recent Events &  
Upcoming Areas of Focus**







# Recent Events & Upcoming Areas of Focus

-  Crooked Media Partnership for International Sales
-  British Podcast Awards
-  Continued roll out of Acast+
-  Podcast Movement US

05

Q&A



# Q&A



**Ross Adams**

CHIEF EXECUTIVE OFFICER



**Emily Villatte**

CHIEF FINANCE OFFICER & DEPUTY CEO



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# Acast

For The Stories.

**Appendix**



## Condensed consolidated statement of profit or loss

SEK thousand	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net sales	4	226,635	98,454	424,069	211,687	591,530
Cost of content		-143,820	-61,894	-270,144	-135,184	-372,103
<b>Gross profit</b>		<b>82,815</b>	<b>36,560</b>	<b>153,925</b>	<b>76,503</b>	<b>219,427</b>
Sales and marketing costs		-71,213	-39,410	-121,891	-81,279	-176,883
Administration expenses		-68,288	-28,257	-112,847	-56,695	-112,216
Product development costs		-32,574	-20,833	-53,447	-37,148	-79,743
Other income		4,310	502	4,873	538	877
<b>Operating loss</b>		<b>-84,951</b>	<b>-51,439</b>	<b>-129,388</b>	<b>-98,082</b>	<b>-148,538</b>
Financial income		15,227	9	40,329	45	45
Financial costs		-109,940	-2,615	-138,323	-3,695	-18,503
<b>Loss before income tax</b>		<b>-179,665</b>	<b>-57,592</b>	<b>-227,383</b>	<b>-101,732</b>	<b>-166,996</b>
Income tax expense		-78	-1,266	-1,591	-2,231	-5,225
<b>Loss for the period</b>		<b>-179,743</b>	<b>-58,858</b>	<b>-228,974</b>	<b>-103,964</b>	<b>-172,222</b>
<b>Earnings per share, based on loss for the period attributable to Parent Company shareholders:</b>						
Basic earnings per share, SEK		-1.28	-0.38	-1.78	-0.86	-1.36
Diluted earnings per share, SEK		-1.28	-0.38	-1.78	-0.86	-1.36

# Condensed consolidated statement of financial position

SEK thousand	Note	30 June 2021	30 June 2020	31 Dec 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		25,496	28,058	24,485
Intangible assets		34,354	25,510	27,303
Tangible assets		2,102	3,228	2,396
Right-of-use assets		49,569	56,159	47,975
Financial assets		2,619	2,235	2,047
Deferred tax assets		202	1,414	433
<b>Total non-current assets</b>		<b>114,343</b>	<b>116,604</b>	<b>104,639</b>
<b>Current assets</b>				
Accounts receivable		261,199	118,143	279,108
Other receivables		20,444	2,345	3,120
Prepaid expenses and accrued income		20,376	14,270	12,172
Cash and cash equivalents		1,402,608	50,923	288,599
<b>Total current assets</b>		<b>1,704,628</b>	<b>185,682</b>	<b>582,999</b>
<b>TOTAL ASSETS</b>		<b>1,818,971</b>	<b>302,285</b>	<b>687,638</b>

SEK thousand	Note	30 June 2021	30 June 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		1,139	856	856
Other paid in capital		2,267,800	591,372	840,221
Translation reserves		-3,557	-238	483
Retained earnings (including loss for the period)		-758,506	-474,238	-535,655
<b>Total equity attributable to Parent company shareholders</b>		<b>1,506,876</b>	<b>117,753</b>	<b>305,905</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities		28,391	39,408	32,769
Long-term loans from credit institutions		-	-	100,361
Deferred tax liabilities		7,847	6,350	6,613
<b>Total non-current liabilities</b>		<b>36,237</b>	<b>45,759</b>	<b>139,743</b>
<b>Current liabilities</b>				
Accounts payable		63,624	19,149	50,012
Other payables		44,247	37,085	45,579
Current tax liabilities		-	1,217	874
Lease liabilities		20,937	15,206	13,994
Accrued expenses and prepaid income		147,049	66,116	131,532
<b>Total current liabilities</b>		<b>275,857</b>	<b>138,773</b>	<b>241,991</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,818,971</b>	<b>302,285</b>	<b>687,638</b>



