Trading Statement

Audited Financial Results for 2023

TELEGRAPH MEDIA GROUP

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Telegraph Media Group announces significant growth in operating profit of 35 per cent and new strategic ambitions for 2024

Telegraph Media Group (TMG) is providing a trading statement for the financial year to December 31, 2023 RESULTS AND 2024 UPDATE





Summary

Subscriptions growth continues beyond 1 million: Surpassing the milestone of 1 million subscriptions in August 2023, TMG now has a new strategic ambition of reaching more paying readers than at any other time in its history.

 Total Subscriptions across Telegraph Media Group, including Chelsea Magazine Company, increased by just under 302k from 733,731 in December 2022 to 1,035,710 in December 2023.

Digital revenue growth is significantly outpacing decline

in print: Transformation from print to digital, including ongoing investment in journalism, the newsroom, data, digital products and the subscriber experience.

• Revenue increased to £268m, largely due to the growth in digital advertising and partnerships as well as digital subscriptions

• Digital subscription revenues increased to $\pounds 68.5m$ (up 18%);

• Digital advertising revenues increased by 33% to £16.3m in 2023;

• Blended average revenue per

subscription (ARPS) across TMG, including CMC, for December 2023 was £145.91.

Profitability driven from resilient growth on a stable platform, notwithstanding £277.6m provision recognised: Substantial operating profit increase driven by the growth in digital advertising and digital subscriptions revenue;

• Operating Profit pre-exceptional items increased by 35% to £54.2m in 2023; (2022: £40.1m);

• EBITDA pre-exceptional items increased to £59.8m in 2023, up from £46.8m in 2022;

• Transformation programme enabled substantial staff cost increases in line with inflation, alongside a reduction in print production costs;

• Despite strong financial performance, TMG recorded a £244.6m loss for the year as a result of a provision against amounts due from parent undertakings.

	Strong financial results enabling organic investment and ambition
	for the future: Material investment in
	journalism, technology platforms and
	digital operations continue as part of the
	'subscription-first strategy'.
	• In 2023 there was a total dwell time
fit	of 35.5 million hours on the Telegraph
	website and a total dwell time of 71.7
	million hours on the Telegraph app;
	• In 2023, across TMG platforms there
S	were 9.8 million subscriber page views
	per day (up 8.8% from 2022) and 3.591m
	subscriber page views in total;
	 Video content was watched for a total
	of 26 million hours in 2023 and viewed
	over 1.4 billion times.
	 Chelsea Magazine Company was
	acquired in March 2023, offering a
	portfolio of specialist consumer brands
	and affording TMG the opportunity for
	further subscriber engagement with a
	wider readership.
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Investment in quality journalism and engaging digital content remains at the heart of our successful longterm strategy: Investment in talent and content central to TMG's strategic aims and vision of building consistently beyond 1 million subscriptions; • Political commentary and analysis, historic front pages and standalone supplements, award-winning Sports coverage, chart-topping podcasts and an expanded puzzles portfolio drove consistently high subscriber engagement across platforms.





Anna Jones

Chief Executive, Telegraph Media Group (TMG)

"2023 reinforced the strength and resilience of Telegraph" Media Group as a business. The substantial growth in our operating profit pre-exceptional items last year was driven by significant advances in both digital advertising and digital subscription revenue.

Against a backdrop of uncertainty surrounding its future ownership, the business has continued to excel and be recognised for its successes, winning numerous awards and commendations.

Since taking over as CEO at the end of January 2024, my focus has been on the future. We want to deepen the relationship with our subscribers and cement our position as an authoritative and trusted source to guide them through their daily lives. Our quality journalism continues to underpin the success of the business and support its underlying financial health. In 2023 our turnover increased by nearly £14 million, while operating profit pre-exceptional items was up by 35%.

As we look ahead we will continue to invest in expanding our audiences and evolving our products, specifically across audio and the app, to best serve our dedicated subscriber community and secure continued growth through 2024 and beyond."











Strategy

Telegraph Media Group (TMG), is a multi-platform news publisher and continues to invest in and evolve its strategy, having reached its long-term goal of 1 million subscriptions in August 2023. The ambition for the business is to now reach more paying readers than at any time in its history. TMG remains fully committed to delivering and investing in high quality, trusted, awardwinning journalism, 24 hours a day across print and digital platforms to support its strategic ambitions.

Subscription Growth

TMG, including CMC, generated continued subscription growth in 2023 with 1,035,710 subscriptions at 31st December 2023, representing an increase of just under 302k and a yearon-year change of just over 41%. The sustained growth in subscriptions and registrations demonstrates continued progress against the Group's strategic targets. TMG has in excess of 1 million subscriptions.

FINANCIAL RESULTS FOR 2023 AND HIGHLIGHTS OF 2024

Revenue

In the year ended December 2023, turnover was £268.0m, an increase of £13.8m versus 2022 (£254.2m), with the increase largely due to the growth in digital advertising and partnerships and digital subscriptions. Digital subscription revenues increased by £10.6m to £68.5m in 2023 as the business continued to see positive returns from investments in its people, products and journalism. TMG continues to focus on evolving its subscription model.



OPERATING PROFIT





Profitability

Operating profit pre-exceptional items increased to $\pounds 54.2m$ (2022: £40.1m), driven by the growth in digital advertising and digital subscription revenue as well as strong cost management while still enabling substantial staff cost increases during the year.

