



Deezer reports 14.9% revenue growth and record results in H1 2024, increasing 2024 Adjusted EBITDA target

- **+14.9% REVENUE GROWTH TO €267.9 MILLION, IN LINE WITH OUR PLAN**
 - ARPU improvement in both Direct (+6.0%) & Partnership (+3.5%);
 - Subscriber base at 10.5 million, +1.3 million YoY (+13.7% YoY);
 - Partnerships delivering high revenue growth at +39.2% YoY, with subscribers at 5.0 million (+37.1% YoY), now representing nearly one third of total revenue;
 - Continued growth in France at +8.5% revenue growth YoY, notably driven by Direct with 3.7 million subscribers (+3.2% YoY) and ARPU increase;
 - Start of licensing of Zen well-being content to partners.
- **ACCELERATED IMPROVEMENT IN ADJUSTED EBITDA TO €(5) MILLION**
 - Adjusted Gross Margin at 24.1% (+1.9 pts YoY), benefiting from improved labels conditions and payment fees;
 - Continued investment in brand and customer acquisition with marketing at 8.1% of revenue in H1 2024 (+0.9 pt YoY);
 - Strong operating leverage due to the strict control of our fixed costs (-2.8 pts YoY).
- **FREE CASH FLOW POSITIVE IN H1¹, STRONG CASH POSITION OF €65.1 MILLION AT THE END OF JUNE**
- **PERSPECTIVES FOR 2024: INCREASED ADJUSTED EBITDA TARGET REFLECTING STRONG FINANCIAL PERFORMANCE**
 - Confirmation of revenue growth target expected to reach 10% in 2024;
 - Increased Adjusted EBITDA target, now expected better than €(10) million in 2024, compared to the previous target of better than €(15) million, while continuing strong marketing investments;
 - Confirmation of positive Free Cash Flow in 2024.
- **APPOINTMENT OF ALEXIS LANTERNIER AS CEO OF DEEZER AS OF 2 SEPTEMBER 2024**
 - New CEO appointed to accelerate the company's future development while continuing its path toward profitable growth.
- **SUCCESSFUL TRANSFER OF DEEZER'S LISTING TO THE GENERAL SEGMENT OF EURONEXT**
 - Deezer's ordinary shares are admitted to trading on the general segment of Euronext in Paris since July 8th, allowing transactions from all types of investors.

Paris, 30 July 2024, 17:45 CEST – Deezer (Euronext Paris: DEEZR; ISIN: FR001400AYG6), the global music experiences platform, released its results for the six-month period ending 30 June 2024, as approved today by its Board of Directors.

¹ Free Cash Flow: Adjusted EBITDA - change in working capital - capex - leases and net interests.



DEEZER

Stu Bergen, interim CEO of Deezer, commented: *"These positive results are the result of strong performance throughout Deezer. The company is on track for profitability, and we are all proud of the current achievements. Deezer occupies a distinctive position within the music ecosystem, supporting artists, songwriters and rightsholders alike through initiatives focused on transparency, fairness, and innovation in music streaming. Deezer connects artists and fans through a wide range of unique music experiences and features."*



The financial information set forth below is taken from the condensed consolidated financial statements as of 30 June 2024, approved by the Board of Directors of the Company on 30 July 2024, and have been subjected to a limited review by the company's statutory auditors.

<i>In € million</i>	H1 2024	H1 2023	<i>Change YoY</i>	<i>Change at constant FX</i>
Total revenue	267.9	233.2	+14.9%	+14.6%
By segment				
Direct	171.5	163.9	+4.6%	+4.6%
Partnerships	86.9	62.4	+39.2%	+38.2%
Other	9.6	6.9	+38.8%	+38.7%
By geography				
France	154.0	142.0	+8.5%	+8.5%
Rest of World	113.9	91.3	+24.8%	+24.1%

<i>In € million</i>	H1 2024	H1 2023	<i>Change YoY</i>
Total revenue	267.9	233.2	+14.9%
Adjusted gross profit²	64.5	51.8	+24.6%
<i>In % of total revenue</i>	<i>24.1%</i>	<i>22.2%</i>	<i>+187 bps</i>
Adjusted EBITDA²	(5.0)	(13.1)	(61.8)%
<i>In % of total revenue</i>	<i>(1.9)%</i>	<i>(5.6)%</i>	<i>+375 bps</i>
Net loss	(19.4)	(38.4)	(49.6)%

