

MARKET EXPECTATIONS FOR THE NEW YORK TIMES SUBSCRIBERS

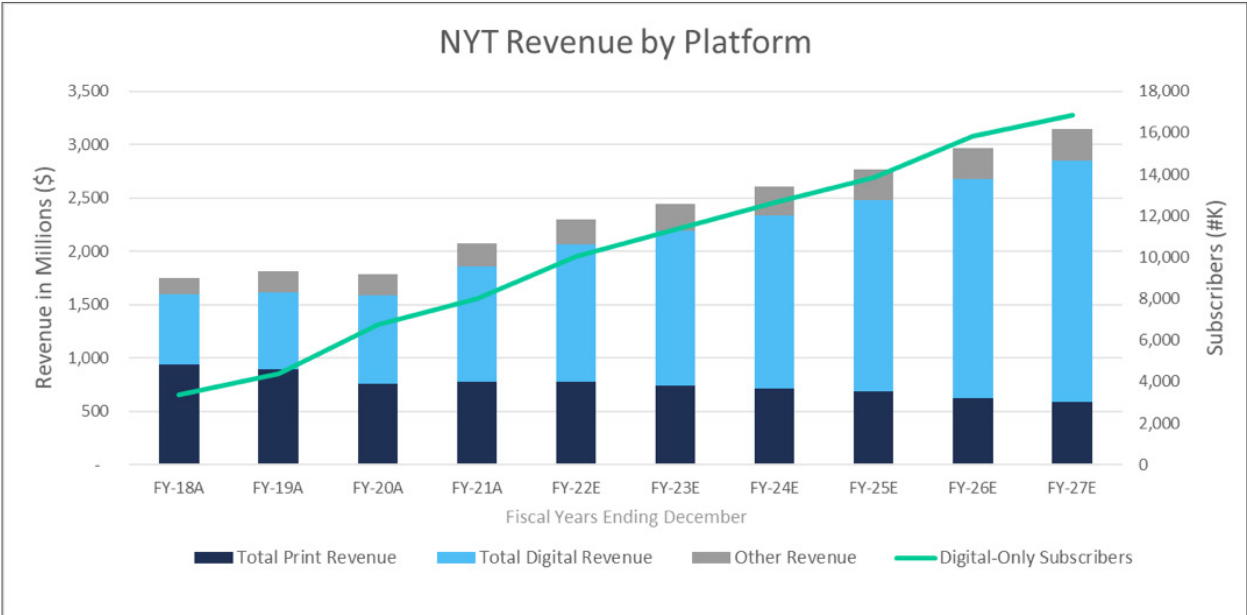


visible alpha

In Business Breakdowns’ recent podcast episode “[The New York Times: The Empire Strikes Back](#),” released Feb. 23, 2022, host Jesse Pujji interviews Alex Lieberman, co-founder of Morning Brew.

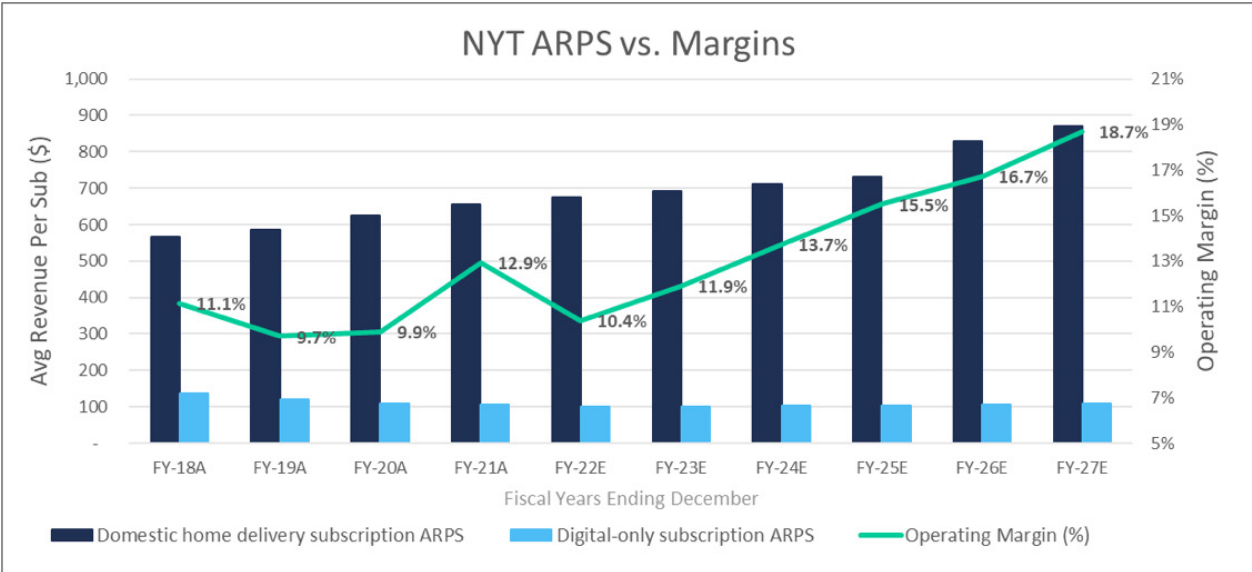
Together, they covered “the scale and history of The New York Times, how it has navigated the shift from physical to digital distribution, and what its non-digital advertising business looks like today.”

