

Q4

World's No 1. Sleep App

YEAR-END REPORT
OCTOBER - DECEMBER 2024
February 4, 2025

SLEEP CYCLE AB (PUBL) 

Today's presenters



ERIK JIVMARK
CEO



ELISABETH HEDMAN
CFO & Head of IR

We unlock healthier habits

The interest in data-driven sleep insights has seen a sharp increase. At Sleep Cycle, we transform sleep habits by providing powerful **tools** and **features** to improve sleep quality and offering deep **insights** into sleep patterns, ultimately leading to a more satisfying life.



TOOLS

to **fall asleep faster** and enjoy relaxing, restful nights

FEATURES

to **wake up gently**, **capture** nightly sounds, and **achieve** a consistent sleep schedule

INSIGHTS

to **understand** sleep habits and **identify** possible sleep disruptors

THE INVESTMENT CASE

PERSONALIZED SLEEP SOLUTIONS AS A SUBSCRIPTION SERVICE

1 STABLE CORE BUSINESS WITH HIGH PROFITABILITY

- Stable, profitable and consistent core business
- Recurring subscription revenues with predictable cash flow
- Annual dividend of 40–60% of annual net profit

3 GROWING AWARENESS OF SLEEPS IMPORTANCE FOR HEALTH DRIVES GROWTH

- In a global sleep tech market estimated at SEK 17 billion we see:
- Growing recognition of sleep's importance for well-being
 - The potential audience includes anyone with a smartphone

2 GLOBAL LEADER IN SLEEP ANALYSIS

- Backed by science and multiple patents.
- Partnering with leading sleep research institutions
- The most downloaded sleep app
- Strong organic influx of new customers

4 NEW PHASE WITH MULTIPLE PATHS TO INCREASED GROWTH

- Strategic focus on conversion, price differentiation, and geographic adaptations.
- Development of strategic partnerships.
- New revenue streams through product development leveraging existing data and knowledge

The strategy



User acquisition

Improve upper funnel traffic

- Installs
- Subscriptions



User engagement

Product development

- Conversion
- Retention
- ARPU



Leveraging platform and data

Monetization of data & technology

- Data monetization
- Technology licensing
- New products leveraging platform

Core product revenue stream

Unexplored revenue streams

LEVERAGING DATA AND PLATFORM

Monetization of data & technology

PLATFORM TECHNOLOGY

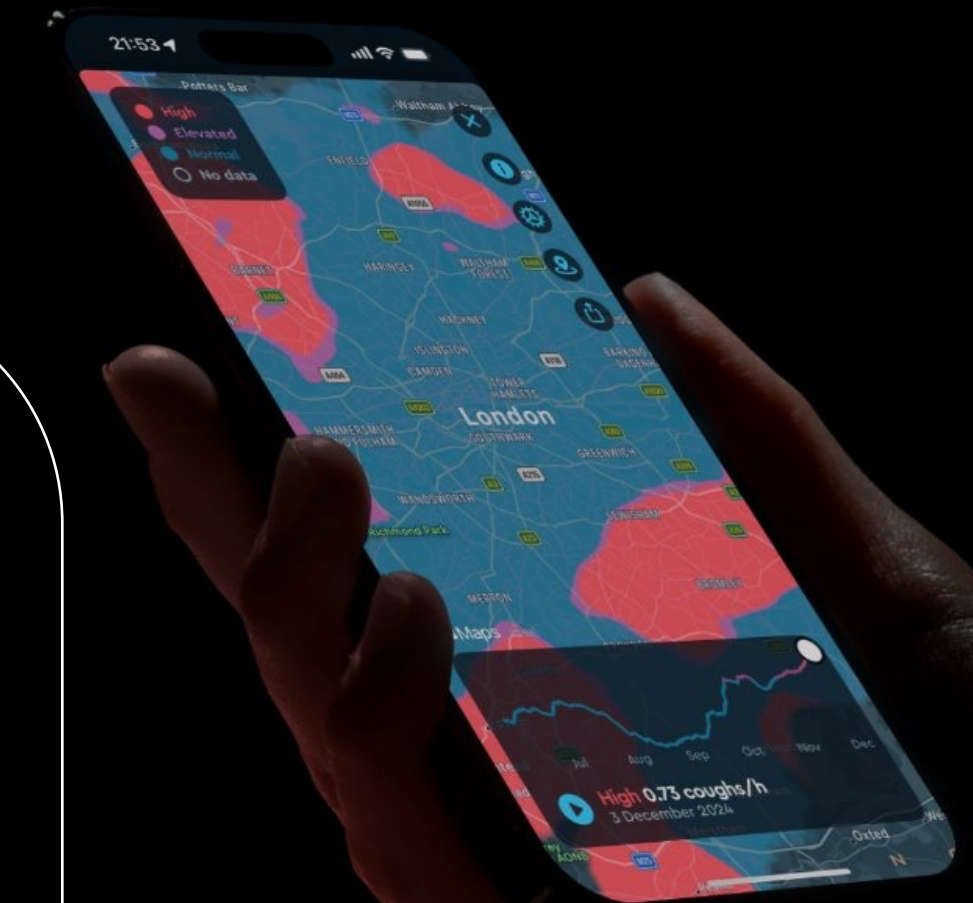
As one of the few sleep analysis apps that has proprietary technology Sleep Cycles have full control of the platform and its usage. How can we utilize that to broaden our commercial offer?

