

The Telegraph

Telegraph Media Group Ltd
Financial results for 2017
and highlights of 2018

Overall highlights

◆ Last year was a year of significant change at The Telegraph with the appointment of a new CEO in June and the launch of a new strategy in September 2017.

◆ The [newly defined vision](#) places a renewed focus on the role of quality journalism at the heart of The Telegraph.

◆ The launch of the new strategy was accompanied by a £10m investment programme which will continue.

◆ As part of the strategy, CEO Nick Hugh announced an ambition to attract 10 million registered customers to The Telegraph and 3 million the target by the end of 2018.

◆ The registrations strategy is ahead of schedule with more than 2.5m customers already registered; we anticipate that we will exceed target in Q4 2018.

◆ In 2018, 39 net new journalist roles and over 100 roles across the wider business have been created.



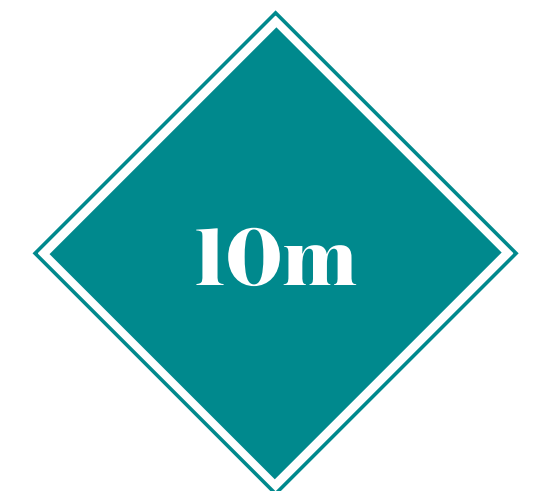
**Over 100 new roles,
39 in editorial**



**£10m investment
programme**



**More than 2.5m registered
customers to date**



**Ambition to attract 10m
registered customers**

FY 2017 highlights*



- ◆ Revamped Executive team; new Chief Executive Officer, Managing Editor, Chief Operations Officer, Chief Revenue Officer, Chief People Officer, as well as newly appointed MD of Financial Solutions and an MD of Digital.

- ◆ £10m invested in data and technology, brand marketing and new commerce revenue streams for the long-term.

- ◆ Editorial highlights of 2017 included Bryony Gordon/ Prince Harry *Mad World* series, groundbreaking exclusives from our dedicated Investigation team on drug taking in Sport and our hard hitting and informative Brexit and Election coverage.

- ◆ Revenues down to £285.7m (FY 2016: £303.2m) reflecting structural changes within the overall industry, due to evolving consumer habits.

- ◆ Exited newspaper bulks circulation, to focus on delivering a premium product to our loyal reader base, while remaining number one in the market for paid circulation.

- ◆ Digital subscription revenue up 30% year-on-year.

- ◆ Travel commerce revenue up 59% year-on-year on a LFL basis.

- ◆ EBITDA (pre-exceptionals) of £30.3m, down from £41.2m in FY 2016.

- ◆ Profit before tax of £13.7m, down from £27.1m in FY 2016.

*FY 2017 Highlights are based on the combined results of two statutory legal entities, Telegraph Media Group Limited and Telegraph Events Limited.

Post-period Operational Highlights

◆ 39 net new journalist roles created as the company further invests in quality journalism.

◆ Launch of Technology Intelligence, a major new journalism initiative with a brand new team of reporters, writers and editors based in London and Silicon Valley, establishes The Telegraph as the leading UK publisher of technology journalism.

◆ Development of innovative and interactive journalism tools, features, infographics and new online formats.

◆ Invested in more than 100 new roles across the business since January 2018.

◆ Since we launched the strategy 10 months ago we have added 1.6m, GDPR-compliant registrants.

Nick Hugh,
CEO, Telegraph Media Group, said:

“Since September, we have begun the first phase of long-term investment in quality journalism. The core of what we offer – reporting, commentary, world-class journalism – continues to set The Telegraph apart from other publications. 2018 is a turning point for our business; in January, we set out our vision to reach 3 million registered customers by the end of 2018 and we have already passed 2.5 million. Our digital revenues will continue to get stronger and stronger and as we continue to invest in and focus on quality journalism, we anticipate this momentum continuing.”

2017 Financial Performance

Print advertising and circulation revenues declined by 9% year-on-year in line with industry trends. Diversified revenues increased by 5% year-on-year. These factors, in addition to the long-term investments we are making in journalism, data and technology, meant that our operating profit (pre-exceptionals) was down to £21m, from £32.5m in 2016.

All of our current investments are planned to deliver sustainable growth and scale in the long-term, including in digital advertising where we are building a team better equipped to compete in a market which has changed fundamentally over the past few years. We are already seeing some of

these investments pay off, such as in digital subscriptions, which has seen revenue grow 30% year-on-year, and travel commerce, where revenue has grown 59% on a like-for-like basis year-on-year. This provides strong confidence that we continue to make good progress against our core strategic priorities.

Although our events business did not perform as well as hoped during the year, with revenues down 3% year-on-year, we have a new leadership team and focus, and believe that this forms an important part of our strategy.

2018 Outlook and Investments for Long-term Sustainable Growth

We have set out our clear vision; we will

continue to invest in quality journalism for the long-term and we will put our readers at the heart of everything we do. We anticipate revenue to stabilise in 2018/2019 with profit to follow. We will continue to progress towards our goal of reaching 10 million registered customers and sustainable growth.