



# David Pemsel

**CEO, Guardian Media Group**

**The  
Guardian**



# Let's start with journalism

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# 160m

monthly unique browsers globally

# 1bn

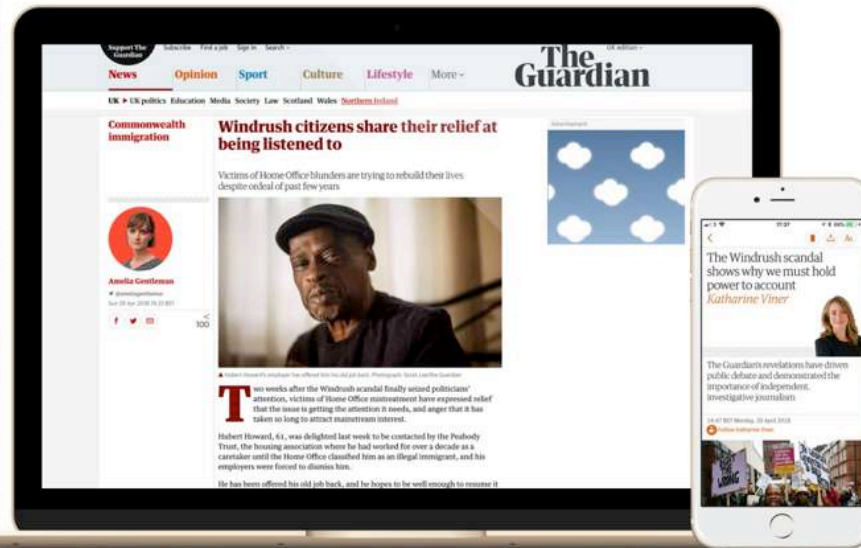
monthly page views

## Traffic peaks

- ▶ 2016 Brexit
- ▶ US election
- ▶ Trump Inauguration
- ▶ 2017 UK election, Grenfell and terror attacks
- ▶ 2018 Guardian relaunch, Carillion collapse
- ▶ Stephen Hawkings, start of Cambridge Analytica Files

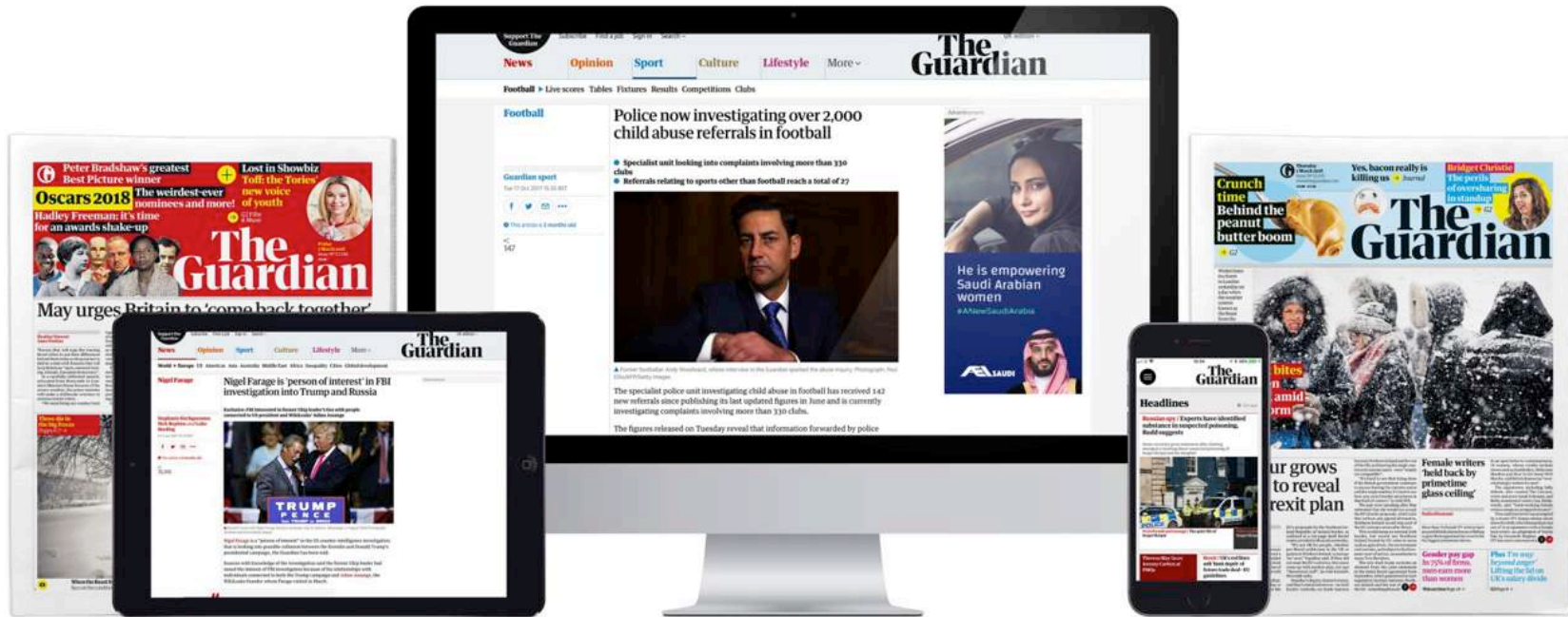
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# The Guardian's mission has never been so important



