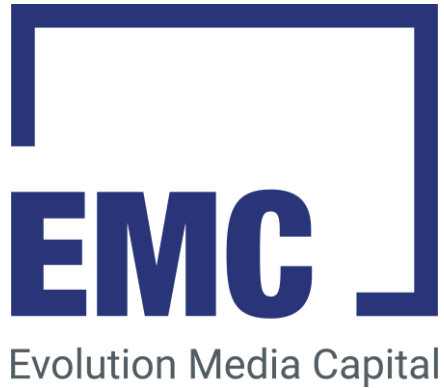




The New York Times Company (NYT) 2018 Q4 Earnings Summary

February 2019

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Key Takeaways

The New York Times Is Focusing On Their Digital Product To Reach 10 Million Subscribers By 2025

DIGITAL SUBSCRIPTION

- **They get a lot of value from letting people look at The Times for free and it serves as a funnel for subscriptions**
 - Began to launch a series of tests around getting registration and login in exchange for more and deeper access
- **Trying to exploit the demand curve as effectively as they can to use relatively low introductory prices to attract customers**
 - Gotten better at the gearing of their access model around big events in an effort to drive subscriber registration
 - Will begin to field test the price rise for digital subscribers in the early part of this year

DIGITAL PRODUCT

- **Making investments into the digital product and marketing, with the intention of accelerating medium-term growth of the model**
 - The differentiation of their journalism will continue to be the most important aspect of the model
 - Improving the user experience of features and functionality that enable readers to form a habit and make a fundamentally stickier product
- **With current user base, there's a very big opportunity right in front of them without having to go out and create an audience**
 - Have a number of other irons in the fire in terms of products around which people have daily habits, where there is brand concurrency

ADVERTISING

- **Have taken a different approach to digital advertising than many other news publishers**
 - Focus on large-scale partnerships with leading brands, a suite of creative services and a relatively low exposure to open market programmatic
- **This year they proved that the key to being a successful growing digital ad business was being a subscription business first**
 - They like having a multi-revenue stream business because each month 130 million people use them, but only 4.3 million pay
 - Subscribers account for a lot of digital advertising revenue because of their high level of engagement

