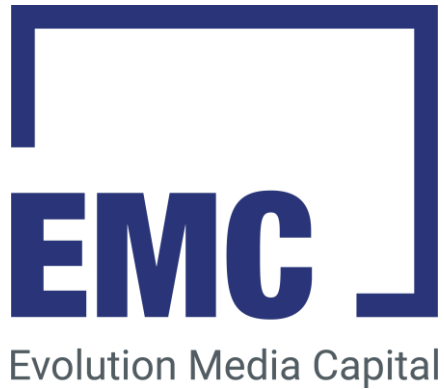


The New York Times Company (NYT) 2020 Q1 Earnings Summary

May 2020

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Key Takeaways

The New York Times Has Capitalized On The Demand For News By Converting Readers To Subscribers

ADVERTISING

- **Expecting a pronounced downturn in advertising for at least the next quarter, and the declines will be steeper in print than digital**
 - First quarter advertising revenue declined 15%, with economic slowdown beginning to play a role in March where the declines were much steeper
 - Believe that advertising in the second quarter will fall between 50% and 55% compared to a year ago with limited visibility beyond that
- **Through larger multi-platform collaborations, they have a greater concentration of ad business in a smaller number of categories**
 - Increasing focus on ad products that get their value from first-party data collected from readers and consumer insights

SUBSCRIBERS

- **Newest subscribers are more likely to be younger and more diverse, both geographically and in terms of race and ethnicity**
 - Over 100 million people in the addressable target audience of English speaking, college educated, with a demonstration of willingness to pay
- **The very strong core news net adds number in the quarter was a function of both high starts and low stops**
 - Have real confidence that many of these new readers will stay and become loyal, long-term users and subscribers
 - much more effective at getting people to find other things they're interested in on The Times and when users are registered and logged

PRINT

- **Single copy sales have been massively hit with the closure of retail outlets, but it's less than 15% of total revenue from print**
 - It's yet to be determined how many folks who have a very strong single copy habit and will then move to a home delivery subscription
 - Because of the value of the product and the loyalty of the subscriber base, have been able to pass-through price increases on an annual basis
- **Print newspaper is profitable without a dollar of advertising, so as long as there's sufficient demand, they'll have a print product**
 - On the ad side, most of the dollars that leave from the print advertising product do not return, so there's probably an acceleration there

