

# deezer Investor Day

*4 October 2022*



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The background of the image is a perspective view of a long, narrow tunnel. The tunnel is constructed from a series of stacked metal frames, possibly scaffolding or a large-scale architectural structure. The frames are illuminated by a strong purple light, creating a sense of depth and perspective. The light source appears to be at the far end of the tunnel, casting a bright glow that fades as it moves towards the viewer. The overall effect is one of a futuristic or industrial environment.

**“Unlocking the full potential  
of music with technology”**



# The Deezer Journey



## Launch

- **Pioneer** music streaming service
- **Tech platform** development
- **Initial monetization** through partnership with Orange in France



## Expansion

- App launched in **180 countries** and 37 languages
- Became **#2 in Brazil** (supported by B2B partnership with TIM and Globo)
- **France B2C take-off**



## Profitable growth

- Refocus the **core** business
- Increase **differentiation**
- New **opportunities in B2B** (starting with RTL+ in Germany) and new verticals

## Deezer Revenue

€0.2bn  
2016A

€0.4bn  
2021A

~€1.0bn  
2025E

# Renewed Team

**Jeronimo Folgueira**

Chief Executive Officer (since 2021)

**Stéphane Rougeot**

Chief Financial Officer & Deputy CEO (since 2022)

**Gitte Bendzulla**

Chief Operating Officer (since 2022)

**Matthieu Gorvan**

Chief Product & Technology Officer (since 2009)

**Aurélien Hérault**

Chief Innovation Officer (since 2007)

**Emilie Duquenne**

Chief People Officer (since 2020)



# Today's Playlist

1

Large and Growing Music Streaming Market

“Sexy and I Know It” - *LMFAO*

2

Home of Music - Product and Content Strategy  
Driving Differentiation

“Music Sounds Better With You” - *Stardust*

3

Unique B2B Capabilities to Foster Efficient  
Expansion

“You're My Best Friend” - *Queen*

4

Healthy and Resilient B2C Subscriber Base With  
Strong Upsides

“Follow the Money” - *Buddy Guy*

5

Clear Path to Scale and Profitability

“Knockin' On Heaven's Door” - *Guns N' Roses*

6

Building a Sustainable Business

“Treasure” - *Bruno Mars*

Closing Remarks / Q&A



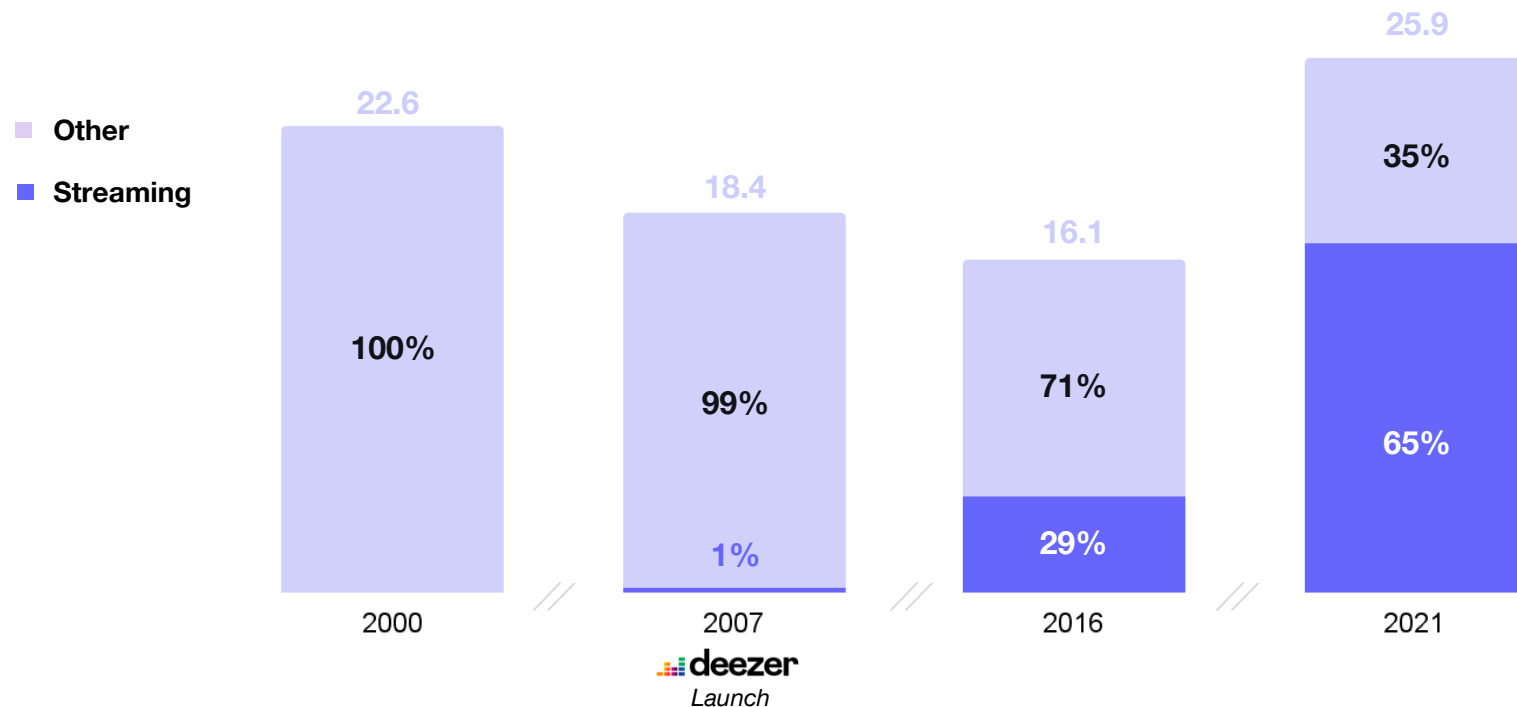
01

# Large and Growing Music Streaming Market

*“Sexy and I Know It” - LMFAO*

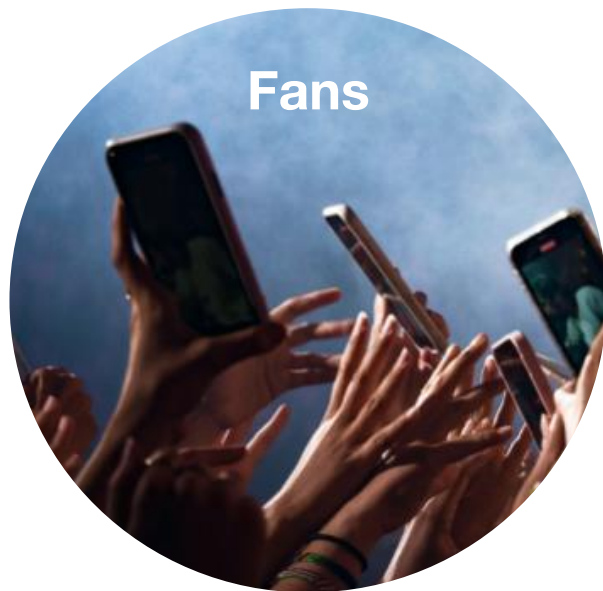
# Streaming has Driven the Music Industry's Rebound

Global Recorded Music Industry Revenue - \$bn



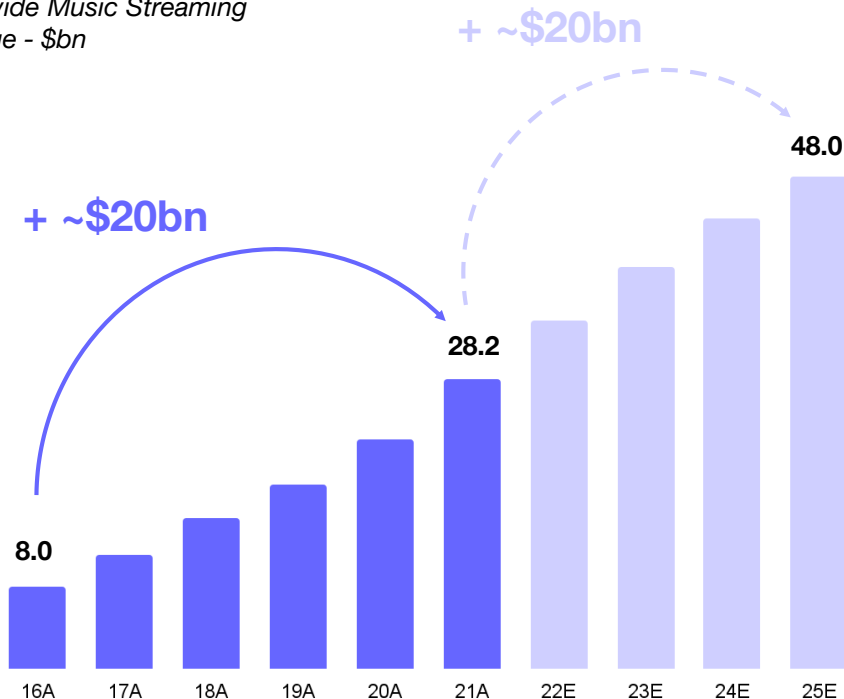


# DSPs Have a Direct Connection to Fans



# Large and Fast-Growing Music Streaming Market

Worldwide Music Streaming  
Revenue - \$bn



Increased Penetration Rate

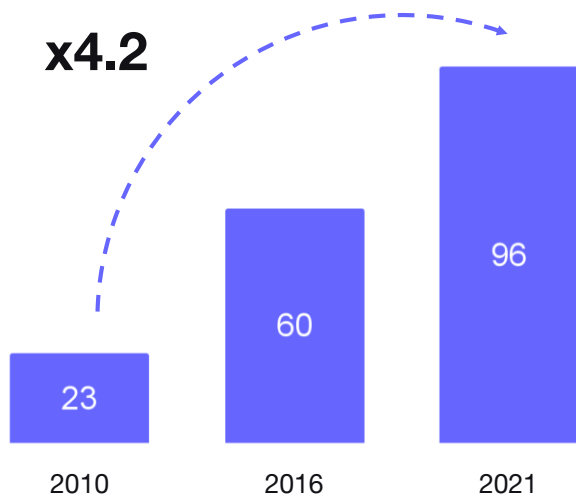
Higher ARPU

New Sources of Revenue

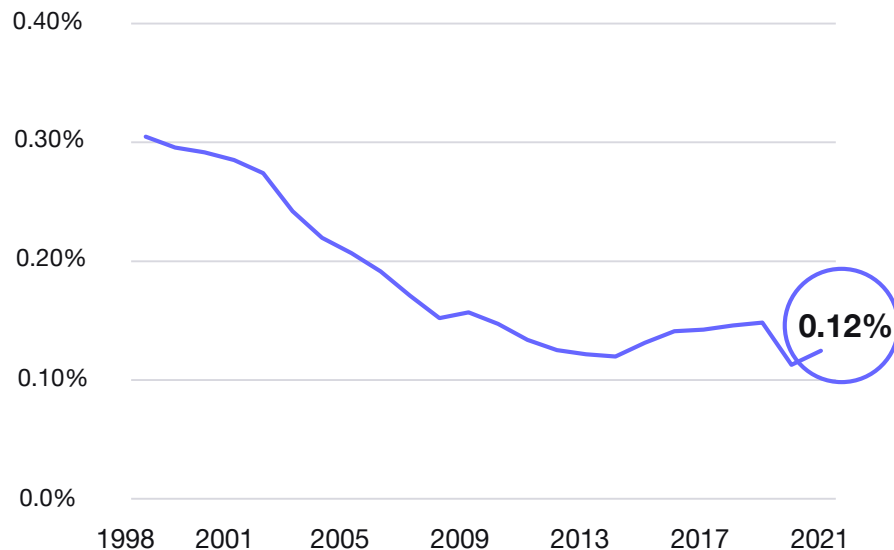
# Continuously Increasing Value for Money



Average digital audio<sup>1</sup> listening time  
(minutes per day)



Global music revenue<sup>2</sup>  
as % of nominal spend



Sources: Insider Intelligence, *US Time Spent with Media 2021*. Goldman Sachs, *Music in the Air 2022*.

(1) Includes streaming services, website/apps, audio podcasts and curated radio content. Excludes radio and downloads. As of 2021E (2) Recording, Publishing and Live.

# More Compelling Value Proposition than SVOD



**deezer**

**\$9.99**

for **1** premium subscription

Digital Audio **1h36** daily listening time<sup>3</sup>



**~\$45+<sup>1</sup>**

for **~4** subscriptions on average<sup>2</sup>

Digital Video **1h17** daily watch time<sup>4</sup>

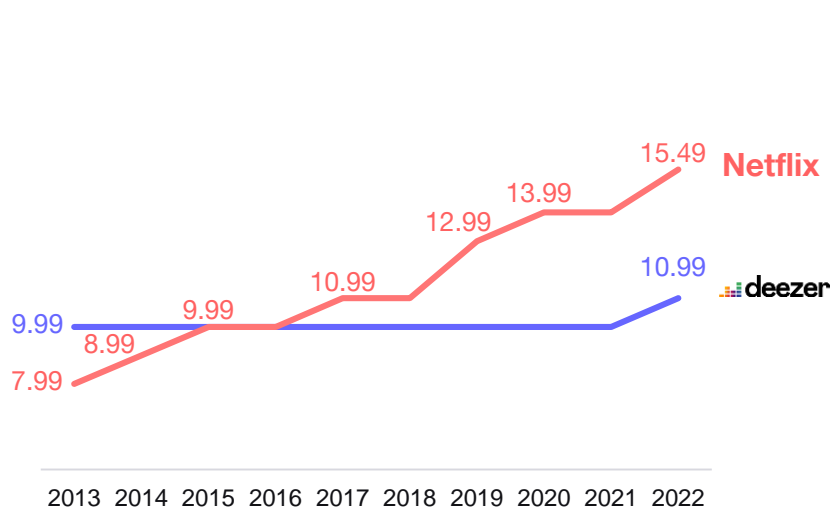
Sources: J.D. Power, TMT Insight, Jan 2021. Insider Intelligence, US Time Spent with Media 2021.

(1) Average monthly household spend on SVOD. (2) Average number of subscriptions per household. (3) Includes streaming services, website/apps, audio podcasts and curated radio content. Excludes radio and downloads. As of 21E. (4) Includes all video content viewed on desktop/laptop computers, mobile devices, and connected TVs, such as video streamed through over-the-top services. Excludes video streamed through social networks. As of 21E.

