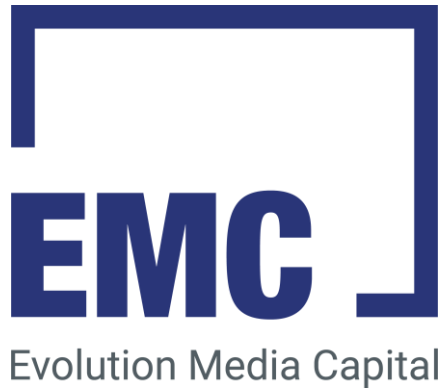




The New York Times Company (NYT) 2020 Q2 Earnings Summary

August 2020

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Key Takeaways

The New York Times Has 5.5M Digital Subscribers And Is On To Pace To Hit Their Target Of 10M By 2025

SUBSCRIBERS

- **While audience is a key driver in the model, it's not the only one, and they are more focused on registration and conversion**
 - Don't expect the pace of growth from the coronavirus to last forever, but they know they are entering the crucial months of a presidential election
- **Opportunity is immense, given the ecosystem, the falling away of a lot of competition, and also the attractiveness of their product**
 - Market for subscription journalism is big enough for them and others to participate, and it's at least 100 million people, half in the US, half globally
 - International subscriptions continued to make up approximately 18% of digital-only news subscriptions at quarter end

AUDIO

- **Goal is to continue to expand their audio offering and to chart an ambitious course for high-quality immersive audio journalism**
 - Acquired Serial Productions, the company that produces the groundbreaking Serial podcast, for \$25 million cash payment at closing
 - Entered an ongoing creative and strategic alliance with This American Life, where they will sell their podcast advertisements beginning next year
- **The Daily is a destination in and of itself, and can be a distribution channel to launch other great work into the world**
 - They have somewhere above 3.5 million average daily listenership for The Daily, which is almost twice where we were a year ago

ADVERTISING

- **Leaning further into their strategy of driving competitive strength and value from brand audience and direct relationships**
 - Future will be increasingly driven by differentiated digital ad products, including fewer ads but in larger format
 - There will be substantially better targeting of their audience using first-party data in privacy-forward ways
- **While the ad business is important to the company's profitability, it is unlikely to be a significant growth driver in the near term**
 - Print advertising declined approximately 55% across most categories with entertainment and luxury hit hardest

PRICING

- **Completed the first full year of their registration-based customer journey and are seeing a step function change in audience**
 - Getting more effective at getting readers to come back and reengage and to stimulate further use, and that's a really important part of the puzzle
- **Paused price increases when COVID hit, but will resume them this fall to a smaller, but still substantial cohort of people**
 - Still targeting approximately 50-50 on people they are asking to move to an intermediate step-up price and those they are stepping up to full price
 - As expected, the folks who have stepped up to an intermediate price, they retain a little bit better than the folks that step up to full price

There shouldn't be too much impact from the CEO transition this fall as their strategy is clear, and it's all about executing

Revenue

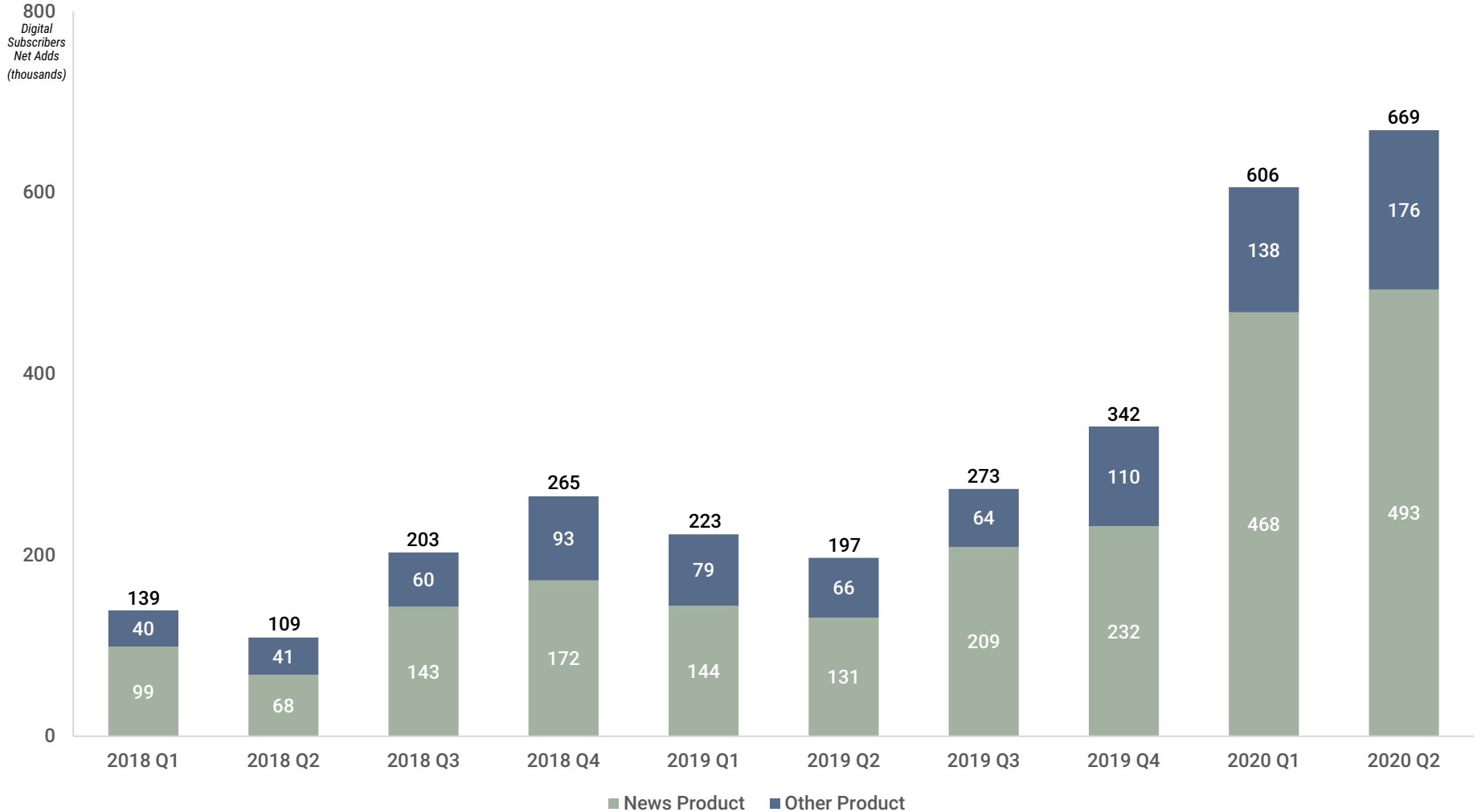
Digital Revenues Surpassed Print For The First Time, Highlighting The Transformation Of The Business