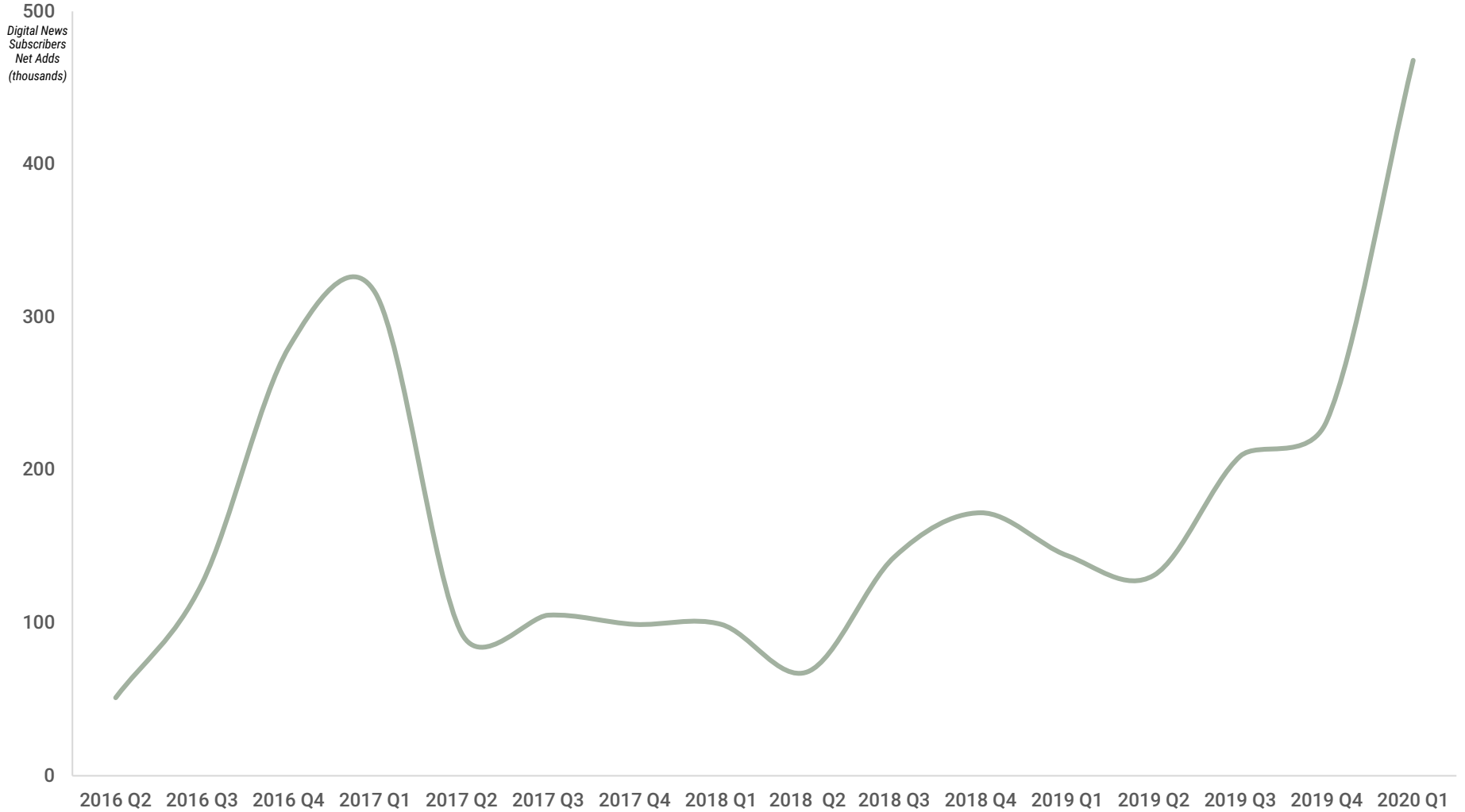
PROMOTIONAL PRICING

- **Leaning into strong demand and have been aggressive in use of promotional offers at the outer edges of their propensity circle**
 - More confident about their ability to work across the whole of the demand curve, and manage them through a step-up moment
- **Given the extraordinary circumstances, opened up access to the vast majority of virus coverage**
 - While fewer readers converted to subscription because they ran into a paywall, readers who registered still subscribed in record numbers
 - Don't expect the striking surge in traffic to continue indefinitely, but have been encouraged by the improving return rates of registered readers

Despite the change in morning routines for many listeners, The Daily audience has surged to 3M downloads a day

Net Adds

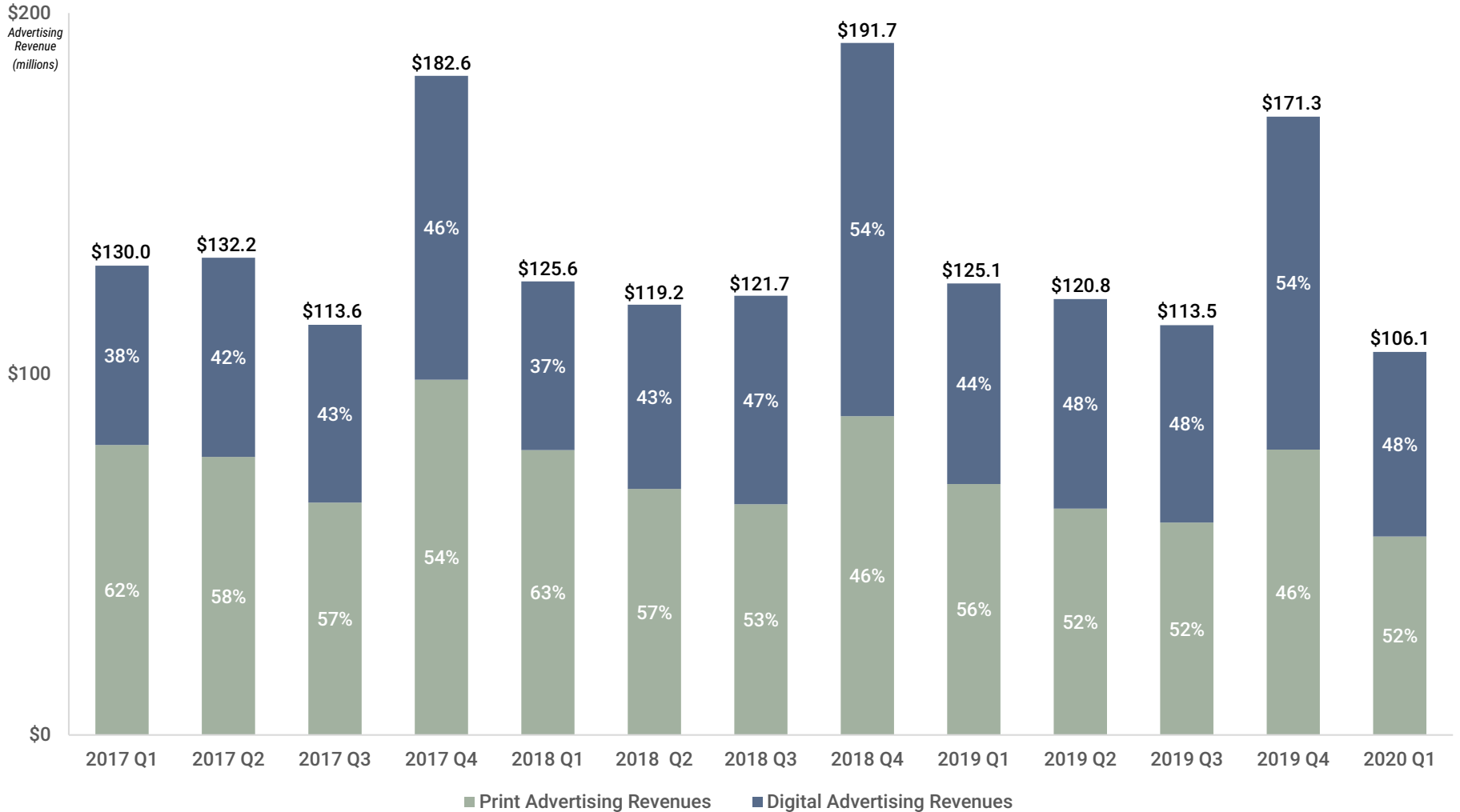
Promotional Pricing Has Been Instrumental In Driving New Subscribers, Especially Outside Of The U.S.



