



**26 November 2024**

### **Trading Update**

- Performance in line with market expectations for full year despite continued challenging advertising and commissioning market conditions
- STV Studios continues to perform well; the forward orderbook remains strong at £92m (31 October)
- Q3 Total Advertising Revenue (TAR) (before commission) ahead of guidance, up 5%
- Q4 TAR expected to be down c. 10% vs strong comparators that included the Rugby World Cup
- Full year 2024 TAR (before commission) expected to be up 2-3%
- Cost savings plan on track to deliver at least £1.5m savings in FY24

Rufus Radcliffe, STV Chief Executive, said:

*"I joined STV on 1 November and have been very impressed by its strong foundations and prospects for future growth. I've been struck by the creativity, dynamism and commitment of the team and I look forward to working closely with them to build on recent successes.*

*There's no doubt that we continue to operate against a challenging advertising and commissioning backdrop, and we will continue to take action to mitigate against that where possible.*

*The acquisition strategy in STV Studios is helping us to deliver in a tough market, with new commissions secured for original formats since our interim results.*

*We expect the full year TAR to be up 2-3%, boosted by the Euros earlier this year. The winter schedule brings the return of entertainment juggernaut, I'm A Celebrity Get Me Out Of Here, and The 1% Club. And looking further ahead, we have a strong drama offering at the start of 2025 on STV and STV Player."*

### **Commentary**

- STV Group plc ("STV") today confirms performance remains in line with market expectations, despite ongoing weakness in the linear TV advertising and commissioning markets.
- STV Studios continues to trade well, winning commissions despite constrained budgets and delivering for our customers in a continued inflationary environment. The forward orderbook sits at £92m at the end of October, with the division having delivered revenue of £24m and won commissions with a value of £15m since end July.
- Following confirmation of multiple commissions in Q3, including a second series of global drama, *Criminal Record*, for Apple TV+, STV Studios labels have secured further orders in Q4 to date. These include two original new formats for wholly-owned label Crackit TV - *Crime Scene Cleaners* (10 x 60") for Channel 4 and *Hunting Britain's Bedroom Predators* (3 x 90") for Channel 5. Both series will be delivered in 2025.

- Q3 TAR (before commission) was up 5%, stronger than guided.
- Q4 TAR year on year performance is impacted by strong comparators that include the Rugby World Cup and so is expected to be down c.10%. Total Advertising Revenue (before commission) is expected to be up around 2-3% for the full year.
- Following the success of *Brookside* and Disney drama titles, STV Player continues to acquire key content and is now the only place where UK viewers can stream Irish police soap drama *Red Rock*, from start to finish for free. Since its launch in mid-September, *Red Rock* has delivered 2m hours of viewing and is currently the best performing title on STV Player this year, after the soaps.
- There continues to be a strong focus on cost control across the business. STV's 3-year cost savings plan is on course to deliver at least £1.5m of savings in 2024 and hit the target £5m annual run rate by the end of 2026, as previously guided.

**ENDS**

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