

30 November 2023

Open Letter to Reach independent directors and shareholders

The National Union of Journalists, representing journalists across Reach plc in the UK and Republic of Ireland, has a shared interest in securing the future of the company. In that spirit, we are seeking a radical rethinking of the current approach of the Chief Executive and the board, which we believe is endangering the economic health of the company and the livelihood of workers, including more than 1,000 journalists represented by the NUJ.

Maintenance of strong, resourced titles is in the key to a sustainable future and is imperative to a diverse media landscape. The current strategy, which sees more than 300 talented journalists face losing their jobs in the third set of mass redundancies in this year, is not in the interest of the company, the shareholders or staff and we believe there is a need for leadership at executive and board level to prevent long term damage to a significant public company.

We are calling on independent non-executive directors and shareholders to use their influence as a matter of urgency to seek a reversal in the fortunes of Reach plc.

It is a matter of public record that NUJ members have lost confidence in the current chief executive Mr Jim Mullen and believe that Reach plc requires a chief executive with a strategic vision firmly rooted in protecting and promoting quality journalism across diverse platforms.

The current share price is more than 20 per cent lower than when the current chief executive took the reins in August 2019 – a time when revenues at Reach stood at £702.5m. Last year revenues fell to £601.4m, with expectations of around £559m this year. Pre-tax profits have halved from £120.9m in 2019 to £66.2m in 2022. Raiding the reserves to pay for dividends is not sustainable, nor is it a substitute for building solid revenue and clear operating profits.

The current strategy lacks coherence and is at risk of taking for granted the loyalty of readers faced with diminished journalistic content.

Journalists across Reach believe it is a dangerous assumption that remaining readers of the group's newspaper titles will be prepared to pay increasingly premium prices when quality risks being compromised as print teams are hollowed out by cuts. Already Reach has cut its staffing so much that print editorial teams are struggling to cope, and titles are at breaking point.

As the number of journalists is repeatedly slashed, so the quantity of stories and other content contracts. Disturbingly, the latest redundancies involve the wholesale dismantling of coverage of women's football and other club specific content, rugby, and cricket. In the Republic of Ireland this is of particular concern where the reporting of women's sport and the hugely popular Gaelic Games are under dire threat. The cuts also extend to ending the specialist arts and entertainment coverage for England.

The dash to digital has proved illusory and does not provide the single answer to Reach's problems. Stability and diversification of the business to bring in new income streams are needed that have quality journalism at their heart. If Reach is to be successful, it must protect the reputation of its journalism and harness the power of its journalists for commercial gain.

The NUJ is proud in standing up for quality content and public interest journalism and for the journalists who produce it. NUJ members are passionate about their work and determined to arrest the decline of Reach so that it has a future that delivers for investors but at the same time produces quality journalism that matters to the public. That is why we appeal to each of you to bring your influence to bear to immediately stop the damage being done and to help bring the changes that are crucial for Reach before it is too late.

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