# Headroom for Price Increase

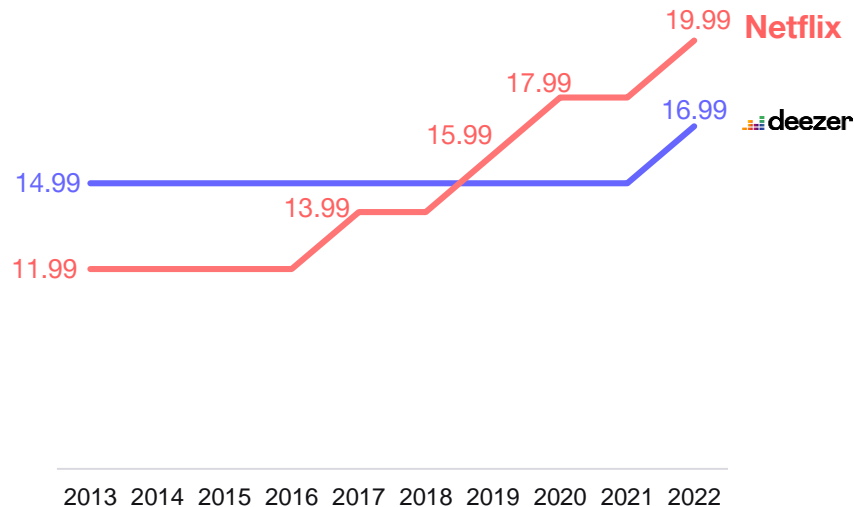
## Deezer Premium vs Netflix Standard<sup>1</sup>

Subscription price evolution *in France* - €



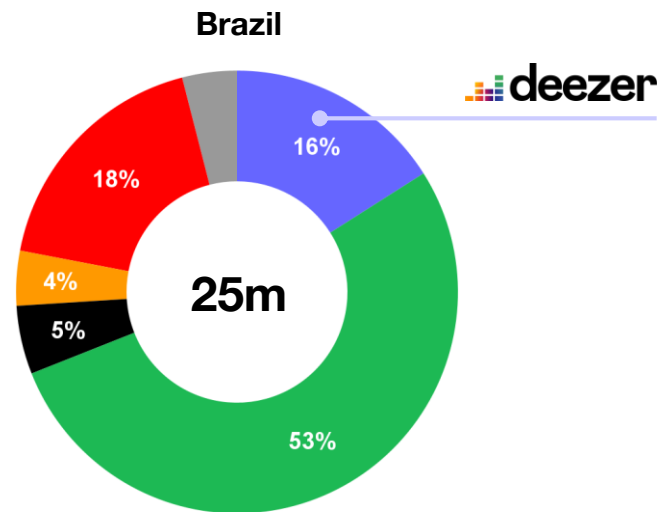
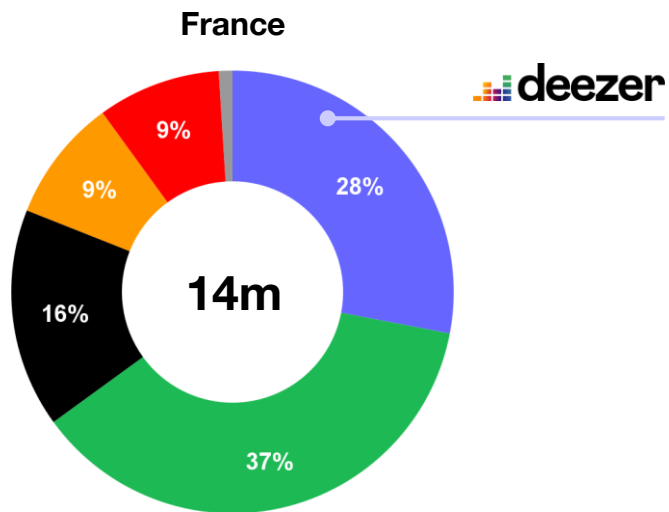
## Deezer Family vs Netflix Premium<sup>2</sup>

Subscription price evolution *in France* - €





# Strong Positioning in Core Countries



[•]m Market Subscribers



# Clear Competitive Advantages



# Scarce Global Strategic Players

Strong barriers to entry

Strategically valuable partner



Competitive **Product**<sup>1</sup>

#1  #2 

Large **Catalogue**

90m+ Music Titles

Worldwide Availability

185+ Countries

Hardware Integrations

80+ Integrations

+

Go-to B2B  
Partner

Labels &  
Artists  
Friendly

=



Source: Data AI.

(1) Apple App Store rating based on global rating of current version vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Aug-22). Google Play Store rating based on global rating of all versions vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Aug-22).

# Growth Strategy

Focus on  
**large markets**

Unique **B2B  
partnership-led  
strategy** fostering  
efficient B2C  
expansion

**Strong B2C  
differentiation**  
around music  
experiences and  
innovation

**Operational  
excellence** to  
drive lifetime value  
and profitability

02

# Home of Music - Product and Content Strategy Driving Differentiation

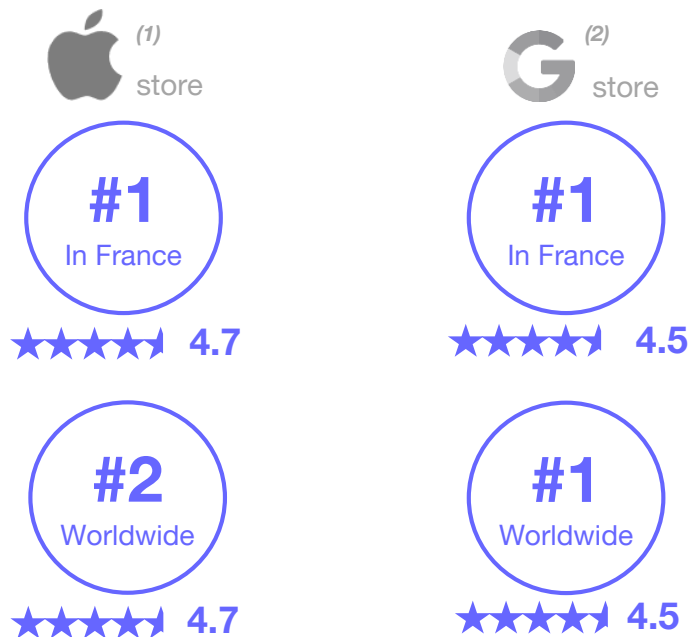
“Music Sounds Better With You” - *Stardust*





# Product Recognized by Users...

## Best-in-class product



## Illustrated by strong engagement and retention

**32h** Monthly listening time<sup>3</sup>

**54%** Paying DAU / MAU<sup>4</sup> (stickiness)

**<1.5%** Net Churn after 12 months<sup>5</sup>

Source: Data AI.

(1) Apple App Store rating based on global rating of current version vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Aug-22). (2) Google Play Store rating based on global rating of all versions vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Aug-22). (3) Per premium MAU, as of Dec-21 (4) Average of last 31 days Daily Active Users divided by Monthly Active Users (as of 31-Aug-22) for paying users (excludes free tier and Deezer Go) (5) Derived from average monthly retention from M13 to M42 when available from all B2C subscribers cohorts dating from Jan-19 to Aug-22; Based on billing accounts (excluding trials and subaccounts)

# ...And The Press

**Forbes** July 2022



**#1** out of **12**

★★★★★ 4.3



4.2



4.2



4.2



4.1



4.1



4.0

# How we Have Built a State-of-the-Art Platform

**User Centric Approach**

---

**Product Strategy Historic Pillars**

---

**Unique and Innovative Features**



**Listen**



**Collect**



**Discover**

# Listen in HiFi

Among the **first in the industry** to launch HiFi<sup>1</sup>

2014: Sonos partnership

2017: all devices

**Included in standard premium subscription<sup>2</sup>**  
since 2022



# Listen and Sing

**First** to integrate **synchronized lyrics** technology in 2014

Took lyrics feature to a whole new level as the **only platform<sup>1</sup> to offer in-app lyrics translation** since 2022

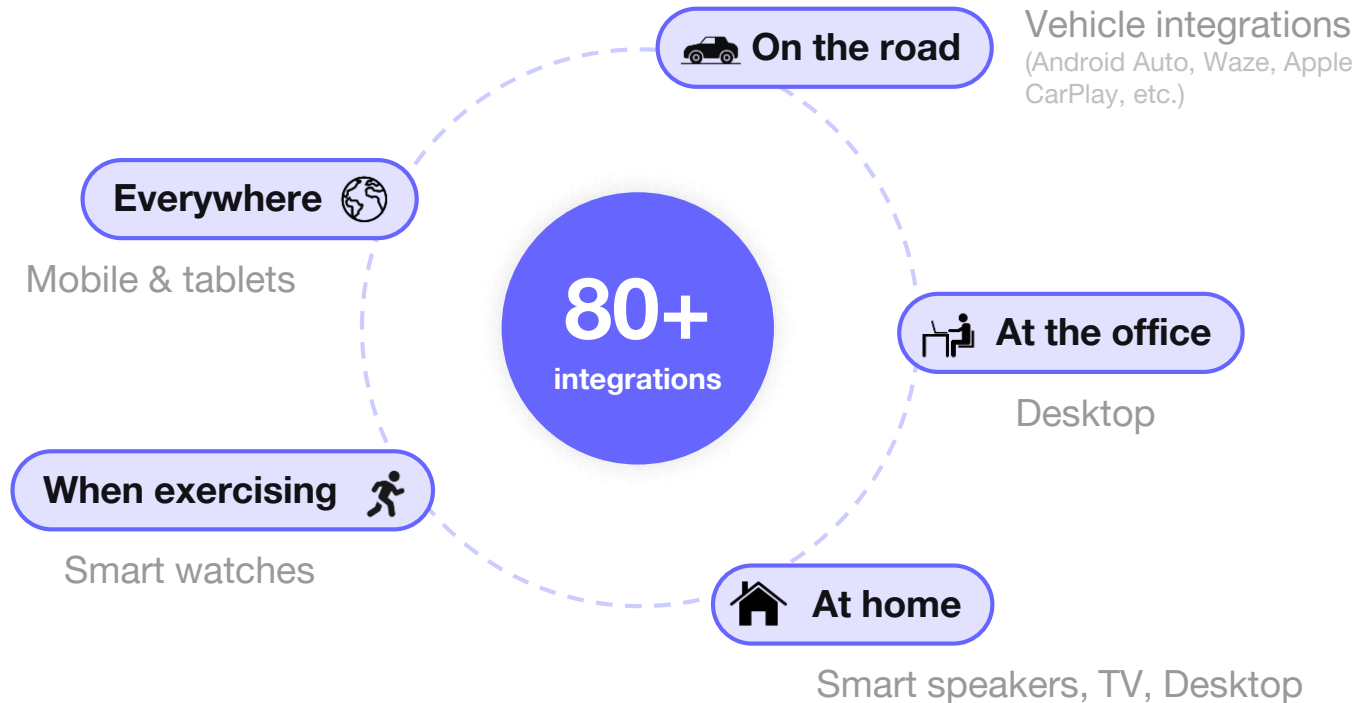


Source: Company information.

(1) Based on public features comparisons vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Oct 22).



# Listen Everywhere

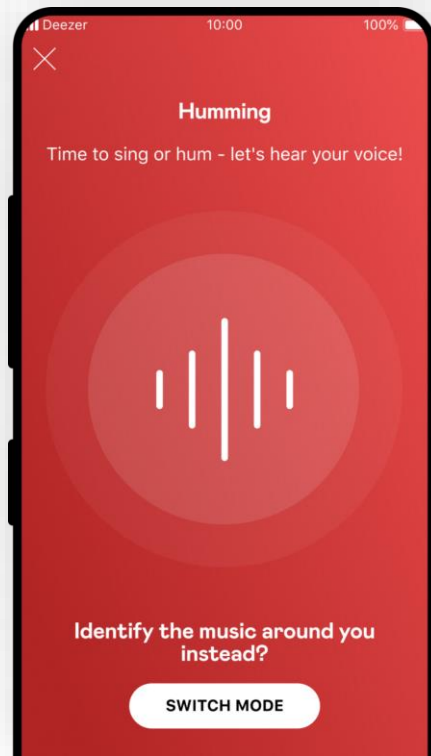
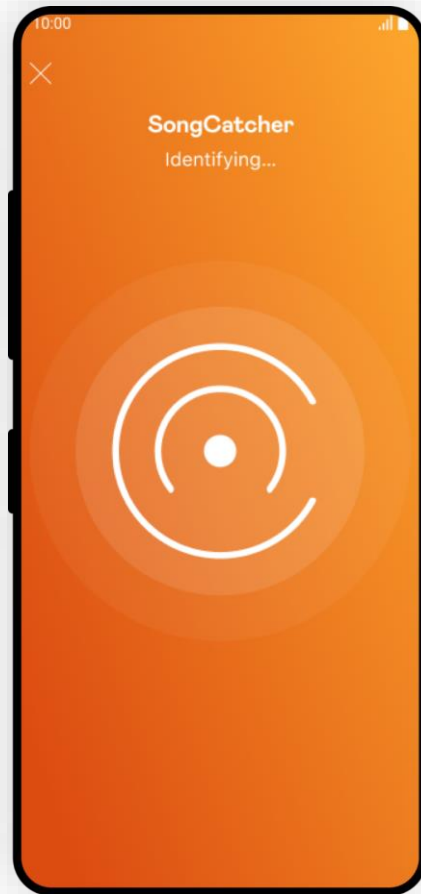


# Collect with SongCatcher

**Only platform<sup>1</sup>** offering an **in-app  
song-identifier**

**Identify** music in **one tap** and add  
**it** to favorite tracks or library

Took SongCatcher to a whole new  
level with **the ability to hum** songs  
to identify them

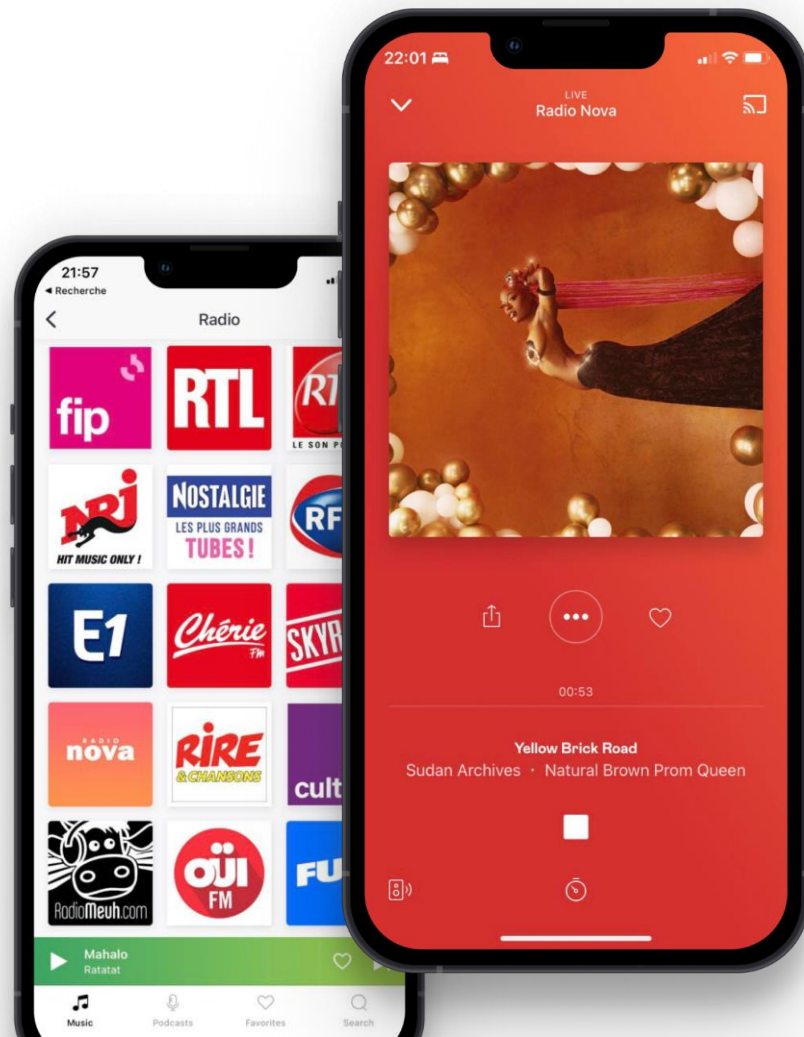


Source: Company information.

