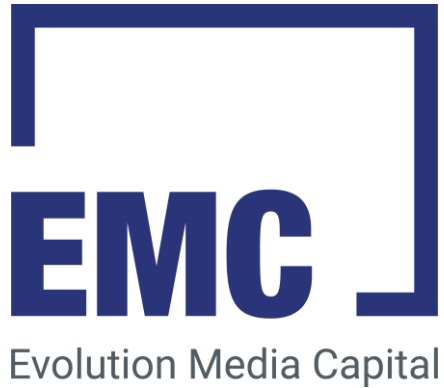




The New York Times Company (NYT) 2020 Q3 Earnings Summary

November 2020

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Key Takeaways

The New York Times Has Benefited From The Elongated News Cycle In 2020 As It Crosses 7M Subscribers

PRICING

- **Continuing to use promotional prices where there's opportunity to scale the base in a moment of intensity in the news cycle**
 - Dollar per week subscriptions retain at nearly the identical rates as historical 50% off promotion now more than 25 months after introduction
- **Digital pricing strategy will provide a tailwind to ARPU throughout 2021 as more subscribers graduate from promotional discounts**
 - In September, resumed rolling out this price increase on their most tenured subscribers who garner the most value from the product
 - Churn on the initial cohort of rate increases earlier this year has been significantly lower than expected

AUDIO

- **The Daily is helpful to driving affinity to the brand and has also proven to be a distribution mechanism for other audio products**
 - Harder to track directly how it drops people into the core news subscription funnel, but have every reason to believe it does
- **There's going to be real demand for audio advertising at high CPMs for some time to come, and their product set is expanding**
 - Have around 4 million daily downloads which is more than 2x what it was a year ago
 - It's also a highly engaged audience and most people listen 4 or 5 times a week

PRODUCT

- **Subscriptions go up significantly after big news events, but the model is becoming more resilient to big swings in the news cycle**
 - The cohorts of people who come in around particularly big news events, tend to retain at least as well, if not even better
 - After they crest, they settle in at a higher point than before, in part because with each passing quarter, they get steadily better at executing
- **Adding more registered users so the pool of people who they can then essentially engage and get to subscribe is growing**
 - Once they register, they are a lot more addressable, and there are more opportunities to engage them directly and get to the point of conversion