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**However...**

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Business

### The Guardian cuts 250 jobs and considers first compulsory redundancies

share

The Telegraph

### Guardian newspaper losses accelerate amid industry's advertising struggles

Share

CITYA.M.

### The Guardian's parent company is poised to unveil a record loss

Jake Kanter  
 Jul. 25, 2016, 10:21 AM 1,267

BUSINESS INSIDER UK

### Guardian Media Group hit with record £173m loss

FINANCIAL TIMES

MARCH 17, 2016 NATIONAL NEWSPAPERS NEWS

### Guardian cutbacks: 250 staff to go, 30,000 square feet 'shed' events space at King's Cross scrapped

By Dominic Ponsford

PressGazette  
FIGHTING FOR JOURNALISM

Business

### The Guardian's digital growth goes into reverse as losses balloon to £180m

share

The Telegraph





# Print advertising in continued decline

Print loss vs digital gain  
in national news brands (£)

**Print**



▼ **£88m**

**Digital**



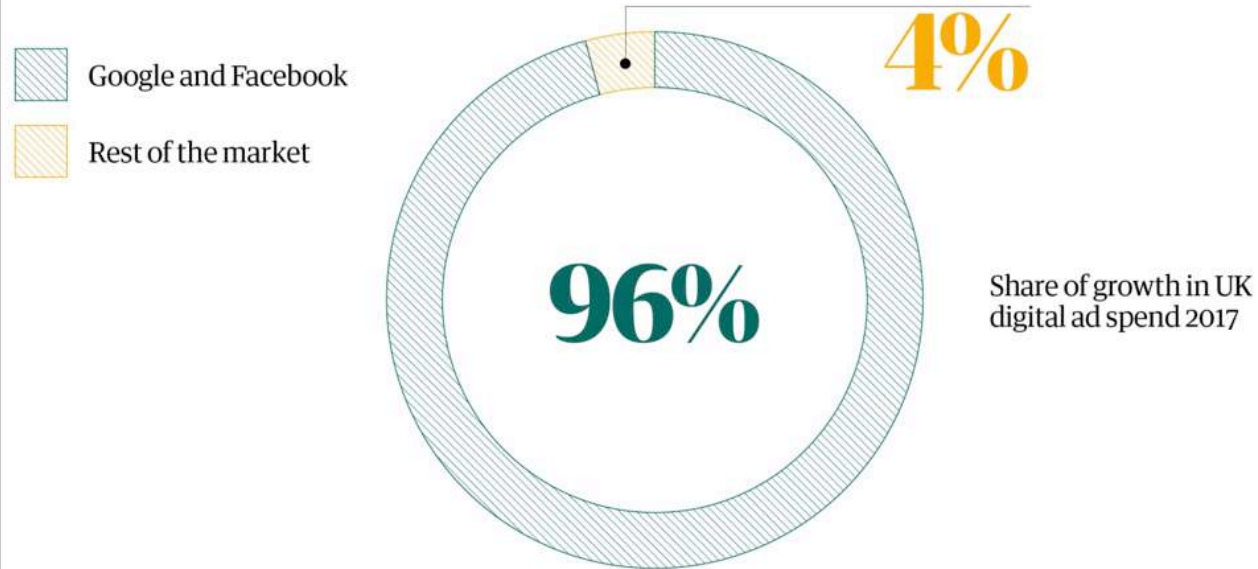
▲ **£1m**

Source: Enders analysis 2017 estimates and forecasts based on AA/WARC



# Growth of platforms

The digital platforms continue to dominate the media landscape



Source: Enders 2017



# Ongoing tech-led disruption



Video and live video



Influencers and UGC



New formats of storytelling



Personalisation



New forms of distribution



Targeted, contextual advertising



Messaging and notifications as a platform

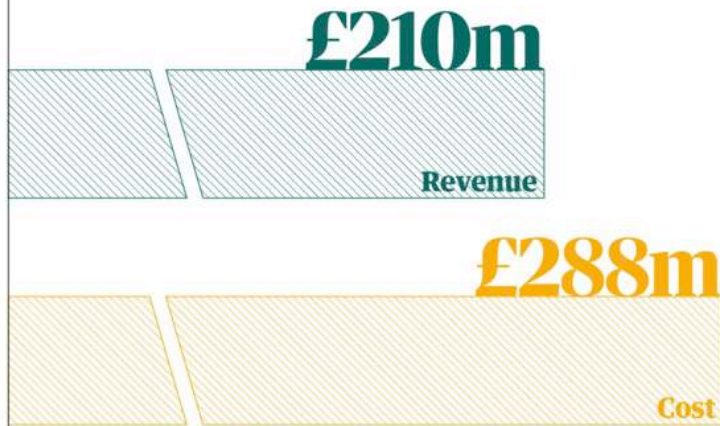


Centrality of data



# 2015/16 forecast

\*(£100m) Annualised EBITDA loss



**GNM EBITDA**  
**(£78m\*)**



**This is  
serious...**

**The  
Guardian**



## Relationship strategy

<b>Values</b>	Honesty	Integrity	Courage	Fairness	A sense of duty to the reader and the community
<b>Guardian purpose</b>	The purpose of Guardian journalism is to use clarity and imagination to build hope. We will develop ideas that help improve the world, not just critique it; we will collaborate with readers, and others, to have greater impact; we will diversify, to have richer reporting from a representative newsroom; we will be meaningful in all of our work; and, underpinning it all, we will report fairly on people as well as power and find things out				
<b>Vision</b>	A growing and far deeper set of relationships with our audience will result in a re-imagining of our journalism, a sustainable business model and a newly-focused digital organisation that reflects our independence and our mission				
<b>Strategic aims</b>	We will build a more meaningful set of relationships with our readers to play a larger role in their lives and to improve our journalism	We will see our readers become members and make a significant contribution to our business model	We will restructure our advertising business to align GNM's growth with the growth in the market	We will take significant cost out of the organisation to reflect economic circumstances and we will reshape the organisation to achieve the unity and agility we need	