(1) Based on public features comparisons vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Oct-22).

# Collect With Live Radio Fingerprint

Only platform<sup>1</sup> allowing users to **identify the song played when listening to the radio**



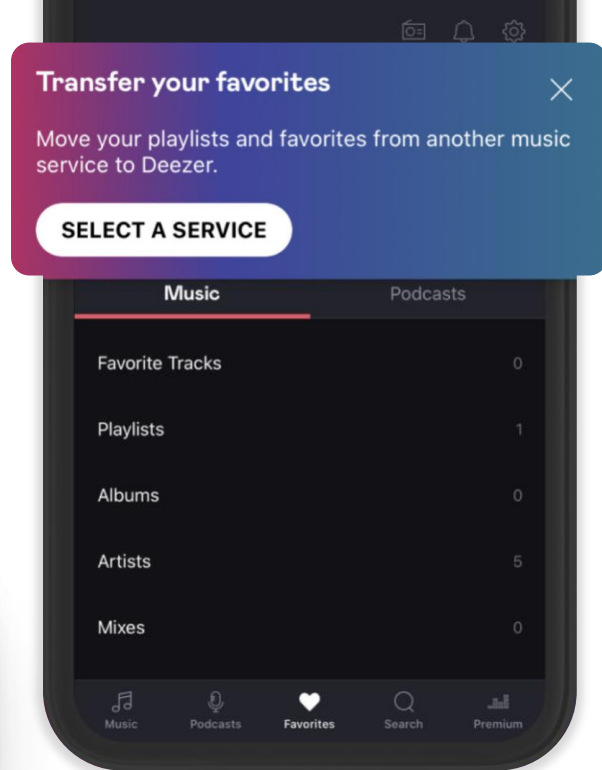
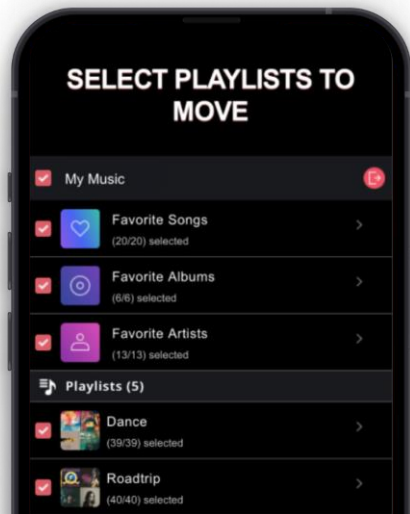
Source: Company information.

(1) Based on public features comparisons vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Oct-22).

# Collect With Library Importer

**Effortlessly transfer music library** from  
another streaming service to Deezer

**Fully integrated in-app**<sup>1</sup>



# Discover with Flow

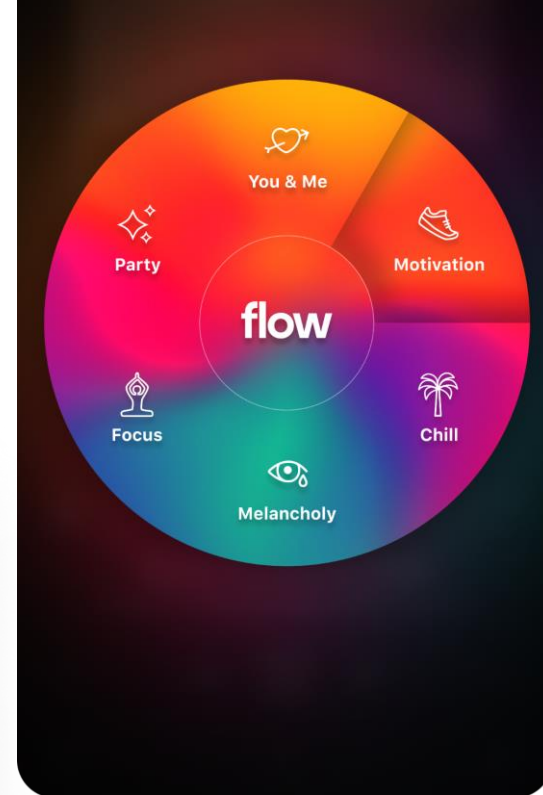
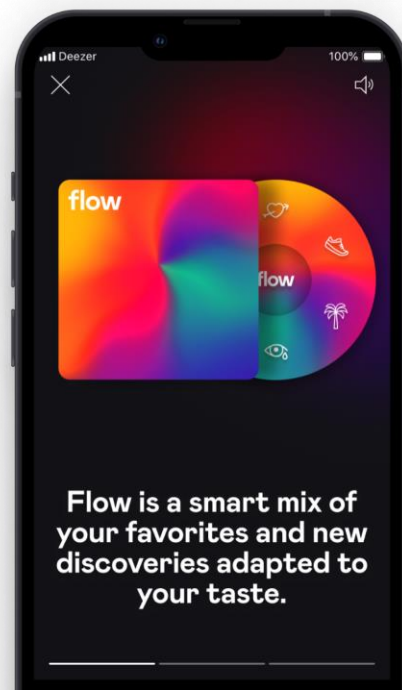
**Only platform<sup>1</sup> providing a  
customized mood-adjustable  
infinite mix**

Accessed with a **single click from  
the home screen**

Each mood is **uniquely matched to  
users' listening preferences**

2014: Flow

2021: Flow with moods



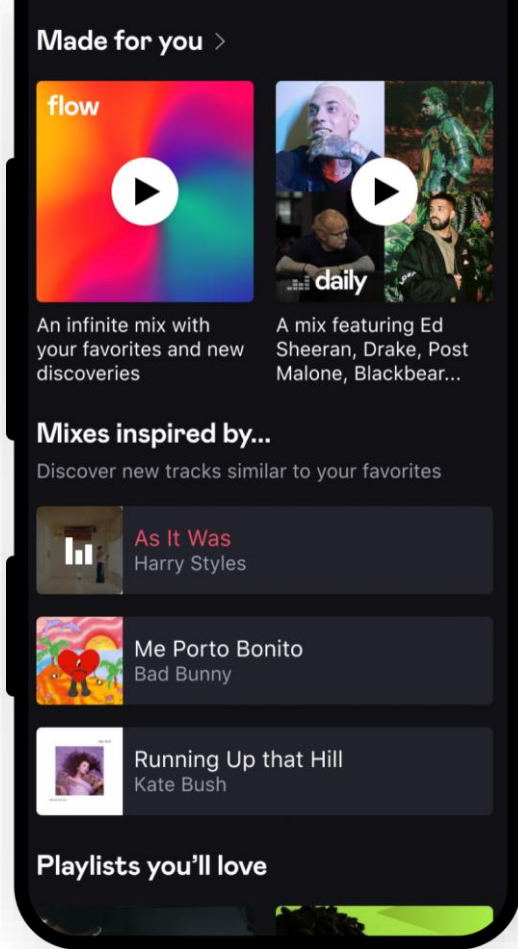
Source: Company information.

(1) Based on public features comparisons vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Oct-22).

# Discover With Track Mixes

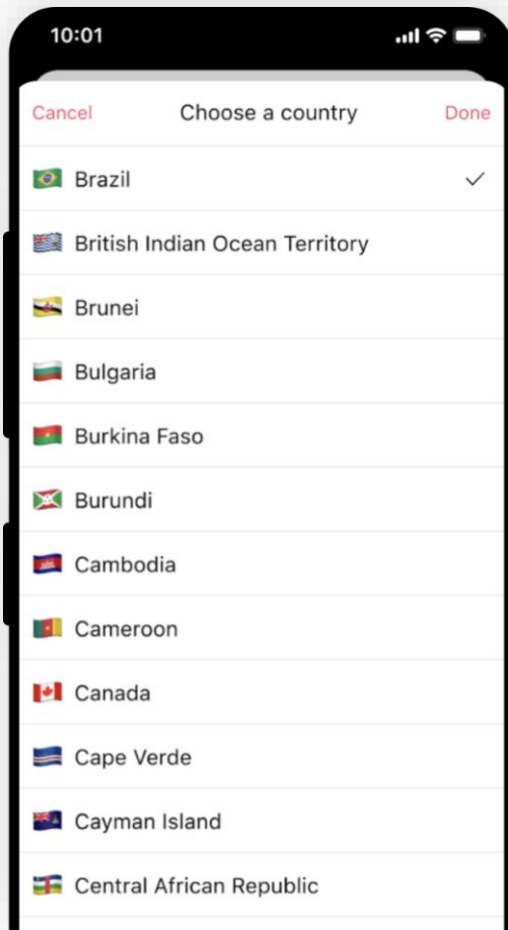
## Mix inspired by... a selected track

Prominently featured on the app's homepage to encourage users to **discover new musical horizon**



# Discover With Country Selector

**Only platform<sup>1</sup>** allowing users to **pick any country** to enjoy local recommendations, from anywhere in the world



Source: Company information.

(1) Based on public features comparisons vs. Spotify, Apple Music, Prime Music, YouTube Music, Tidal (as of Oct-22).

# Continuously Improving Platform and Engagement

Monthly Average Listening Time

Based on Premium MAUs

35h

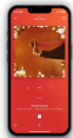
30h

25h

20h

15h

Radio  
Fingerprinting



SongCatcher



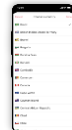
HiFi on all  
devices<sup>1</sup>



Stories & Social Sharing



Country Selector



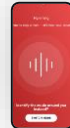
Flow with moods



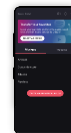
Lyrics Translation



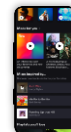
Humming



Music Library  
Importer



Track Mixes



Pandemic  
impact

Sep-17

Jun-18

Mar-19

Dec-19

Sep-20

Jun-21

Mar-22

Source: Company information.

(1) Launched in partnership with Sonos in 2014.