<i>In € million</i>	30 June 2024	31 December 2023
Cash and cash equivalents	65.1	63.6
Financial debt	(17.1)	(21.0)
Net cash	47.9	42.6

	H1 2024	H1 2023	<i>Change YoY</i>
Total subscribers⁽¹⁾	10.5	9.3	+13.7%
Direct	5.5	5.6	(1.5)%
o/w France	3.7	3.6	+3.2%
o/w Rest of World	1.8	2.0	(9.8)%
Partnerships	5.0	3.7	+37.1%
ARPU (in €/month excl. VAT)			
Direct	5.1	4.8	+6.0%
Partnerships	2.9	2.8	+3.5%

⁽¹⁾ As of 30 June, in million

² Adjusted gross profit and Adjusted EBITDA are non-IFRS measures. See "Reconciliation of non-IFRS financial indicators" in appendix.



H1 2024 BUSINESS HIGHLIGHTS

Partners

Partnerships: Deezer supported the roll-out of Meli+ in Chile in February, following Brazil & Mexico in Q3 2023, and renewed key partnerships with TIM and FNAC Darty at the beginning of 2024, confirming the value Deezer brings to its partners.

Extension: Deezer also began licensing the content from its well-being application Zen by Deezer to partners and intends to replicate this business model.

Artists

Artist Centric Payment System: Deezer and independent music licensing company Merlin announced the renewal of their partnership. It included applying Deezer's new remuneration model for artists to Merlin's members, consisting of record labels, distributors, and label services companies. Merlin's participation ensures that its independent members are fairly compensated for their artist's music. As an additional step, our team has trained advanced models to remove non-artist content, noise, and duplicate.

Fans

Experiences: Deezer's award winning (Best Fan Experience 2023) experiential partnership with La Defense Arena in Paris was renewed in March, continuing to deliver on Deezer's newly adopted Experience Services Platform (ESP) approach.

Launch of Purple Club: This dedicated tab in the Deezer app serves as the ultimate destination for paying subscribers in France to discover and access exclusive fan experiences including Intimate live sessions and release events with international and French artists.

Supporting French Music Festivals: Deezer strengthened its commitment to music festivals in France by offering immersive and exclusive experiences like the Giant Karaoke and the "Shaker". With renewed support for 8 festivals such as We Love Green, Garorock, and Rock en Seine.

H1 2024 CORPORATE HIGHLIGHTS

Appointment of Alexis Lanternier as CEO to accelerate the company's future development while continuing its path toward profitable growth. As a seasoned entrepreneur and experienced executive passionate about building digital consumer goods platforms across Europe, Asia and North America over the last 14 years, Alexis Lanternier brings a wealth of experience and proven track record to this new role. He will succeed interim CEO Stu Bergen, effective September 2nd, 2024.

Governance: The Board of Directors, held following the Annual General Meeting, renewed Iris Knobloch as Chair of the Board of Directors. Deezer also appointed Carl de Place as Chief Financial Officer, effective August 1, 2024.

Success of listing compartment change: Since July 8, 2024, all of the ordinary shares composing the share capital of Deezer S.A are admitted to trading on the general segment of Euronext in Paris, allowing transactions from all types of investors.



H1 2024 RESULTS: RECORD OPERATIONAL PERFORMANCE

H1 revenue up 14.9%, in line with guidance

Consolidated revenue amounted to €267.9 million in the first half of 2024, up 14.9 % compared to H1 2023 (+14.6% at constant currency). This growth reflects the successful execution of the Group's strategy, driven by the ongoing expansion of recent partnerships (such as RTL+, Mercado Libre) and the impact of a new series of price increases in the Direct segment.

Partnerships revenue amounted to €86.9 million in the first half of 2024, up 39.2% compared to H1 2023 (+38.2% at constant currency). This development was driven by the acquisition of new subscribers (+1.4 million or +37.1% YoY) reflecting the good performance of new and existing deals with large Telecom operators in Rest of World, the progressive ramp up with RTL and Mercado Libre, combined with the ARPU increase of +3.5%, mainly due to improved geographical mix. Partnerships now account for 32.4% of total revenues in this first half of the year, up 5.7 pts, from 26.8% a year ago.