### Horizon 1

Fix core business and defend market position

### Horizon 2

Embed & differentiate around relationships

### Horizon 3

Relationships with readers sustain us



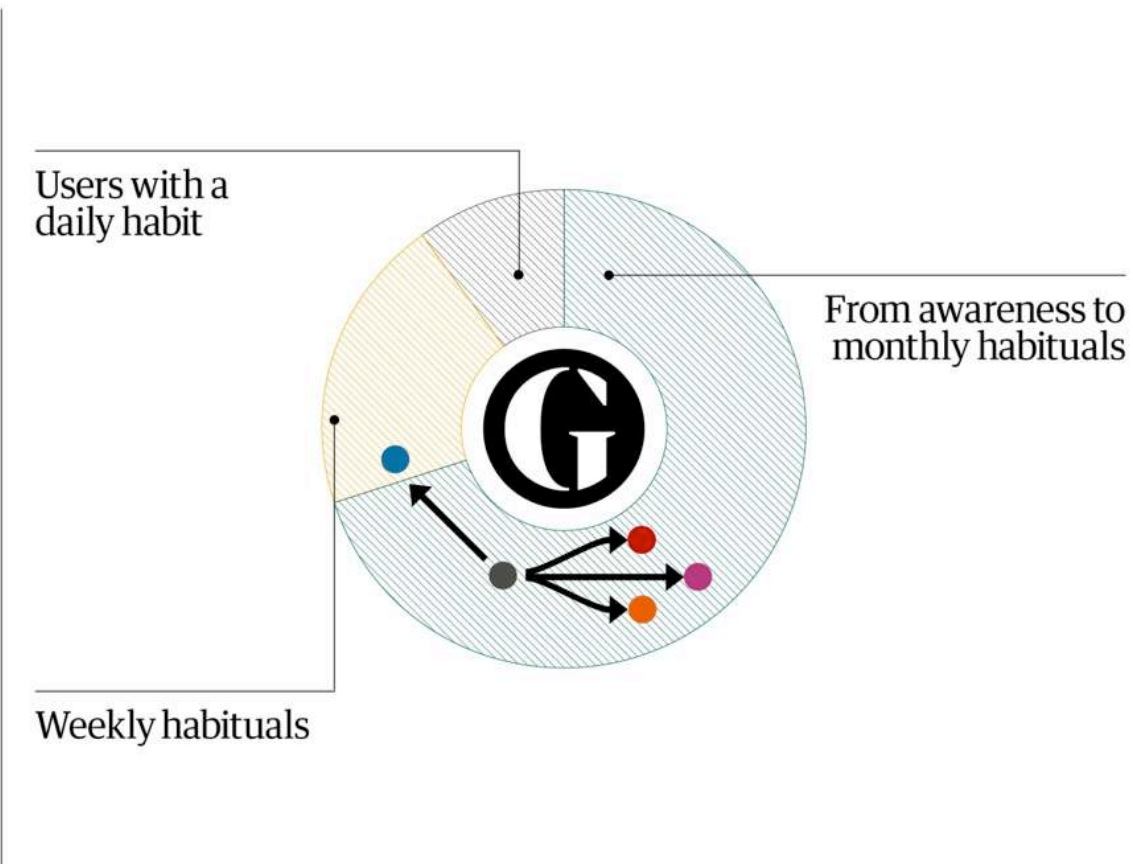


## The Distribution vs Destination Challenge





## Anonymous to known



...and it enables us to build relationships with our readers