# New Consumer Trends Driving Product Evolution

## Catalogue Access

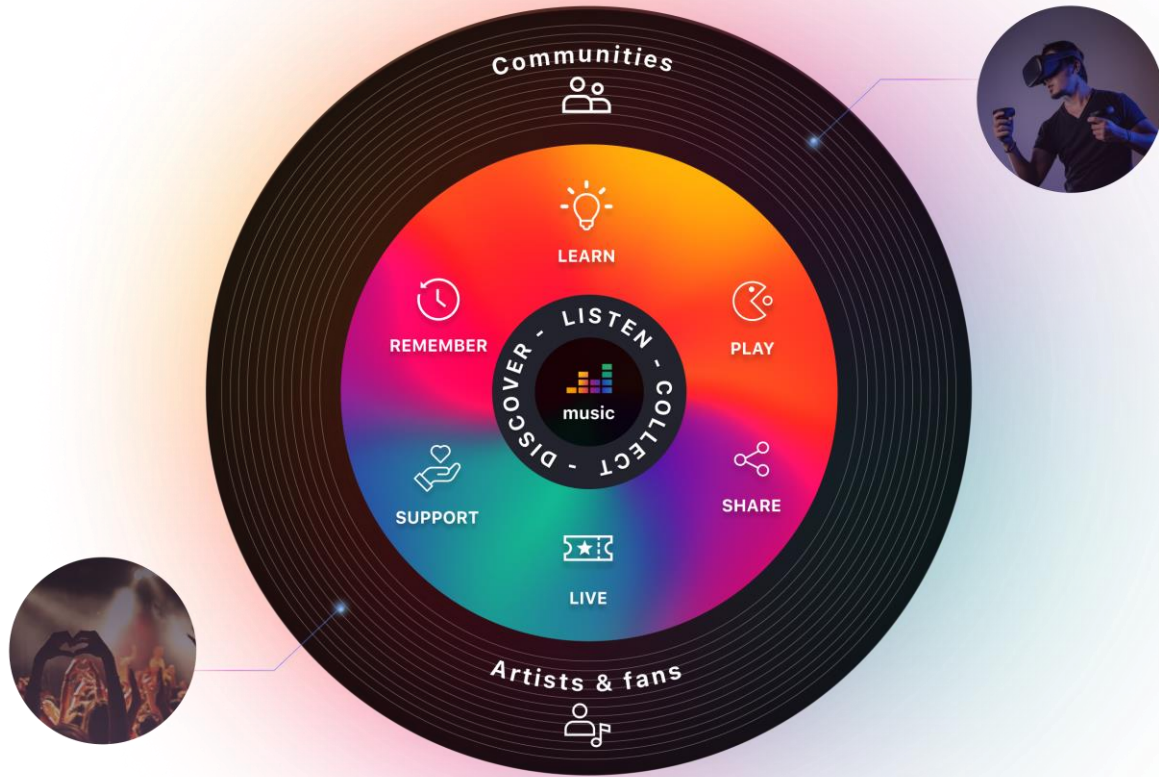
*Broadly same  
format & content*

## Immersive Music Experiences

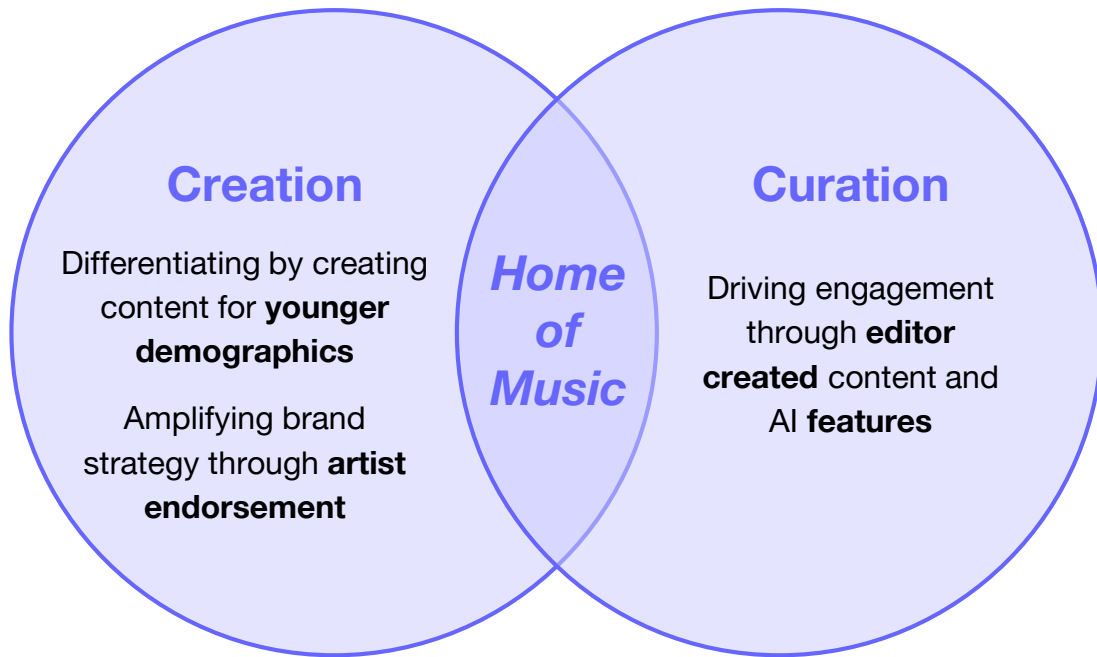
*Fans Community  
Fan-to-Artist  
Ownership  
Uniqueness*



# Product Vision



# How We Soundtrack the Home of Music



Growing **engagement** and enhancing **differentiation**



# Reflecting Cultural Trends to Maintain Relevance

## Mood & Moment driven access to music

- **Fluidity**

*No music tribes anymore*

*Users evolve between genres & decades*

- **Reactivity**

*Swift reflection of online trends revolving genres, buzzwords and aesthetics*

- **Nostalgia-driven**

*Longing for time where things felt better and easier*

- **Feel good, mental health, party, chill**

*Main mood drivers for younger demographics*

## New ways of consuming music

- ✓ **Social Media Platforms**

*TikTok, Instagram, Snapchat*

- ✓ **Soundtracks** to platform phenomena

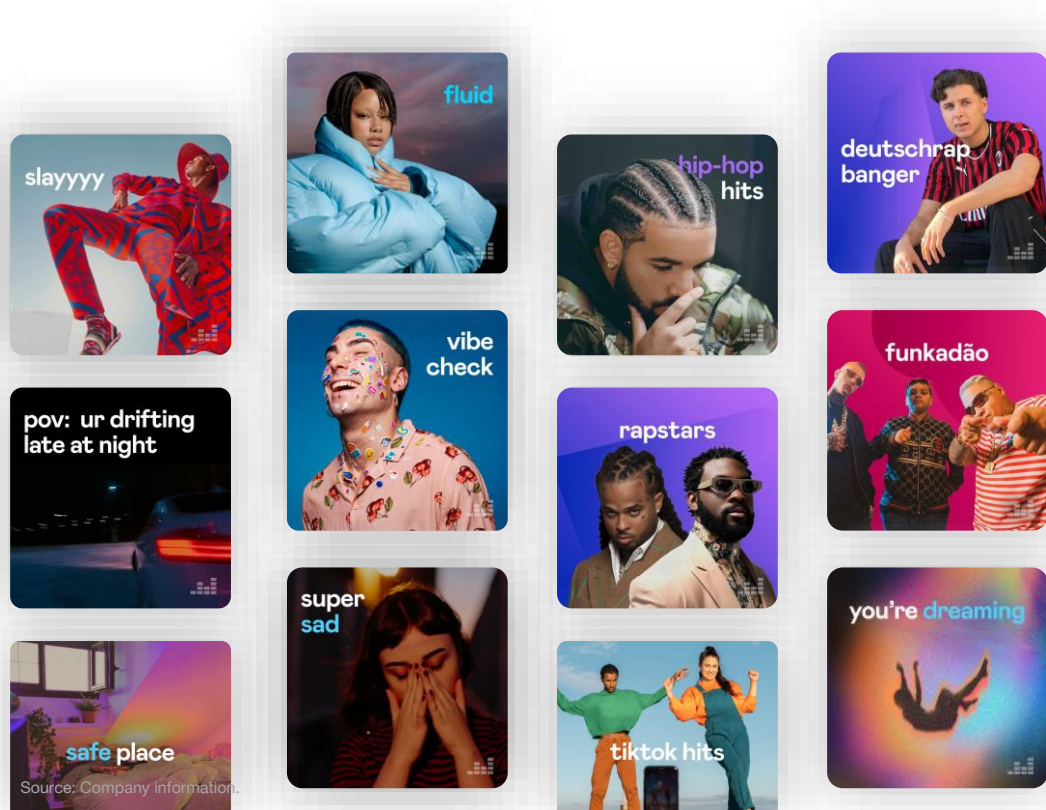
*Stranger Things, Euphoria*

- ✓ **DSPs and Youtube**

- ✓ **Influencers**



# Targeted Curation Catering to all Audiences



## ✓ Human curation

Team of global and local curators  
**21** markets localized  
**17** nationalities

## ✓ Powered by AI



Flow with moods  
Track Mix

## ✓ Catering to all audiences

**500+** playlists for every mood  
**280+** playlists for all genres & decades  
GenZ specific channel

# Drive Brand Value and Differentiation Through Creation



Talk VOD



Music originals



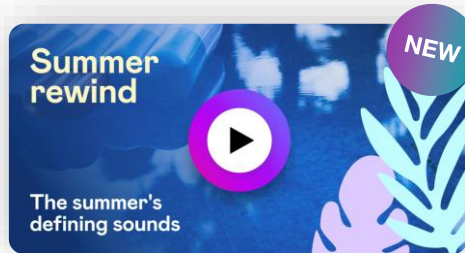
Music VOD



Live Recordings



Livestreaming



Stories

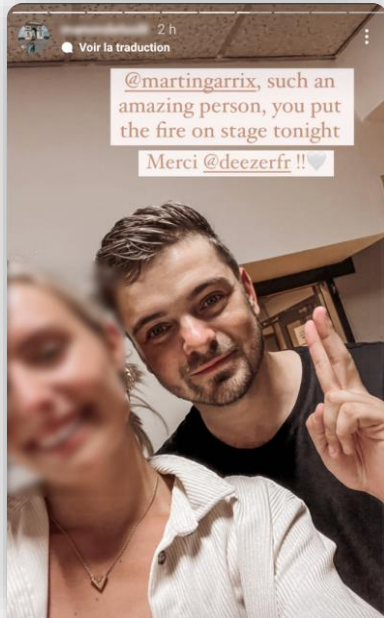


Discovery



Music Podcasts

# The Home of Music Hosting Unique and Exclusive Experiences



03

# Unique B2B Capabilities to Foster Efficient Expansion

“You’re My Best Friend” - *Queen*



# B2B at the Heart of our Business

**3.8m**

**B2B Subscribers**  
(Jun'22)

**€112m**

**B2B Revenue**  
(LTM Jun-22)

**45**

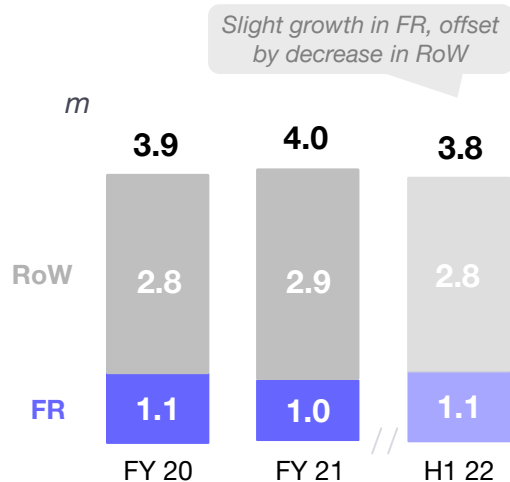
**Partnerships**  
(Sep'22)

**21%**

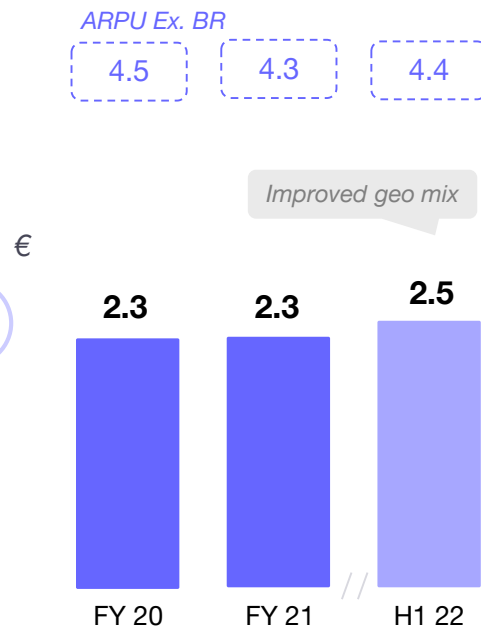
**B2B Adj. Gross Profit**  
(H1 '22)

# B2B Back to Growth Post Pandemic

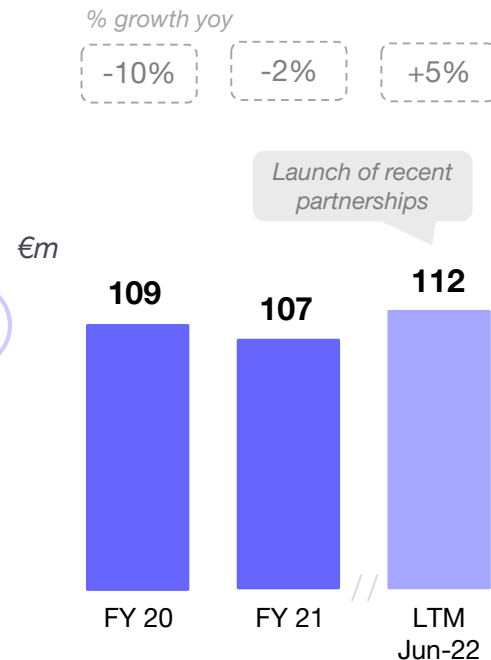
## B2B Subscribers - EoP



## B2B ARPU



## B2B Revenue



# Track Record of Landing and Expanding Win-Win Partnerships



★ Contract Renewals

Source: Company information.

# Unmatched Partner

✓ **#2 independent DSP**

✓ **Best-in-class** music product with full catalogue and strong differentiating features

✓ Tech B2B **expertise**

✓ Commercial B2B **know-how**

✓ **Big enough** to be competitive,  
**small enough** to cater for B2B

✓ Unparalleled **track record** across industries / sectors

**9.4m**  
total subscribers (Jun-22)

**90m+** music titles



**Unrivalled solution:** State-of-the-art technical toolkit  
including APIs, SDKs and Widgets

**10y+** experience in Telco partnerships

**Dedicated engineering  
and customer care team**

**24/7**  
care team

**40+**  
languages

R T L

globoplay



TIM

T Mobile

FNAC DARTY

SFR

Cdiscount

# Telco and Media Companies Increasingly Looking to Develop Bundles

Tech conglomerates increasingly offering bundles...

**amazon**

prime video music prime reading prime gaming

**Apple One**

Apple tv+ Apple Arcade Apple Music Apple Fitness+ iCloud+

**YouTube**

YouTube Premium YouTube Music

...Pushing media companies to do the same

Disney+

X

verizon

DAZN

X

TIM

NETFLIX

X

T Mobile

Paramount+

X

Walmart

# Music Streaming adds Value to a Broad Range of Partners



## **Enhanced customer engagement and experience**

Loyalty, stickiness / churn, customer value



## **Amplified brand value**

Differentiation and innovation powered by music and technology



## **Additional business opportunities**

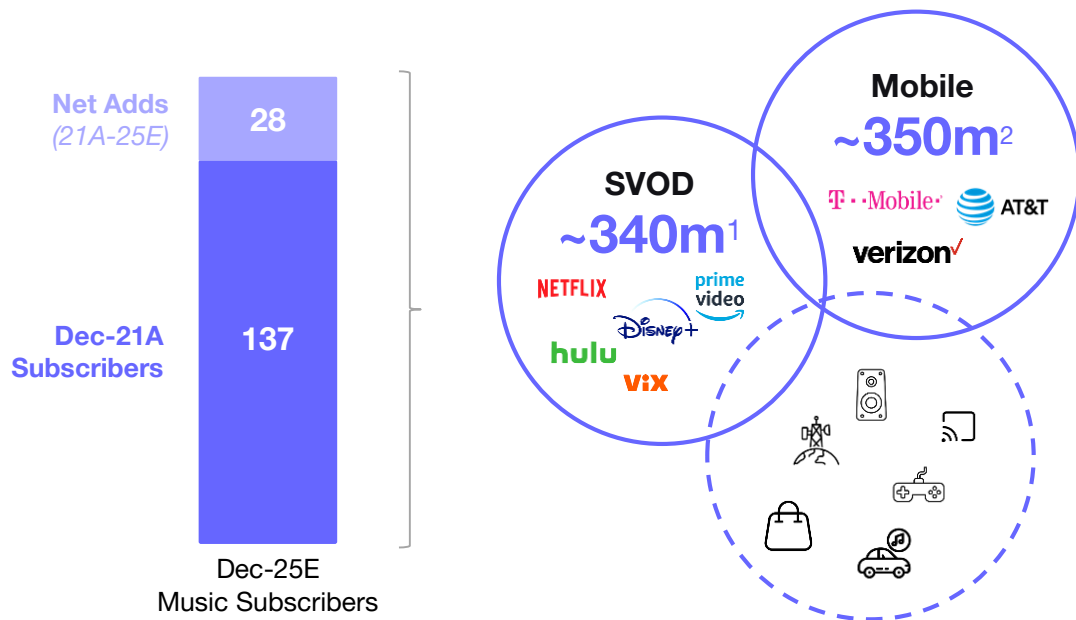
Customer acquisition, new revenue streams / business models, access to customer data

