

Deezer revenue growth further accelerated in Q3 2022

- **Consolidated revenue at €115 million in Q3 2022, an increase of +14% vs. Q3 2021, with double-digit growth across all segments and geographies**
- **Strong performance in France, with sales up +13% vs. Q3 2021, driven by continued B2C subscriber growth (+10%)**
- **Good level of growth in the Rest of World, at +15% vs. Q3 2021 (+9% at constant FX), thanks to dynamic B2B sales and double-digit increase in ARPU**
- **Consolidated revenue at €335 million in 9M 2022, up +13% vs. 9M 2021, reflecting strong B2C performance in France and solid B2B sales in the Rest of World**
- **FY 2022 revenue guidance confirmed at approximately €455 million (+14% vs. 2021)**

Paris, 27 October 2022, 17:45 CET – Deezer (Euronext Paris: DEEZR; ISIN: FR001400AYG6), the global music streaming service, today publishes its consolidated revenue for the third quarter and the first nine months of 2022 (period ended on 30 September 2022).

Jeronimo Folgueira, CEO of Deezer, said:

“I am pleased with our strong performance in the third quarter and our ability to deliver on our plan. Our revenue growth keeps accelerating in the period and I am satisfied with the continued expansion of our B2C subscriber base in France and the dynamism of our B2B business on the back of new deals. We also recorded a significant growth in ARPU, driven by the implementation of our new strategy.

All of that demonstrates the strength of our unique B2C/B2B model and the relevance of our new focus.”

Q3 2022 KEY FIGURES¹

Revenue breakdown by segment

In € million	Q3 2021	Q3 2022	Change YoY	Chg. at constant FX
Total revenue	101.2	115.2	+13.8%	+11.4%
B2C	71.5	79.8	+11.6%	+10.0%
B2B	27.0	30.5	+13.2%	+9.3%
Other	2.7	4.9	+77.7%	+68.6%

Revenue breakdown by geography

In € million	Q3 2021	Q3 2022	Change YoY	Chg. at constant FX
Total revenue	101.2	115.2	+13.8%	+11.4%
France	61.7	69.7	+13.0%	+13.0%
Rest of World	39.6	45.6	+15.1%	+8.9%

Performance indicators

	Q3 2021	Q3 2022	Change YoY
Total subscribers⁽¹⁾	9.7	9.4	(2.5)%
B2C	5.7	5.6	(2.2)%
o/w France	3.1	3.4	+9.5%
o/w Rest of World	2.7	2.2	(15.8)%
B2B	3.9	3.8	(2.8)%
ARPU (in €)	3.5	4.1	+17.0%
B2C	4.1	4.7	+14.8%
B2B	2.3	2.7	+16.2%

⁽¹⁾ As of 30 September, in million

¹ Unaudited.

9M 2022 KEY FIGURES²

Revenue breakdown by segment

In € million	9M 2021	9M 2022	Change YoY	Chg. at constant FX
Total revenue	297.0	334.6	+12.7%	+10.4%
B2C	209.7	234.8	+12.0%	+10.5%
B2B	80.3	88.1	+9.7%	+6.0%
Other	7.1	11.7	+65.9%	+57.5%

Revenue breakdown by geography

In € million	9M 2021	9M 2022	Change YoY	Chg. at constant FX
Total revenue	297.0	334.6	+12.7%	+10.4%
France	180.8	202.0	+11.7%	+11.7%
Rest of World	116.2	132.6	+14.1%	+8.4%

Performance indicators

	9M 2021	9M 2022	Change YoY
Total subscribers⁽¹⁾	9.7	9.4	(2.5)%
B2C	5.7	5.6	(2.2)%
o/w France	3.1	3.4	+9.5%
o/w Rest of World	2.7	2.2	(15.8)%
B2B	3.9	3.8	(2.8)%
ARPU (in €)	3.4	3.9	+13.8%
B2C	4.1	4.7	+13.6%
B2B	2.3	2.5	+10.1%

⁽¹⁾ As of 30 September, in million

² Unaudited.

