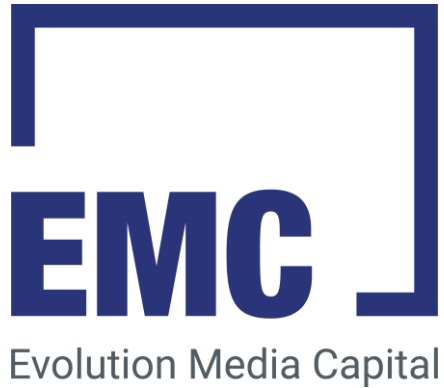


The New York Times Company (NYT) 2019 Q2 Earnings Summary

August 2019

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# The New York Times Company (NYT) 2019 Q2 Earnings Summary

August 2019

# Key Takeaways

## The New York Times Is Investing Heavily In Their Content And Product To Drive Subscriber Acquisitions

### PRICING

- **Have pricing power and there is a lever to be used as they see fit, and it remains to be seen when they may use it**
  - Launched a substantial price increase test on a population of long-term users and were very pleased with the results
  - Have real opportunity on price on both ends of the demand curve, and continue to make use of introductory offers at the low end
- **Operationally prepared to make step-up offers as necessary, and have managed through these moments previously**
  - Expect downward pressure on ARPU to start to moderate because they are going to have large numbers of folks stepping up directly to full price

### PRODUCT

- **Have been testing the optimization of their pay model with a particular focus on scaling direct relationships and engagement**
  - Can communicate with registered users and understand their preferences and patterns of consumption more effectively than if they're anonymous
  - Plays out differently on different platforms and plan to experiment with a range of parameters and business rules
- **Getting better at understanding the drivers of the business and what makes someone form a habit and pay and stay**
  - Managing retention mechanics better, things like rates and the involuntary churn, and how they message through those moments and intervene

### CONTENT

- **Current focus has been on building further their capabilities in investigative journalism and investing more in tech coverage**
  - Also building out podcasting capability and additional opportunities in television and film
- **Attribute their success very significantly to the investment and the focus that they put on journalism**
  - Many news organizations have unsuccessfully tried to make a go at things through cost-cutting and reducing their newsrooms
  - Looking at ways they can help other news organizations with their expertise and partnership

