

CLIQ Digital reports full year 2023 results

- Record sales and EBITDA of €326 million (+18%) and €50 million (+16%) resp.
- €4.90 EPS resulting from €32 million net profit (+10%)
- Share buyback initiated
- 2024 outlook: €360-380 million sales and €52-58 million EBITDA

DÜSSELDORF, 22 February 2024 – CLIQ Digital AG today publishes its audited full year 2023 financial statements.

Performance

in millions of €	FY 2023	FY 2022	Δ	4Q 2023	4Q 2022	Δ
Bundled-content	307	242	27%	80	76	5%
Single-content	19	26	-27%	4	7	-41%
Ad-funded ¹	-	8	-100%	-	-	-
North America	197	158	25%	54	47	15%
Europe	109	102	7%	25	30	-17%
Latin America	13	3	269%	3	2	61%
ROW	8	13	-40%	5	3	49%
Sales	326	276	18%	84	83	2%
Customer acquisition costs	135	112	21%	35	30	19%
EBITDA	50	44	16%	12	13	-8%
EBITDA margin	15%	16%	-40 bps	14%	15%	-140 bps
Profit for the period	32	29	10%	7	8	-6%
EPS (in €)	4.90	4.47	10%	1.07	1.17	-7%

- **Sales:** In FY 2023, Group sales grew by 18% to €326 million (PY: €276 million), whereby sales in 4Q 2023 were 2% higher both quarter-on-quarter as well as year-on-year. The growth was driven by increased online advertising campaigns promoting bundled-content streaming services, which were up 27% against 2022. Regionally, North American and European sales in FY 2023 grew by 25% and 7% respectively, whereby the market environment in Europe remained competitive. A longer than anticipated ramp-up in revenue, as previously flagged, resulted in a slight miss on 2023 sales guidance despite the record €84 million sales generated in the fourth quarter.
- **Customer acquisition costs (CAC):** In FY 2023, the customer acquisition costs grew by 21% to €135 million (PY: €112 million). This increase resulted in a greater number of

¹ Following a strategic realignment, the business activities relating to the (ad-funded) digital marketing services were discontinued as of 3Q 2022.

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marketing campaigns aimed to acquire new members with a higher lifetime value. The higher CAC also reflected the more competitive pricing environment, where bidding prices to acquire new members remained elevated, especially in Europe.

- **EBITDA:** Despite increased customer acquisition costs incurred in 2023 and higher one-off other operating expenses in the fourth quarter, EBITDA increased in FY 2023 by 16% to €50 million (PY: €44 million) in line with guidance. The EBITDA margin for the full year 2023 was marginally lower at 15.4% (PY: 15.8%).
- **Earnings per share:** On the back of a profit for the period of €32 million (FY 2022: €29 million), basic EPS grew by 10% to €4.90 (PY: €4.47) in FY 2023. As previously announced, the Group has decided to initiate a share buyback programme as part of its 2024 capital return strategy and not distribute a dividend from the FY 2023 profit.
- **Cash flow:** In FY 2023, operating free cash flow was up 21% to €19 million (PY: €15 million) despite increased customer acquisition costs to attract and acquire new members as well as higher investments in platform and technical developments (€7 million) and newly licensed content (€4 million). The cash outflow from financing activities during 2023 was €13 million (2022: €8 million) and included €12 million dividend distribution (2022: €7 million).
- **Liquidity:** At year-end 2023, the Group reported no bank borrowings (31/12/2022: €7 million) and consequently the net cash position was €16 million – a year-on-year increase of €6 million, notwithstanding the €12-million-dividend paid out in 2023.

Operational indicators

- **Lifetime value of a customer:** In 2023, the expected average lifetime value of a customer (LTV) for bundled- and single-content services was up 17% to €85 (2022: €73). The year-on-year increase was due to the Group's focus on selling bundled-content streaming services and the subsequent growing share of bundled content service memberships.
- **Paid memberships:** The number of unique paid memberships for bundled- and single-content streaming services decreased slightly to 1.2 million per 31 December 2023 (31/12/2022: 1.3 million). In response to the challenges posed by elevated customer acquisition costs, the Group has strategically focused on acquiring new members with a projected higher average lifetime value, which is instrumental in maintaining healthy profit margins. While this approach has resulted in a slightly lower number of new and reported members compared to the previous year's period, the emphasis on attracting those members with greater potential for long-term value has proven to be effective.
- **Lifetime Value of Customer Base:** As at 31 December 2023, the Lifetime Value of Customer Base (LTVCB) grew by €23 million to €164 million compared to prior year (2022: €141 million). The higher LTVCB was the result of the increase in expected average lifetime value of a customer from the higher proportion of bundled-content streaming services within total Group revenue. The LTVCB represents the expected sales to be generated from paid memberships as at reporting date over their estimated individual remaining lifetime.

Outlook

For the full year 2024, Group sales are expected to be between €360 and €380 million, driven by stronger marketing activities (between €150 and €170 million customer acquisition costs). EBITDA is thereby expected to range between €52 and €58 million.

The mid-term Group sales target is to achieve a run rate during the fourth quarter of 2025, which realises an annual revenue of more than €500 million going forward.

Management statement

“2023 was another year of significant growth for our Group and overall, a very profitable one. We again made very good progress in strengthening our business and expanding our proven and successful business model to new countries and regions,” said Luc Voncken, CEO. *“In 2024, we will continue to focus steadfastly on improving conversions and growing as well as future-proofing our business,”* said Ben Bos, member of the Management Board.

Earnings call

A live video webcast conducted in English will be held **today** at **2.00 p.m. CET** with presentations from Luc Voncken, CEO, and Ben Bos, member of the Management Board.

To attend the video webcast, prior registration of contact details is required at:

<https://quadia.live/65b7cf602408295a9c0d71b5/registration>

Questions submitted **before 12.00 p.m. CET via email** to investors@cliqdigital.com will be answered after the presentations.

A video recording of the webcast will be available after the webcast at: <https://cliqdigital.com/investors/financials>.

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Financial calendar

Annual General Meeting 2024	Thursday	4 April 2024
1Q 2024 Financial report & earnings call	Wednesday	8 May 2024
2Q/6M 2024 Financial report & earnings call	Thursday	8 August 2024
3Q/9M 2024 Financial report & earnings call	Thursday	7 November 2024

About CLIQ Digital

The CLIQ Digital Group is a leading online performance marketing company selling subscription-based streaming services that bundle movies & series, music, audiobooks, sports and games to consumers globally. The Group licenses streaming content from partners, bundles it and sells the content through its numerous streaming services. Over the years, CLIQ Digital has become a specialist in online advertising and creating streaming services that are advertised towards specific consumer groups. CLIQ Digital operates in over 40 countries and employed 170 staff from 40 different nationalities as at 31 December 2023. The company is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris and Toronto. CLIQ Digital is listed in the Scale segment of the Frankfurt Stock Exchange (ISIN: DE000A35JS40, GSIN/WKN: A35JS4) and is a constituent of the MSCI World Micro Cap Index.

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