

STORYTEL

30/10/2026, 07:16 UTC

This is a translated version of the Swedish report, published on 30/10/2026

EQUITY BRIEF

Equity Brief: Storytel

30/10/2026

Company in brief

Machine translation: Original published in Swedish on 10/30/2026 at 9:00 am EET.

Storytel offers audiobook and e-book subscription services to consumers (B2C) and publishes books in print and digital formats through its own publishing houses. Storytel was founded in Stockholm in 2005 by Jonas Tellander and Jon Hauksson as an audiobook streaming service. The group has since expanded through acquisitions, including Norstedts Förlagsgrupp and US-based Audiobooks.com and, more recently, Bokfabriken (2025), Lavender Lit (2026) and the Dutch-Belgian publishing house Overamstel (2026).

MARKET CAP	EMPLOYEES	LTM ADJUSTED EBITDA MARGIN	LTM REVENUE
~9.1 BSEK	**564**	**19,9%**	**4,327 MSEK**
AS OF OCT 27, 2026	Q3'26 AVERAGE	AS OF Q3'26	AS OF Q3'26

Business model

Streaming

Streaming sells monthly audiobook and e-book subscriptions under the Storytel, Mofibo and Audiobooks.com brands, both directly to consumers and through partnerships. Revenue is the number of paying subscribers multiplied by ARPU (Average Revenue Per User). In Q3'26, Storytel had 2.83 million subscribers and an ARPU of SEK 119.6 per month, for total revenue of 1,000 MSEK. Content is the largest cost. For every title consumed, Streaming pays the rights holder – usually the publisher – regardless of whether it is an external publisher or one of the group's own. On top of this come marketing costs to acquire new subscribers.

Publishing

Publishing consists of publishing houses, including Norstedts, Lind & Co, Gummerus, Bokfabriken, People's, Overamstel, and Storyside, which acquire rights from authors and publish the titles as printed books, audiobooks, and e-books. Revenue here has three sources: printed books to bookstores, licensing of digital formats to other platforms, and internal sales to Storytel's own streaming service. In Q3'26, revenue was 423 MSEK, of which 280 MSEK was external and ~143 MSEK came from the proprietary service. Sales of printed books are concentrated around the Christmas shopping season, making Q4 the publishers' largest quarter.

From segment to group

When a title from an external publisher is consumed, the content cost leaves the group. When the title comes from an in-house publisher, the cost instead becomes revenue for Publishing and stays within the group. The larger the share of listening to in-house titles, the higher the group's gross margin. The publishers also earn money when their books are consumed on competing platforms.

The segments are reported as if they were stand-alone businesses. Internal sales therefore appear both as revenue in Publishing and as a cost in Streaming, and are eliminated in the consolidated accounts. In addition, Storytel Norge, which is 50% owned and accounted for using the equity method at group level, is included in the Streaming segment with its full revenue.

Q3'26, MSEK	Amount
Streaming	1 000,0
Publishing	423,1
Total segments	**1 423,1**
Elimination of internal publishing sales	-143,3
Elimination of Storytel Norway	-100,3
Group revenue	**1 179,5**

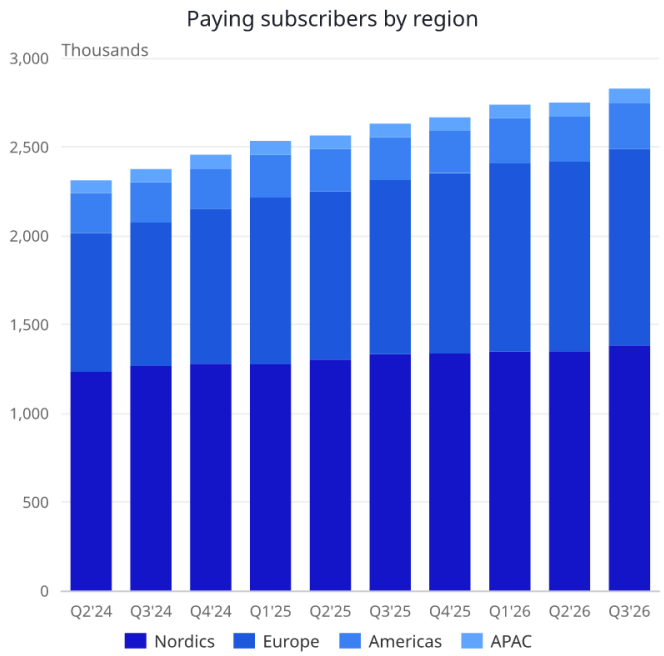
Internal pricing thus shifts earnings between the segments but does not affect the group's total earnings. Publishing's adjusted EBITDA margin of 36.2% in Q3'26 is therefore not directly comparable to that of a stand-alone publisher, and the same applies to Streaming's 15.3%. The value of the integration is best seen in the group's gross margin (45.3% in Q3'26) and in Publishing's external sales, which is the part of the publishing business that brings new revenue into the group.