That is what we aim to build upon.

MONETIZATION OF DATA

Sleep Cycle have a vast amount of health data at its disposal. How and by whom can that be used to build products, services, and experiences?

That is what we aim to explore.



The future of sleep analysis



- Awake 17m
- Light 6h 12m
- Dream 59m
- Deep 1h 47m

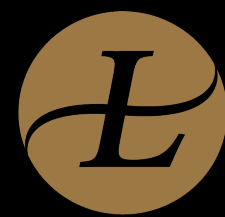
Backed by science, loved by millions.

A CONTINUED FOCUS

Growing and expanding partnerships



UNIVERSITY OF
CAMBRIDGE



THE LANGHAM

Revolut



Financial targets



Double revenue in the medium term



25% EBIT margin, or higher, on an annual basis



Dividend of 40-60% of net profits every year



Summary of financial development Q4 2024

2.8%

YoY subscription
growth

2.6%

YoY ARPU growth

9.0%

YoY net revenue growth

32.3%

EBIT margin

918k

Subscriptions

SEK **279**

ARPU

SEK **66.8**_m

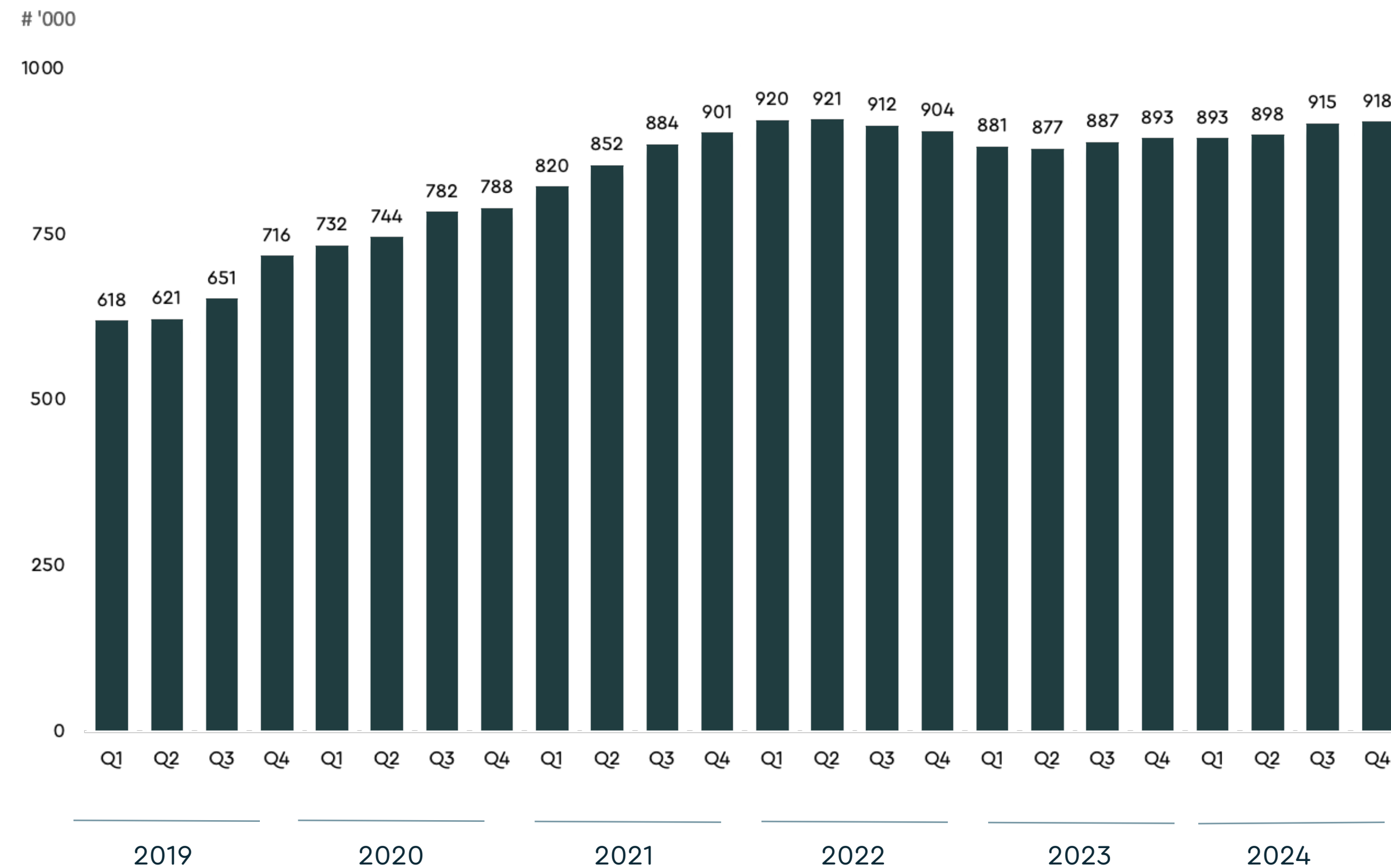
Net revenue

SEK **21.5**_m

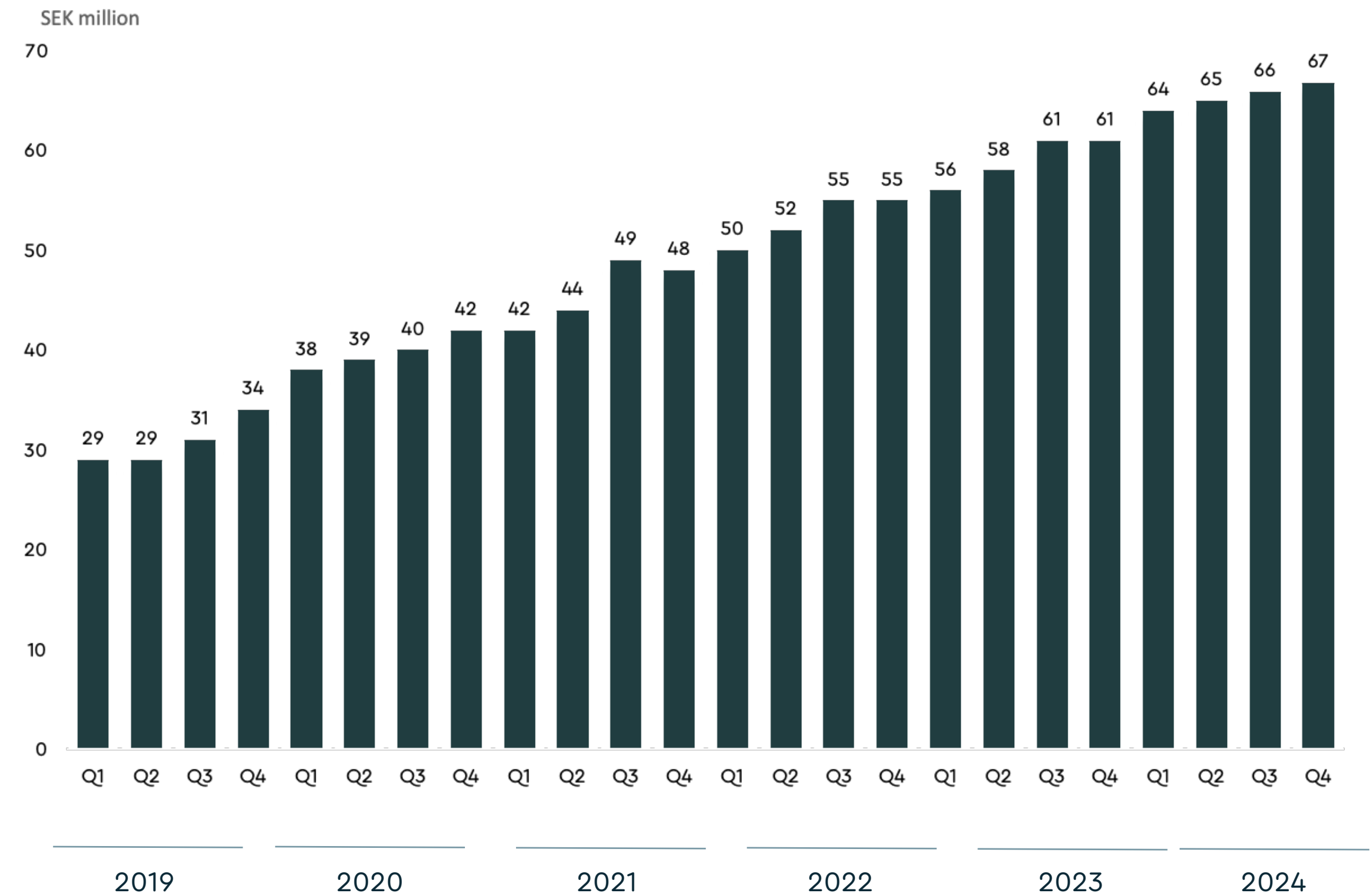
EBIT

Continued growth within paying subscribers and net revenue

SLEEP CYCLE TOTAL PAYING SUBSCRIBERS



SLEEP CYCLE NET REVENUE



+ 25 000 new paying subscribers since last year
 + 3 000 new subscribers since last quarter

Revenue growth of 9.0% in Q4 vs last year (8.0% currency adjusted)
 Revenue growth of 10.7% for the full year (9.8% currency adjusted)

FINANCIAL SUMMARY Q4 2024