## Condensed consolidated statement of cash flows

SEK thousand	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
<b>Operating activities</b>						
Operating loss		-84,952	-57,321	-129,389	-103,964	-148,538
Adjustments for non-cash items		27,836	17,037	42,027	22,099	23,222
Interest received		-1	6	-	45	45
Interest paid		-2,249	-1,115	-3,373	-1,121	-164
Income taxes paid		263	-810	-	-913	-3,515
		<b>-59,103</b>	<b>-42,205</b>	<b>-90,735</b>	<b>-83,854</b>	<b>-128,950</b>
<b>Changes in working capital</b>						
Accounts receivable (increase - / decrease +)		-32,224	-16,704	28,721	-8,441	-169,983
Other current receivables (increase - / decrease +)		-23,700	42,413	-25,544	-5,327	-4,105
Accounts payable (increase + / decrease -)		18,365	-10,757	13,554	-9,788	21,264
Other current liabilities (increase + / decrease -)		32,209	1,600	10,643	12,112	92,974
<b>Total change in working capital</b>		<b>-5,351</b>	<b>16,552</b>	<b>27,374</b>	<b>-11,445</b>	<b>-59,850</b>
<b>Cash flows from operating activities</b>		<b>-64,452</b>	<b>-25,653</b>	<b>-63,361</b>	<b>-95,299</b>	<b>-188,800</b>

SEK thousand	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
<b>Investing activities</b>						
Investment in equipment		-37	-419	-103	-1,355	-1,122
Investment in intangible assets		-7,155	-4,974	-15,258	-10,074	-17,089
Long-term asset (increase - / decrease +)		-216	190	-469	-57	19
<b>Cash flows from investing activities</b>		<b>-7,408</b>	<b>-5,202</b>	<b>-15,831</b>	<b>-11,486</b>	<b>-18,192</b>
<b>Financing activities</b>						
Proceeds from borrowings		-	-	-	-	100,361
Repayment of loans		-101,889	-	-101,889	-	-
Principal elements of lease payments		-4,909	-3,875	-8,237	-7,368	-16,729
Long-term incentive programs		49,448	682	49,382	682	657
Issue of new shares		1,249,135	81	1,249,135	81	248,956
<b>Cash flows from financing activities</b>		<b>1,191,786</b>	<b>-3,112</b>	<b>1,188,391</b>	<b>-6,605</b>	<b>333,245</b>
Cash flows for the period		1,119,926	-33,967	1,109,200	-113,390	126,253
Cash and cash equivalents at the beginning of the period		286,701	87,810	288,599	165,927	165,927
Effect from movements in exchange rates on cash and cash equivalents		-4,020	-2,919	4,809	-1,614	-3,591
<b>Cash and cash equivalents at the end of the period</b>		<b>1,402,608</b>	<b>50,923</b>	<b>1,402,608</b>	<b>50,923</b>	<b>288,599</b>

## Condensed consolidated statement of changes in equity, cont.

	Equity attributable to the equity holders of the parent company					Total equity
	Note	Share capital	Other paid in capital	Translation reserves	Retained earnings (including loss for the period)	
<b>Opening balance at 1 January 2021</b>		<b>856</b>	<b>840,221</b>	<b>483</b>	<b>-535,656</b>	<b>305,905</b>
Loss for the period		-	-	-	-228,973	-228,973
Other comprehensive income		-	-	-3,666	-	-3,666
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-3,666</b>	<b>-228,973</b>	<b>-232,639</b>
<b>Transactions with owners</b>						
Issued warrants		-	26	-	-	26
Utilized Warrants		28	49,334	-	-	49,362
Repurchased warrants		-	-72	-	-	-72
Net issue of ordinary shares		254	1,425,018	-	-	1,435,272
Costs related to listing		-	-50,643	-	-	-50,643
Employee share schemes - value of employee services		-	-	-	9,666	9,666
<b>Total transactions with owners</b>		<b>282</b>	<b>1,423,663</b>	<b>-</b>	<b>9,666</b>	<b>1,433,611</b>
<b>Closing balance at 30 June 2021</b>		<b>1,138</b>	<b>2,263,884</b>	<b>-3,183</b>	<b>-754,963</b>	<b>1,506,876</b>

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