# Benefits of B2B Deals for Deezer

1

**Massive market opportunity**

*US example*



2

**Local expertise**

for go-to-markets

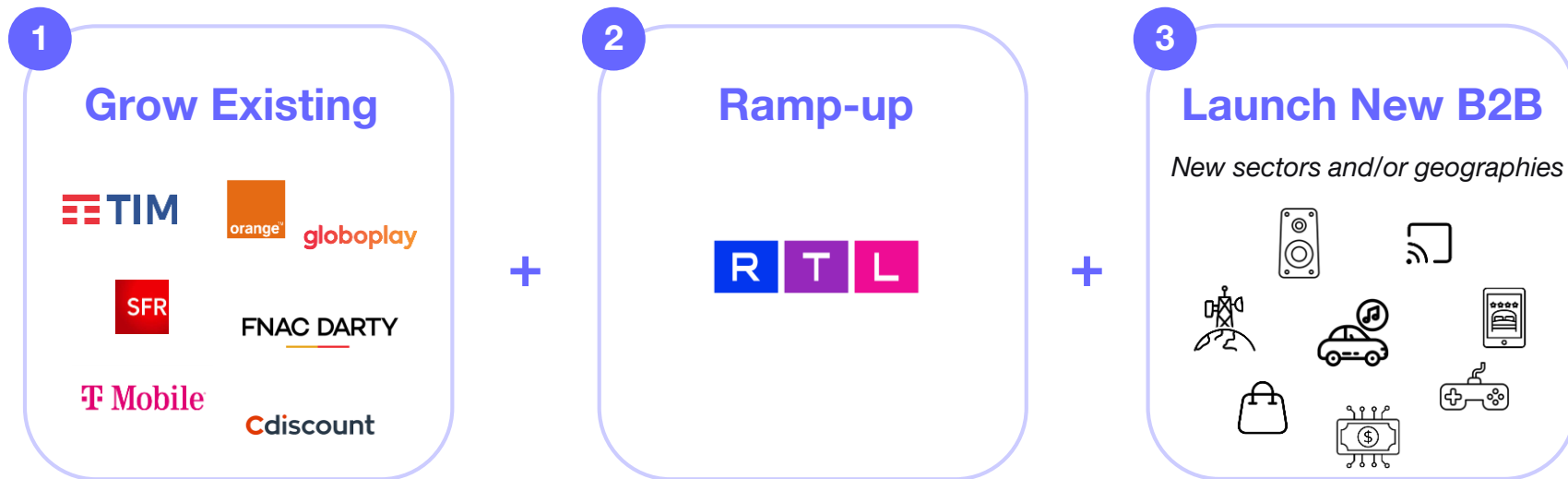
3

**Significant contributor to profitability**

4

**Build brand equity**  
paving the way for B2C

# B2B Growth Avenues



H1 '22	Global	Global ex BR
<b>B2B Subs</b>	3.8m	1.7m
<b>B2B ARPU</b>	€2.5	€4.4

% Penetration of RTL+ subs  
**10m** paying subs<sup>1</sup> in 26E

Negotiated price

% Penetration of customer base

Negotiated price



# Existing Deals Still Have Significant Room to Grow

1

Ramp-up to  
**reach target  
penetration of  
partner clients**

Cross-selling of  
**New Verticals**

**New offer**  
launches

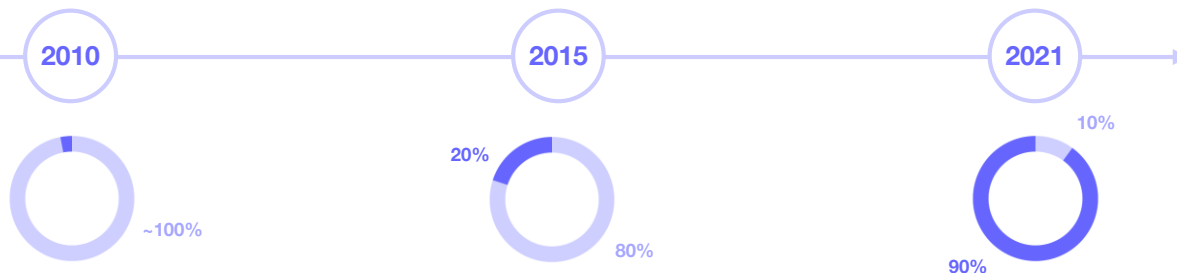
Extend deals  
to **new  
geographies**

# Continued B2B Expansion in France

1

## B2B Revenue Breakdown in France

■ Standalone ■ Bundle



## Partnerships



**FNAC DARTY**

2017 - Retail



2020 - Telco

**Cdiscount**

2022 - E-Commerce

## Key Highlights

**Efficient acquisition**  
strategy through **bundle**

**1m** premium active  
subscribers in **less than 3**  
years

**Strengthened win-win proposition**  
through **switch from bundle to**  
**standalone**

**Revenue and margin uplifts** for Deezer

**Cost driver to revenue driver** for Orange

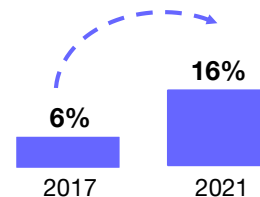
Signing **additional**  
**B2B deals across**  
**various verticals**

# Success Story in Brazil

1

**Fast Scale-Up through TIM Partnership**

Subs Market Share %



**Spill-Over effect on B2C**

B2C Revenue

2021 vs 2017



**Gross Margin Improvement Through Partnership Scale Up**

B2B Gross Margin %

2021 vs 2017



**Signing of New Partnerships Fueling Additional Growth**



# First-of-its Kind Offer in Europe

2

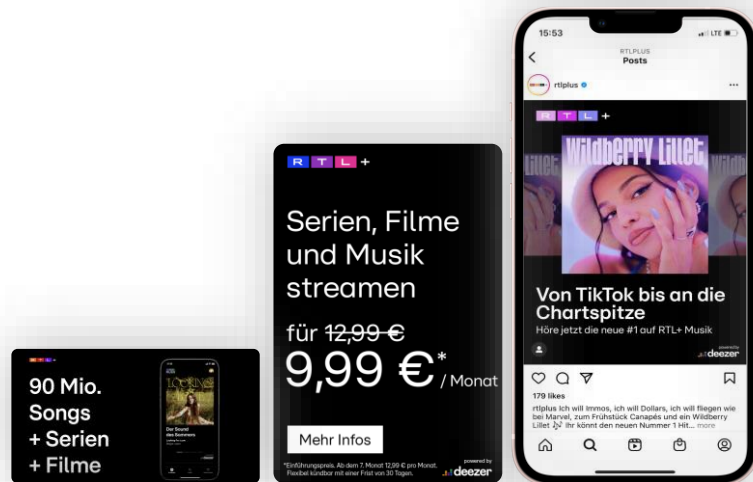
## 1st entertainment superapp in Europe

- **Integrated cross-media platform** with video, music, podcasts, audiobooks and e-magazines
- Available on **all devices**
- **Curation** facilitating content discovery

*"The ability to offer more than just video, with music, e-magazine content and audiobooks, could make RTL+ a more compelling value proposition"*

*(Deutsche Bank, 8 Aug 22)*

*"Watch more, listen more, read more"*



# A Game-Changing Partnership in Germany

2

## RTL Ambition

RTL Streaming targets by 2026<sup>1</sup>



10m

Paying Subscribers



€1bn

Revenue



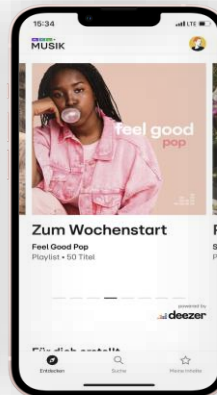
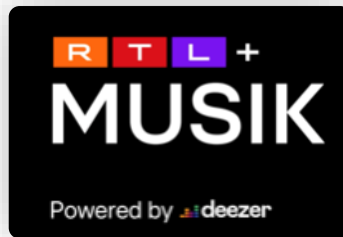
~€600m

Content investment p.a.

## Deezer Benefits














→ Co-branding  | 

→ Significant **distribution and marketing commitment** from RTL



# Ambitious Business Development Plans in Large Markets

3

	 France	 Brazil	 Germany	 US	 UK	 Canada	 Italy	 Spain
Market Size (2027E)	\$1.8bn	\$1.1bn	\$2.8bn	\$20.9bn	\$3.6bn	\$1.5bn	\$1.0bn	\$0.7bn
Deezer's Market Share (Dec-21)	28%	16%	1%	<1%	<1%	<1%	1%	1%
Market Access	  FNAC DARTY Cdiscount	 globoplay	 	<i>Further partnerships identified and being evaluated</i>				

# Untapped Potential in New Verticals

3

Largely mastered and addressed,  
remaining opportunities to capture

Telcos



Retail



Recent successes unlocking  
new opportunities

Media



Hardware



Identified yet untapped verticals  
with huge potential

Automotive



Gaming



Hospitality



Finance



Our value proposition addresses the needs of an increasing number of promising verticals

04

# Healthy and Resilient B2C Subscriber Base With Strong Upsides

*“Follow the Money” - Buddy Guy*



# Large and Loyal B2C Subscriber Base

**5.6m**

**B2C Subscribers**  
(Jun'22)

**€4.6**

**B2C ARPU**  
(H1 '22)

**€300m**

**B2C Revenue**  
(LTM Jun-22)

**79%**

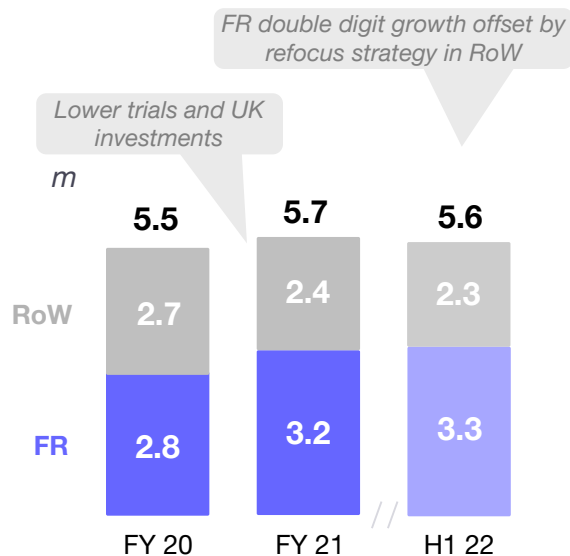
**B2C Subscriber Base >  
12 months<sup>1</sup>**  
(Jun'22)

**24%**

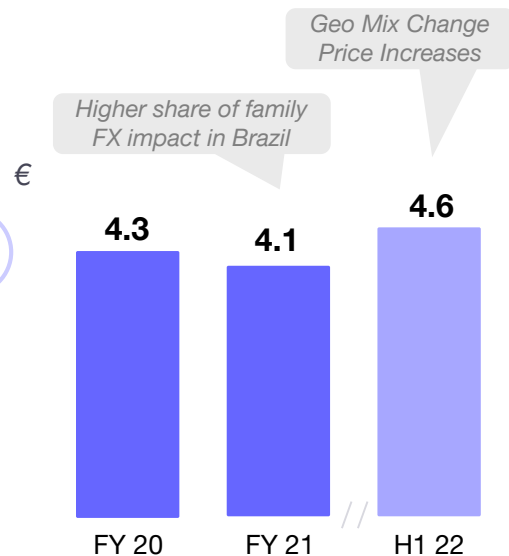
**B2C Adj. Gross  
Profit**  
(H1 '22)