Continued growth combined with a strong EBIT-margin

SEK M	Q4-24	Q4-23	CHANGE	COMMENTS
Net revenue	66.8	61.3	9.0%	Increasing subscription base, higher ARPU and growing revenue from partnerships.
Capitalized work for own account	0.2	0.0	N/A	SEK 0.2m staff costs related to mainly exploring sleep apnea screening have been capitalized.
Distribution costs	-14.6	-14.2	2.1%	Stable development within distribution costs.
Other external costs	-14.8	-13.1	12.8%	Marketing performed inhouse in Q4-23 but included in other external costs in Q4-24.
Staff costs	-13.7	-12.7	7.6%	Average number of employees for Q4-24 was 34 (37).
D&A	-2.4	-8.7	-72.8%	Q4-23 included writedown of Sleep Cycle Kids (SEKm 6.3)
EBIT	21.5	12.7	69.8%	
Margin	32.3%	20.7%		Strong EBIT-margin for the quarter, 32.3%, which gives an EBIT-margin for the full year of 29.4%.
Cash flow from operations	17.3	16.4	5.5%	Solid cashflow from operating activities.
Liquidity at period end	145.0	133.5	8.8%	Strong cash position of SEKm 145.

FINANCIAL SUMMARY Q4 2024

A strong year supporting a dividend of SEK 3.00 per share

SEK M	2024	2023	CHANGE	COMMENTS
Net revenue	261.5	236.1	10.7%	Customer acquisition, ARPU increase and successful partnerships.
Capitalized work for own account	0.4	1.1	-60%	Investments mainly related to exploring sleep apnea screening, to be continued in 2025.
