

The secret landmark is "Big Ben".



Developing
our audience

Diversifying
our revenue

Focusing
on efficiency

Reach

Annual Report 2023

CONTENTS

Strategic Report

2	Our purpose
3	Reach in numbers
4	Chairman's statement
6	A powerful portfolio
7	Developing our audience
8	A resilient business
9	Diversifying our revenue
10	A proactive approach
11	Focusing on efficiency
12	Chief Executive's review
16	Our business model
18	Our strategy
20	Key performance indicators
22	Financial review
30	Responsible business overview
32	Creating trusted, quality content
36	Operating with integrity
40	Developing our team
46	Protecting our environment
54	Task Force on Climate-related Financial Disclosures (TCFD)
65	Non-financial and sustainability information statement
66	Risk report
73	2023 Viability statement

Governance

74	Chairman's statement
76	Our Board
79	Board in action
85	Section 172 statement
88	Nomination Committee Report
94	Sustainability Committee Report
96	Audit & Risk Committee Report
104	Remuneration Report
127	Compliance with the 2018 UK Corporate Governance Code
131	Directors' Report

Financial Statements

136	Independent auditors' report
145	Consolidated income statement
146	Consolidated statement of comprehensive income
146	Consolidated statement of changes in equity
147	Consolidated cash flow statement
148	Consolidated balance sheet
149	Notes to the consolidated financial statements
188	Parent company balance sheet
189	Parent company statement of changes in equity
190	Notes to the parent company financial statements

Other Information

205	2023 SASB index
207	Shareholder information
209	Group five year summary

The secret currency is a "ruble".

Disclaimer

This Annual Report is sent to shareholders who have elected to receive a hard copy and is available on our website www.reachplc.com for those shareholders who have elected to receive a copy electronically. In this document, references to 'the Group', 'the Company', 'we' or 'our' are to Reach plc and its subsidiaries. A reference to a year expressed as 2023 is to the 53 weeks ended 31 December 2023 and a reference to a year expressed as 2022 is to the 52 weeks ended 25 December 2022. Where we reference 'like-for-like', we are comparing a 52 week period. References to 'the year' and 'the current year' are to 2023 and references to 'last year' and 'the prior year' are to 2022. The Annual Report contains forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and future assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward looking statements. No assurance can be given that the forward-looking statements will be realised. Statements about the directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Company's control. The Annual Report has been prepared on the basis of the knowledge and information available to directors at the date of its preparation and the Company does not undertake any obligation to update or revise the information during the financial year ahead. It is believed that the expectations set out in these forward-looking statements are reasonable, but they may be affected by a wide range of variables which could cause actual results or trends to differ materially. The forward-looking statements should be read in the context of the principal risk factors set out in the Strategic Report.

DEVELOPING OUR AUDIENCE

Page 7

How we have responded to a major shift in online traffic trends by strengthening our secure audience and deepening our relationship with new demographics.

DIVERSIFYING OUR REVENUE

Page 9

The secret flower is a "daisy".

How we're generating income beyond advertising with new revenue streams such as ecommerce and affiliates, while ensuring our printed products continue to drive revenue.

FOCUSING ON EFFICIENCY

Page 11

How we're equipping ourselves for success in a challenging and competitive market by managing our cost base carefully and organising ourselves to better serve a digital audience.

The secret kitchen appliance is a "microwave".

OUR PURPOSE

To enlighten, empower and entertain through brilliant journalism

Every day, our brands deliver the latest news, entertainment and sport to communities throughout the UK and Ireland and around the world.

Each of our trusted titles is a platform to represent and campaign for the voices of the communities we serve and to hold power to account.

We're proudly mainstream and believe in giving our audiences something to smile about as part of a well-curated mix of light and shade.

