

Stillfront to divide operations into three business areas, concentrates its game portfolio and estimating 200–250 MSEK in cost savings

Stillfront's operations will be divided into three business areas and removes one layer in the group management structure to enhance growth, profitability and transparency. At the same time, Stillfront is increasing its focus on key franchises and addressing low performing games, which is a key lever to improve organic growth while also reducing costs. These optimization activities are estimated to be fully implemented by the fourth quarter of 2025 and are expected to then generate annual cost savings of 200 to 250 MSEK compared to annualized costs in the second quarter of 2024.

Main actions and objectives of the optimization activities include:

- Division, as from January 1, 2025, of Stillfront's operations into three business areas: Europe, North America and MENA/APAC. The three business areas will be operated and reported as separate segments in Stillfront's financial reporting.
- Streamlining the organizational structure by removing a central management layer and thereby reducing the number of positions in Stillfront's group management from eleven to seven.
- Optimization and concentration of the game portfolio by addressing smaller and low performing games to increase focus on Stillfront's key franchises.
- Activities to coordinate and refine Stillfront's shared services, such as marketing and payments, have been launched to create more synergies and efficiency gains in the core business.
- Optimization activities that are expected to generate annual cost savings by the fourth quarter of 2025 of 200 to 250 MSEK compared to annualized costs in the second quarter of 2024.

“With the optimization activities that we are unveiling today, Stillfront is making substantial strides towards reaching our financial targets. These activities will empower our talented teams across Stillfront to focus more intently on Stillfront's core business. With the new operating model, we will continue to focus on improvements and efficiencies also beyond 2025,” says Jörgen Larsson, President & Group CEO, Stillfront.

Background and rationale

At the Capital Markets Day on February 15, 2023, Stillfront presented the fourth phase of its journey: the synergy phase. Stillfront's main goal with the synergy phase is to strengthen synergies in the group and relieve its game teams from administrative workload, enabling them to focus on Stillfront's core business: game design and development, live ops and customer service. With the implementation of a new organizational and governance model, Stillfront is accelerating the execution of this phase.

While the objectives of the synergy phase remain the same, Stillfront has determined that the current organizational structure does not create optimal conditions for future value creation. The new structure is expected to enable the group to steer and accelerate its business more effectively. The core business is Stillfront's top priority, and coordinated, simplified and strengthened shared services will cater to the business more effectively. The changes are also expected to increase accountability within the organization, while also reducing costs.

The optimization activities are estimated to be fully implemented by the fourth quarter of 2025 and are expected to then generate annual cost savings of 200 to 250 MSEK compared to annualized costs in the second quarter of 2024. The cost savings are estimated to consist of, and be evenly distributed between, direct and fixed costs.

Management and organization

Effective January 1, 2025, Stillfront's operations will be divided into three business areas: Europe, North America, and MENA/APAC, that will be operated and reported as separate segments in Stillfront's financial reporting in accordance with IFRS 8. Each business area will be led by an Executive Vice President (EVP) and the EVPs will be responsible for the performance of their respective business area and report directly to the CEO.

The new group executive management team will, effective today, consist of the following individuals:

- Jörgen Larsson – President & Group CEO.
- Andreas Uddman, currently Executive Vice President – Group CFO, has been appointed new President Finance & Global Functions – Group CFO. The new function will focus on offloading non-core business tasks from business areas to increase efficiency.
- Alexis Bonte, currently Executive Vice President – Chief Operating Officer, has been appointed President Publishing and Business Acceleration. The new function will focus on accelerating the core business to increase commercial effectiveness and synergies across all business areas, and drive organic growth.
- Philip Knust – Executive Vice President Chief Product Officer.
- Armin Busen, currently Senior Vice President Business Operations, has been appointed Executive Vice President Business Area Europe (as of 1 January 2025).
- Alexandre Salem, currently Senior Vice President Operations & Platform, has been appointed Executive Vice President Business Area MENA/APAC (as of 1 January 2025).
- Executive Vice President Business Area North America (as of 1 January 2025) – Recruitment process with external candidates is ongoing.

Further information

Further information on the progress of the activities will be provided in the interim report for the third quarter of 2024, to be published on October 23, 2024.

Stillfront intends to give an in-depth presentation on the progress of the activities during a Capital Markets Day planned to be held shortly after the publication of its year-end report for 2024, to be published on February 5, 2025. The exact date, time and place for the Capital Markets Day will be announced ahead of the announcement of Stillfront's interim report for the third quarter of 2024.

For additional information, please contact:

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About Stillfront

Stillfront is a global games company. We develop digital games that are played by almost 50 million people each month. Our diversified portfolio spans well-established franchises like Big Farm, Jawaker and Supremacy, to smaller, niche games across our different genres. We believe gaming can be a force for good and we want to create a gaming universe that is digital, affordable, equal, and sustainable. Our HQ is in Stockholm, Sweden, but our game development is done by teams and studios all over the world. Our main markets are the US, Japan, MENA, Germany, and the UK. Stillfront's shares (SF) are listed on Nasdaq Stockholm. For further information, please visit: stillfront.com

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Attachments

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