The New York Times Company
Second Quarter 2025 Earnings Conference Call
August 6, 2025

Anthony DiClemente

Thank you, and welcome to The New York Times Company's second quarter 2025 earnings conference call.

On the call today, we have:
- Meredith Kopit Levien, president and chief executive officer and
- Will Bardeen, executive vice president and chief financial officer

Before we begin, I would like to remind you that management will make forward-looking statements during the course of this call. These statements are based on our current expectations and assumptions, which may change over time. Our actual results could differ materially due to a number of risks and uncertainties that are described in the Company's 2024 10-K and subsequent SEC filings.

In addition, our presentation will include non-GAAP financial measures and we have provided reconciliations to the most comparable GAAP measures in our earnings press release, which is available on our website at investors.nytco.com. In addition to our earnings press release, we have also posted a slide presentation relating to our results on our website at investors.nytco.com.

And finally, please note that a copy of the prepared remarks from this morning's call will be posted to our investor website shortly after we conclude.

With that, I will turn the call over to Meredith.

Meredith Kopit Levien

Thanks Anthony, and good morning, everyone.

We had a great second quarter across the board, and our strategy continues to work as designed.

Our world-class news coverage and diverse portfolio of lifestyle products in big spaces are continuing to attract large audiences who engage deeply.

We grew all of our major revenue lines — subscription, advertising, affiliate, and licensing — with real running room ahead.

And, we're generating significant free cash flow, which, combined with a strong balance sheet, means we can keep investing in the unparalleled journalism and best-in-class product experiences that enable our leadership and underpin our enduring advantages.

Our results so far this year demonstrate that we're well positioned to keep delivering revenue and profit growth for the long term.

Now let me share a few highlights from the quarter.

We added 230,000 net new digital subscribers, bringing our total subscriber base to approximately 11.9 million. This puts us further along the path to our next milestone of 15 million. And this quarter, we crossed the threshold of having at least 50% of our subscribers on the bundle or multiple products — which is important because these subscribers engage more, stay longer, and pay more over time.

Digital subscription revenue increased by over 15 percent in the quarter, as more and more users experienced our world-class news coverage and the significant value we continue to add across our portfolio. And we saw strong and consistent engagement across the enterprise, giving us confidence in our ARPU trajectory.

That high engagement is the result of executing well against our priorities for the year. As a reminder, those priorities are to expertly and ambitiously cover the most important news; make our reporting more accessible to more people by expanding in video and audio; and make each of our products more valuable with new content, shows, features, games, and other enhancements. All of that is intended to drive a larger engaged audience for The Times, including a larger pool of engaged prospects.

Our video expansion is worth highlighting here because it represents an important and ambitious approach to how we reach and engage people. The expertise and global presence of our newsroom, combined with increasing online video consumption, create a big opportunity for The Times to capture a greater share of attention. We believe our efforts in this area can make watching The Times as natural and compelling an experience as reading and listening.

To that end, we're rapidly scaling video across three categories aimed at different user needs and moments. First, we're producing substantially more news videos that bring people into the major stories of the day, often by putting our reporters in front of the camera to explain and humanize their work. Second, we're producing more full-length shows, including video versions of podcasts like The Ezra Klein Show and Ross Douthat's Interesting Times, and also Wesley Morris' weekly take on culture. Third, we're using video much more extensively to enhance the experience across our lifestyle products, including sports highlights from major leagues on The Athletic, and new video franchises on Cooking.

While we're still early in these efforts, they're already showing promise in building our presence and brand equity on video-first platforms, and also creating a more compelling and engaging experience on our own sites and apps.

Turning to advertising: we had a really strong quarter, with digital advertising growing nearly 19 percent, and total advertising growing more than 12 percent. This performance reflects how our strategy to create a larger, more durable digital ad business is working. That entails having a portfolio of compelling brands in spaces with broad marketer appeal — particularly sports and games; a large, engaged audience that marketers can target effectively; and a growing supply of high-performing ad products across a range of formats.

Licensing and affiliate revenues also grew in the quarter.

We signed a multi-year deal with Amazon in Q2 that marks our first agreement with generative AI at the center. It's a deal that will bring Times' journalism and recipes, and The Athletic's sports coverage, to wider audiences across Amazon's products, services, and proprietary foundation models. And it reflects our longstanding openness to enter into commercial partnerships where there's fair value exchange and control over how our IP is used.

At Wirecutter, we continue to see growth, particularly in expansion areas like gifts, apparel, and beauty.

Finally, we maintained cost discipline in the quarter, while strategically investing into our journalism and product experiences, which are the source of our long-term advantage.