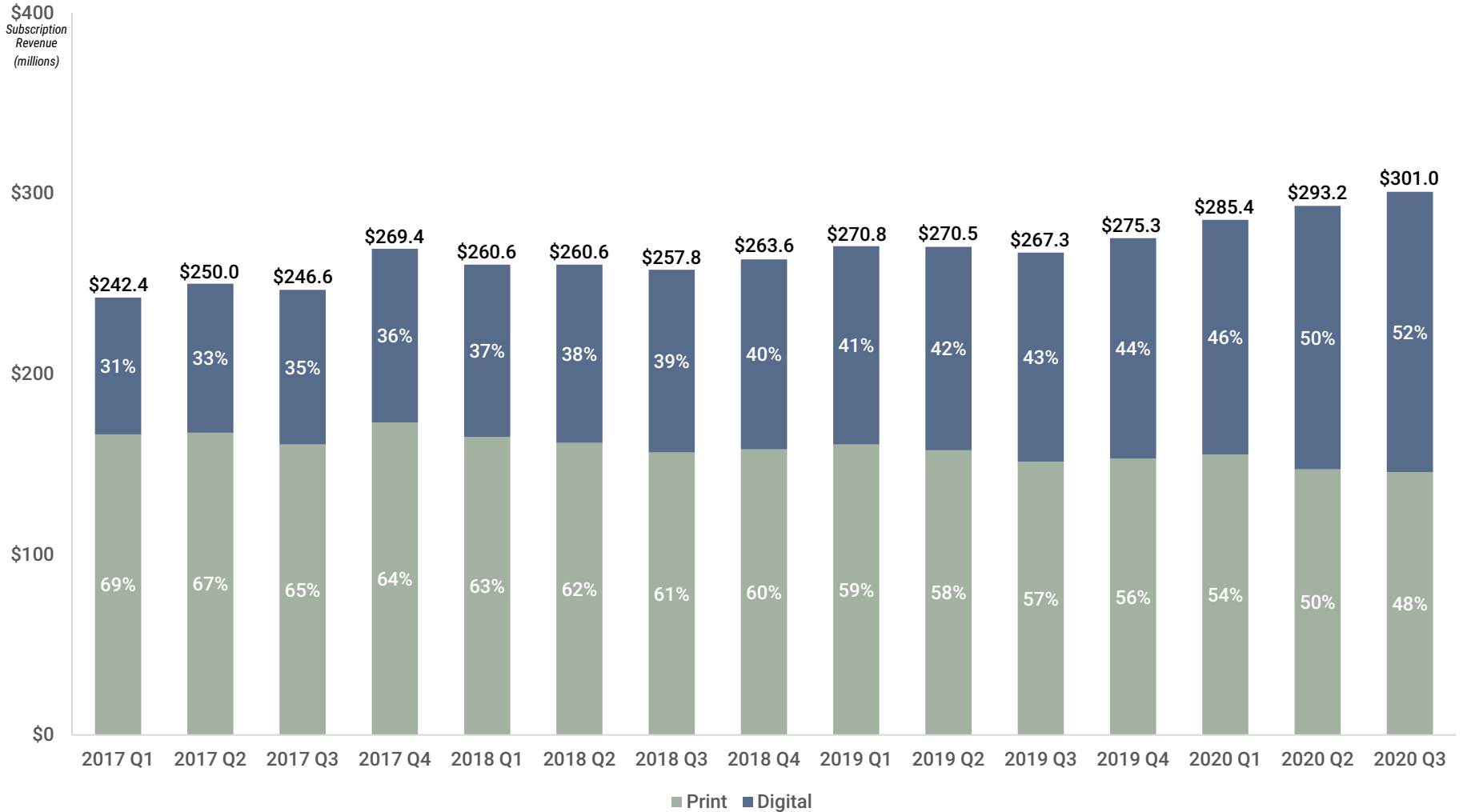
ADVERTISING

- **Advertising continues to be important to their economics, but do not expect it to be a significant driver of growth in the near term**
 - Still doing big partnerships and entered into a multiyear augmented reality collaboration with Facebook and advanced their work with Verizon on 5G
- **Selling their high-margin media with a superior ability for marketers to target audiences in privacy-forward ways using first-party data**
 - Foundation of a new thought leadership platform called Pivotal, which their ad team launched during the quarter to help marketers consider their creative and brand strategies in the context of broad consumer insights

Price increases are resuming as they gain more confidence in being able to retain their most engaged subscribers

Subscription

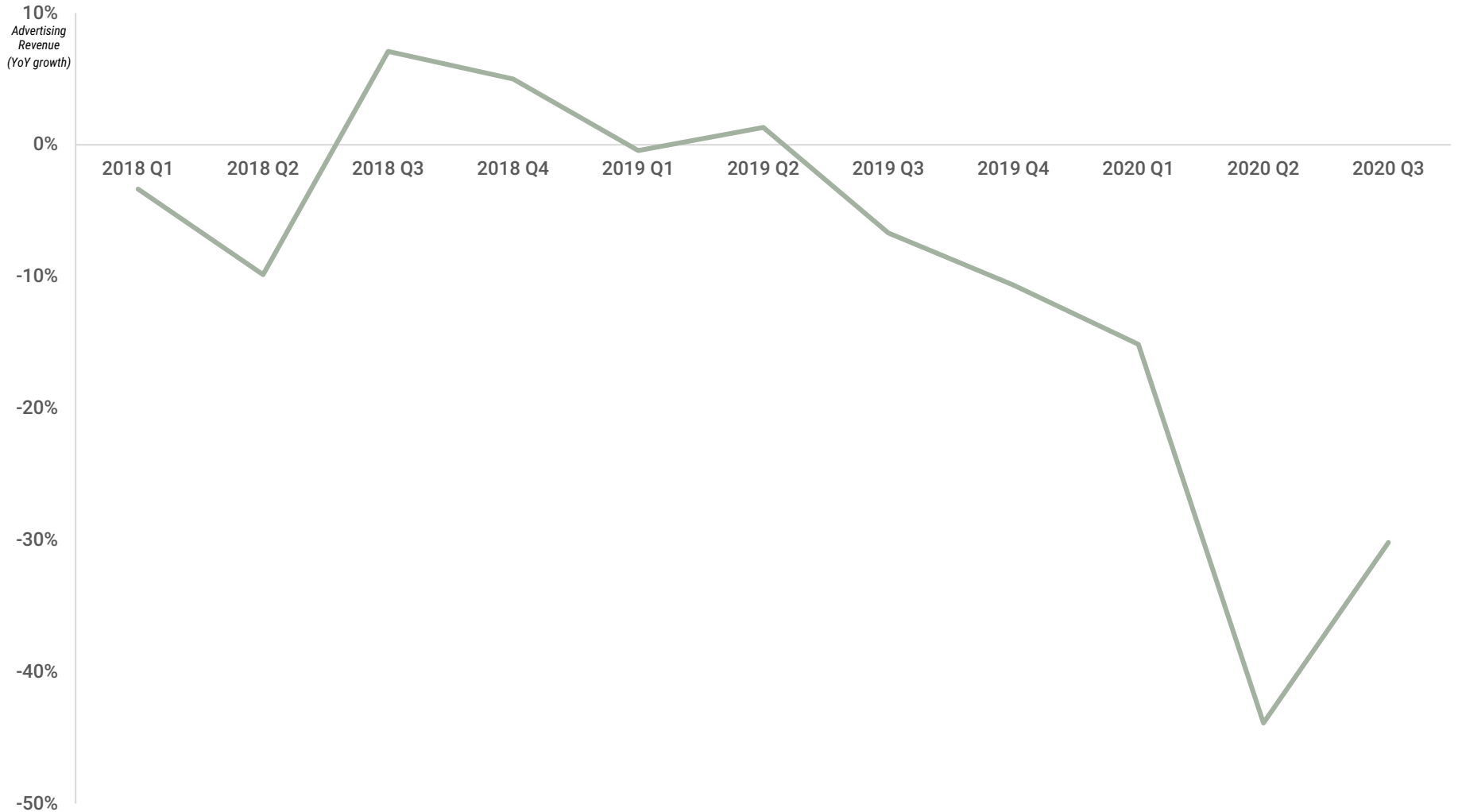
For The First Time, The Majority Of Subscription Revenue Is Coming From Their Digital Products



