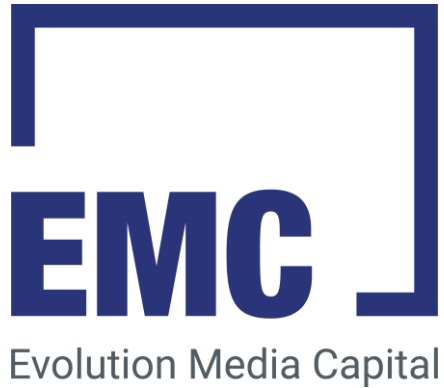


The New York Times Company (NYT) 2019 Q3 Earnings Summary

November 2019

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Key Takeaways

The New York Times Is Adjusting Their Paywall To Encourage More Free Registrations To Read Content

PRODUCT

- **Thesis of the product itself doing more of the work to get people to make a habit and then ultimately pay and stay is working**
 - Making major advances in their understanding of and ability to optimize the user journey towards subscription
 - Beginning to feel the effects of a restructure in their organization which allows them to advance their digital products faster and more effectively
- **iOS and Android apps are the digital services that drive the highest per user consumption of their journalism**
 - In an effort to improve load time and overall user experience, they will no longer present open market programmatic advertising within these apps

FACEBOOK NEWS

- **Agreed to take part in Facebook News as part of their new initiative to offer users a curated selection of high-quality news**
 - Participated in the model only after reaching a multi-year agreement for a license fee, which is a step change compared to previous deals
 - Previously received small payments for participation in various experiments and innovations launched by the different digital platforms
- **More important than immediate financial benefits is its strategic significance of driving subscriptions via direct relationships**
 - Consumption of the overwhelming majority of stories will increment our pay meter and support our subscription model

CUSTOMER ACQUISITION

- **Very happy with the retention of the first cohort of \$1 a week subscribers, which passed their 2nd post-promotion billing cycle**
 - Many of these subscribers stepped up to full price, a portion moved to an intermediate price and a small minority were kept at a \$1 per week
 - Will continue to adjust these proportions as they learn more and get better at assessing payments and retention propensity
- **Given their success, they plan to continue to use low introductory prices to acquire long-retaining profitable subscribers**
 - The proportion of subscribers on promotion relative to the total subscriber base continues to grow