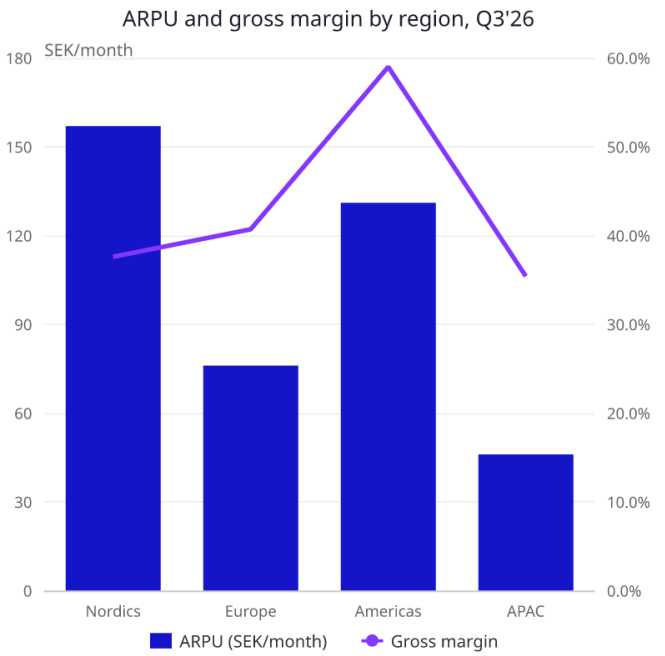
Geographical markets

Since Q1'26, Storytel has reported Streaming in four regions: the core market Nordics (Sweden, Denmark, Norway, Finland, Iceland and Estonia) and the growth regions Europe, Americas and APAC, previously reported as Non-Nordics Core and Rest of World. Since the same quarter, the subscriber base outside the Nordics has been larger than the Nordic one: 1.45 million vs. 1.38 million at the end of Q3'26.

Nordics is the mature market, accounting for ~64% of Streaming revenue. Subscribers increased by 3.8% year-on-year and ARPU by 3.4% to SEK 157, which means that price increases account for a significant share of growth. The gross margin was 37.6% in Q3'26.

Europe, which the company describes as its international growth engine, has 1.11 million subscribers (+12.7% y/y) and revenue growth of 18.6% in CER, driven by Poland, the Netherlands, Germany and Turkey. ARPU is SEK 76, roughly half the Nordic level, but the gross margin is higher (40.7%). **Americas**, comprising Audiobooks.com in the US and Latin America, has the highest gross margin (59.0%) but declining ARPU (SEK 131, -5.7% y/y) as the mix shifts toward Latin America and partnerships. **APAC** is small, with 81,000 subscribers and an ARPU of SEK 46.





Q3'26

REVENUE	ADJUSTED EBITDA	EBIT	PAYING SUB-SCRIBERS
1,179 MSEK	**268 MSEK**	**176 MSEK**	**2.83 million**
+16.4% Y/Y (Q3'25)	+15.7% Y/Y (Q3'25)	+16.4% Y/Y (Q3'25)	+7.6% Y/Y (Q3'25)

Growth in Q3'26 was 16.5% in CER (Q2'26: 12.7%), of which 11.7% was organic, and revenue was 1,179.5 MSEK (Q3'25: 1,013.4). Streaming grew 7.8% in CER with net additions of 80,000 paying subscribers, according to the company the highest since Q3'23 (mainly in Europe). Publishing's external sales increased by 53.8% in CER, of which 26.6% was organic, with Overamstel included for a full quarter for the first time.