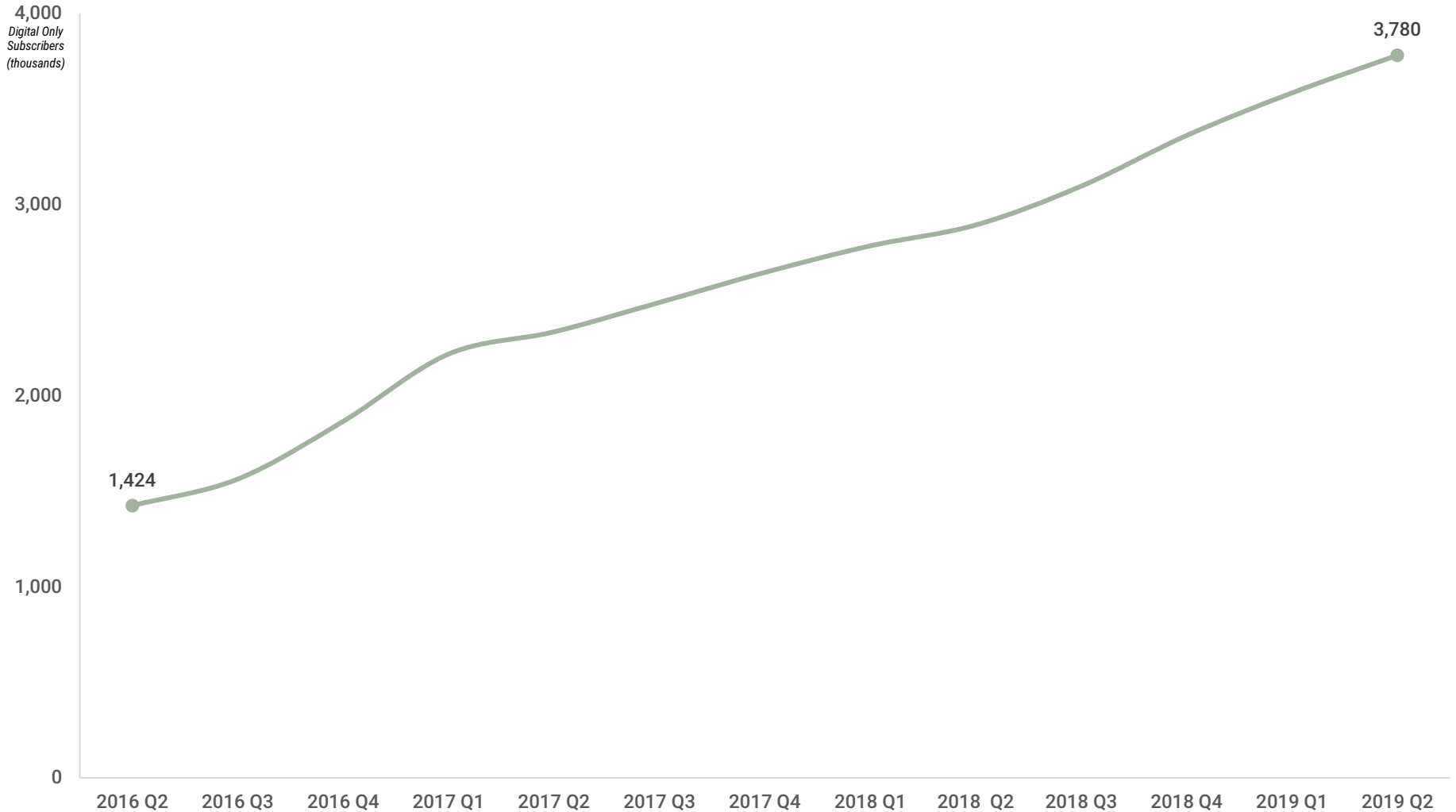
### ADVERTISING

- **Digital advertising business is increasingly focused on large-scale, multi-month partnerships with the world's leading brands**
  - Pursuing them energetically because they are distinctive and difficult to replicate and give them real pricing power
  - This is a somewhat more variable business than the previous kind of display-based business
- **There is real demand for audio advertising in association with quality, unique content that has big audiences**
  - Inserted a second ad into The Daily at the end of June and are optimistic that over time, their other podcasts will become meaningful ad products

*After extending into audio with The Daily, the launch of The Weekly is seeing early signs of success in the TV market*

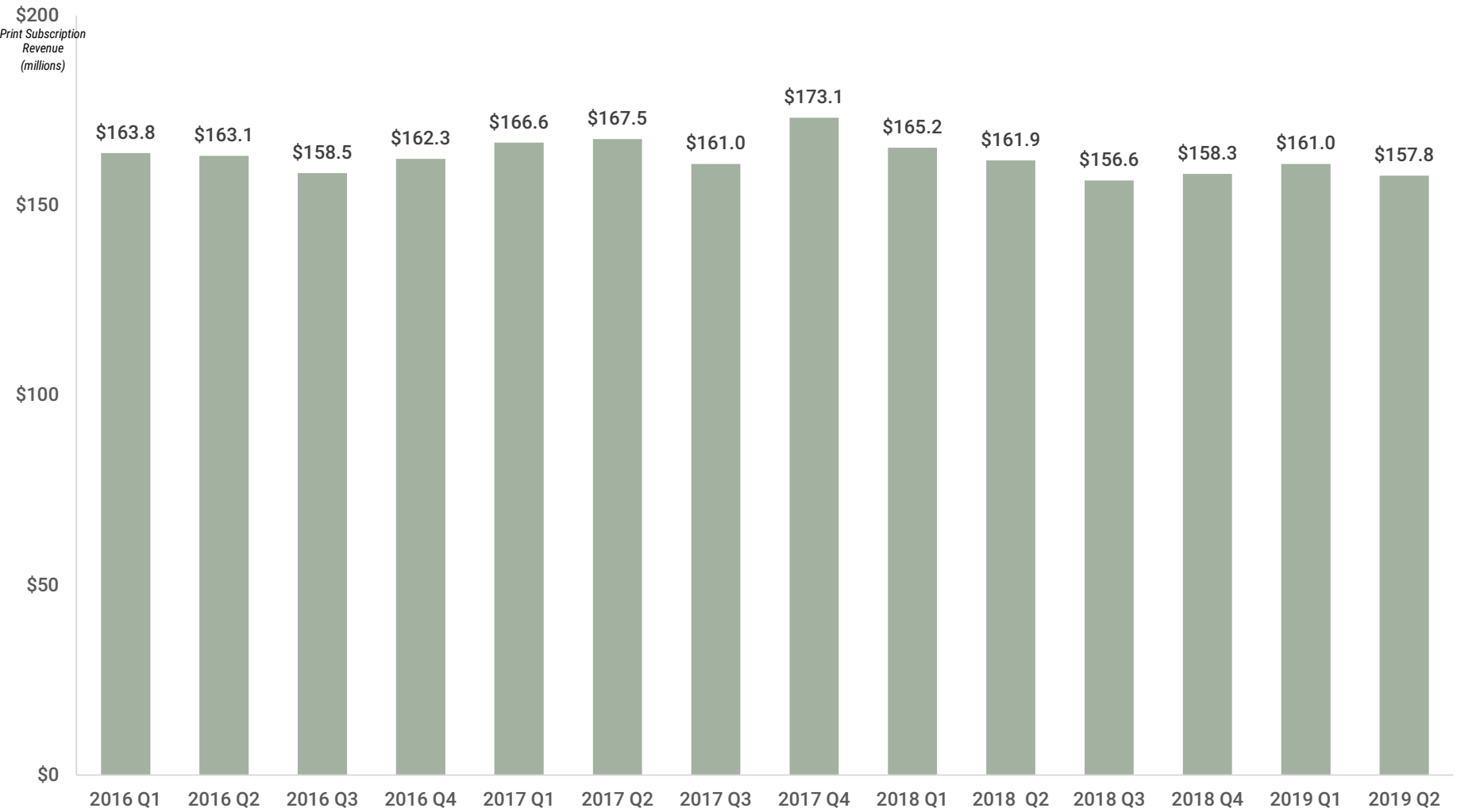
# Digital Subscribers

Digital Subscription Growth, Across All Products, Is Being Driven By Introductory Promotional Offerings



