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STV Group PLC
28 July 2025

7am, Monday 28 July 2025

Full Year 2025 Trading Update

STV Group plc is updating the market today on full year 2025 trading in advance of its Interim Results for the 6 months ended 30 June 2025, which will be announced in September 2025.

Overall Financial Performance

- As a result of a further deterioration in the commissioning and advertising markets towards the end of H1 and into H2, our expectations for full year revenue and adjusted operating profit are expected to be materially below consensus. Group revenue for the full year is expected to be in a range from £165m to £180m at an adjusted operating margin of c.7%, with £10m of the Group revenue range driven by updated Studios guidance.
- Incremental cost savings of £750k (reflected in margin guidance above) have been identified for the full year bringing the FY25 target to £2.5m. We continue to assess the cost base in its entirety and expect to provide an update on further initiatives at our interim results, with further cost savings expected to be realised in FY26.
- Group core net debt at the end of June was £30m (31 Dec 2024: £29m) with production financing reduced from £10m to £5m over H1 reflecting successful delivery of completed programmes to commissioners.

Audience division

- Total Advertising Revenue (TAR) for H1 is in line with guidance. As expected, Q2 is impacted by the strong men's Euro 2024 driven performance in the comparator.
- Expectations for Q3 2025 are lower than anticipated due to the recent further deterioration in the advertising market.
    - Q3 TAR is now expected to be down c. 8% with July down c.20% (final games of the men's Euros 2024 in the comparator) and August and September, taken together, expected to be broadly flat.
    - Compared to 2023 our H1 TAR is up 3% and our Q3 outlook would be down 4%.
- Reflecting this updated outlook, we are now expecting the revenue and adjusted operating margin for the new Audience division for FY25 to be in a range from £90 to £95m and from 13% to 15% respectively.
- Details of advertising revenue performance YTD and Q3 expectations are shown below:

2025	**Q1**	**Q2**	**H1**	**Q3 outlook**
Total advertising revenue (TAR)	-3%	-17%	-10%	c. -8%
National linear	-7%	-25%	-16%	c. -12%
Regional linear	+2%	+1%	+2%	c. -11%
VOD	+8%	+2%	+5%	c.+10%

STV Studios

- There has been significant commissioning market deterioration in late H1 and early H2 as the UK macroeconomic backdrop has worsened. This has impacted our unscripted labels with some projects in advanced development not being green-lit and some commissions being delayed to 2026.
- Our unscripted labels have delivered significant commissioning success in Q2, with 13 unscripted commissions secured, but due to the changing market conditions we have updated the phasing and timelines for future deliveries.
- Our scripted labels remain strong, and we are currently working on projects for Netflix, Apple, Sky and the BBC. There is no change to our expectations of their financial performance this year.
- STV Studios is developing an international business, but most customers remain UK-based and so the division has been disproportionately impacted by the recent slowdown in the domestic market.
- The revised full year outlook for STV Studios is for revenue in a range from £75m to £85m at an adjusted operating margin of c.4% as lower activity volumes impact fixed overhead recovery.
- The forward order book is now £54m, compared to £66m at the end of April. The reduction is a product of the slowdown in commissions won and the recognition of revenue on programmes in production.

Strategic progress

Since the announcement of our *FastFwd to 2030* strategy in May, progress of key deliverables is underway. The establishment of an audio business is gaining momentum with launch plans for a new radio station progressing to plan and the creation of a single Audience business providing opportunities to simplify and streamline our operating model.

We will provide a further update on full year outlook and continued strategic progress at our interim results in September.

Rufus Radcliffe, CEO of STV Group plc, said:

Rufus Radcliffe, CEO of STV Group plc, said:

"The deteriorating macroeconomic backdrop continues to lower business confidence impacting both markets in which we operate.

"We're making good progress in combining and streamlining our Broadcast and Digital businesses into a new Audience division, and launch plans for the creation of our radio station are going well, with key appointments made and infrastructure plans forging ahead.

"STV Studios delivery schedule for the remainder of 2025 has been impacted by the UK commissioning market, which has further weakened at the end of H1 and into the second half of the year. However, in addition to winning new and repeat business in H1, we have completed production on key titles with international appeal, including high-end drama Amadeus for Sky and a third series of Blue Lights for BBC One, with the second series of The Fortune Hotel airing on ITV and STV this summer - and our development pipeline is strong.

"We are proactively responding to market conditions through a combination of investing in targeted future growth initiatives aligned with our long-term strategy and identifying efficiency and cost saving opportunities across the business.

"There continues to be strong long-term growth potential within our business despite the short-term challenges, and we remain laser focused on delivering on the strategic plan we outlined earlier this year."

The information contained within this announcement is deemed to constitute inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via a Regulatory Information Service, this inside information is considered to be in the public domain.

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