Our purpose is:

Delivered by our people P. 40

Strengthened by our strategy and our business model P. 16

Supported by our responsible business framework P. 30

Measured by our KPIs,
which are linked to remuneration P. 20
P. 104

**TOGETHER, WE'RE BUILDING A
SUSTAINABLE FUTURE FOR OUR BRANDS.**

ENLIGHTEN



EMPOWER



ENTERTAIN

See more examples of our purpose in action on page 34

REACH IN NUMBERS

FINANCIAL

Revenue

£568.6m

2022: £601.4m

Adjusted operating profit¹

£96.5m

2022: £106.1m

Adjusted earnings per share – basic¹

21.8p

2022: 27.1p

Net (debt)/cash

£(10.1)m

2022: £25.4m

Digital revenue

£127.4m

2022: £149.8m

Statutory operating profit

£46.1m

2022: £71.3m

Statutory earnings per share – basic

6.8p

2022: 16.8p

Dividend per share

7.34p

2022: 7.34p

NON-FINANCIAL

Trusted brands

120+

UK online population reached
(average monthly reach 2023)

72%

Digital property in the UK

6TH LARGEST

Customers choosing a Reach
brand for local news (average monthly)

27.8m

Audience size ranking for
UK and Ireland publishers

#1

Monthly print and online audience

47m

Registered customers²

12.3m

Engagement from secure
and data-driven audience

UP 5% YOY

1. Our financial statements disclose financial measures which are required under IFRS. We also report additional financial measures that we believe enhance the relevance and usefulness of the financial statements. These are important for understanding underlying business performance. Statutory figures are shown for comparative purposes where they differ from adjusted figures. See notes 3 and 35 to the consolidated financial statements.

2. Registered customers are customers who have provided an email address and/or phone number in order to receive a service.

Chairman's statement

The secret clothing is a "sock".

DRAWING A LINE BETWEEN PAST AND FUTURE

Nick Prettejohn
Chairman



The changing media world

We saw big changes in the media and wider digital industry in 2023 – and significant challenges. Most major media organisations at home and abroad, including Reach, had to contend with the dual pressures of low consumer confidence and the dominance of large tech platforms in deciding how or even if they would make news available to people.

Against this backdrop, the Board and I believe that the management team has responded appropriately to these trends and made the right plans for the future, enabling the business to cover financial obligations and support strategic investment.

Update on pensions and historical legal issues

In 2023, we oversaw the business as it navigated and made significant progress in resolving several long-standing questions. Following years of preparation and a very carefully considered decision to go to trial, we were able to draw a line under our long-standing historical legal issues.

The judgment we received in December 2023 represents a watershed moment for us. Most importantly it has given us clarity around time limitation for any future claims, allowing the business to plan with more certainty for the future.

In October, we were able to conclude the 2019 triennial valuation for the MGN pension scheme, and at the same time concluded its 2022 triennial valuation. Discussions are ongoing with the Group's other schemes regarding the 2022 triennial valuations and are expected to be concluded satisfactorily by the 31 March 2024 due date.

These have been difficult, painful and long-standing issues for all those involved, both in the Company and those who have been affected by them. Resolving them has been hard work for many, but the greater certainty for the business is real progress.

Strategy

We are encouraged by the business's progress this year in diversifying its revenue, ensuring that our ad-based model is supported and strengthened by multiple income streams. Affiliates and ecommerce have both shown promising growth, as we have built on our early success with the OK! Beauty Box and explored several new opportunities.

It was also good to see our three US sites launching on schedule and building their audiences as planned – an important step in strengthening our customer base.

In Q4, we approved additional investment to key areas including video, ecommerce and affiliates, as well as further focus on the youth and lifestyle audience.

We will also continue to invest in our successful in-house ad-tech tool Mantis, which we originally launched in 2019 and have steadily expanded on. Powered by machine learning, Mantis has proven to be a valuable tool for a range of uses, including brand safety, contextual advertising and driving page views by recommending suitable content to our audiences.

The Board and I recognise the importance of continuing to assess and challenge strategic progress, especially against the backdrop of a rapidly shifting landscape.