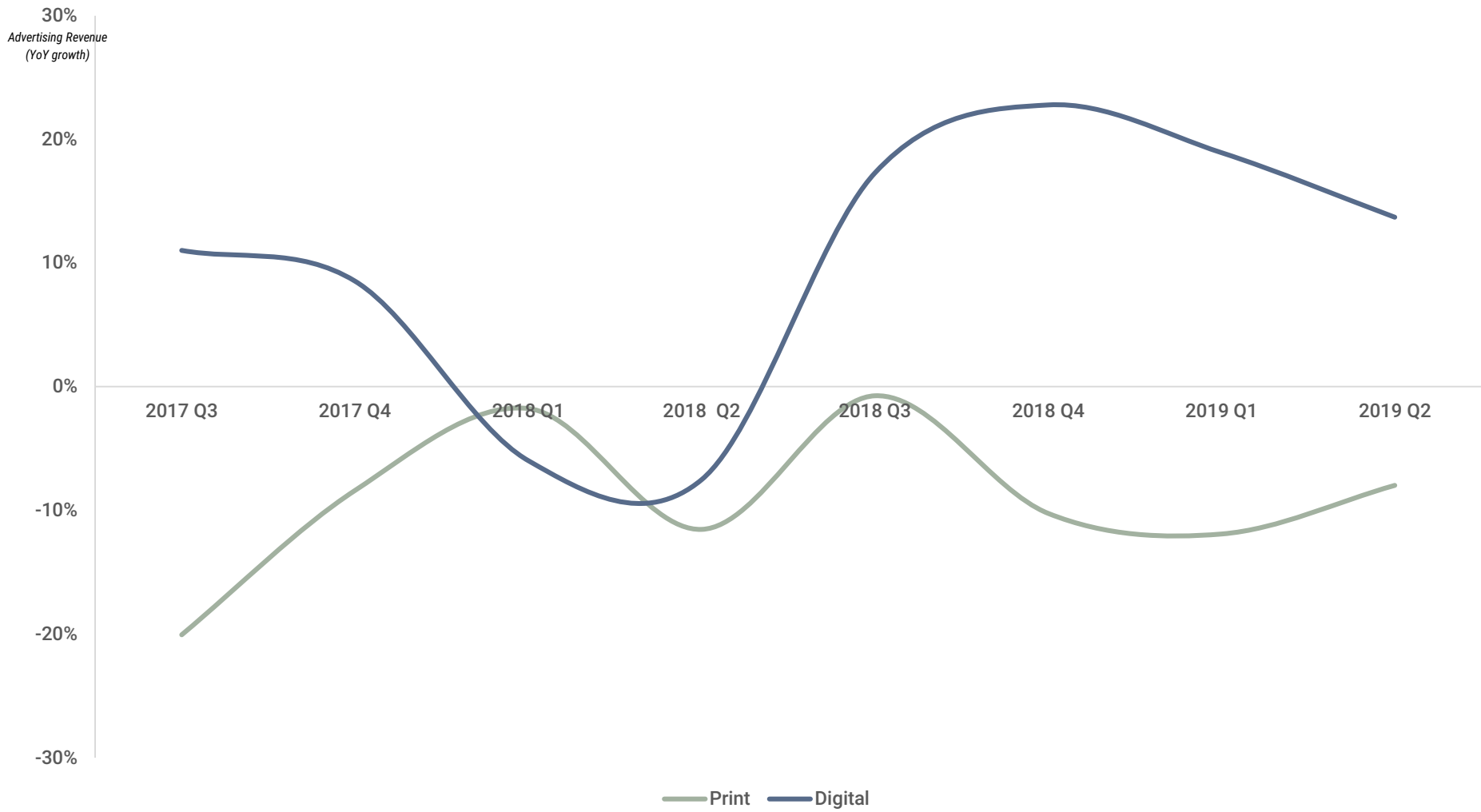
*Enhancements to the digital product are focused on improving retention and the lifetime value of subscribers*

## Print Business Has Remained Relatively Stable As Subscriber Declines Have Been Offset By Price Hikes



*Expansion into audio, film, and television can expand the brand and expose their content to new audiences*

## Brand Safety And Adjacency To Notable IP Makes Their Platform Very Appealing To Digital Advertisers



*Long-term partnerships provide a differentiated offering and can result in more stable cash flows throughout the year*