During the episode, listeners learn how The New York Times embarked on a strategy in 2014 to shift from declining print subscriptions with a free-ad supported model to a digital and subscription-based model. This resulted in a material uptick in digital subscriptions. This strategy, bolstered by factors such as the coronavirus pandemic and the U.S. presidential election, resulted in digital revenue surpassing print revenue in 2020. According to Visible Alpha consensus data, digital revenue and digital-only subscribers are expected to continue to grow with a continued decline in print.



Source: Visible Alpha consensus (Feb. 24, 2022)

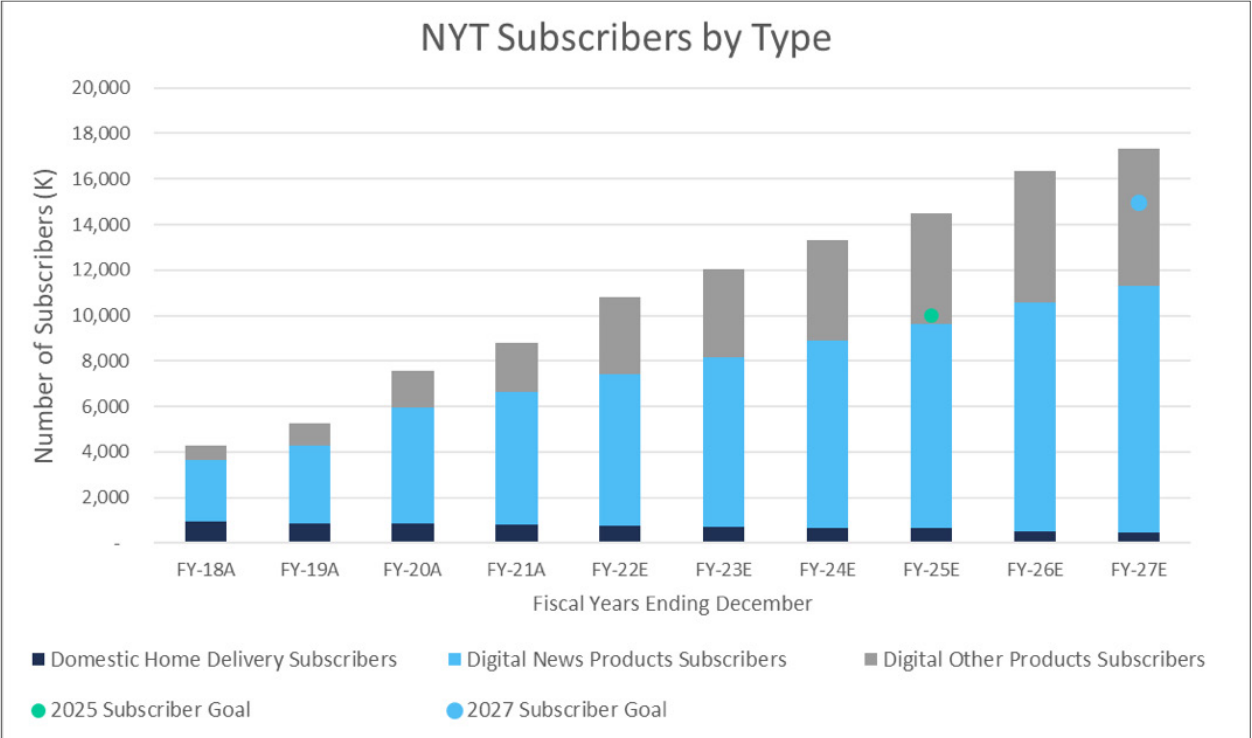
The company is focused on increasing its total addressable market through expanding its non-news business, including Sports, New York Times Games and NYT Cooking. While average revenue per subscriber (ARPS) for print is five times higher than digital ARPS, the costs to support and grow digital subscriptions are much lower, resulting in higher profitability. Driven by the growth in lower-cost digital assets, analysts expect NYT operating margins to accelerate from a low of 10.4% in FYE 2022 to 18.7% in FYE 2027.



Source: Visible Alpha consensus (Feb. 24, 2022)

Visible Alpha data indicates that the market is optimistic for continued growth in the digital business at NYT. While domestic home delivery (print) is expected to decline by 8% per year over the next six years, overall subscriber growth will experience a 12% CAGR over the same period, led by digital and an increased total addressable market.

The acquisition of The Athletic, announced Jan. 6, 2022, is expected to push NYT total subscribers above the 10 million mark in 2022 – three years ahead of the company’s target. In addition, analysts expect NYT to exceed 15 million subscribers in 2026 – a year ahead of the company’s 2027 goal – according to Visible Alpha consensus.



Source: Visible Alpha consensus (Feb. 24, 2022)

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