



DEEZER

Deezer reports 11% revenue growth in Q3 2024, in line with its annual targets

- **STRONG 3rd QUARTER REVENUE PERFORMANCE WITH DOUBLE-DIGIT GROWTH**
 - Total quarterly revenue of €134.0 million, up +11.0% YoY and +13.0% at constant FX;
 - Partnerships delivering +21.3% YoY (+26.7% at constant FX), representing nearly one third of total revenue;
 - Continued growth in France at +9.4%, supported by strong performance in Direct.
- **OPTIMIZATION OF SUBSCRIBER BASE LEADING TO HIGHER MARGINS WITH NO IMPACT ON REVENUE**
 - Stable reported total subscriber base YoY (9.9 million) due to the removal of nearly 0.4 million inactive Family offer sub accounts;
 - +4.1% growth YoY of subscriber base & +3.2% growth in Direct in France, on a LFL¹ basis, excluding sub accounts removal;
 - Partnerships at 4.7 million subscribers (+0.5 million YoY, on a LFL basis), driven by deals expansion and the impact of the conversion of first cohorts of Mercado Libre (MeLi+) subscribers.
- **DEEZER CONTINUES TO DRIVE VALUE FOR THE MUSIC INDUSTRY**
 - New Partnerships deals signed during the quarter with TF1+, DAZN, Titan OS & WIM;
 - Deezer confirmed its commitment to the French music scene by supporting 8 festivals in France: reaching more than 1 million festival goers throughout the country;
 - Deezer takes Purple Door on the road with exclusive music experience in Brazil;
 - New AI features: users get creative with AI playlists in global beta launch.
- **CONFIRMATION OF ANNUAL FINANCIAL TARGETS**
 - Confirmation of revenue growth target expected to reach 10% in 2024;
 - Significant improvement of adjusted EBITDA, expected to be better than €(10) million in 2024 (vs €(29) million in 2023);
 - Positive Free Cash Flow² expected.
- **ALEXIS LANTERNIER APPOINTED AS CEO SINCE 2 SEPTEMBER 2024**

Paris, 30 October 2024, 18h00 CET - Deezer (Euronext Paris: DEEZR; ISIN: FR001400AYG6), the global music experiences platform, published its consolidated revenue for the third quarter, and the first nine months of 2024 (period ended on 30 September 2024).

Commenting on the revenue, Alexis Lanternier, CEO of Deezer, said: *"I'm proud of what the team achieved in Q3 2024 with another quarter of double-digit growth. Deezer continues to deliver value and innovation for the entire music ecosystem and I am looking forward to continuing to build on the unrivaled strength of Deezer, enriching fan's lives through music experiences and working with strategic partners to expand the scope of music lovers."*

¹ Q3 2023 data has been restated to offset the impact of the 0.4 million inactive Family account removals, on a like for like ("LFL") basis

² Free Cash Flow: Adjusted EBITDA - change in working capital - capex - leases and net interests.



KEY FINANCIAL INDICATORS

Revenue breakdown

In € million	Q3 2024	Q3 2023	Change YoY	Change at constant FX
Total revenue	134.0	120.7	+11.0%	+13.0%
By segment				
Direct	85.8	82.5	+4.1%	+4.7%
Partnerships	41.5	34.2	+21.3%	+26.7%
Other	6.7	4.1	+63.8%	+65.0%
By geography				
France	78.5	71.7	+9.4%	+9.4%
Rest of World	55.5	49.0	+13.3%	+18.2%

In € million	9M 2024	9M 2023	Change YoY	Change at constant FX
Total revenue	402.0	354.0	+13.6%	+14.1%
By segment				
Direct	257.3	246.4	+4.5%	+4.6%
Partnerships	128.3	96.6	+32.8%	+34.4%
Other	16.3	11.0	+48.1%	+48.4%
By geography				
France	232.6	213.7	+8.8%	+8.8%
Rest of World	169.4	140.2	+20.8%	+22.1%

Performance indicators

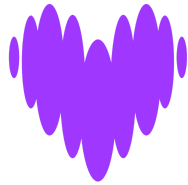
	Q3 2024	Q3 2023 LFL ³	Change LFL	Q3 2023 Published
Total subscribers⁽¹⁾	9.9	9.5	+4.1%	9.9
Direct	5.2	5.3	(1.4)%	5.6
o/w France	3.4	3.3	+3.2%	3.6
o/w Rest of World	1.8	2.0	(9.2)%	2.0
Partnerships	4.7	4.2	+11.0%	4.3

⁽¹⁾ As of 30 September 2024, in million.