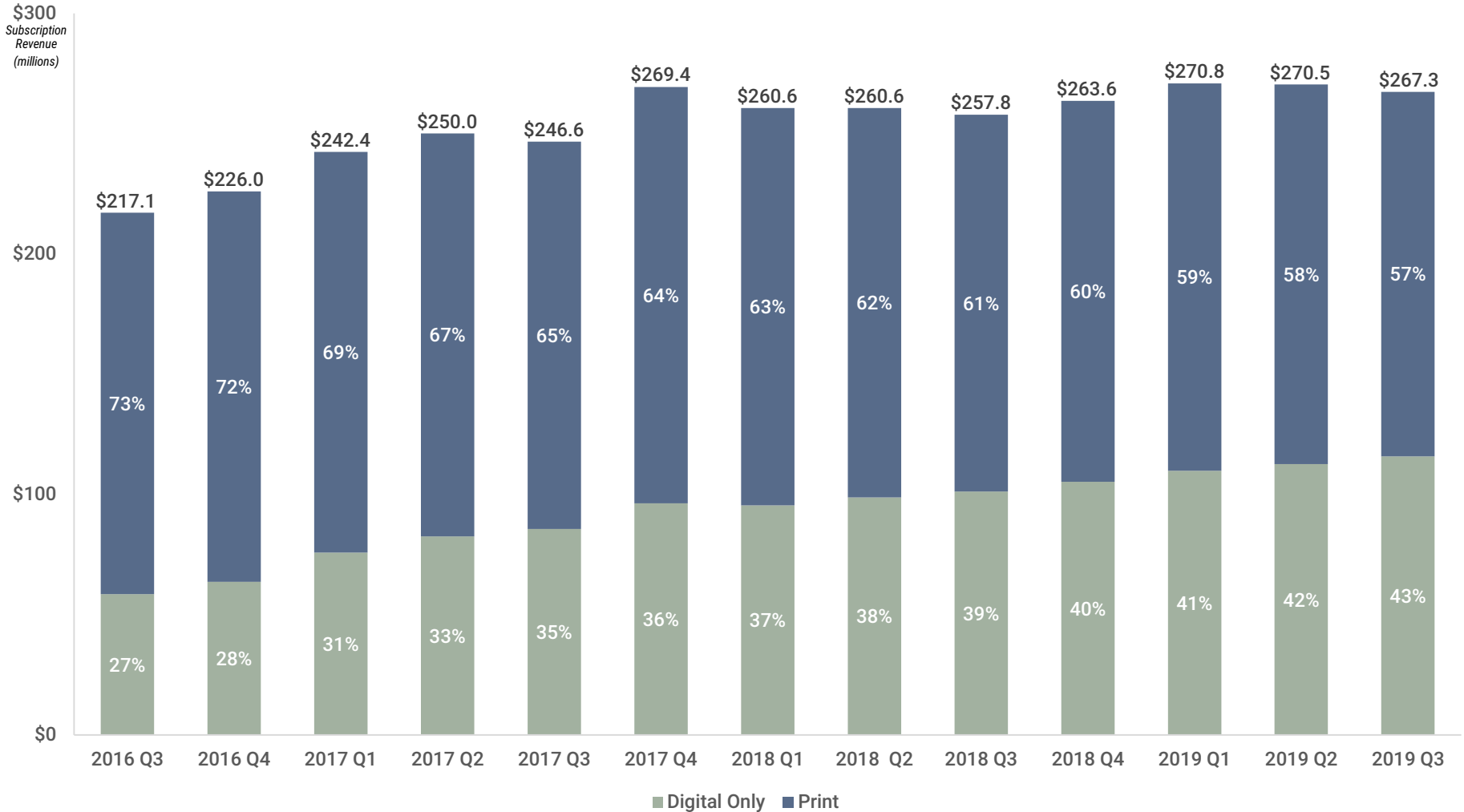
AUDIO

- **The Daily is a monster hit, with an astonishingly valuable audience, and it just continues to grow**
 - 45% of the audience is 30 years old or younger, and engagement of 20 minutes on a smartphone to a serious journalistic product is very exciting
- **Audio strategy of having The Daily as an envelope to send other things out into the world is really working**
 - There's a lot of demand for high-quality audio and in the short, and long term, it will stimulate subscriber business in direct and indirect ways
 - Really like the audio ads that they are running for their own products, essentially to drive subscribers inside The Daily

After establishing a strong subscriber base, investments will be geared more towards the product, and less on marketing

Subscription Revenue

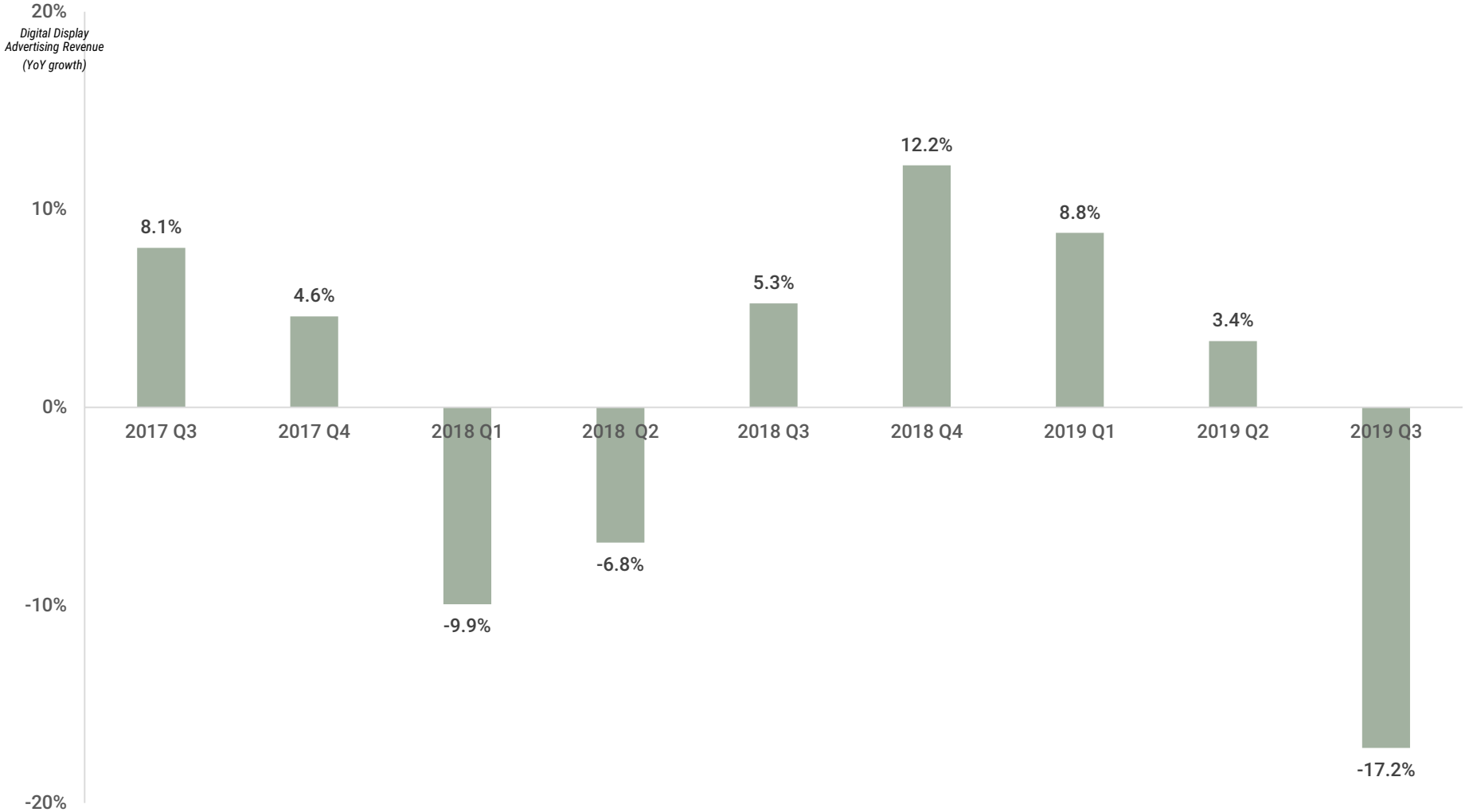
Print Still Makes Up The Majority Of Revenues, Highlighting The Runway For Growth Of Their Digital Platform



