



DEEZER

Deezer accelerates growth at +15% in Q1 2024

- **STRONG QUARTERLY REVENUE PERFORMANCE WITH DOUBLE-DIGIT GROWTH, IN LINE WITH ANNUAL GUIDANCE**
 - Total quarterly revenue of €132.5 million;
 - Partnerships delivering high revenue growth at +40.3% YoY, now representing nearly one third of total revenue;
 - Continued growth in France, notably in Direct, with +8.5% revenue growth.
- **DOUBLE-DIGIT SUBSCRIBER GROWTH AT +12.8 % YoY**
 - Partnerships at 4.9 million subscribers; +1.3 million YoY thanks to expansion of recent deals and renewed agreements;
 - Consolidation of Direct in France at 3.7 million subscribers with continued upgrade toward premium subscriptions.
- **DEEZER CONTINUES TO DRIVE VALUE FOR THE MUSIC INDUSTRY**
 - Price increases implemented for 75%+ of Direct subscriber base, contributing to overall ARPU increase;
 - Artist centric payment system expansion following renewed agreement with independent record label Merlin;
 - Continued optimization of catalog quality with removal of 26+ million tracks, including fraudulent artists and noise content;
 - Deezer included on Fast Company's list of world's most innovative music companies.
- **CONFIRMATION OF ANNUAL FINANCIAL TARGETS**
 - Acceleration of revenue growth to reach 10% in 2024 (vs. 7.4% in 2023);
 - Another significant improvement of adjusted EBITDA, expected to be better than €(15) million in 2024;
 - Positive Free Cash Flow¹.

Paris, 29 April 2024, 17:45 CEST – Deezer (Euronext Paris: DEEZR; ISIN: FR001400AYG6), the global music experiences platform, published its consolidated revenue for the first quarter of 2024 (period ended on 31 March 2024).

Stu Bergen, interim CEO of Deezer from April 1, commented: “Deezer's performance in the first quarter of 2024 highlights clear momentum and evidence that our strategy is on point. By delivering unique experiences to music fans worldwide, Deezer delivers value and innovation to all our stakeholders. We continue to be a catalyst for positive change, challenging the status quo in remuneration and pricing, while maintaining our unwavering support for artists and songwriters.”

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



KEY FINANCIAL INDICATORS

Revenue breakdown

In € million	Q1 2024	Q1 2023	Change YoY	Change at constant FX
Total revenue	132.5	115.2	+15.0%	+14.2%
By segment				
Direct	86.0	81.7	+5.2%	+5.0%
Partnerships	43.3	30.8	+40.3%	+37.6%
Other	3.2	2.6	+23.1%	+23.3%
By geography				
France	76.1	70.2	+8.5%	+8.5%
Rest of World	56.4	45.0	+25.2%	+23.1%

Performance indicators

	Q1 2024	Q1 2023	Change YoY
Total subscribers⁽¹⁾	10.5	9.3	+12.8%
Direct	5.5	5.6	(1.8)%
o/w France	3.7	3.5	+3.6%
o/w Rest of World	1.9	2.1	(11.0)%
Partnerships	4.9	3.6	+35.4%
ARPU (€/month excl. VAT)			
Direct	5.1	4.8	+6.4%
Partnerships	2.9	2.8	+5.5%

⁽¹⁾ As of 31 March 2024, in million.

Q1 2024 BUSINESS HIGHLIGHTS

Direct: In Q1, Deezer successfully launched the second wave of its brand campaign through national television, out of home and digital channels across France and Brazil.

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.

Partnerships: The Company supported the roll-out of Meli+ in Chile in February, following Brazil & Mexico in Q3 2023 and renewed key partnerships with TIM and FNACDarty at the beginning of 2024, confirming the mutual benefits for Deezer and its partners.

Artist centric model: Deezer and Merlin announced another step towards fairer remuneration for artists with a renewed partnership that protects the way independent music is experienced and valued by integrating Deezer's artist centric royalty model with Merlin's dynamic membership of independent record labels, distributors, and other rights holders representing high-quality music from around the world.

Improved catalog quality: removal of 26+ million tracks since October 2023 (including non-artist content, noise, and duplicates) by using Deezer's advanced proprietary technology. Our team has trained advanced models capable of recognizing and distinguishing specific types of content such as noise and functional music. As part of its artist-centric model, Deezer is dedicated to enforcing a stricter provider policy to ensure exceptional quality content and elevate the user experience.

One of world's most innovative companies: Deezer named to Fast Company's annual list recognizing Deezer's innovative contributions to the global music industry including the introduction of the artist centric payment system for streaming and unique partnership approach.



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CONSOLIDATED REVENUE

Consolidated revenue amounted to €132.5 million in Q1 2024, up 15.0% compared to Q1 2023 (+14.2% at constant currency), reflecting the continued ramp-up of recent Partnerships (including RTL+, Sonos & Mercado Libre), in line with the Group's strategy to focus its efforts on attractive and large markets, mainly through partners, in addition to the contribution to the new wave of price increases in Direct.

Partnerships revenue amounted to €43.3 million in Q1 2024, up 40.3% compared to Q1 2023 (+37.6% at constant currency), driven by the acquisition of new subscribers (+1.3 million or +35.4% YoY), essentially from the success of recent deals (MeLi, RTL, Sonos) and the ARPU increase of +5.5% mainly due to improved geographical mix. Partnerships accounted for 32.7% of total revenues in the quarter, up 5.9 pts from 26.8% a year ago.

Direct revenue reached €86.0 million in Q1 2024, up 5.2% compared to Q1 2023 (+5.0% at constant currency). This growth is supported by the ARPU appreciation, following:

- The new wave of price increases, launched in Q4 2023, now applied to more than 75% 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 (+3.6%) and the slowdown in Rest of World subscriber base at (11.0)%;
- The implementation of a more selective strategy in Direct to drive premium account subscriptions by reducing trials and promotions.

Other revenue, consisting mainly of advertising and ancillary revenue, totalled €3.2 million in Q1 2024, with a growth of +23.1% compared to Q1 2023 (+23.3% at constant currency).

2024 OUTLOOK CONFIRMED: POSITIVE FREE CASH FLOW FROM ACCELERATED REVENUE GROWTH & CONTINUED SIGNIFICANT IMPROVEMENT IN ADJUSTED EBITDA

Deezer has delivered a 2nd consecutive quarter of double-digit growth, giving the Group confidence in its ability to achieve its 10% revenue growth target in 2024, on the back of increasing contribution of Partnerships, and the continued expansion of Direct in France with the impact of the new price increases which are being gradually rolled out to the entire Direct subscriber base.

The Group also confirms its target of an adjusted EBITDA loss better than €(15) million in 2024, another significant reduction compared to €(29) million in 2023. This improvement will be driven by a further increase of the adjusted gross margin, the operating leverage from revenue growth and continued tight cost control, while continuing to invest strategically in our brand.

Finally, given the strong profitability improvements achieved in 2023 and the expected revenue and profitability momentum in 2024, Deezer confirms its ambition to achieve positive free cash flow in 2024 and positive adjusted EBITDA in 2025.



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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 Tuesday, 30 April 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/20240430_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 July 2024: H1 2024 Results (press release to be published after market close)

- 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 28 April 2023 under number R.23-023. 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 29 April 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.

*** END ***



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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: FR001400AYG6) 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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