Which can be undertaken at any consumption stage





## Our progress to date

**1**

We have over 800k supporters - including subscribers, members and contributors.

**2**

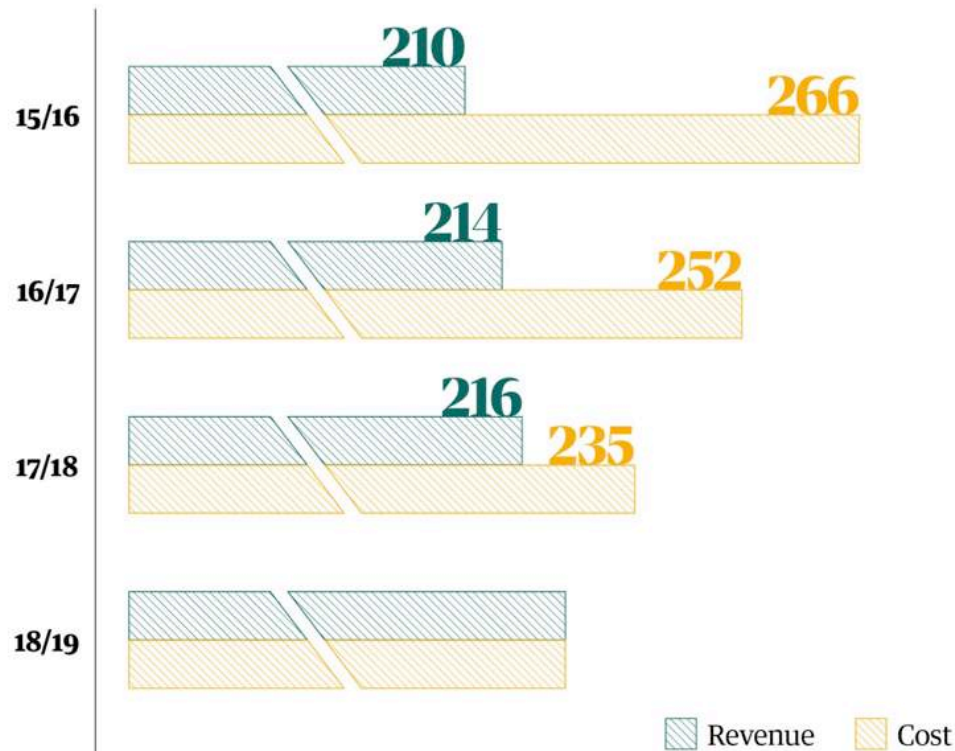
We now reach over 10m regular browsers every month.

**3**

Driving up programmatic revenues and yields.

**4**

We are continuing to reduce our losses - on track to break even next year.