There is a willingness to sacrifice digital advertising revenue if it improves the product and can drive more subscribers

Digital Advertising

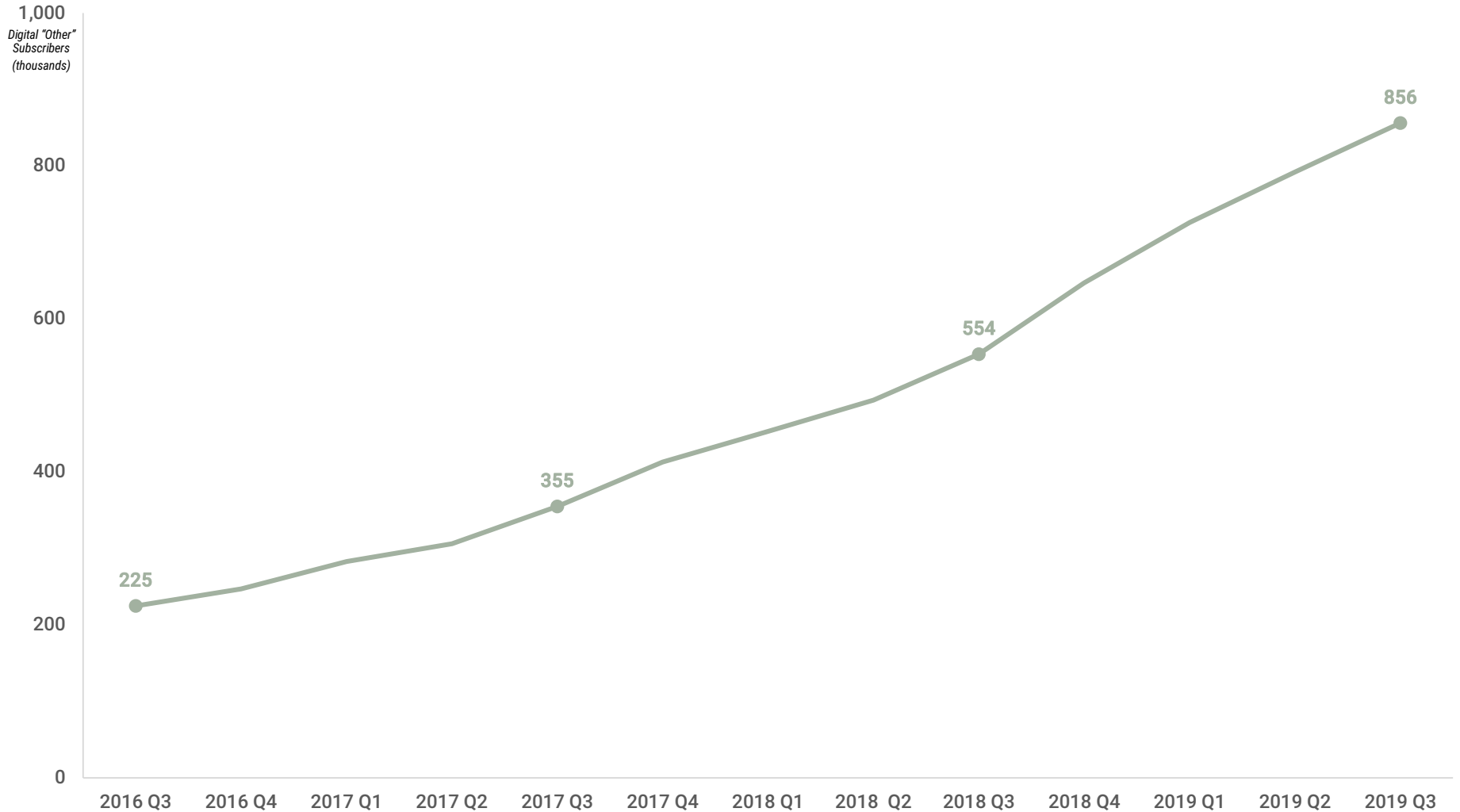
Large Branded Partnerships Result In More Volatility Compared To The Steady State Of Digital Advertising



In an effort to protect user data, they are controlling the usage of tracking pixels more stringently, which limits targeting

Subscriptions

The Growth In Subscribers For Non-News Products Showcases The Strength Of Their Digital Products



As they work towards their goal of 10 million subscribers by 2025, about 20% are expected to come from international