Daily circulation of the newspaper has fallen dramatically as remote work and reductions in travel continue to persist

Advertising

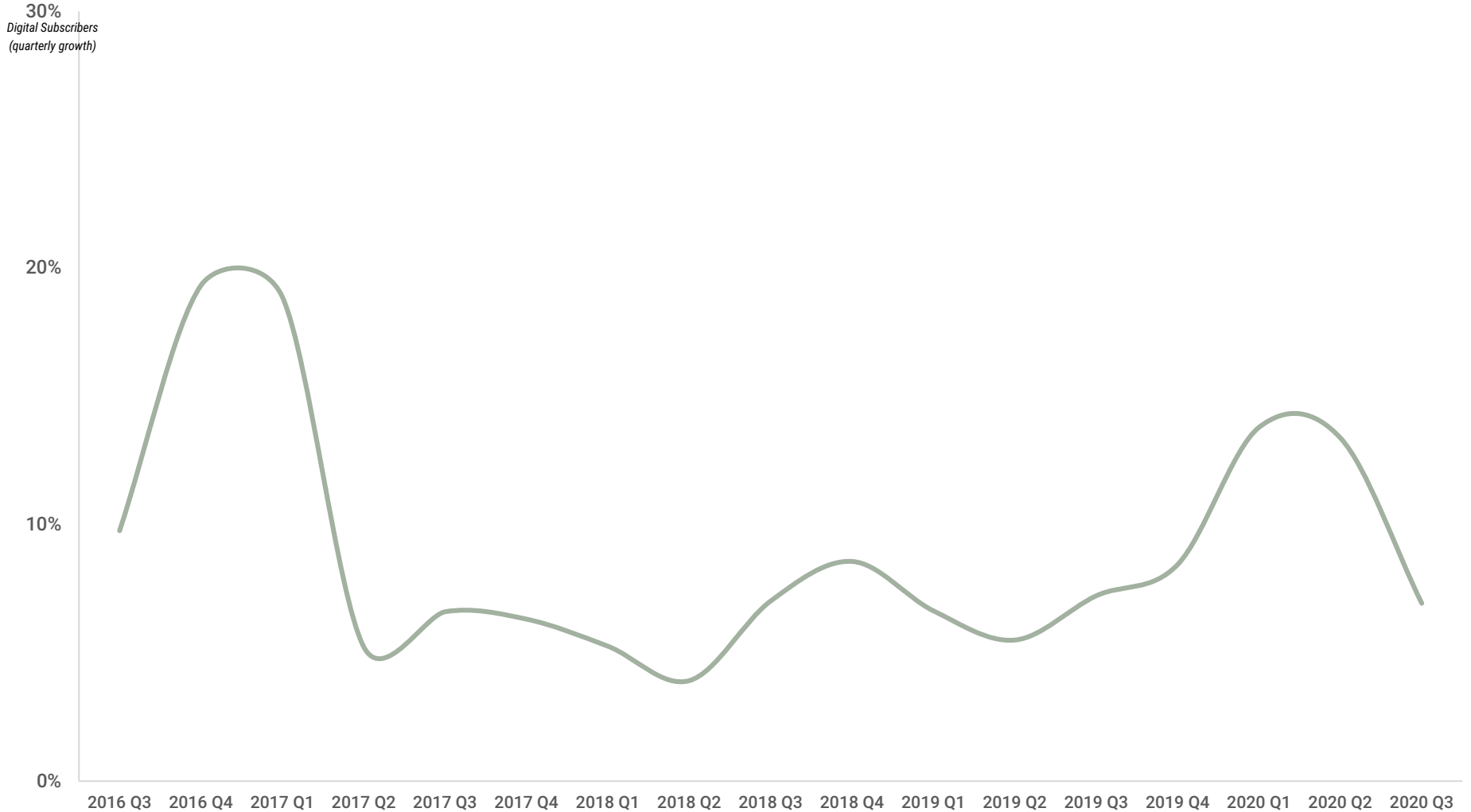
The Shift To Long-Term Partnerships Will Provide Some Insulation From The Cyclical Nature Of Advertising



Audio is a rapidly growing category and they have more inventory to sell after the acquisition of Serial Productions

Digital Subscribers

Product Improvements Have Reduced The Dependence On Major News Events To Drive Subscriber Growth



The breadth of their content is a differentiator and a key driver for converting registered users into paying subscribers