Provision for amounts due from parent undertaking

Despite a strong financial performance for 2023, with growth in subscriptions, revenue and profitability preexceptional items, the 2023 Annual Accounts for TMG show a loss for the year of $\pounds 244.6m$. This is a result of a

provision of £277.6m being recognise against amounts due from TMG's parent undertaking, with the ongoing corporate transaction casting doubt or the recoverability of this balance.

In addition, as part of the receivership and sale processes in the year, a detail review of historic transactions was undertaken in respect of amounts paid to, and received from, group companies and related parties. The review identified potential irregulariti in the recording of such transactions and although there have been no changes to the assets and liabilities recorded, there is a potential risk of future possible repayment claims again the Company and Group in respect of such transactions.

£ in Millions (except Subscriptions)	2023	2022	YoY change	YoY cha
Turnover	268.0	254.2	13.8	5.42
Operating Profit	(231.8)	40.3	•	•
Operating Profit pre-exceptional items	54.2	40.1	14.1	35.2
EBITDA pre- exceptional items	59.8	46.8	13	27.8
(Loss)/profit for the year	(244.6)	33.3	•	•
Total subscriptions across the Group, including CMC	1,035,710	733,731	301,979	41.2









Outlook

The Telegraph is already one of the world's most recognised brands but the long-term vision for the business is to secure its place as the world's leading centre-right newsbrand.

Having reached 1 million subscriptions in 2023, this year TMG's strategy will focus on building on that success and having an even deeper focus on subscribers.

TMG is confident in its long-term strategy, despite industry-wide structural challenges, its audiences continue to grow and evolve. TMG has more YouTube subscribers than any other newspaper publisher with 5.2 million in December 2023, the most UK digital subscriptions among centreright publishers, while 40% of its overall readership is international. An engaged audience for TMG content of 30 million exists across the US, Canada, Europe and Australia.

Consistent audience growth remains central to the success of the business and a customer centric approach will underpin TMG's bold ambitions for the future. The aim for 2024 and beyond is to reach more paying readers than at any other time in the Telegraph's history. This will be achieved through building even broader audiences, growing subscriber numbers and retaining more existing subscribers while continuing to grow commercial revenues.

The business is in a strong position going into 2024 and its Directors are confident that the Company is well placed to compete effectively, strengthen its financial position and

2023 RESULTS AND 2024 UPDATE



continue to deliver high quality, trusted, award-winning journalism to its dedicated readers and subscribers.





7

Editorial highlights 2023

In 2023 TMG drove subscriptions with agenda-setting exclusives such as The Lockdown Files, a monthlong investigation which raised vital new questions about the handling of the pandemic, with a public inquiry ongoing into the response to Covid-19. The investigation helped convert new readers into subscribers with the first day being the biggest day for acquisitions on record, an increase of 9% vs the previous record. *The Rewriting* of Roald Dahl also generated headlines across the world, producing 60 times more acquisitions than a typical article.

The Telegraph won News Website of the Year at the Press Awards while coverage of the Coronation broke records, with the biggest day for search page views at 3 million. Over Coronation weekend, a wide range of editorial content included features, supplements, live coverage,

puzzles and podcasts, involving a number of the paper's senior journalists and expert commentators, advanced visual storytelling, historic front pages and standalone supplements.

The Telegraph further developed its Puzzles offering, with a dedicated website marking its one year anniversary in September. Telegraph Puzzles launched a new word game called Panagram in April - adding to its portfolio of brilliant daily brain-teasers.

In September, the Telegraph relaunched its Money section, as a comprehensive new money advice channel, designed and expertly curated to provide readers and subscribers with all the guidance they need to make their money work harder for them and their families. This new content was brought to life with the help of some of the country's most respected and well-known financial



commentators, as well as new innovative tools and calculators designed to help readers make better decisions with their taxes, mortgages and savings. Since its launch, subscriptions via the Money channel are up over 80%.

Continued investment in audio meant that 11 new podcasts were created in 2023 including The Lockdown Files, Telegraph Women's Sport and Battle *Lines*, a new podcast bringing together reporting of the Israel-Hamas conflict in one place. Ukraine: The Latest continued to be the top performing podcast with 3.8 million average monthly downloads, multiple bonus episodes and a live event in the United States. *Bed of Lies*: Blood won Best Limited Series, The Lockdown Files won Best Investigation at the Society of Editors Media Freedom Freedom Awards, and *How to Become* a Dictator won Best Moment of Dramatic *Tension* at the International Women's Podcast Awards.

The Telegraph was named *Newspaper* of the Year for the fourth consecutive year at the Sports Journalism Awards. Key strands of coverage were created for major sporting moments in the year, such as the second season of the leading Vaughany and Tuffers Cricket Club podcast for The Ashes, exclusive columnists for the FIFA Men's and Women's Football World Cups and unrivalled commentary and analysis of the Rugby World Cup through supplements, newsletters, standalone podcast and an interactive predictor.

Over £525,000 was raised thanks to donations from generous Telegraph readers for the paper's Christmas Charity Appeal 2023. The charities supported included: Race Against Dementia, RAF Benevolent Fund, Marie Curie and Go Beyond.