**GNM EBITDA**

**(57)**

- ▶ Reflects initial halting of spend in H2 when annualised cost base was approaching £300m and headcount of c.2,000

**(38)**

- ▶ Advertising declines offset by membership/newsstand
- ▶ Savings from voluntary redundancy programme and other cost initiatives

**(19)**

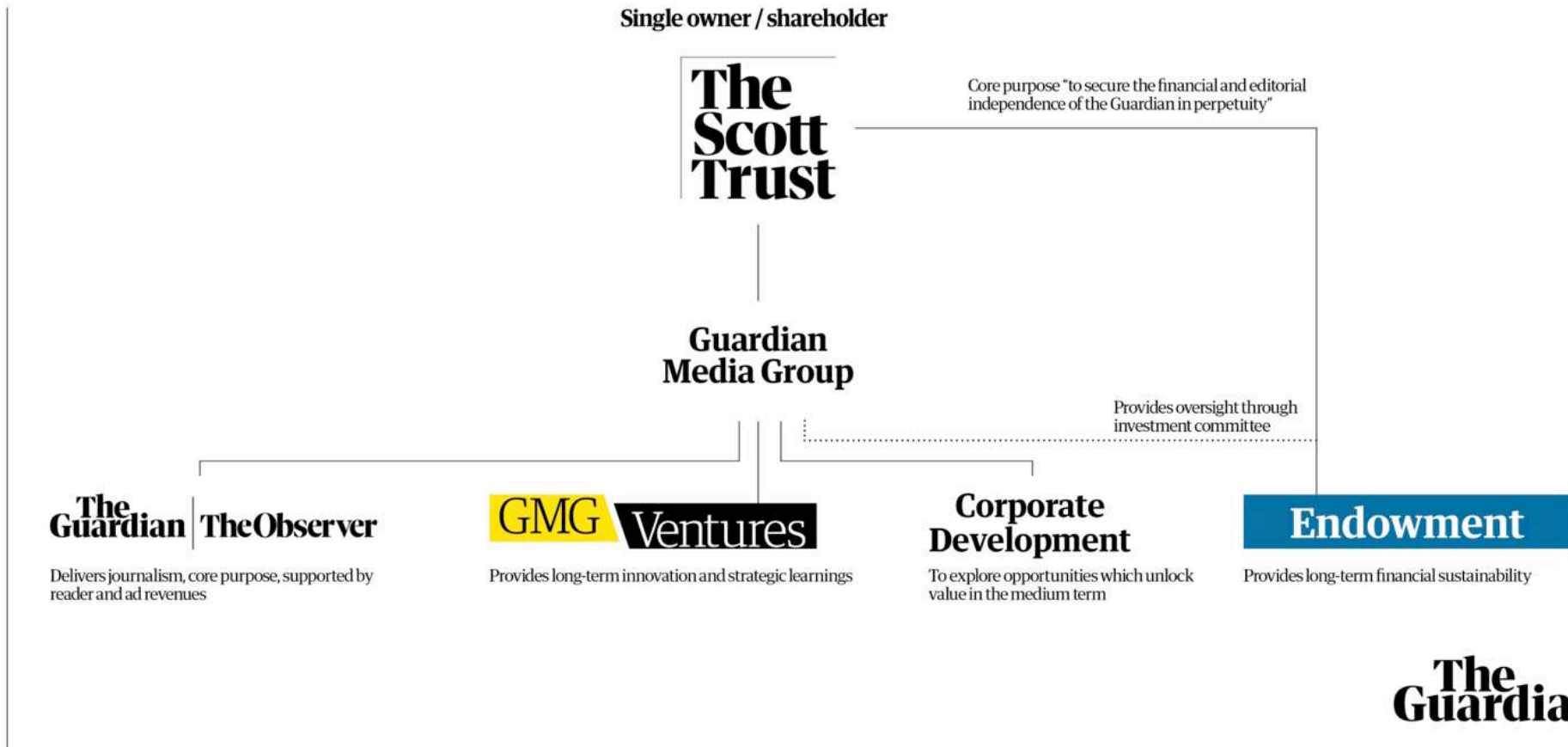
- ▶ Growth of membership, contributions and subscriptions
- ▶ Improved advertising market in H2
- ▶ Cost reductions and initiatives

**(0)**

- ▶ Reader revenues continue to fuel yoy revenue growth
- ▶ Stabilisation in advertising revenues
- ▶ Operational cost savings from move to tabloid
- ▶ Investment in data and infrastructure