Distribution costs	-57.9	-53.6	7.9%	Stable development of distribution costs.
Other external costs	-58.5	-53.1	10.1%	NRIs of SEK 0.8m related to reorganization 2024. 2023 affected by SEK 0.3m. Marketing inhouse 2023 and outsourced 2024.
Staff costs	-60.1	-59.5	-1.0%	2024 includes NRIs of SEK 5.0m after reorganization. 2023 included NRI's of SEK 4.5m related to efficiency program.
D&A	-8.6	-14.9	-42.0%	Write-down of Sleep Cycle Kids app of SEK 6.3m in 2023.
EBIT	77.0	56.6	36.0%	Strong EBIT growth due to revenue growth combined with continued focus on cost efficiency.
Margin	29.4%	24.0%		
Adj. EBIT	82.7	61.4	34.6%	Adjusted for NRIs of SEK 5.8m for 2024, and SEK 4.9m for 2023.
Adj. margin	31.6%	26.0%		
Cash flow from operations	63.7	52.7	20.9%	Business model yields strong cash flows.
Liquidity at period end	145.0	133.5	8.8%	Proposed dividend: SEK 60m, consisting of an ordinary dividend of SEK 1.85/share, and an extraordinary dividend of SEK 1.15 per share.

KEY TAKEAWAYS FROM Q4 AND 2024

Consistent Growth, Quarter over Quarter



Continued revenue growth: 9% for the quarter and 10.7% for the full year



Strong EBIT margin: 32,3% for the quarter and 29.4% for the full year
Adjusted margin for the full year 31,6%



918 000 paying subscribers, closing in on **All time high**



New initiatives with great potential taking shape during 2025

Q&A



Thank you!

SLEEP CYCLE AB (PUBL)