CONSOLIDATED REVENUE FOR Q3 2022

Consolidated revenue amounted to €115.2 million in the third quarter of 2022, up 13.8% compared to the third quarter of 2021 (+11.4% at constant currency). This was mainly the result of a strong growth in ARPU (+17.0%), driven by price increases, and the continued expansion of the B2C subscriber base in France (+9.5%). The group posted double-digit sales growth across its major regions, especially France and Brazil, as well as through its two main sales channels, B2C (+11.6%) and B2B (+13.2%).

Revenue by segment

B2C revenue amounted to €79.8 million in Q3 2022, a growth of 11.6% compared to Q3 2021 (+10.0% at constant currency). This increased level of activity primarily resulted from a significant growth in ARPU (+14.8%), which benefited from price increases and the positive impact of the group's new strategy to focus on selected key markets. The B2C subscriber base continued to grow at a dynamic pace in France (+9.5%), which partially compensated for the decrease recorded across the Rest of World (-15.8%), in line with this new strategy.

B2B revenue amounted to €30.5 million in Q3 2022, an increase of 13.2% compared to Q3 2021 (+9.3% at constant currency), mainly reflecting a robust performance of recent partnerships with SFR (France), Globo (Brazil) and A1 (Europe), and double-digit growth in ARPU (+16.2%).

Lastly, the **Other** revenue, which includes advertising and ancillary revenue, amounted to €4.9 million in Q3 2022 compared to €2.7 million in Q3 2021. This includes the consolidation of Driift revenue³.

Revenue by geography

In **France**, revenue amounted to €69.7 million in Q3 2022 (c. 60% of the group's consolidated revenue), up 13.0% compared to Q3 2021. This sustained performance was mainly driven by a continued growth of the B2C subscriber base, up by almost 10% to 3.4 million at end September, combined with stronger ARPU on the back of the price increases implemented in H1 2022, offset in part by a higher family mix.

In the **Rest of World**, revenue amounted to €45.6 million in Q3 2022 (c. 40% of the group's consolidated revenue), up 15.1% compared to Q3 2021 (+8.9% at constant currency). The pace of B2B activity was dynamic, mainly due to revenue growth from the launch of new partnerships in Brazil (Globo) and Europe (A1). In B2C, revenue was slightly up, as a strong growth in ARPU, driven by price increases, more than offset a drop in the subscriber base (-15.8%) due to the group's new strategy to focus on selected key markets.

Subscriber base

The **total number of subscribers** stood at 9.4 million as at 30 September 2022, stable compared to the end of June 2022.

The subscriber base showed a 2.5% decline as compared to 30 September 2021, mainly as a result of continued subscriber growth in France, driven by B2C, which partly offset a decrease recorded in the Rest of World due to the group's new strategy to focus on selected key markets.

In **France**, the total number of B2C subscribers stood at 3.4 million as at 30 September 2022, growing by 9.5% compared to 30 September 2021. This sustained performance mainly reflected a higher family mix, continued acquisition funnel optimization, as well as improved churn rate, despite price increases.

³ Dreamstage revenue has been consolidated since 24 May 2022. Following the completion of the transaction announced on 30 September 2022, Deezer fully consolidates Driift results of operations and balance sheet since that date.

In the **Rest of World**, the implementation of Deezer's new strategy led to a significant reduction of unprofitable spend in non-core long tail markets, which therefore impacted the acquisition of new B2C subscribers in these markets. In addition, the subscriber base suffered from the group's decision to exit from the Russian market at the end of Q1 2022. Accordingly, the total number of B2C subscribers was 2.2 million as at 30 September 2022, down 15.8% compared to 30 September 2021.