# Healthy and Resilient B2C Business

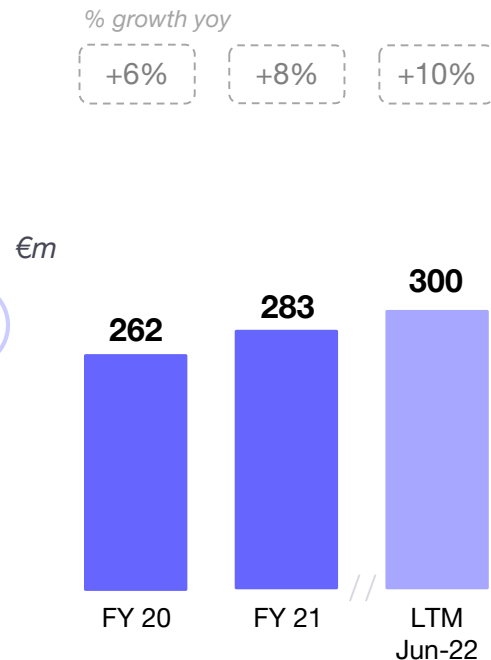
## B2C Subscribers - EoP



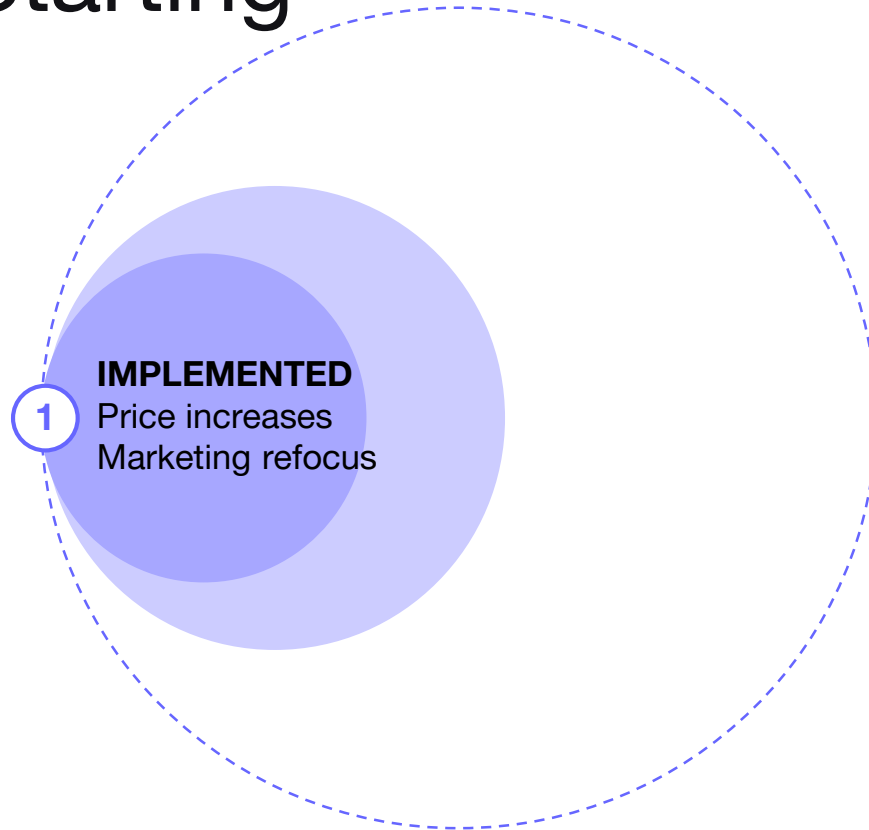
## B2C ARPU



## B2C Revenue



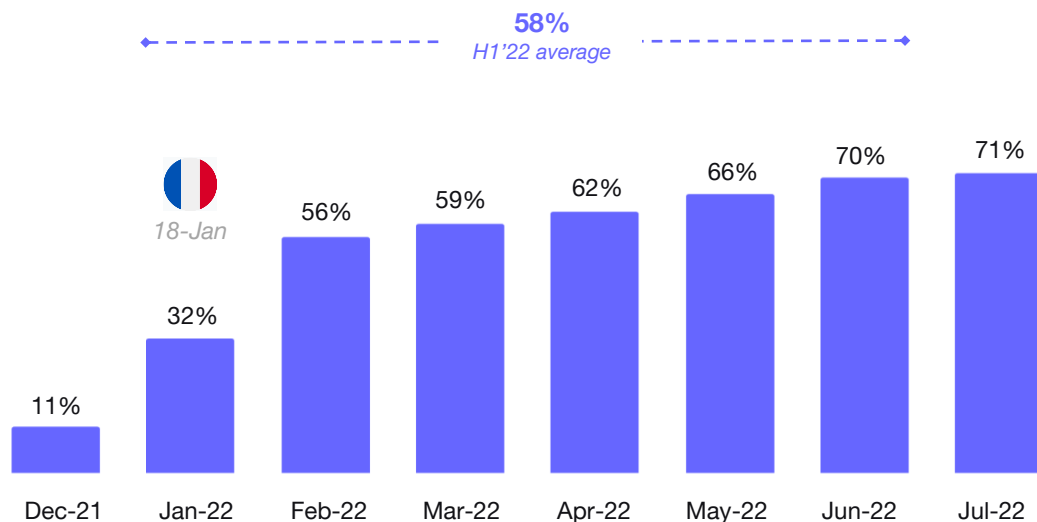
# B2C Economics Improvements are Only Starting



# Price Increase Being Successfully Rolled Out

## New B2C prices roll-out

Price increase subscriptions<sup>1</sup> in % of revenue<sup>2</sup>



18-Jan

### October



### November

All existing iOS users

### December



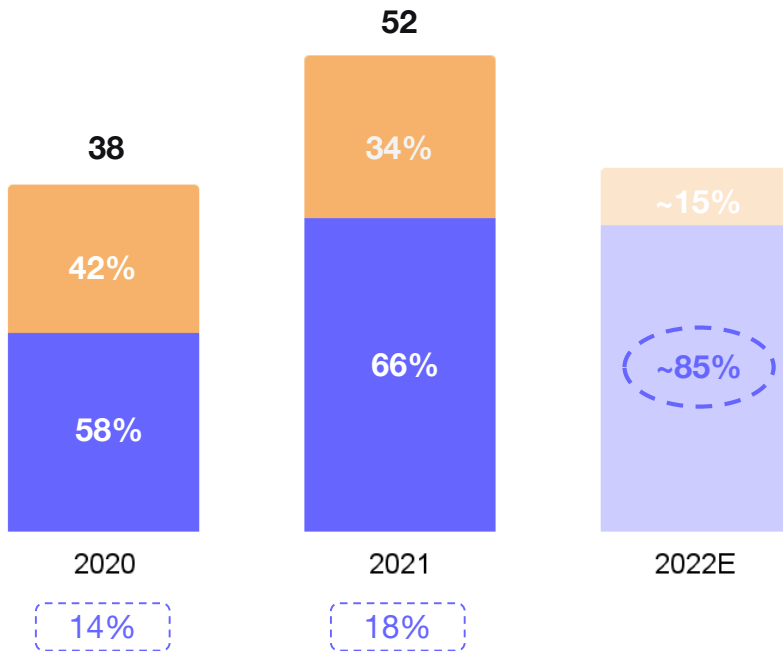
Source: Company information

(1) Based on billing accounts (excluding trials and subaccounts). (2) Extracted from payment table; due to payment lifecycle, minor changes could occur. Revenue subject to post closing adjustments; Revenue might change if we refund a transaction or we receive a chargeback; Excludes VAT.

# Marketing Refocus

**B2C marketing<sup>1</sup>**  
% total B2C marketing

- RoW
- FR, BR, DE



% B2C revenue

# Refocus Already Paying off



France

**1.9x**

**LTV/SAC**  
(H1'22)

**+9%**

**YoY**



RoW

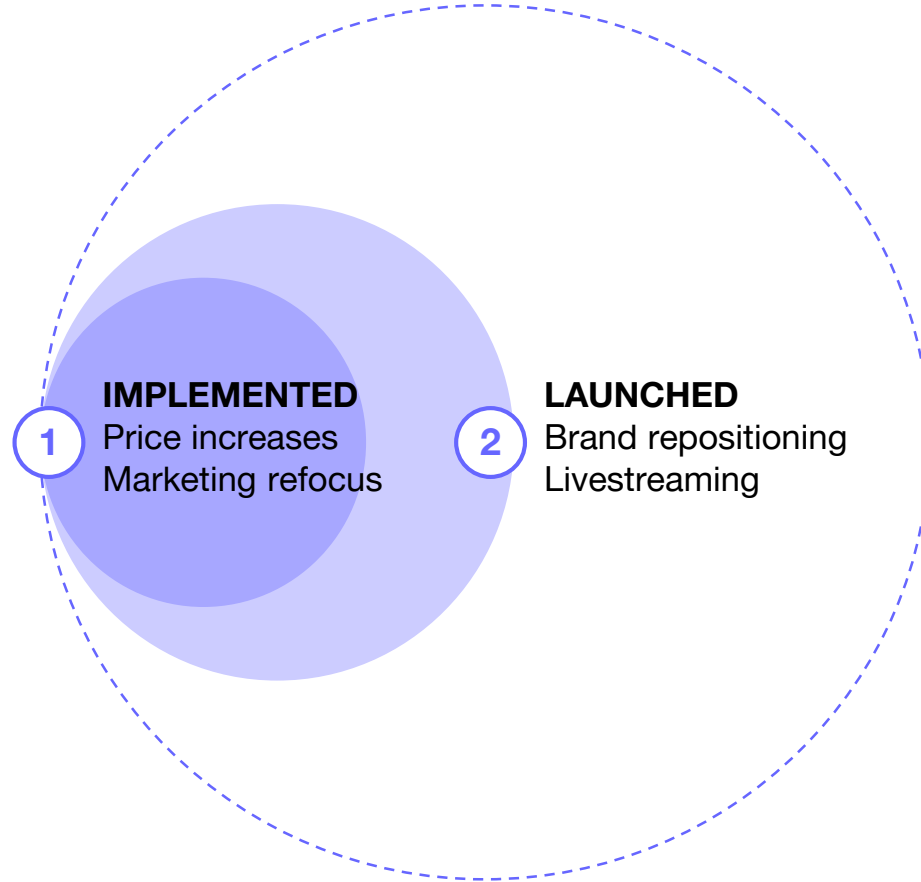
**0.8x**

**LTV/SAC**  
(H1'22)

**+82%**

**YoY**

# Additional Initiatives Underway



# Expanding our Brand Towards Younger Demographic





# Younger Demographic Represents Greatest Opportunity for Growth

In m



16-24



25-34



35-44



45-54



55-64

**Internet users**

7.2

7.8

8.1

8.4

7.1

*Penetration (%)*

77%

64%

49%

39%

28%

Music streamers<sup>1</sup>  
(free + paid)

5.6

5.0

4.0

3.3

2.0

(-) Of which already paying<sup>2</sup>

(2.5)

(2.2)

(1.7)

(1.4)

(0.8)

**(=) Business Potential**

*Free streamers to be converted*

3.2

2.7

2.3

1.9

1.2

+55% vs. average  
other age categories

Also receptive to “younger” brand

Source: Extracts from GWI Consumer Surveys.

Base: Internet users in France. Waves: Q2 2022, Q1 2022, Q4 2021 and Q3 2021.

(1) Question: Time spent on music streaming services. (2) Question: Digital content purchased for music streaming services.

# Livestreaming Opportunity

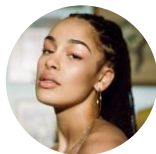
**Driift acquisition of Dreamstage**  
announced in Sep-22

**Deezer investment in livestreaming this year**  
amounting to ~**\$7m**<sup>1</sup>

Deezer to become  
**largest shareholder of Driift** and will **fully consolidate** Driift's  
results and balance  
sheet

**Live streaming market**  
expected to reach  
**\$5.2bn** by 2028E  
with significant upside<sup>2</sup>

Award-winning platform delivering events for greatest artists



*Glastonbury livestream  
Jorja Smith, Coldplay*



*The Smile  
3 concerts  
series*



*Horan's  
show*

Little Mix in London (May-22, O2 Arena)



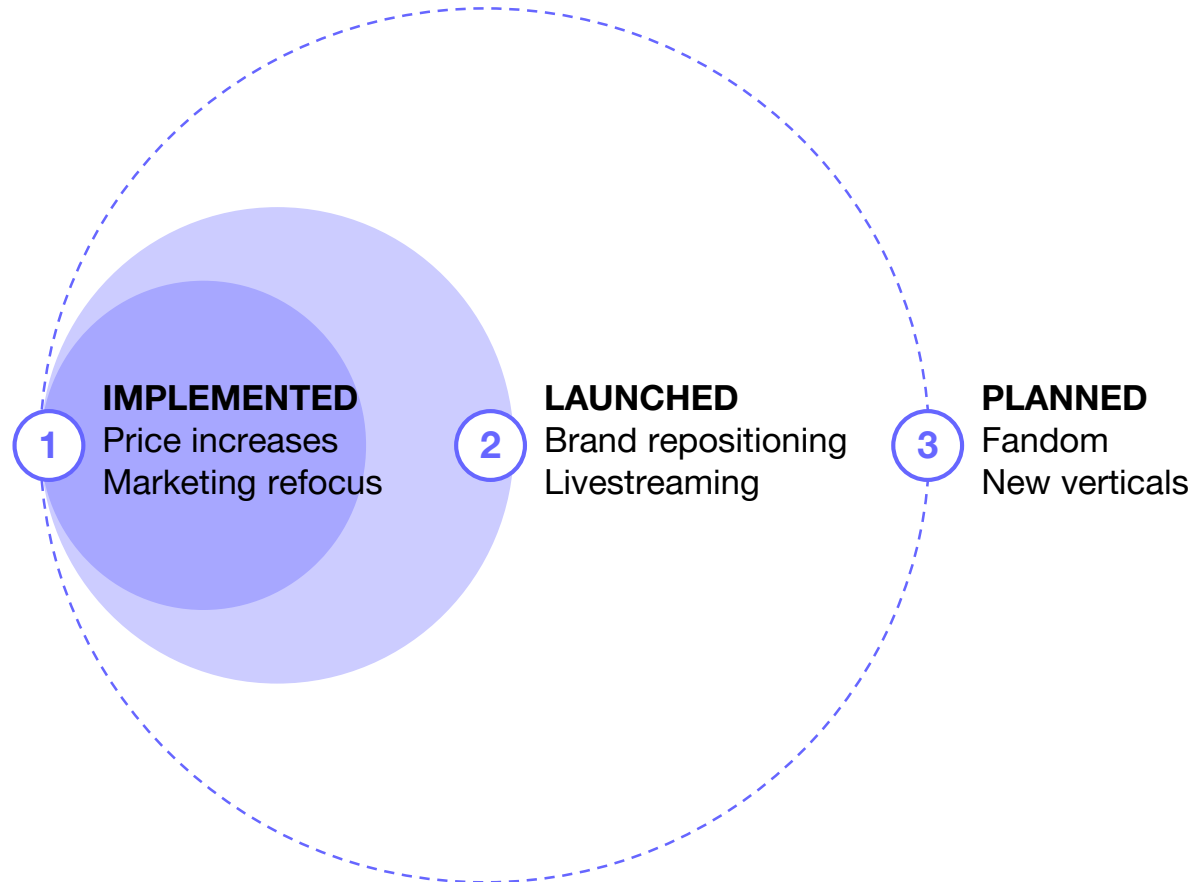
**85k+**  
Livestream  
tickets sold

**\$1.2m**  
Revenue

Streamed in  
**143**  
countries

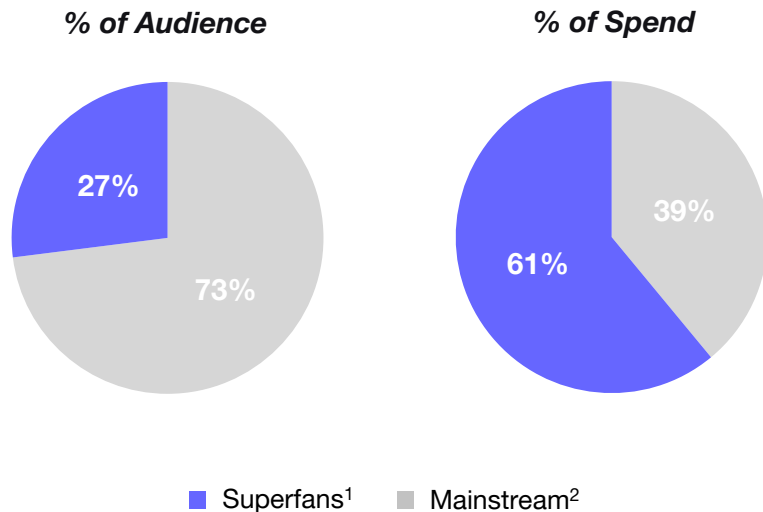
Unparalleled production and tech capabilities combined to create new leader in livestreaming

# Other Revenue Initiatives



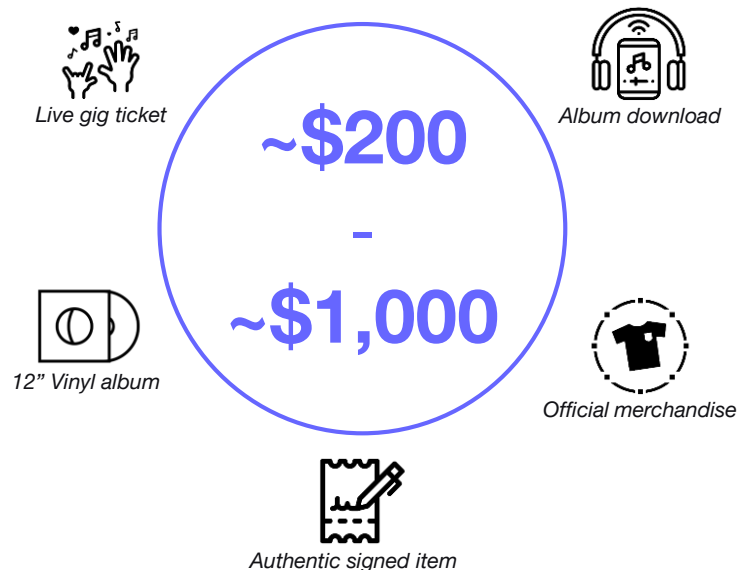
# Superfans Are Willing to Pay More

## Music consumers and their music spending habits



## “Superfan” average spend per artist<sup>3</sup>

*Does not include music streaming subscription*



Sources: Music Ally, Serving the superfans. Money.co.uk, 2021 ([Link to Article](#)).