Print has been resilient, but recent closures of hotels and universities have had a significant impact on distribution

Digital Subscribers Net Adds

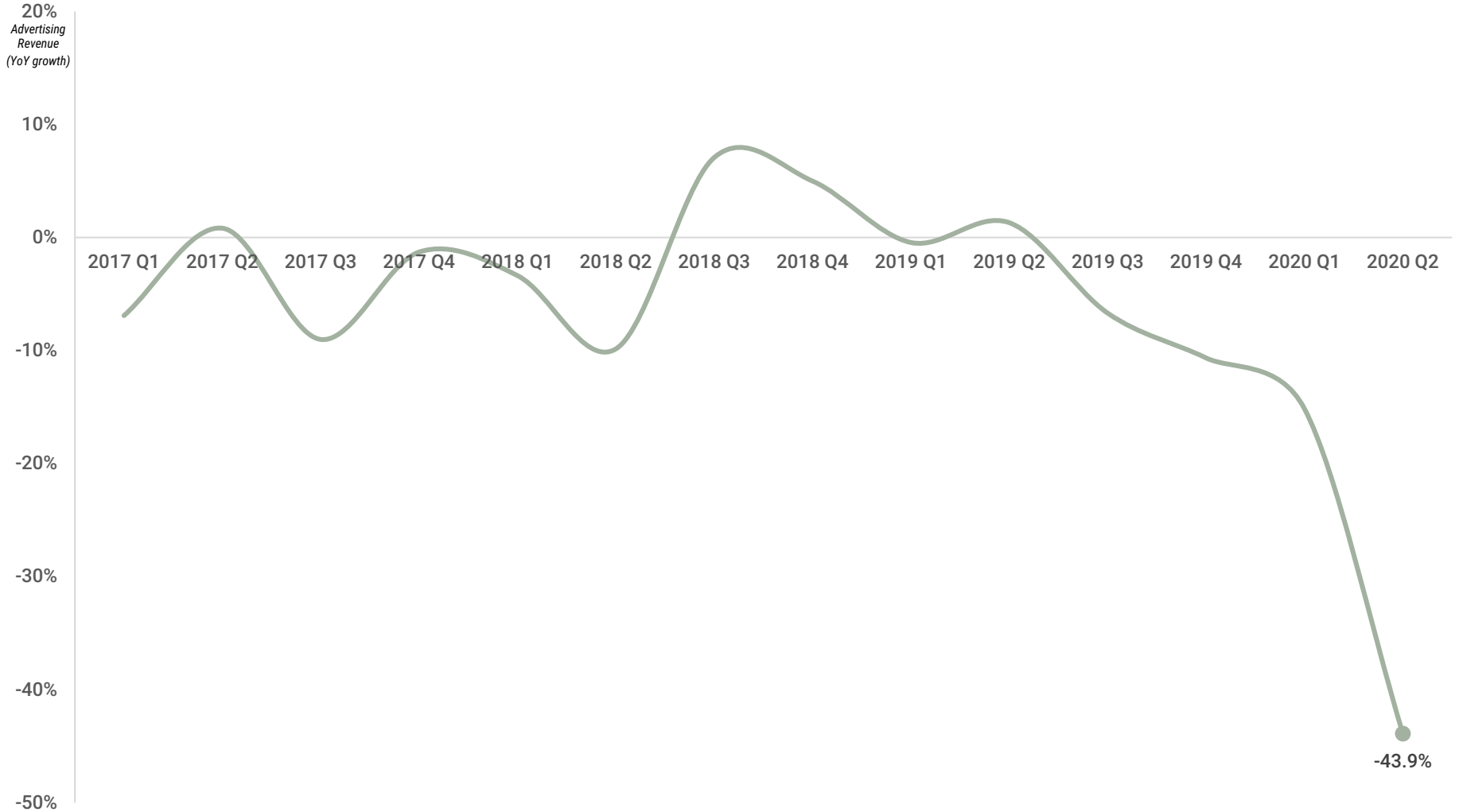
Recent Success Is Not Solely Due To News Cycle, As Cooking And Crossword Products Also Performed Well



They will continue to invest in their brands, but are not expecting to put podcasts behind a paywall in the near future

Advertising

Reductions In Their Ad Sales Workforce Were Necessary As They Focus On Large Brand Partnerships



Have pulled back on distribution deals with digital platforms where they do not own the customer relationship and data