



Schibsted ASA (SCHA/SCHB) - News Media reduces costs

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Today, Schibsted informs that its media division, News Media, will be reducing costs by NOK 500 million over the next two years, in order to improve profitability and to bring its EBITDA margin back to the target range of 10-12 per cent in 2024.

The cost reductions are due to the rising costs through 2021, primarily connected to the print business. Rising paper and energy prices have impacted the print profitability, and News Media's overall profitability significantly.

The media industry has been undergoing a structural change for many years, a transformation from print to digital, driven by user behaviours and accelerated during the pandemic. This transformation is further accelerated as a result of substantially increased costs linked to the print value chain.

With the significantly pressured print business and the macroeconomic uncertainty going forward, measures need to be taken. News Media will realise **gross** cost savings of NOK 500 million by 2024 through improvements within three focus areas. Net savings will be reduced by inflation and wage increases.

The first focus area is **improving profitability in the print value chain**.

The second focus area is **increasing operational efficiency across the organisation**.

The third focus area is **establishing a more effective and efficient organisation across the product, tech and consumer business domains, to better cater to user needs**.

"We are not planning any large-scale workforce reductions, which is always the last resort. But our different units will set tougher priorities, reduce complexity, and identify areas where they can work more efficiently. Reducing the number of employees is not a goal in itself, but in some cases it will be the effect when we aim for less complexity and more efficiency," says Siv Juvik Tveitnes, EVP News Media at Schibsted.

"I have strong faith in the measures we are now taking, and I think we are very well placed to succeed. Our newsrooms create world-class journalism, our advertising positions are unique, and Scandinavians have the highest willingness to pay for news in the world. Change is nothing new in our organisation. We have experienced challenging times before, and we have come out stronger," says Juvik Tveitnes.

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Attachments

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