(1) Includes “Aficionados” and “Digital”. (2) Includes “Background Consumers”, “Ambivalents”, “Occasionals” and “Big Box”. (3) Low end: Average Top 20 cheapest music acts. High end: Average Top 20 most expensive music acts.

# New Verticals to Boost Profitability Over the Medium Term

## New Verticals

- 3 projects under development
- **€4m one-off** investments for launch in H1 22
- First revenue to be generated in **2023**



- Holistic mind & body experience
  - Exclusive music relaxation, sounds, expert tips and guided exercises
- **Launch expected in France in Q1-23** with more than 2,000 pieces of content
- Go to market in **less than 12 months**

## Illustrative Economics at Scale

Subscription Price

100%

Competitive pricing

Payment / Infra Costs

~20% of Rev.

Fully variable

New Content Production

Fixed

One-off content production

Gross Margin

70%+

Staff / G&A

~10-15% of Rev.

Marketing

Below 5% of Rev.

B2C/B2B cross-selling

EBITDA Margin

50%+

05

# Clear Path to Scale and Profitability

*“Knockin’ On Heaven’s Door” - Guns N’ Roses*

# Financials in Perspective

FY'21

€m      % of Revenue

<b>Revenue</b>	<b>400</b>	
Royalties	(287)	(72)%
Payment / Infrastructure	(29)	(7)%
<b>Adj. Gross Profit<sup>(1)</sup></b>	<b>84</b>	<b>21%</b>
Marketing	(73)	(18)%
Staff / G&A	(75)	(19)%
<b>Adj. EBITDA<sup>(1)</sup></b>	<b>(65)</b>	<b>(16)%</b>
Δ Working Capital	37	9%
Other Cash Items	(20) <sup>(2)</sup>	(5)%
<b>Cash Flow Pre-Funding</b>	<b>(47)</b>	<b>(12)%</b>

**Fully variable;** Recording and publishing rights, mostly contract-based

**Mostly variable;** Mainly B2C payment fees; Infrastructure costs of all users

Mostly B2C acquisition/brand marketing and trial costs (royalties)

**Fixed;** Salaries and social costs for ~600 employees;  
G&A includes rent and other fixed administrative costs

**Fully variable;** Positive inflows as subscriptions are received ahead of royalties payment to rights holders

Capex (variable), leases (fixed) and other cash items (fixed / one-offs)

Source: Company information.

(1) See appendix for definition of adjusted metrics. (2) Includes capex (€2m), leases (€6m), livestreaming investments and other cash items (€11m).

# Unique Business Mix...

## B2C

(71% of '21 Rev.)

*Users that subscribed directly through website or mobile application and paying directly or through a 3<sup>rd</sup> party app store or carrier billing partner*

## B2B

(27% of '21 Rev.)

*Users that have access to Deezer's service through a distribution partner*

## New Verticals

*Economics at Scale*

**Streaming-adjacent services** such as well-being, e-learning...

### Subscribers

Jun 22

5.6m

3.8m

### ARPU

H1 22

€4.6

€2.5 / €4.4 *ex BR*

### Revenue

FY 21

€283m

€107m

### Adj. Gross Profit<sup>(1)</sup>

FY 21

24.9%

19.7%

### Marketing % of Rev.

FY 21

20%+(2)

Less than 5%

**70%+**

(Fixed content costs)

**Less than 5%**

(Cross-sell and B2B monetization)



# ...Paving our Way to Breakeven

	2021A	2025E
Revenue	€400m	~€1bn
<hr/>		
B2C	2.0%	Improved <b>B2C marketing</b> efficiency
B2B	15.4%	Sound <b>B2B profitability</b>
New Verticals	-	<b>Business mix</b> B2C / B2B
Adj. Gross Profit after Marketing <sup>(1)</sup> (% margin)	2.7%	Ramp-up <b>New Verticals</b>
<hr/>		
Staff/G&A	€75m	Global business <b>already operating at scale</b>
% of revenue	18.9%	
<hr/>		
Adj. EBITDA <sup>(1)</sup> (% margin)	(16.2)%	Profitable

# Strategy Allowing for Fast and Efficient Scale Up



- **B2B:**
  - Growth of **existing partnerships**
  - Ramp-up of **RTL partnership**
  - **Launch new deals** in attractive audio streaming markets **across various verticals**
- **B2C:** Focus on **large and attractive markets**
- **New verticals: Cross-selling** new high-margin offerings (including well-being)

# Clearly Identified Profitability Levers to Achieve Breakeven

## Gross Profit

- **Long-term agreements** with labels
  - Positive impact of **new verticals**
- 

## Marketing

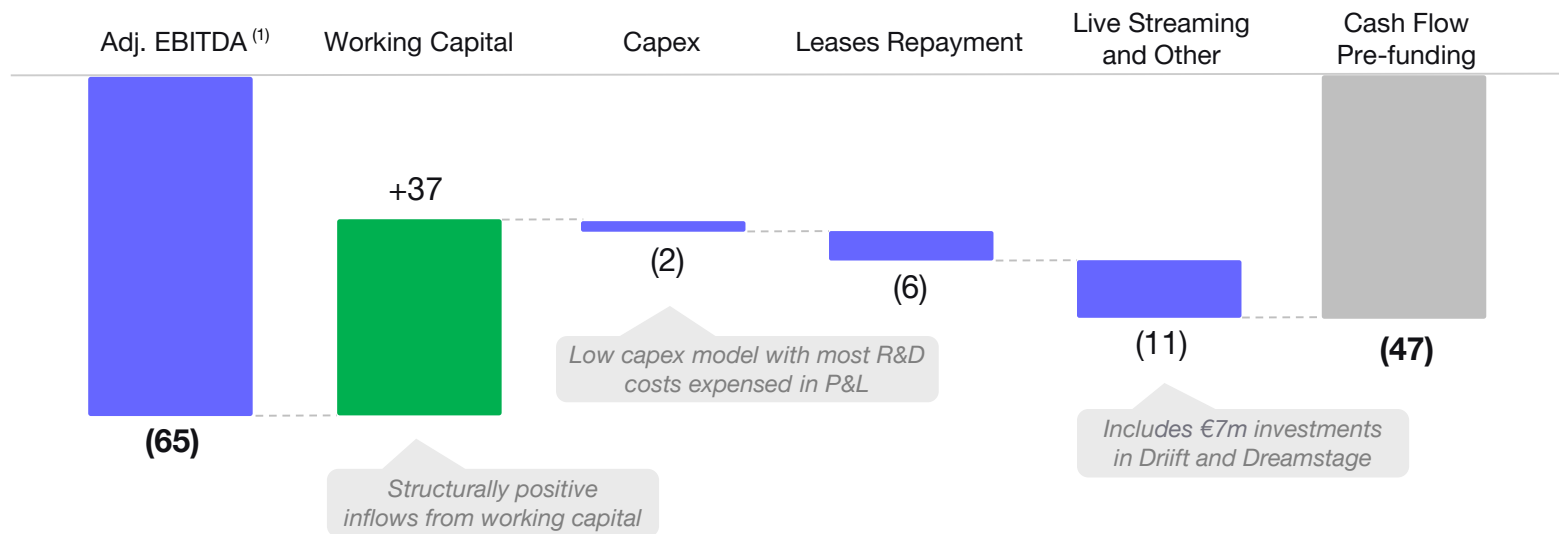
- Focus on **large and attractive markets** to drive marketing efficiency
  - **Brand repositioning** and **home of music** strategy
  - **Partnership-led** go-to-market strategy
  - **Improved mix of marketing spend** with higher share of B2B
- 

## Staff / G&A

- **Current workforce** in core music streaming business **sufficient** to deliver plan
- **Limited and temporary investments** for launch of new verticals

# Attractive Cash Conversion Profile

FY '21, in €m



# Guidance and Outlook

## Confirmed 2022 Guidance

~**€455m**  
*Revenue*

## Long-Term Outlook

€1bn revenue by 2025E

---

Cash flow breakeven in 2024E

---

EBITDA breakeven by 2025E

**Fully-funded until cash flow breakeven**

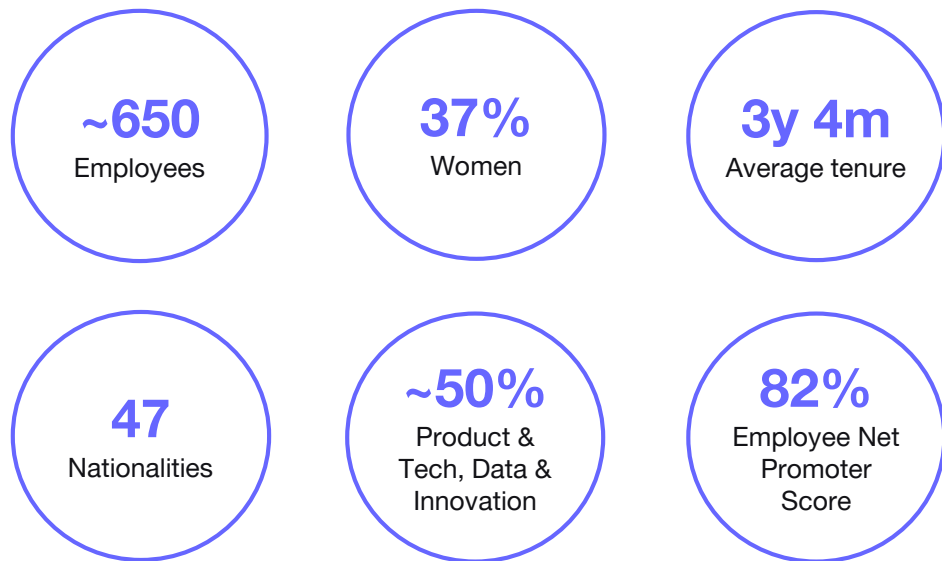
06

# Building a Sustainable Business

“Treasure” - *Bruno Mars*



# A Diversified Band



## 5 hubs

*Paris, Bordeaux, London, São Paulo, Berlin*

### Why talent joins the band

- **French Tech**
- **Music**, an attractive industry
- **International** environment
- **Strong employee pride**
- **Public Company**

# Targeted and Ambitious ESG Strategy

## Environmental Impact

- **HQ certified HQE** (“High Quality Environmental standard”)
- **Data collection structure**
- **Waste management** policies
- Eco-friendly welcome pack
- Treely Walk challenge

## Well-Being

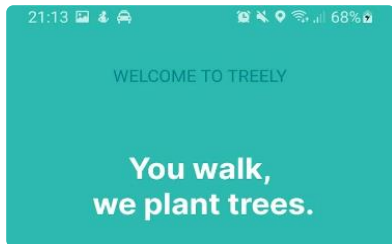
- New **remote working charter**
- Psychological **helpline**
- **Well-being week** and **events** (notably Kids days)

## Diversity & Inclusion

- Clear Strategy: “**All voices matter**”
- **Employees as ambassadors**
- Mentoring program
- Conferences

## Social Impact Through Music

- External **voices of diversity**
- **Free subscription for APHP** employees during Covid peak
- **Ukrainian premium subs** for free



**200+**

***Employees participated in a D&I learning action (from Jan to Sep-22)***

**5m**

***Streams of Pride mood in Flow***



# Targeted and Ambitious ESG Strategy

## Environmental Impact

- **Energy audit** of all our European offices
- **Measurement** of our current **carbon footprint** and set up of realistic targets



- **Carbon reduction to be set** post initial measurements

## Well-Being

- **Well-being project** kick-off
- **Benefits review**
- **Free Zen app** for all employees



- **Engagement** score above **70%**

## Diversity & Inclusion

- Further **training** on bias, sexism, micro-aggression
- Additional **partnerships**
- More **conferences**



- **40%** women in **Leadership** position and **25%** women in **Tech** by 2025

## Social Impact Through Music

- **Constantly identifying** and leveraging **social topics** that could be **promoted through music**



- Number of **users** and number of **streams** **defined for each project**

# Employees Rate Us Very Highly



Best-in-class ratings among the French Tech ecosystem

	deezer	Doctolib	Back Market	ManoMano	believe.	OVH	Vestiaire Collective	Lydia
Overall	4.2	3.8	3.9	3.9	3.5	3.6	3.9	3.9
Culture & Values	4.3	3.9	4.1	4.0	3.4	3.7	3.6	3.6
Diversity & Inclusion	4.3	4.0	3.9	4.0	3.9	3.9	4.1	3.8
Work / Life Balance	4.3	3.6	4.3	4.1	3.4	3.5	3.7	3.8
Senior Management	3.7	3.5	3.9	3.7	3.2	3.4	3.6	3.7
Comp & Benefits	3.5	3.3	3.8	3.6	3.1	3.3	3.8	4.1
Career Opportunities	3.5	3.7	4.0	3.6	3.4	3.2	3.7	3.9
Recommend to a Friend	83%	71%	90%	79%	65%	70%	81%	66%
CEO Approval	92%	86%	96%	91%	89%	78%	85%	-

# Highly Skilled, Complementary & Diversified Board

## Successful Track Record

- ✓ Senior positions and Board members in blue chip companies
- ✓ Public companies experience
- ✓ Seasoned board with average work experience of 30 years
- ✓ Extensive network

## Complementary Expertise

Music

Tech

Media

Finance

Brand

HR

## Diverse

**5**  
nationalities

**50%**  
gender balance

# Board Members

## Biographies (1/2)



N&R

### Guillaume d'Hauteville Chairman

Extensive experience in investment banking for 25y+. Served as Chairman and CEO of Lehman Brothers France and Vice Chairman of Lehman Brother International. Currently Executive Vice-President at Access Industries, Director of DAZN and President of STT Properties



N&R

### Iris Knobloch Independent – Vice-Chairwoman

Vast experience in media, entertainment and diverse industries, holding senior leadership positions at Warner Bros for 25y+. Extensive Board member experience at foreground companies such as AccorHotels, Lazard Bank or LVMH. Also President of the Cannes Films Festival



### Jeronimo Folgueira CEO

Strong competencies across tech and media. CEO of Deezer since July 2021. Served as CEO and Director of the Board of Spark Networks, where he led the transformation of the company, quadrupling its size and overseeing its listing on the NYSE. Also held senior management positions at Betfair, Bigpoint and RTL Group.