Direct revenue reached €171.5 million in the first half of 2024, up 4.6% compared to H1 2023 at constant and current currency. This growth is supported by ARPU appreciation, following:

- The new wave of price increases, launched in Q4 2023, now applied to more than 80% of the subscriber's base;
- The improved geographic mix with the strategic refocus of the Direct business on selected key markets leading to the continued expansion of the subscriber base in France (+3.2%) and the slowdown in Rest of World subscriber base at (9.8)%;
- The implementation of a more selective strategy in Direct to drive premium account subscriptions by reducing trials and promotions

Other revenue, which is made up of advertising and ancillary revenue, amounted to €9.6 million in the first half of 2024 compared to €6.9 million in the first half of 2023, representing an increase of 38.8% (38.7% at constant currency). The launch of new content licensing deals for Zen was a significant contributor to the growth of the segment in the first semester.

Strong operational performance, with accelerated improvement in adjusted EBITDA to €(5) million, on the back of improved label conditions

Adjusted Gross Profit increased by 24.6% compared to H1 2023, to reach €64.5 million in H1 2024, mainly thanks to a higher level of activity, the improved terms with Major labels in 2023 and 2024 and a positive contribution from the licensing of Zen content to partners.

As a result, adjusted gross profit margin increased by 1.9 pt from 22.2% in the first half of 2023 to 24.1% in the first half of 2024.

Adjusted EBITDA improved by €8.1 million to €(5.0) million in H1 2024, compared to €(13.1) million in H1 2023, mainly reflecting higher adjusted gross profit and a strict management of fixed operating expenses, partly offset by higher marketing expenses in line with our strategy of efficient investment in our Brand.

As a result, adjusted EBITDA margin improved from (5.6)% in the first half of 2023 to (1.9)% in the first half of 2024.

Operating loss amounted to €21.2 million in H1 2024 compared to an operating loss of €42.5 million in H1 2023, representing a decrease of €21.3 million. This change mainly reflected increased gross profit and lower operating costs, including other non-recurring charges related to the licensing agreements.

Operating margin improved from (18.2)% in the first half of 2023 to (7.9)% in the first half of 2024.

Net loss amounted to €19.4 million in the first half of 2024 compared to a net loss of €38.4 million in the first half of 2023, representing a decrease of €19.0 million. This change mainly reflected the improved operating loss.



Robust cash position of €65.1 million, strengthened by already positive free cash flow generation

Free cash flow totaled €7.3 million in H1 2024 compared to €(21.6) million in H1 2023. This change mainly reflected the reduction of adjusted EBITDA loss, the higher generation of working capital as compared to 2023, as well as lower other cash items (one-off items including the impact of tax regularizations).

Change in Working Capital totaled €21.8 million in H1 2024, reflecting the higher level of activity.

2024 ADJUSTED EBITDA ANNUAL TARGET IMPROVED: CONFIRMING ANNUAL TARGETS FOR REVENUE GROWTH AND FREE CASH FLOW

Following strong revenue growth in the first semester, the Group confirms its objective to achieve 10% revenue growth in 2024, taking into account the strong comparative base in H2 2023.

The significant reduction of adjusted EBITDA loss during this semester also allows the Group to improve its adjusted EBITDA target, now expected to be better than €(10) million in 2024 (previously expected to be better than €(15)million). This will represent a very significant reduction from €(29) million in 2023 and €(56) million in 2022 and pave the way to positive adjusted EBITDA in 2025.

Finally, given the strong profitability improvements already achieved and positive free cash flow generation in H1 2024, Deezer confirms its ambition to achieve positive free cash flow in 2024.



AVAILABILITY OF THE HALF-YEAR FINANCIAL REPORT

The 2024 half-year financial report has been filed on 30 July, with the French Financial markets authority ("Autorité des marchés financiers"). It is available to the public and can be consulted on the www.deezerinvestors.com website in the Financial Results section.