I'll close with a few thoughts on our path ahead in the context of the current media environment.

First and most importantly, we're confident that we're well-positioned to continue to grow – despite the moves of big tech companies which are leading to less and less traffic for publishers. That's because we see large and persistent demand for what we do, and are becoming more differentiated in meeting that demand.

It's also because our top priority is — and has been for a long time now — to build direct, engaged relationships with millions more people who seek us out, form a habit, and make room for our coverage and products in their lives. Every engaged audience member is valuable to us, and as we become more essential in their lives, they power all of our revenue streams — subscription, advertising, licensing, and affiliate.

All of that means we're confident that continued execution against our strategy will deliver even more value to even more people, and result in a larger and more profitable business.

With that, I'll turn it over to Will for more details on the quarter.

Will Bardeen

Thanks Meredith and good morning everyone.

As Meredith described, our 2025 second-quarter results demonstrate another strong quarter for subscriber growth, revenue growth, AOP growth, margin expansion and free cash flow generation.

The continued strength of our audience and subscriber engagement in the quarter helped power healthy growth across our multiple revenue streams. We also continued to operate efficiently while making disciplined investments aimed at further differentiating our high-quality journalism and digital products. Year-over-year, revenue grew nearly 10 percent, AOP grew by approximately 28 percent, and AOP margin expanded by approximately 280 basis points.

We generated approximately $193 million dollars of free cash flow in the first half of the year which reflects our capital efficient model. Over that same period, we returned approximately $134 million dollars to shareholders, consisting of approximately $83 million dollars in share repurchases and approximately $52 million dollars in dividends. This is consistent with our capital allocation strategy of returning at least 50% of free cash flow to our shareholders over the mid-term.

Now I'll discuss the second quarter's key results, followed by our financial outlook for the third quarter of 2025. Please note that all comparisons are to the prior year period unless otherwise specified.

I'll start with our subscription business.

We added approximately 230,000 net new digital subscribers in the quarter, bringing our total subscriber count to approximately 11.9 million. Subscriber growth came from multiple products across our portfolio, particularly from growth in bundle and multiproduct subscribers. I'll also note that we are in the early stages of rolling out our new family plan subscription offering.

Total digital-only ARPU grew 3.2 percent to 9 dollars and 64 cents, as we stepped up subscribers from promotional to higher prices, and raised prices on certain tenured subscribers. We continue to be encouraged by the results we're seeing at pricing step-up points and are also pleased with the strong engagement we are seeing as we continue to add value to our products. As a result, we remain confident in our ARPU trajectory.

With both higher digital subscribers and higher digital-only ARPU in the second quarter, digital-only subscription revenues grew approximately 15 percent to $350 million dollars. Total subscription revenues grew approximately 10 percent to $481 million dollars, which was in line with the guidance we provided for the quarter.

Now turning to advertising.

Total advertising revenues for the quarter were $134 million dollars, an increase of approximately 12 percent, which is higher than the guidance we provided for the quarter. Digital advertising revenues also came in above the guidance we provided, increasing approximately 19 percent to $94 million dollars. Digital advertising revenues increased primarily due to new advertising supply in areas of strong marketer demand.

Affiliate, licensing, and other revenues increased approximately 6 percent in the quarter to $70 million dollars as licensing and Wirecutter affiliate revenues continued to perform well.

Adjusted operating costs grew 6.1 percent. This was just above the 5 to 6 percent guidance range that we provided last quarter.

Adjusted diluted EPS in Q2 increased 13 cents to 58 cents, primarily driven by higher operating profit and higher interest income.

I'll now look ahead to Q3.

Digital-only subscription revenues are expected to increase 13 to 16 percent, and total subscription revenues are expected to increase 8 to 10 percent.

Digital advertising revenues are expected to increase low double digits, and total advertising revenues are expected to increase low to mid single digits.

Affiliate, licensing, and other revenues are expected to increase high single digits.

Adjusted operating costs are expected to increase 5 to 6 percent. We intend to continue operating efficiently while making disciplined investments in our high-quality journalism and digital product experiences that add value for our audiences.

I would also like to note that we expect to have only one reportable segment as of next quarter.

In summary, our essential subscription strategy is working as designed. With a valued product portfolio, multiple revenue streams, significant free cash flow generation and a strong balance sheet, we believe we are well-positioned to navigate a dynamic market environment. We continue to expect healthy growth in revenues and AOP, margin expansion and strong free cash flow generation for the full year.

With that, we're happy to take your questions.

Anthony DiClemente

Thank you for joining us this morning. See you next quarter.