A

### Mari Thjømøe Independent

Extensive senior management and Board experience for leading Scandinavian companies across various sectors. Serves at the Board of Tryg, Hafslund Eco, and TF Bank. Engaged in developing sustainable businesses. Also Head of the Audit Committee for several companies.



N&R

### Sophie Guieysse Independent

Extensive HR executive experiences at LVMH, CANAL+ and Richemont. Also has a large experience as a Board member across various sectors including at GO Sport, Compagnie Financière Richemont and Maisons du Monde. Member of the Remuneration Committees of the Paris 2024 Olympic Games and of the Rugby World Cup 2023.

### Committees

A Audit

N&R

Nomination & Remuneration

# Board Members

## Biographies (2/2)



A

### **Matthieu Pigasse** Independent

Strong financial expertise. Currently a Partner at Centerview and previously served as Global Head of M&A and Sovereign Advisory of Lazard Group and CEO of Lazard France. Deep understanding of the media sector as the owner of Les Inrockuptibles, Le Monde Group, L'Obs, Radio Nova.



### **Amanda Cameron**

Six-times Grammy nominee, singer, songwriter, music and film producer. Has written and/or produced multi-platinum records for artists including Beyoncé, Shakira, John Legend and James Blunt. Also holding executive and Board positions at music and entertainment companies such as AI Film.



### **Valérie Accary** Independent

Global leader with extensive skills in the media and advertising industries. Strong understanding of business/brand strategic thinking and creativity. CEO of BBDO for 15 years, where she transformed the French agency into an international agency based in Paris



### **Hans-Holger Albrecht**

CEO and member of the Board of Deezer between 2015 and 2021. Deep understanding of medias, holding executive positions at leading international groups such as Millicom and Modern Times Group as President and CEO. Also worked for the RTL Group. Currently serving as Chairman of the Board for Storytel, Scout24 and Board Director for VEON



### **Alban Gréget** Independent

Strong expertise in brand and diverse industries as Deputy CEO at Artemis Group, holding Board sits of portfolio companies (i.e. Luxury, Sports, Art). Managing Partner of Red River West VC Fund. Previously worked for 10y in investment banking.

### **Committees**

**A** Audit

**N&R**

Nomination & Remuneration

# Closing Remarks



# Key Takeaways

## Attractive Music Streaming Market

- **Large and fast-growing** market, more compelling than VOD
- **Clear competitive advantages** supporting our winning strategy

## Home of Music Product & Content

- **Best-in-class music streaming platform** with unique and innovative features
- **Home of Music** product vision to provide differentiated music experiences

## Unique B2B Capabilities to Foster Efficient Expansion

- **Unmatched partner** with successful track record
- Strong win-win proposition allowing us to **deliver large-scale deals** "à la RTL"

## Healthy and Resilient B2C Subscriber Base With Strong Upsides

- Price increases, marketing refocus and brand repositioning **already materializing in LTV/SAC**
- **Additional monetization** initiatives: livestreaming, superfans and New Verticals

## Clear Path to Scale and Profitability

- Unique business mix paving our **path to breakeven**, thanks to scale and profitability improvements
- **Confirmed guidance and outlook**

## Building a Sustainable Business

- Attractive employer with an **ambitious ESG** strategy
- **Highly skilled, complementary and diversified** governance

# Q&A

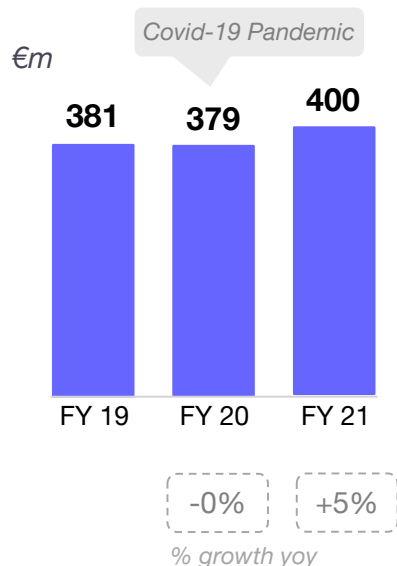




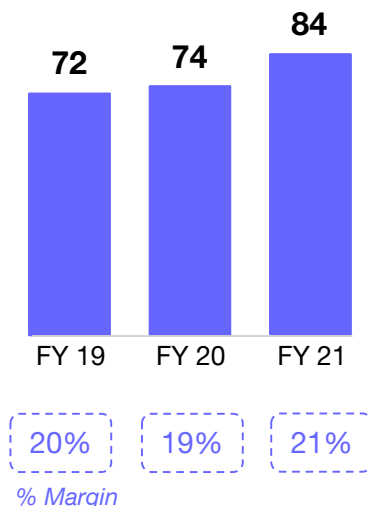
# Appendix

# Historical Financial Performance

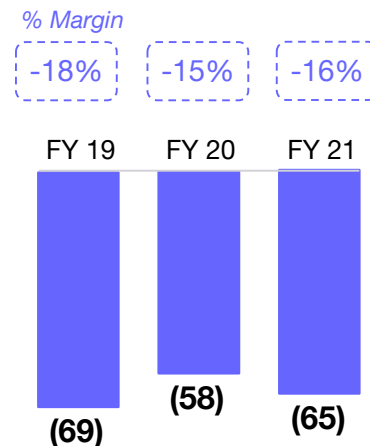
## Revenue



## Adjusted Gross Profit<sup>1</sup>

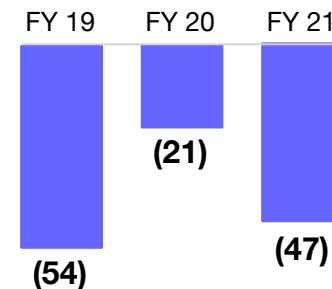


## Adjusted EBITDA<sup>1</sup>



## Cash-Flow Pre-Funding

Cash flow higher than EBITDA due to benefit of negative working capital



# Adjusted Financials Reconciliation

FYE 31-Dec; €m	2019A	2020A	2021A
<b>IFRS Gross Profit</b>	<b>70</b>	<b>62</b>	<b>49</b>
License agreements non recurring expenses	-	7	28
Onerous contract depreciation	2	6	8
<b>Adjusted Gross Profit</b>	<b>72</b>	<b>74</b>	<b>84</b>
<b>IFRS Operating Loss</b>	<b>(83)</b>	<b>(88)</b>	<b>(121)</b>
Gross Profit adjustments	2	13	36
Depreciation and amortization	7	10	12
Share-based expenses	5	8	10
Other non-recurring provisions	-	-	(2)
<b>Adjusted EBITDA</b>	<b>(69)</b>	<b>(58)</b>	<b>(65)</b>
<b>Change in Net Cash Position</b>	<b>(41)</b>	<b>(21)</b>	<b>(17)</b>
Increase in share capital	13	(0)	5
Proceeds from issuance of PGE	-	-	25
<b>Cash-Flow Pre-Funding</b>	<b>(54)</b>	<b>(21)</b>	<b>(47)</b>

# Capitalization Table

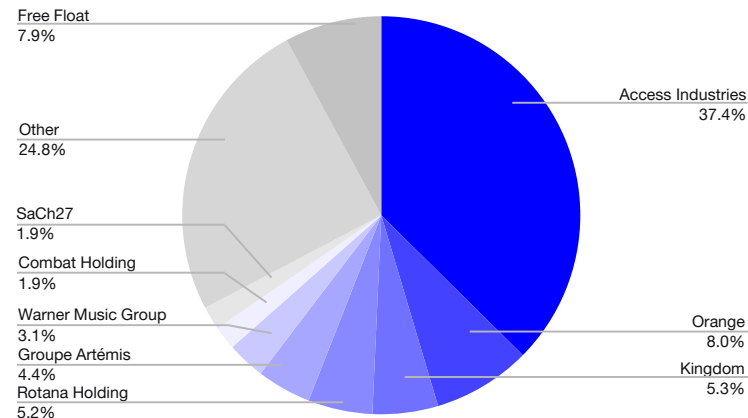
## Number of shares

	Number of shares <sup>1</sup>	Theoretical voting rights <sup>2</sup>	Exercisable voting rights <sup>3</sup>
<b>Ordinary shares</b> ex Treasury Shares	114,985,655	114,985,655	114,985,655
<b>Treasury shares</b> (as of 28-Sep-22)	82,838	82,838	-
<b>Class A2 shares</b>	2,291,667	-	-
<b>Class A3 shares</b>	2,291,667	-	-
<b>Total</b>	<b>119,651,827</b>	<b>115,068,493</b>	<b>114,985,655</b>

## Shareholder structure<sup>(1)</sup>

To the knowledge of the company

92% shareholders  
under lock-up



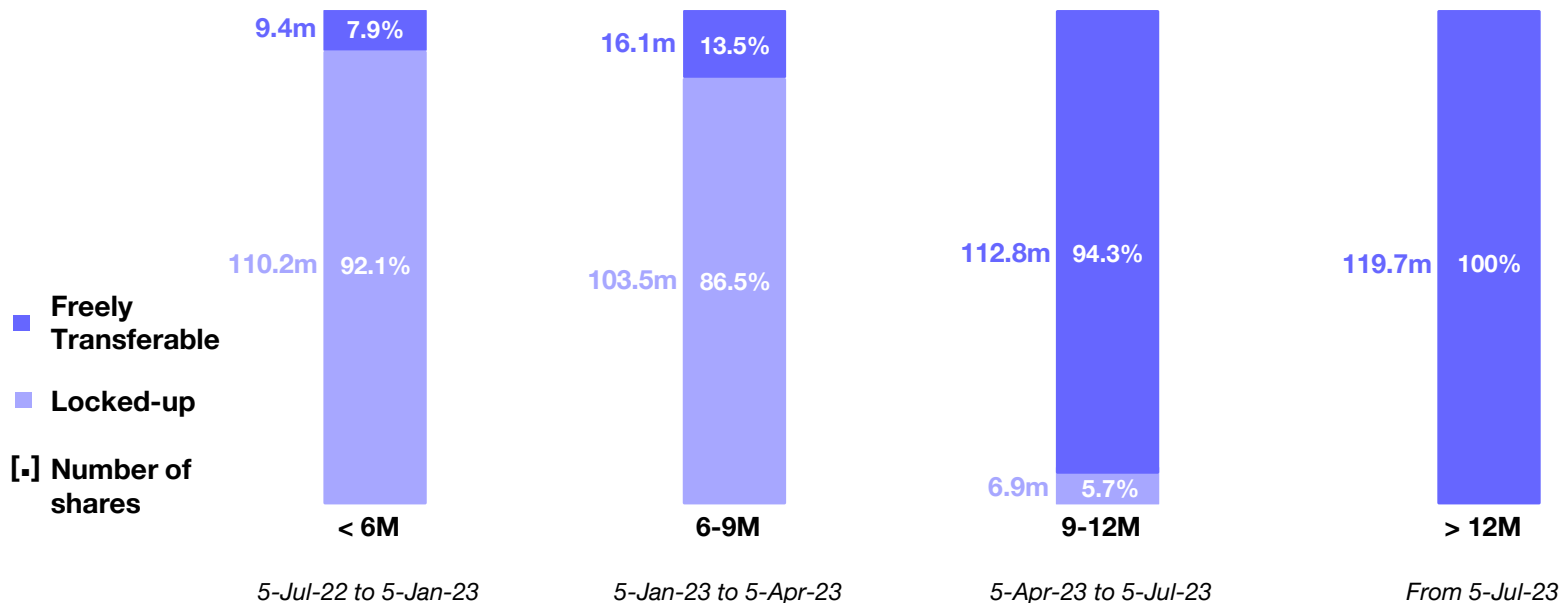
Source: Company information. As of 28-Sep-22.

(1) On a non-diluted basis. (2) Including treasury shares held at market closing on 28-Sep-22 but excluding class A2 and A3 preferred shares deprived of voting rights.

(3) After deduction of treasury shares.

# Free Float Overview

*Non-diluted shareholding %*



# Outstanding Dilutive Instruments

	# of Dilutive instruments	Strike Price (€)	Proceeds (€m)
<b>SPAC Dilutive Instruments</b>			
Market warrants (1:3) <sup>1</sup>	9,166,666	11.5	105.4
Founders' warrants (1:3) <sup>2</sup>	219,708	11.5	2.5
<b>Deezer Dilutive Instruments</b>			
ESOP 14, 15, 15-2	1,904,678	8.24	15.7
ESOP 17	93,148	4.96	0.5
ESOP 18	69,137	10.64	0.7
<b>Total ESOP</b>	<b>2,066,963</b>		<b>16.9</b>
Warrants 2017, H	71,089	4.96	0.4
Warrants 2021	17,652	13.51	0.2
Warrants 2014	196,231	8.24	1.6
Warrants K, L <sup>3</sup>	2,671,850	0.00	0.0
<b>Total Warrants</b>	<b>2,956,822</b>		<b>2.2</b>
<b>Free Shares (Previous Plan)</b>	<b>1,460,706</b>	-	-
<b>Long-Term Incentive Plan</b>	<b>1,914,130</b>	-	-

Source: Company information.

(1) 27,500,000 Market Warrants held by the Market Shareholders giving right to 9,166,666 shares. (2) 659,130 Founders' Warrants held equally by the Founders giving right to 219,708 shares. (3) The number of exercisable warrants may decrease depending on the achievement by Deezer of predefined commercial objectives.