CONFERENCE CALL AND WEBCAST

Stu Bergen interim CEO and Stéphane Rougeot, Deputy CEO and CFO will host a conference call and webcast for analysts and investors, including a Q&A session, **on Wednesday, 31 July 2024 at 9.30 a.m. CET.**

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

https://channel.royalcast.com/deezer-en#!/deezer-en/20240731_1

Conference call dial-in details:

- France: +33 (0) 1 70 37 71 66

- UK-wide: +44 (0) 33 0551 0200

- US: +1 786 697 3501

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

The related presentation and a replay of the webcast will be made available on www.deezer-investors.com in the Financial Information section after the live event.

FINANCIAL CALENDAR

- 30 October 2024: Q3 2024 Revenue (press release to be published after market close)

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements relating to the business of Deezer, which shall not be considered per se as historical facts, including the ability to manufacture, market, commercialize and achieve market acceptance for specific projects developed by Deezer, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing. In addition, even if the actual results or development of Deezer are consistent with the forward-looking statements contained in this press release, those results or developments of Deezer may not be indicative of their future.

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, they are based largely on the current expectations of Deezer as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors 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 universal registration document approved by the AMF on 30 April 2024 under number R.24-007. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Notwithstanding the compliance with article 223-1 of the General Regulation of the AMF (the information disclosed must be "accurate, precise and fairly presented"), Deezer is providing the information in this press release as of 30 July 2024, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.



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ABOUT DEEZER

Deezer is one of the world's largest independent music experiences platforms, connecting fans with artists and creating ways for people to Live the music. The company provides access to a full-range catalog of high-quality music, lossless HiFi audio and industry-defining features on a scalable platform available in 180+ countries. Founded in 2007 in Paris, Deezer is now a global company with over 600 people based in France, Germany, UK, Brazil and the US, all brought together by their passion for music, technology and innovation. By building strategic partnerships in key markets across Europe and the Americas, Deezer keeps delivering brand value and end-user engagement across a wide variety of industries, including telecommunications, media, audio hardware and e-retail. As an industry thought leader, Deezer was the first platform to introduce a new monetization model since the inception of music streaming, designed to better reward the artists, and the music that fans value the most. Deezer is listed on Euronext Paris (Ticker: DEEZR. ISIN: FRO01400AYG6) and is also part of the Euronext Tech Leaders segment, dedicated to European high-growth tech companies, and its associated index. Deezer – Live the music

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For Investor Relations, please visit <https://www.deezer-investors.com/>

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APPENDICES

Free cash flow

<i>In € million</i>	H1 2024	H1 2023
Adjusted EBITDA	(5.0)	(13.1)
Change in working capital requirement	21.8	7.7
Capital expenditure	(1.1)	(1.1)
Leases ³	(1.2)	(3.1)
Others	(7.4)	(12.0)
Free cash flow	7.3	(21.6)

Adjusted gross profit

<i>In € million</i>	H1 2024	H1 2023	<i>Change (%)</i>
Adjusted gross profit	64.5	51.8	+24.6%
<i>In % of total revenue</i>	24.1%	22.2%	+187 bps
Direct	44.1	38.9	+13.2%
<i>In % Direct revenue</i>	25.7%	23.8%	+193 bps
Partnerships	19.2	13.0	+47.2%
<i>In % of Partnerships revenue</i>	22.1%	20.9%	+120 bps
Other	1.3	(0.2)	(925.4)%

RECONCILIATION OF NON-IFRS FINANCIAL INDICATORS

Adjusted gross profit

<i>In € million</i>	H1 2024	H1 2023
Gross profit	55.1	27.9
License agreements non-recurring expenses	9.4	23.9
Adjusted gross profit	64.5	51.8

Adjusted EBITDA

<i>In € million</i>	H1 2024	H1 2023
Operating loss	(21.2)	(42.5)
Gross profit adjustments	9.4	23.9
Depreciation and amortization	3.7	4.7
Share-based expenses	1.2	1.9
Other non-recurring expenses	1.8	(1.2)
Adjusted EBITDA	(5.0)	(13.1)

³ Including repayment of lease liabilities and net interest paid (including finance leases).