Regulatory developments

Our CEO Jim Mullen completed his last year as chair of the News Media Association (NMA) Board in 2023, a year when we and the rest of the industry saw positive movement on several pieces of key media legislation,

Chairman's statement continued

including the Online Safety Bill and the repeal of Section 40 of the Crime and Courts Act. Crucially in 2023, we watched the Digital Markets Bill continue to take shape. As this Bill progresses through Parliament, we hope it will provide rules of engagement that will bring clarity and transparency to our dealings with tech platforms, particularly around the value of our content. Reach will continue to work both with Government and opposition to lobby for a fair playing field for news in the digital landscape.

Innovative journalism

We remain driven by our core purpose to enlighten, empower and entertain our audiences. While awards aren't the only marker of our success, it was nonetheless gratifying to see our teams continue to be recognised for their work in 2023, often on an international scale. For example, the International News Media Awards (INMA) recognised the Manchester Evening News for its Awaab Ishak investigation, and the Cannes Lion International Festival of Creativity gave the Daily Star a Bronze PR award for its viral sensation 'Lettuce vs Liz Truss' campaign. Closer to home, our journalists continued to win multiple awards, with our local colleagues in particular regularly sweeping the categories.

We were also noticed for work which saw our people exploring new territory – for example, the multi-award-winning WhatsApp communities project from our social team, which pioneered a new and effective way of engaging with people. This drive to innovate and reinvent how we deliver our content deserves to be celebrated.

I am always heartened to see the very real impact our campaigning journalism has every year, both nationally and locally – a reminder that the work this business does matters. While campaigns are often a labour of love for months or even years, sometimes they hit the mark quickly, as we saw with the Mirror's campaign last summer which successfully halted the closure of rail station ticket offices. For more campaigning journalism highlights of the year, see page 34.

Responsible business

We continued to strengthen our commitment to being a responsible business, building on the excellent work done in 2022 when we introduced a new formal framework. In 2023, we made further progress in our environmental efforts, in particular putting the reporting and data in place that will pave our path to net zero. A significant step was taken towards this goal in 2023 when our three print sites all completed work on installing 9,000sq m of solar panels that will reduce both our carbon footprint and our dependence on external energy providers.

We also continued to work on being a more inclusive business. At Board level, I am proud to have achieved our 30% Club commitment to a better gender and ethnicity balance on the Board. However, I acknowledge that this is only a starting point and that, while Reach's executive management team has also fulfilled its pledge of achieving 30% women in its makeup, it has yet to achieve its ethnicity targets – this is an area we are committed to improving.

Across the wider business, we continued to make progress in making Reach more responsible, such as by providing greater support to colleagues regarding menopause and accessibility, and we were proud to see our efforts recognised when we were ranked #19 in the Inclusive Companies list.

Our teams

In 2023, the Board oversaw the implementation of a continued push to carefully manage our costs, a decision that involved reducing the size of most of our teams. While we agreed this was a necessary step to safeguard the future of our business and our journalism, we recognise that such changes are enormously difficult for all our people. We worked closely with management to understand the impact of these changes and encouraged direct communication with employees, via several in-person meetings across Reach sites.

Board changes

Darren Fisher joined the Board as Chief Financial Officer in February 2023, joining us from ITV plc where he was Group Director of Finance. He has brought a strong set of financial, operational and strategic skills to the Board, experience which will benefit the Group. For more on changes to the Board this year, see page 75.

Dividend

The Board proposes a final dividend of 4.46 pence per share for 2023 (2022: 4.46 pence per share), which follows the interim dividend of 2.88 pence. In proposing the final dividend, the Board has considered all investment requirements and its funding commitments to the defined benefit pension schemes.

Moving forward

Over the coming months, we expect to see continuing shifts in audience and tech platform behaviour but we will be ready to adapt to those changes. The work we have done in 2023 has put us in a strong position to face the challenges 2024 may bring, and to consolidate our position as a leading digital publisher.