	Q3 2024	Q3 2023 LFL ³	Change LFL	Q3 2023 Published
ARPU (€/month excl. VAT)				
Direct	5.4	5.1	+5.8%	4.9
Partnerships	2.8	3.0	(4.7)%	2.9

	9M 2024	9M 2023 LFL ³	Change YoY	Q3 2023 Published
Direct	5.3	4.9	+6.6%	4.9
Partnerships	2.9	2.9	+1.3%	2.9

³ Q3 2023 data has been restated to offset the effect of the 0.4 million inactive Family account removal, on a like for like (LFL) basis



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Q3 2024 BUSINESS HIGHLIGHTS

Deezer continues to optimize its subscriber base. During the quarter, the company removed nearly 0.4 million of inactive family accounts, mainly from Direct subscribers in France (nearly 0.3 million), with no impact on revenue and mechanically increasing margins.

Deezer signed new deals with several partners including TF1+, DAZN, Titan OS & WIM. These deals highlight the strong added value proposition Deezer can bring through music experiences to a variety of partners across different verticals.

Deezer invites users to get creative with AI playlists in global beta launch. Playlist with AI is the latest example of how Deezer uses its next AI-powered feature to enhance recommendations and the overall user experience across the platform.

Deezer has expanded its immersive event concept Purple Door, beyond the borders of France, bringing it to Salvador, Bahia, Brazil.

Deezer confirmed its commitment to the French music live scene. Once again this year, Deezer has been at the side of some of the biggest musical events of the summer in France. Throughout the season, Deezer reached more than 1 million festival-goers at We Love Green, Garorock, the Eurockéennes, the Vieilles Charrues, Rock en Seine, the Rose Festival, the Delta Festival and the Golden Coast.

Q3 2024 CONSOLIDATED REVENUE

Consolidated revenue amounted to €134.0 million in the third quarter of 2024, up 11.0% compared to Q3 2023 (+13.0% at constant currency). This growth reflects the successful execution of the Group's strategy, driven by the contribution of new partnerships and the impact of the last wave of price increases in the Direct segment.

Partnerships revenue amounted to €41.5 million in Q3 2024, up 21.3% compared to Q3 2023 (+26.7% at constant currency). This development was driven by the acquisition of new subscribers (+0.5 million or +11.0% vs Q3 2023 LFL) reflecting the performance of new and existing deals with large Telecom operators in Rest of World, the progressive ramp up with RTL and Mercado Libre, slightly offset by an ARPU affected by a less favorable exchange rate effect in Latin America. Partnerships now account for 31% of total revenues in Q3, up +3 points, from 28% a year ago.

During the quarter, Deezer recorded better-than-expected conversion of Mercado Libre (Meli+) first cohorts, engaged since Q3 2023, to premium accounts, with higher margins.

Direct revenue reached €85.8 million in Q3 2024, up 4.1% compared to Q3 2023 (+4.7% at constant currency). This growth is supported by ARPU appreciation (+5.8% vs. Q3 2023 LFL), following:

- The wave of price increases launched in Q4 2023;
- 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% YoY on a LFL basis) and the decline in Rest of World subscriber base at (9.2)% YoY on a LFL basis ;
- The implementation of a more selective strategy in Direct to drive premium account subscriptions by reducing trials and promotions.

As previously mentioned, the cleaning of the subscriber base had no impact on revenue.



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Other revenue, which is made up of advertising and ancillary revenue, amounted to €6.7 million in the Q3 2024 compared to €4.1 million in the Q3 2023, representing an increase of +63.8% (+65.0% at constant currency). New verticals, notably Zen, was a contributor to the growth of the segment in the third semester.

9M 2024 CONSOLIDATED REVENUE

Consolidated revenue amounted to €402.0 million for the first 9 months of 2024, up 13.6% compared to the first 9 months of 2023 (+14.1% at constant currency). As for Q3 2024, this revenue increase is mainly driven by:

- The ongoing profitable expansion in Partnerships (+32.8%);
- Direct performance (+4.5%), mainly driven by the Group's strategy to focus its efforts on France & Brazil and the new wave of price increase since Q4 2023.

CONFIRMATION OF ALL ANNUAL TARGETS

Following strong revenue growth in the first 9 months of 2024, the Group confirms again its objective to achieve 10% revenue growth in 2024, considering the strong comparative base in Q4 2023.

As a reminder, the significant reduction of adjusted EBITDA loss during this first semester allowed the Group to improve its adjusted EBITDA target, expected to be better than €(10) million in 2024 (previously expected to be better than €(15)million). This will represent a 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 also confirms its ambition to achieve positive free cash flow in 2024.

CONFERENCE CALL AND WEBCAST

Alexis Lanternier, CEO and Carl de Place, CFO, will host a conference call and webcast for analysts and investors, including a Q&A session, **on Thursday, 31 October 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/20241031_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.



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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 October 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.

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