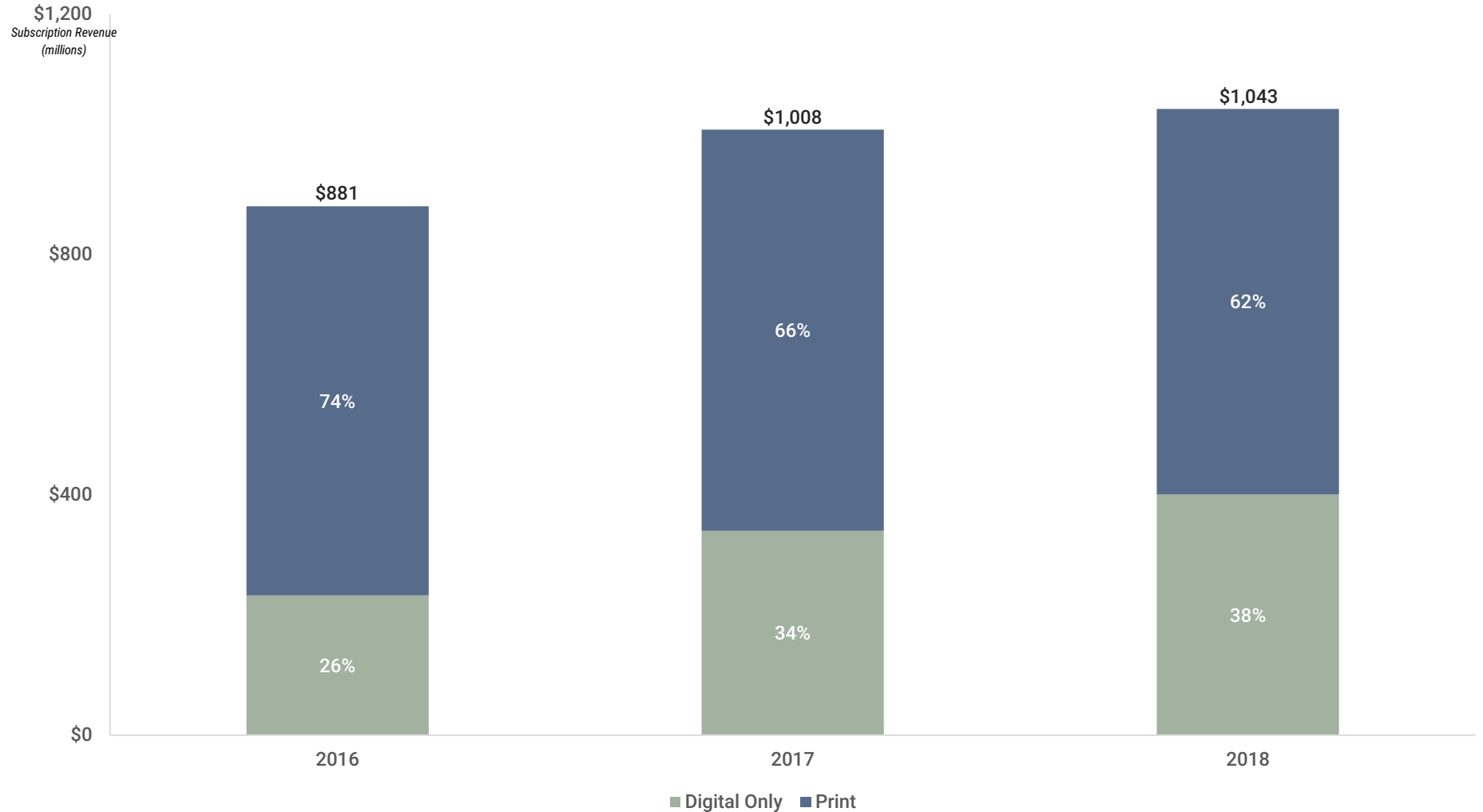
OTHER CONTENT

- **The Daily was the most downloaded podcast in America last year and it still has a very strong audience that is still growing**
 - 3/4 of the audience is under 40, and it is disproportionately female, so it is about bringing new audiences to The Times
- **Have a good track record of beginning to build programs around The Daily so it will continue to grow as part of their ad business**
 - Have gotten a bit more aggressive about running their own marketing inside The Daily, and use it as a vehicle to acquire subscribers
 - The Weekly is airing on FX and Hulu and with the commission and other rights associated with the show, there is already a margin in season 1

New dynamic pricing initiatives will need to be monitored closely to ensure they create long-term, high-value customers

Subscription Revenue

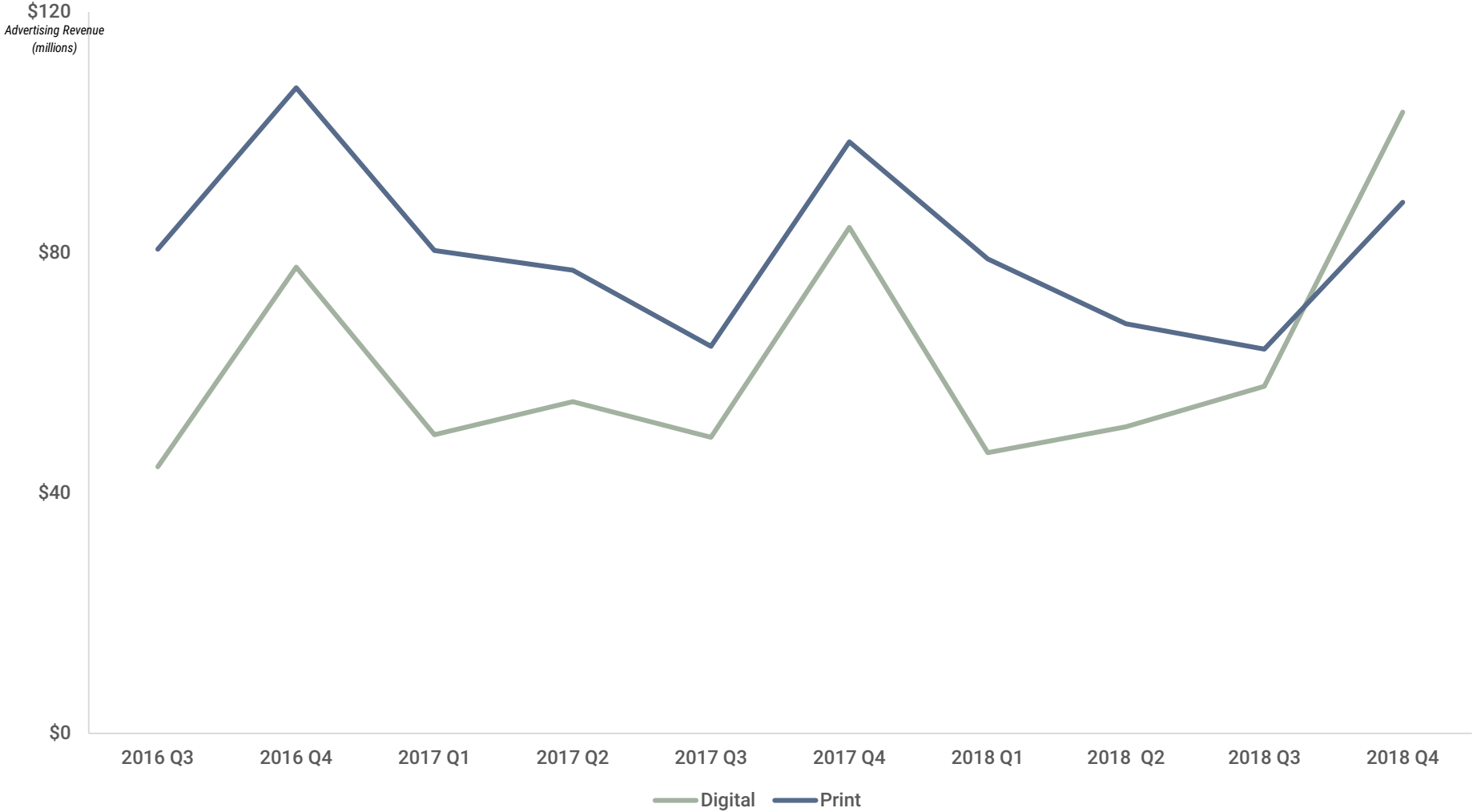
The Push Into Investigative Journalism Will Be A Differentiator As They Try To Retain Print Subscribers