Adjusted EBITDA rose 15.7% to 268.2 MSEK, with a margin of 22.7% (Q3'25: 22.9%). Higher marketing as well as higher personnel and IT costs lowered Streaming's EBITDA margin to 15.1% (Q3'25: 16.9%), while Publishing's rose to 36.2% (Q3'25: 33.4%). Excluding share-price-driven LTIP (Long-Term Incentive Program) costs, the group's adjusted margin was 23.7% (Q3'25: 22.1%). Cash flow from operating activities was 285.0 MSEK (Q3'25: 157.8), and net cash was 131.7 MSEK at September 30, 2026, after share buybacks of 91.0 MSEK.

The guidance of 900 MSEK in adjusted EBITDA for 2026 was reiterated. After 639.6 MSEK in the first nine months, this implies ~250–260 MSEK in Q4'26 (Q4'25: 220), depending on how the LTIP cost is treated – the guidance excludes LTIP effects in the second half of the year and assumes constant currencies. Management has also said that marketing will not be scaled back in Q4, as the goal is net subscriber additions in line with 2025. This requires ~50,000–60,000 new subscribers in Q4 (Q4'25: ~38,000).

Market and trends

Storytel operates in the digital book market, where audiobooks and e-books are taking share from the physical book market. According to the company, the number of monthly active audiobook listeners in Europe and North America almost doubled between 2020 and 2025, and industry forecasts point to another doubling over the next five years.

Audiobook subscriptions are well established in the Nordics, and several players compete there, including BookBeat and Nextory regionally, Audible (Amazon) and Spotify, which includes audiobooks in its subscription and launched in Sweden around a year ago. In Continental Europe, the format is at an earlier stage. This is reflected in Storytel's geographic mix: the Nordics account for 1.38 million of the 2.83 million subscribers but ~64% of Streaming revenue, as ARPU is SEK 157 vs. SEK 76 in Europe.

The dominant structural driver for Storytel is the shift to digital listening in Europe outside the Nordics, where the company's subscriber base is growing fastest, albeit at a lower ARPU. Other relevant drivers for Storytel include:

- **Format shift:** reading and listening are moving from physical to digital formats, and penetration is still lower outside the Nordics.
- **Content ownership and licensing:** publishers with their own catalogs can sell to multiple platforms, making content a revenue source in its own right.
- **AI in product and development:** features such as the AI assistant Genie and summaries (Recaps) are used to increase customer engagement.