# Planning for the future...



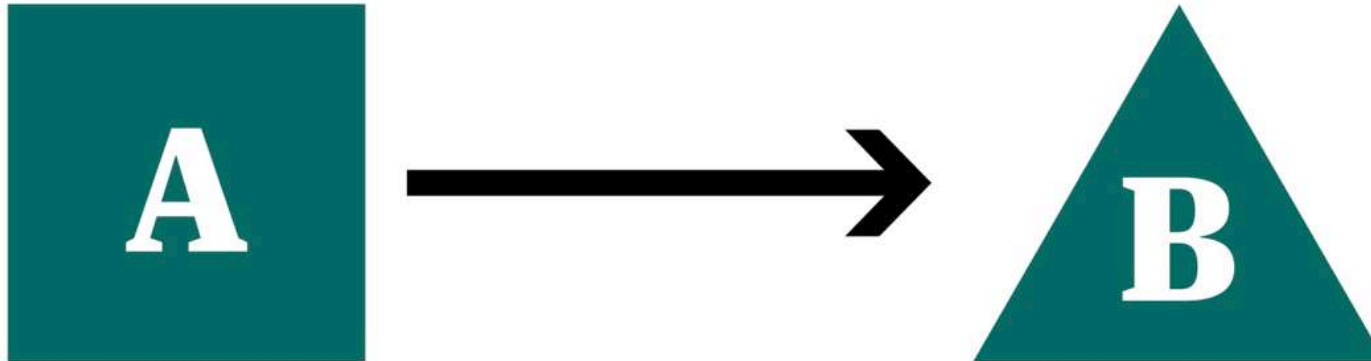


# What have we learnt...

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# The Paralysis challenge





## 1. Purposeful business

**1**

Purpose of a business is its reason for being.

**2**

Unites all stakeholders in common goals and values.

**3**

Generates trust and enables value creation.

**4**

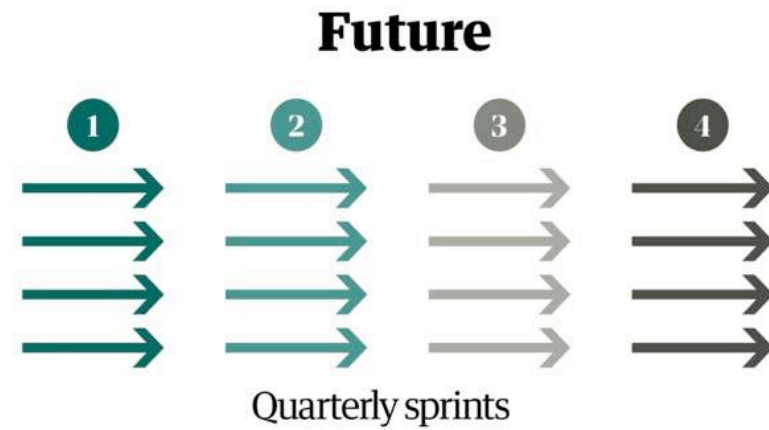
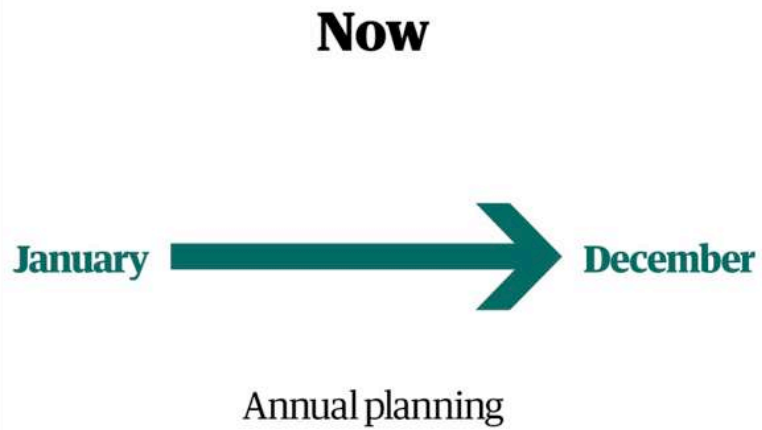
Proven to help companies better innovate, invest, serve customers and engage employees.



## 2. Move fast



Experiment faster than the competition - **Jeff Bezos**







### 3. Culture is everything

**Diversity and  
inclusion**

**Values and  
behaviours**



## 4. Trust your instincts

**1** What you should be doing and must not ignore.

**2** What you dream of doing but never do.

**3** What people tell you to do and you listen.

**4** What people tell you to do and you ignore.

**5** F\*\*k it... Let's just do it.



# Questions

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