They are on the lookout for tuck-in investments that could help them scale the digital business faster

Ad Revenue

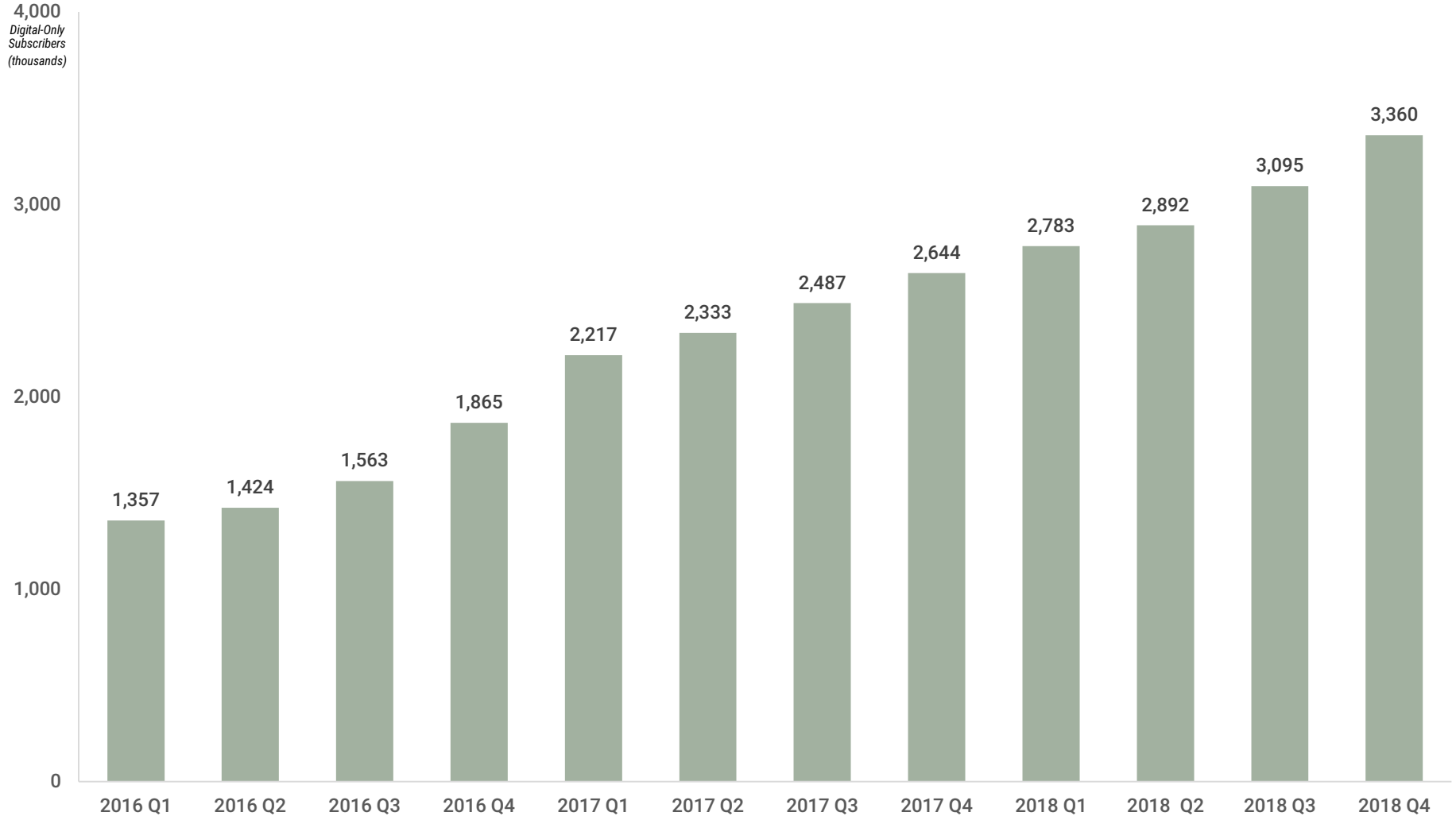
The Shift In Strategy Is Working As Digital Ad Revenue Exceeded Print Ad Revenues For The First Time



Partnering with brands, instead of chasing programmatic inventory, fortifies their premium position in the digital market

Digital Subscribers

Expanding Into International Markets Will Help Them Become One Of The Dominant Global News Providers



Exploration of new niche products centered around daily activities can deepen engagement with current subscribers