

RNS Number : 1835Y
Reach PLC
03 May 2023

3 May 2023

Reach plc - Trading update for the 4-month period to 23 April 2023
FY23 in line with expectations; cost actions offset continued challenging trading

Reach plc ('the Group') is issuing a trading update for the 4-month period to 23 April 2023 ('the period'), ahead of its 2023 Annual General Meeting today.

	<i>Period</i> <i>Year on year %</i>
Digital Revenue	(14.5%)
Print Revenue	(3.0%)
- circulation revenue	2.1%
- advertising revenue	(19.2%)
Group Revenue	(5.9%)

Year to date group revenue in-line

Group revenue for the period was down 5.9%, against strong comparatives, broadly unchanged from the year to date performance highlighted in our full year results in March, and in line with our expectations.

Print revenue has remained strong. Volumes remain robust, with circulation revenue benefitting from cover price increases during FY22, with advertising slightly ahead of our expectations.

While macroeconomic conditions mean the overall market for digital advertising is challenging, data-driven revenue continues to outperform. Reduced demand continues to be reflected in lower sector yields, particularly in the open market. The page view slowdown, referred to in March, has continued, with recent changes to the way Facebook presents news content, causing a reduction in referred traffic across the sector.

Our investment in the US continues to progress. We currently have almost 100 full time roles in place and expect to launch US domain websites for both The Express and Mirror over the next few months.

Operating cost action plan on track

As previously announced, we expect a reduction in operating costs of between 5% and 6% during FY23 - actions to deliver this are well advanced, with most of these savings to be realised during H2.

Outlook

Looking forward we expect to benefit from, strategic actions to address the decline in page views, expansion in the US and a reduction in operating costs. In addition, H2 digital comparatives are less demanding, mainly due to suppressed Black Friday and Christmas trading last year. Profit expectations for FY23 remain in-line with market consensus.⁽¹⁾

Jim Mullen, Reach plc Chief Executive

"External factors continue to impact digital revenue, delivery of the customer value strategy is driving a higher quality mix, underpinned by the strength of print. Our focus on data, means customers are receiving and responding more often to relevant content and a more engaging user experience. Our scale, US expansion, strategic delivery and strong balance sheet give us confidence for the future."

Notes

⁽¹⁾ Market expectations compiled by the company are an average of analyst published forecasts - consensus adjusted operating profit for FY23 is £95.3m (range from £93.7m to £96.5m)

Enquiries

Reach

communications@reachplc.com

Jim Mullen, Chief Executive Officer

Darren Fisher, Chief Financial Officer

Lija Kresowaty, Head of External Communications

Matt Sharff, Investor Relations Director

+44 (0)7341 470 722

Teneo

Giles Kernick

reachplc@teneo.com

+44 (0)207 353 4200

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTSSAFWEEDSEEI