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## STV Group plc outlines FastFwd strategy and targets to 2030

### *Capital Markets Event and Q1 2025 Trading Update*

STV Group plc will today hold a Capital Markets Event for analysts and investors at which the leadership team will present *STV FastFwd to 2030*, a refresh of the business strategy, and set out new long-term growth targets.

Through execution of this strategy, STV's vision for 2030 is to be a globally recognised content powerhouse, and Scotland's leading platform for audiences and advertisers.

- **Broadcast & Digital combined into new Audience division**
- **Audience extending into audio with launch of new radio station**
- **New hyper-targeted cross-platform ad proposition at pilot stage**
- **Strategic investment in branded content start-up, Fan Club**
- **Targets for FY2030:**
  - **STV Studios to double revenue to £200m at 10% operating margin**
  - **Audience division to grow revenue annually in line with GDP and operating margin of 17-20%**
  - **Group operating profit of between £30-35m**

Key elements of the strategic updates announced today are that STV will:

- Create an Audience business through combining the existing Digital (STV Player) and Broadcast (STV) divisions to deliver a cost-efficient, future-proofed total audience and advertising proposition
- Expand Audience from video into audio with the launch of a new commercial radio station, presented and produced from Scotland for Scottish audiences
- Develop a new hyper-targeted advertising proposition across video and audio using AI to provide cost-effective advertising, unlocking incremental revenue in the medium-term
- Add a branded content business to STV Studios through start-up investment to secure a minority holding in *Fan Club*, a newly created digital content business, providing STV with access to a rapidly growing market and potential partnership opportunities across the creative label portfolio
- Drive STV Studios' operating margin to 10% through continued focus on high margin international IP and library growth

These strategic actions can be delivered within a capital allocation framework that can be satisfied through continued strong cash generation and existing bank facilities, with net debt: EBITDA maintained in a range of 1x to 1.5x. The recovery plans for the Group's defined benefit pension schemes end in October 2030, at which point incremental free cash flow of £10m+ per annum becomes available, creating increased capital allocation optionality.

STV will also provide an update on FY26 targets, restated to reflect the new divisional structure:

- Grow digital revenues to £30m (pre commission on national VOD sales)
- Generate Audience division margin of at least 15%
- Grow Studios revenues to £120-140m at an operating margin of at least 8%
- At least 25% of Studios revenues to come from international markets
- Delivery £5mp.a. run rate cost savings

### *Q1 2025 trading update*

STV has today confirmed total advertising revenue (TAR) in line with previous guidance.

- TAR for January to April was -2% year on year with both regional advertising (+7%) and VOD (+8%) performing ahead of expectations. National linear performed slightly behind expectations at -7%
- Q1 TAR was down 3% year on year as expected

Q2 TAR year on year is impacted by the strong Euro-driven revenues in 2024 and is expected to be down c.18%. When combined with a Q1 TAR of -3%, H1 2025 is expected to be down c.10% year on year. Compared to 2023, we expect Q2 and H1 to be broadly flat.

At the end of April 2025, the STV Studios' forward order book was £66m (Feb-25 £76m), reflecting revenue recognised of £17m and new commissions won of £7m.

Rufus Radcliffe, CEO of STV said: "*Today's FastFwd 2030 strategy refresh outlines our vision to not only grow our presence in Scotland but to further establish STV on the international stage. Combining our broadcast and digital divisions and extending into audio both simplifies and further diversifies our advertising business. The launch of a new radio station and the continued growth of STV Player enable us to unlock exciting new opportunities for our customers.*"

*There is no ceiling to the international growth of STV Studios and we are delighted to welcome Fan Club into our family of labels. We have a clear vision and plan to 2030 to maximise the growth potential of the business and we will move at pace to ensure we deliver for our investors, customers, partners, viewers and our people."*

Further details will be provided at today's event, taking place at 2.30pm, which will be hosted by CEO Rufus Radcliffe and CF&OO Lindsay Dixon, who will be joined by members of the STV Leadership Team including Bobby Hain (MD Audience, News, Audio & Regulatory), Richard Williams (MD Audience, Video & Technology), David Mortimer (CEO, STV Studios), and Karen Smith (CEO, Tuesday's Child).

The full presentation will be available to view on the [STV plc website](#) following the event.

### **Enquiries:**

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