CONSOLIDATED STATEMENT OF INCOME

	Six months ended 30 June	
<i>(in thousands of euros)</i>	2024	2023
Revenue	267,921	233,214
Cost of revenue	(212,787)	(205,271)
Gross Profit	55,134	27,943
Product and development	(16,426)	(18,337)
Sales and marketing	(31,728)	(27,030)
General and administrative	(28,192)	(25,035)
Operating loss	(21,212)	(42,459)
Finance income	2,240	5,344
Finance costs	(1,197)	(1,179)
Financial result - Net	1,043	4,166
Loss before income tax	(20,169)	(38,294)
Income tax expense	760	(144)
Share of loss of equity affiliates	-	-
Net loss for the period	(19,410)	(38,438)
Of which attributable to owners of the parent	(19,268)	(37,617)
Non-controlling interests	(141)	(821)

	Six months ended 30 June	
<i>(in thousands of euros)</i>	2024	2023
Net loss per share attributable to owners of the parent		
Basic	(0.16)	(0.35)
Diluted	(0.16)	(0.35)
Weighted-average ordinary shares		
Basic	121,637,681	108,765,996
Diluted	121,637,681	108,765,996



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Assets		
Goodwill	7,487	7,487
Intangible assets	369	260
Property and equipment	4,410	4,915
Right-of-use assets	16,395	16,736
Non-current financial assets	5,341	5,337
Other non-current assets	-	525
Total non-current assets	34,002	35,260
Trade and other receivables	69,388	70,362
Other current assets	19,596	25,769
Cash and cash equivalents	65,075	63,605
Total current assets	154,059	169,736
Total assets	188,061	194,996
Equity and liabilities		
Share capital	1,216	1,216
Share premium	483,970	483,970
Treasury shares	(375)	(363)
Consolidated reserves	(702,355)	(654,079)
Net loss	(19,268)	(57,666)
Equity attributable to owners of the parent	(236,812)	(226,922)
Non-controlling interest reserves	-	940
Total equity	(236,812)	(225,982)
Provision for employee benefits	569	500
Lease liabilities	16,389	15,097
Financial liabilities	10,753	13,933
Total non-current liabilities	27,711	29,530
Provisions for risks	16,190	14,838
Lease liabilities	2,665	3,676
Financial liabilities	6,378	7,115
Trade payables and related accrued expenses	303,132	298,990
Tax and employee-related liabilities	26,300	31,446
Deferred income	41,823	33,781
Other liabilities	674	1,602
Total current liabilities	397,162	391,448
Total liabilities	424,873	420,978
Total equity and liabilities	188,061	194,996



CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2024	2023
<i>(in thousands of euros)</i>		
Operating activities		
Net loss	(19,410)	(38,437)
Adjustments for:		
- Depreciation and amortization (excluding those related to current assets)	3,735	4,701
- Provisions	1,413	(934)
- Share-based compensation expense	8,017	11,822
- Gains and losses on disposals	886	-
- Share of loss of equity affiliates (net of dividends distributed)	-	-
- Discounting profits and losses	8	(2,521)
- Net debt costs (including interest on lease liabilities)	(1,403)	528
- Income tax paid	(760)	144
Changes in working capital:		
- (Increase)/decrease in trade receivables and other assets	13,517	(24,118)
- Increase/(decrease) in trade and other liabilities	4,878	31,823
Income tax paid	(274)	(844)
Net cash flows from/(used in) operating activities	10,607	(17,837)
Investing activities		
Purchases of property and equipment and intangible assets	(1,070)	(1,160)
Release of the escrow account and other	(467)	-
Proceeds from the disposal of intangible and tangible assets	-	-
Proceeds from the disposal of non-current financial assets	457	71
Impact of changes in the scope of consolidation	(1,865)	(129)
Net cash flows used in investing activities	(2,945)	(1,218)
Financing activities		
Increase in share capital and share premium (net of costs)	-	37
Repayments on short-term debt	(3,913)	(2,005)
Repurchases of ordinary shares	(11)	93
Proceeds from issuance of long-term debt	-	747
Repayment of lease liabilities	(2,581)	(2,550)
Net interest paid (including finance leases)	1,398	(528)
Other cash flows relating to financing activities	-	-
Net cash flows from/(used in) financing activities	(5,107)	(4,206)
Effect of foreign exchange rate changes on cash and cash equivalents	(1,086)	518
Change in net cash position	1,469	(22,743)
Cash and cash equivalents at the beginning of the period	63,605	113,610
Cash and cash equivalents at the end of the period	65,075	90,868
Change in net cash position	1,470	(22,742)