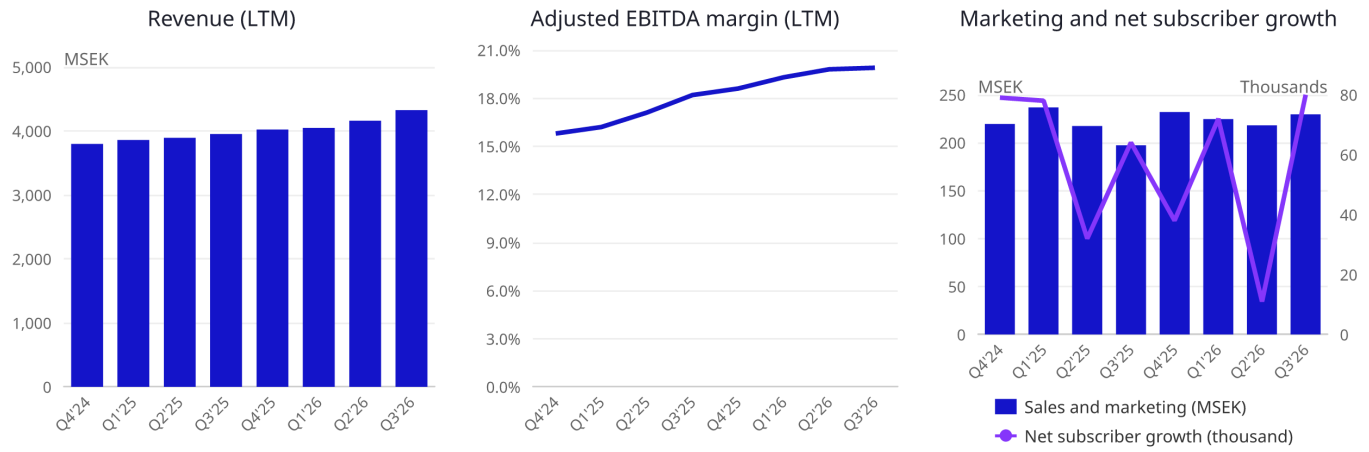
Competitive landscape

Spotify is the player that has changed the competitive landscape the most. The company includes audiobooks in its Premium subscription and, according to its 2025 annual report, offered audiobooks in 22 markets under licenses that are mainly consumption-based – the same basic model as Storytel's. The rollout, which began in 2023 and reached Sweden around a year ago, shows that Spotify's audiobook ambitions remain intact. In the near term, the threat is limited by the fact that competition in local markets is decided by the depth of local content (titles in Swedish, Finnish or Polish), which takes time to build and where Storytel already has an established catalog through its own publishers. Management says competition is no fiercer than a year ago and that churn is near historical lows in Sweden, Denmark and Norway, with challenges mainly in Finland. Spotify is also a customer of Storytel's publishers.

Although customer losses have been limited so far, broader competition affects unit economics (i.e., per customer). As more players market audiobooks, the cost of acquiring new customers can reasonably be expected to rise. At the same time, customer lifetime value may decline as alternative services become more available, which could cause churn to settle at a higher level going forward. This applies especially to new customers, among whom churn is already higher than in the loyal core base, according to management. This suggests that marketing needs to stay at a high level to sustain the growth rate, which may limit further margin expansion in Streaming.

Financials

The company's targets through 2028 are average annual revenue growth of over 10% in CER and an EBITDA margin of over 20%. The growth target is in line with the outcome so far: growth was 9.2% in CER in 2025 and 12.4% in January–September 2026 (of which 10.1% organic). The margin target is also within reach, as the adjusted EBITDA margin (LTM) has risen gradually from ~11% in Q2'24 to 19.9% in Q3'26. The 2026 guidance of 900 MSEK in adjusted EBITDA corresponds to ~21% of LTM revenue at Q3'26 (4,327 MSEK). Management sees room for further margin improvement but expects the pace to slow.



Revenue and adjusted EBITDA margin are shown on a last twelve months basis (LTM). Storytel's quarters vary seasonally – Publishing is weighted toward Q4, and the margin is normally lowest in Q1 – which makes LTM figures a better guide to the trend than individual quarters. Sales and marketing expenses refer to the group and include

Share of revenue	2024	2025	R12 Q3'26
Gross margin	44,8%	45,6%	45,9%
Sales and marketing	22,5%	22,0%	20,9%
Technology and development	6,7%	5,5%	4,6%
Administration	9,6%	8,3%	9,0%
Adjusted EBITDA margin	**15,8%**	**18,6%**	**19,9%**

The margin expansion since 2024 has come largely from one-off savings in the fixed cost base. Technology and development costs, for example, have fallen from 6.7% to 4.6% of revenue, and cuts like these cannot be repeated to the same extent. Most costs instead grow in line with revenue. Content costs follow volume, since publishers are paid based on consumption, which is why Streaming's gross margin was 40.9% both in 2025 and on an LTM basis. Marketing also needs to grow with customer intake. Storytel's business model is therefore not scalable in the traditional sense. The remaining leverage lies in technology, development and administration, which together account for ~14% of revenue. This leverage is expected to come from these costs growing more slowly than revenue, rather than from further cuts. Price increases raise gross profit in absolute terms, but we believe they do little for the margin to the extent that publisher compensation follows revenue. The gross margin is driven more by contract terms, in-house content and a higher digital share in Publishing. In our view, the margin can continue to improve, albeit slowly.

Marketing is the other major variable. Over the past twelve months, ~880–905 MSEK of marketing spend has generated net additions of around 200,000 subscribers, but since additions are reported net of churn, the cost per new customer cannot be derived. With tougher competition and continued expansion into new markets, we believe marketing will be an ongoing cost of defending the subscriber base rather than a temporary investment.

