

Guardian Media Group Makes Record Revenues for News Business

By Jim Waterson, *The Guardian*, July 25, 2023

The Guardian's parent company made record revenues for its news business last year as the group hired new staff and pushed for further international growth.

Total revenues at Guardian Media Group (GMG) increased to £264.4m but the company recorded a cash outflow of £21m in the 2022-23 financial year, in line with planned spending. This followed the decision to hire additional journalists and invest in newsletters and podcasts.

The British arm of the business was hit by continuing declines in print newspaper sales and a weak UK advertising market. This was partly offset by substantial increases in financial contributions from readers in North America and Australia, with more than a third of the company's income now coming from outside the UK. GMG said it was targeting further growth in Europe, with the company hiring additional journalists to serve readers on the continent.

The chief executive, Anna Bateson, said: "The Guardian is becoming a truly global news organisation. In a difficult economic climate we have continued to invest in quality journalism and in our digital business capabilities to advance this strategy which has brought revenue growth and a continued rise in digital reader revenues from across the globe.

"Despite challenges across the global media industry we will continue to invest and build a platform for long term success."

Spending on wages rose from £131m to £152.6m as the company hired more staff around the world.

The company also had to deal with the costs of a cyber-attack at the end of 2022, which is not specified in the company's accounts.

The company has more than 1 million paying supporters, and claims 1.4bn average monthly page views on its website and 148m average monthly unique browsers.

Income from digital products accounts for 70% of revenue, substantially more than most other British newspaper publishers, which remain heavily reliant on print newspaper sales.

Unlike other British newspaper groups, the Guardian is not owned by a wealthy individual or a listed company that has to return profits to shareholders. Instead, its proprietor is the Scott Trust, which maintains an investment fund – worth about £1.2bn – that is used to subsidise the newspaper and secure the Guardian's editorial independence. The trust uses this money to provide GMG with access to a cash injection of up to £30m a year, enabling the business to make some limited financial losses.

Many UK newspaper publishers are being hit by both a weak advertising market and the rapidly increasing cost of newsprint. Outlets that receive ongoing financial contributions direct from readers continue to outperform publishers that are reliant on digital advertising, as shown by two other newspaper groups that released their financial results on Tuesday.

Telegraph Media Group's annual accounts showed a rise in subscriptions, boosted by the decision to buy a magazine publisher and an aggressive online sales pitch. In contrast, Reach – the parent company of the Mirror, Express and many local newspapers – is heavily reliant on income from online advertising. Its results showed a substantially gloomier outlook, with digital revenue falling by 19% year-on-year as advertisers cut back spending amid economic uncertainty.