CONSOLIDATED REVENUE FOR 9M 2022

Consolidated revenue amounted to €334.6 million in the first nine months of 2022, up 12.7% compared to the first nine months of 2021 (+10.4% at constant currency). This strong performance mainly reflected the continued expansion of the group's B2C subscriber base in France (+9.5%), combined with a double-digit growth in ARPU (+13.8%) on the back of the price increases implemented over the period.

By segment, **B2C** revenue was €234.8 million in 9M 2022, up 12.0% compared to 9M 2021 (+10.5% at constant currency), mainly reflecting a double-digit growth in ARPU (+13.6%), driven by price increases, which more than offset a small decline in the B2C subscriber base (as a strong performance in France almost fully offset a decrease in the Rest of World due to the group's new focus).

B2B revenue amounted to €88.1 million in 9M 2022, up 9.7% compared to 9M 2021 (+6.0% at constant currency), reflecting a good performance of recent partnerships in France and abroad, as well as double-digit growth in ARPU (+10.1%).

The **Other** segment recorded revenue of €11.7 million in 9M 2022 compared to €7.1 million in 9M 2021, mainly as a result of a one-off revenue from a hardware company partnership.

By geography, the group's revenue in **France** amounted to €202.0 million in 9M 2022, up double-digits compared to 9M 2021 (+11.7%), mainly driven by the further growth of the B2C subscriber base (+9.5%) and a higher ARPU due to price rises.

In the **Rest of World**, revenue was €132.6 million in 9M 2022, up 14.1% compared to 9M 2021 (+8.4% at constant currency). This higher level of activity mainly reflected the revenue growth from the launch of new B2B deals in Brazil and Europe, as well as a strong increase in B2C ARPU that more than offset a decline in the B2C subscriber base due to the group's new strategy.

FULL-YEAR 2022 REVENUE GUIDANCE CONFIRMED

While the overall macroeconomic environment remains uncertain, marked by an acceleration of inflation, we have seen a strong resilience of our business in the first nine months of 2022, and we do not expect any significant negative effect on our activity or financials.

In line with the guidance given at the time of its business combination, Deezer confirms that it expects to generate revenues of approximately €455 million for the financial year ending 31 December 2022, representing approximately a 14% revenue growth compared to the financial year ended 31 December 2021. In the second half, Deezer expects to benefit from the progressive ramp up of RTL partnership and the incremental impact of price increases implemented along the year 2022.



CONFERENCE CALL AND WEBCAST

Jeronimo Folgueira, CEO and Stéphane Rougeot, Deputy CEO and CFO will host a live conference call and webcast for analysts and investors, including a Q&A session, on **Friday, 28 October 2022 at 10.00 am (Paris time, CET) / 9.00 am (London time, GMT)**.

Connect to the **live webcast** by clicking on the following link:

https://channel.royalcast.com/deezer-en/#!/deezer-en/20221028_1

Conference call dial-in details:

- **France:** +33 (0) 1 7037 7166
- **UK-wide:** +44 (0) 33 0551 0200
- **US:** +1 212 999 6659

Password: "Deezer" (*to be communicated verbally to the operator*)

The supporting presentation and a replay of the webcast will be made available to the public after the live event and can be consulted in the "Financial Information" section on Deezer's Investor Relations website at www.deezer-investors.com.

FINANCIAL CALENDAR

- 28 February 2023: FY 2022 Results (press release to be published after market close)

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements, which shall not be considered as historical facts. These statements include projections and estimates, as well as their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, future services, product development and potential, or future performance.

In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. Although the management of Deezer believes that these forward-looking statements are reasonably made, investors should be aware that these forward-looking statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond Deezer's control that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of Deezer could be affected by, among other things, risks and uncertainties developed or identified in any public documents filed by Deezer with the French financial market authority (the Autorité des marchés financiers – the "AMF"), included those listed in the prospectus approved by the AMF on June 15, 2022 under number 22-216. Deezer undertakes no obligation to publicly update any forward-looking information or statements, subject however to applicable regulations, in particular articles 223-1 et seq. of the AMF General Regulation.