Capital allocation is the most important near-term trigger. The business model is capital-light and generated free cash flow of ~587 MSEK on an LTM basis. In 2026, this has funded both acquisitions of 176 MSEK (mainly Overamstel) and dividends and buybacks of 232 MSEK. Management describes an active M&A agenda, and we see publisher acquisitions in Europe as the most attractive use of cash. With Streaming's gross margin largely locked in by contracts, content ownership becomes the clearest remaining lever, as listening to in-house titles keeps the cost within the group. This is especially true in Europe, where growth is happening but where Storytel has so far had few in-house publishers. There are, however, two risks. First, acquired publishers often have lower margins and a high share of print sales, which can dilute group profitability; Overamstel had an EBITDA margin of around 7% in 2025, compared with 29.5% for Publishing. Second, Storytel becomes a competitor to the external publishers whose books are in the app. If they suspect Storytel of favoring its own titles, they may be less willing to offer their books on good terms.

What does the optimist say? / What does the pessimist say?

What does the optimist say?

Content is the lever. Listening to in-house titles keeps the content cost within the group, and the publishers also earn money on competitors' platforms.

Europe is early in the format shift. Europe grew subscribers by 12.7% and revenue by 18.6% in CER in Q3'26, with room for higher ARPU as the markets mature.

Cash can buy growth. Strong cash generation leaves room for publisher acquisitions in Europe, bringing the integration advantage to the markets that are growing.

The core is holding up. Nordic ARPU rose by 3.4%, and churn remains near historical lows according to management, one year after Spotify's launch.

What does the pessimist say?

Competition erodes unit economics. Spotify and Audible could drive up the cost per new customer and churn, especially in the Nordics, which account for ~64% of Streaming revenue.

The model scales only to a limited extent. Content and marketing grow with revenue, and marketing looks set to become an ongoing cost rather than a temporary investment.

The easy part of the margin journey is done. The fixed-cost savings cannot be repeated, and the gross margin is largely locked in by publishing contracts.

Acquisitions dilute the margin. Overamstel had an EBITDA margin of around 7%, and external publishers may become more cautious about licensing to a competitor that owns publishing houses.

Frequently asked questions from investors

Why did Streaming's EBITDA margin fall in Q3'26 despite more subscribers?

Streaming's EBITDA margin fell to 15.1% (Q3'25: 16.9%), as marketing expenses rose by 15% and personnel and IT costs also increased. The gross margin, by contrast, rose to 40.5% (Q3'25: 39.9%). The company attributes the higher marketing spend to stronger net subscriber additions of 80,000, and has said that marketing will not be scaled back in Q4.

How is Storytel affected by Spotify's push into audiobooks?

Spotify includes audiobooks in its subscription, a service it launched in Sweden around a year ago. According to management, competition is no stiffer than a year ago, and churn remains stable near historic lows in Sweden, Denmark, and Norway, while Finland remains challenging. Spotify is also a customer, however: Storytel's publishing business has signed licensing agreements with external platforms, and management cites the 2025 Spotify agreement as part of the explanation for Publishing's higher gross margin.

Why does a streaming service own publishing houses?

The publishing houses give the group control over content and a second earnings stream. In 2025, Publishing's internal sales to Streaming totaled 562 MSEK and its external sales 712 MSEK. Its EBITDA margin was 29.5% for full-year 2025 and 36.2% in Q3'26, higher than Streaming's. Internal sales are eliminated in the consolidated financial statements, while the external portion lets the group make money when books are sold in print or through other platforms.

Glossary

- **ARPU (Average Revenue Per User)**: average revenue per paying subscriber per month.
- **CER (Constant Exchange Rates)**: growth calculated at unchanged exchange rates; shows the underlying performance excluding translation effects from EUR, PLN, USD, etc.
- **Churn**: the share of subscribers who cancel the service.
- **Adjusted EBITDA**: EBITDA excluding items affecting comparability, such as acquisition costs.
- **LTIP (Long-Term Incentive Program)**: share-based incentive programs for employees; the cost tracks the share price and can therefore fluctuate between quarters.
- **Net cash**: cash and cash equivalents in excess of interest-bearing liabilities; provides room for acquisitions and dividends without new borrowing.

Sources

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30/10/2026

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Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se