Initial tranche of price increases was in-line with expectations, but have put further price increases on hold for now

Advertising

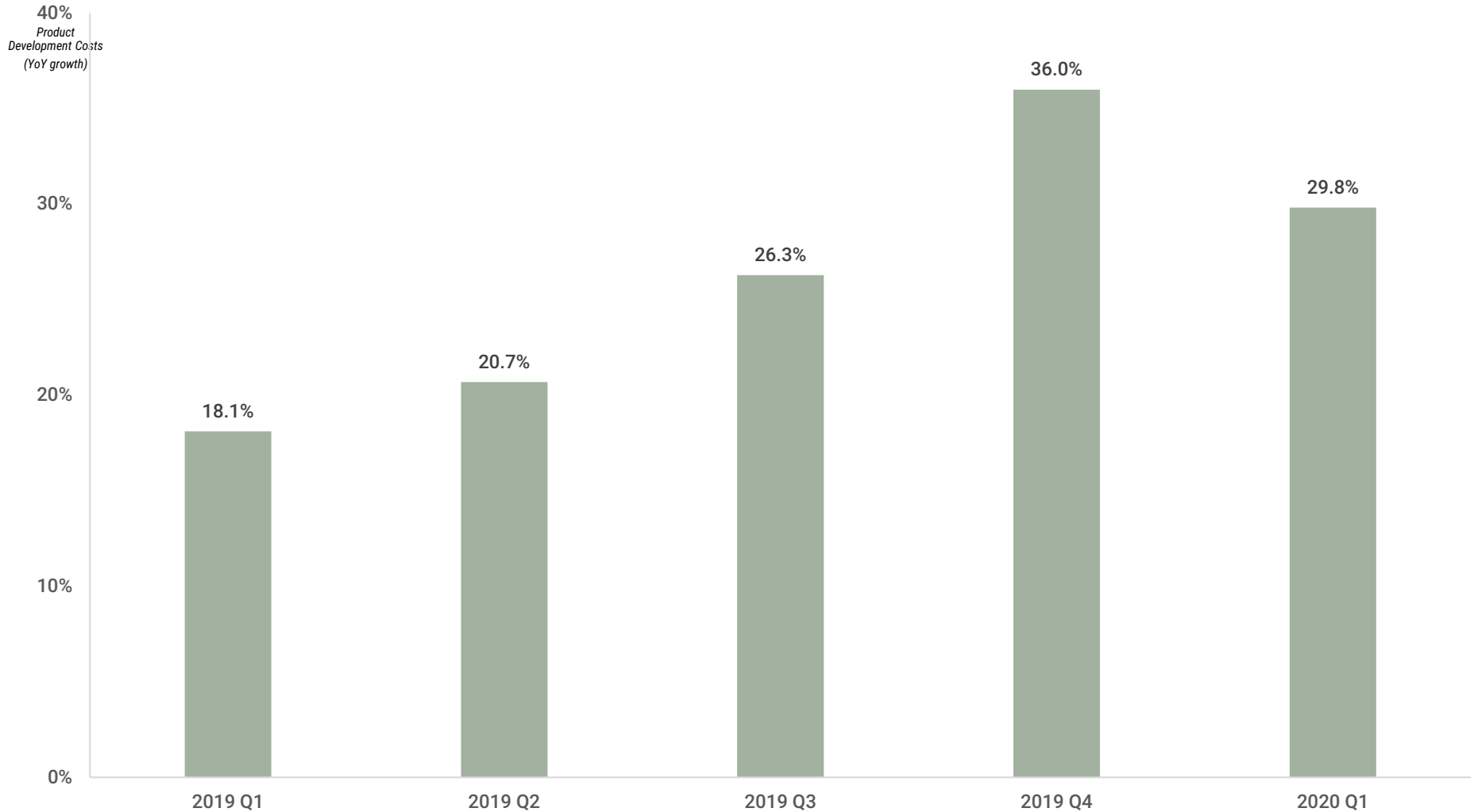
There Has Been A Diminishing Reliance On Advertising, But It's A Vital Complement To Subscription Product



Digital display struggled, but podcast ad revenue grew 30% in Q1, as The Daily continues to be a sought-after platform

Product Development

Acquisition Of Audm Provides Another Tool That Can Be Utilized To Improve The Reader Experience



Expect to end the year with a higher headcount, as they continue to invest in engineering data around the digital product