The Board and I would like to thank everyone at Reach for another year of outstanding work under very challenging circumstances. The talent and dedication we continue to see is a powerful reminder of the strength of our purpose as we work together to ensure the future of our journalism.

Nick Prettejohn
Chairman

5 March 2024

The secret instrument is a "violin".



We're Reach plc, the largest commercial news publisher in the UK and Ireland. We're home to more than 120 trusted brands, from national titles including the Mirror, Express, Daily Record and Daily Star, to local brands like WalesOnline, BelfastLive and the Manchester Evening News. Every month, 72% of the online UK population come to us for news, entertainment and sport they can trust. As a proudly mainstream publisher, we connect people everywhere with what's going on in their area and throughout the world.

Brands across UK & US

120+

We reach

85%

of the regional
news audience
monthly

We reach

72%

of the online UK
audience
monthly

The secret transportation is a "bike".

A POWERFUL PORTFOLIO

DEVELOPING OUR AUDIENCE

Securing our digital distribution

While we still by some distance command the largest audience of any news publisher in the UK and Ireland, we contended with several dramatic shifts in online traffic trends in 2023.

We responded to these challenges by focusing on areas within our control, driving our Customer Value Strategy (CVS) to maximise the 'secure' audience we reach directly and by strengthening our search engine optimisation (SEO) capability to make our online content more visible to searchers.

We also successfully grew our secure audience by focusing on distribution channels we can control. For example we began using WhatsApp groups around key topics and brands, reaching over 1m subscribers in just seven months.

We now have over 9.1m sign-ups from people to receive content to their devices via these secure channels, including newsletters, WhatsApp and push notifications.

Widening our appeal

2023 saw us leverage our expertise in reaching a mass audience by expanding our operations in the US with the launch of three '.com' sites to a massive and largely untapped audience.

We also grew our relationship with and data-led understanding of key demographics, in particular the youth audience, to support our Customer Value Strategy. Our youth-oriented brand Curiously has attracted a healthy following (250k TikTok followers as of January 2024), and has also provided a valuable testing ground for our established brands. For example, we applied learnings from Curiously to the Mirror TikTok channel, which by the end of the year had secured 360k followers, up from 66k in January 2023.

We will further develop our youth and video proposition in 2024 with our newly created multimedia Studio team.

And we continued our work to reach previously under-served audiences via our Belonging Project, which holds every regional newsroom and the Mirror accountable for producing more inclusive content and reaching more segments of the communities they serve – read more on page 43.

The secret fruit is a "lemon".

9.1m

Sign-ups to secure channels (newsletters, WhatsApp, push notifications)



We have the largest Arsenal WhatsApp channel globally, with over 600,000 members

PRINT

Print circulation revenue

£313mUp 1.6% on 2022 despite 17%
reduction in print volume

Print business revenue

£439m

Down 2.2% on 2022

Print copies sold a year

250m+

Retail availability

+85%

DIGITAL

RPM
(revenue per 1,000 pages)**+11%**

Total data-driven revenue

£55m

A RESILIENT BUSINESS

The secret food is "chocolate".

The habitual nature of newspaper consumption means we continue to see reliable but falling demand for our printed products. We still sell hundreds of thousands of our print products every day.

Part of our strategy is to maintain this considerable revenue stream and profit generator for as long as possible. This is achieved by carefully managing the levels of publication availability across the country and undertaking carefully planned price increases and promotional activity. We benefit from a significant amount of data and expertise in these areas which help achieve the optimal changes. Whilst availability varies by geography and publication, it averages for the Group at over 85%. We periodically increase the cover prices, and over 2023 we increased these an average of 14% per title, ahead of 4% inflation. These actions have more than offset the 17% volume decline, driving an increase in overall circulation revenues.

We also work hard to manage our cost base to address the challenges from falling volumes and inflation. Our print business is run by highly experienced production teams who excel in evolving production systems, procurement and planning our distribution network. These actions have helped address the rising unit costs of production and maintained the strong profitability of the print business. This means we have been able to successfully ensure that print revenues and profitability remain resilient.