The New York Times Company (NYT)

Updated February 21st, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	$48	**5 Year CAGR Estimate:**	7.3%	**Market Cap:**	$8.0 B
Fair Value Price:	$42	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	04/01/2025
% Fair Value:	116%	**5 Year Valuation Multiple Estimate:**	-3.0%	**Dividend Payment Date:**	04/17/2025
Dividend Yield:	1.5%	**5 Year Price Target**	$64	**Years Of Dividend Growth:**	7
Dividend Risk Score:	D	**Retirement Suitability Score:**	F	**Rating:**	Hold

Overview & Current Events

The New York Times Company is a global media organization that generates revenue primarily from digital and print subscriptions, advertising, and other related services. At the end of December, 2024, it had over 11.4 million subscribers worldwide, with a portfolio including its flagship news product, The Athletic (sports media), Cooking (recipes), Games (puzzles), Wirecutter (product reviews), and an audio platform. Subscriptions account for over 69% of its revenue mix, advertising stands at nearly 19%, while other sources, including licensing and affiliate referrals comprise the remaining 12%. The company generated total revenues of $2.59 billion last year. It is headquartered in New York City.

On February 5th, 2025, The New York Times raised its dividend by 38.5% to a quarterly rate of $0.18.

On the same day, The New York Times reported its Q4 and full year results for the period ending December 31st, 2024. For the quarter, revenue was $726.6 million, up 7.5% year-over-year, driven by a 16.0% increase in digital subscription revenue, which reached $334.9 million, with total subscribers rising 10.9% to 11.43 million. Digital-only subscription revenue contributed $334.9 million, up 16.0% year-over-year. Advertising revenue totaled $165.1 million, up 0.6% year-over-year, as digital advertising revenue growth of 9.5% was mostly offset by print advertising revenues falling 16.4%.

Adjusted EPS rose 14.3% year-over-year to $0.80 for the quarter and 23.3% year-over-year to $2.01 for the year. GAAP EPS was $1.79. For FY2025, we expect adjusted EPS of $2.08. All past figures in our table follow GAAP reporting.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.38	$0.18	$0.03	$0.76	$0.84	$0.60	$1.31	$1.04	$1.41	$1.79	***$2.08***	***$3.20***
DPS	$0.16	$0.16	$0.16	$0.16	$0.20	$0.24	$0.28	$0.36	$0.44	$0.52	***$0.72***	***$1.16***
Shares[1]	166.4	162.8	164.3	166.9	167.5	168.0	168.5	167.1	165.7	165.8	***165.8***	***165.0***

The New York Times Company has seen its GAAP EPS undergo significant fluctuations over the past decade. In 2015, EPS rose to $0.38 in 2015 as NYT achieved modest revenue growth due to digital subscription expansion and the successful launch of native advertising products. In 2016, EPS dropped to $0.18 as the company faced declining print advertising revenues and increased investments in digital products to fuel future growth. A sharp decline followed in 2017, with EPS falling to $0.03. This steep drop was due to one-time expenses, like higher severance costs from staff restructuring and investments in tech and content creation. While digital subscription growth remained strong, profitability was pressured by these restructuring efforts and NYT's pivot to a subscription-first business model.

The situation improved in 2018 and 2019, with EPS rising to $0.76 and $0.84, respectively. This recovery was driven by a surge in digital subscriptions, as the company capitalized on political and global events that increased demand for high-quality journalism. The COVID-19 pandemic in 2020 caused a decline in EPS to $0.60, as advertising revenue dropped by $138 million due to market disruptions, even as the company added 2.3 million net digital-only subscriptions. However, this also highlighted the resilience of its subscription-focused model, which partially offset the ad revenue loss. By 2021, EPS rebounded to $1.31, driven by record-breaking subscription growth across digital products like Cooking and Games

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

and advertising recovery. In 2022, EPS decreased to $1.04, impacted by substantial investments in new acquisitions and technology. The $550 million purchase of The Athletic significantly broadened the company's sports journalism portfolio, but temporarily weighed on margins. By 2023, EPS climbed to $1.41, reflecting the successful integration of acquisitions and the continued strength of its bundled subscription offerings. This momentum pushed EPS to $1.79 in 2024.

Moving forward, we believe that NYT can grow its EPS by 9%, driven by expanding its digital subscription base, further monetization of acquisitions like The Athletic and Wordle, and ongoing growth in digital advertising revenues. We have applied a 10% growth in our dividend growth estimate. The company has raised its dividend for 7 consecutive years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	34.3	---	---	29.4	34.8	---	35.6	38.5	26.6	26.9	***23.3***	***20.0***
Avg. Yld.	1.2%	1.3%	1.0%	0.7%	0.7%	0.7%	0.6%	0.9%	1.2%	1.1%	***1.5%***	***1.8%***

The New York Times has traditionally commanded premium valuation multiples. We attribute this to the broader trend of major media organizations trading and being acquired at substantial premiums. This is the case not only due to their reliable revenue streams and robust brand equity but also by the high strategic value placed on their ability to influence engaged, high-value audiences—an asset highly prized by potential acquirers. In any case, we believe that the stock's growth metrics modestly overvalue shares at 28x this year's expected EPS. We have set our fair multiple at 20x EPS.

Safety, Quality, Competitive Advantage, & Recession Resiliency

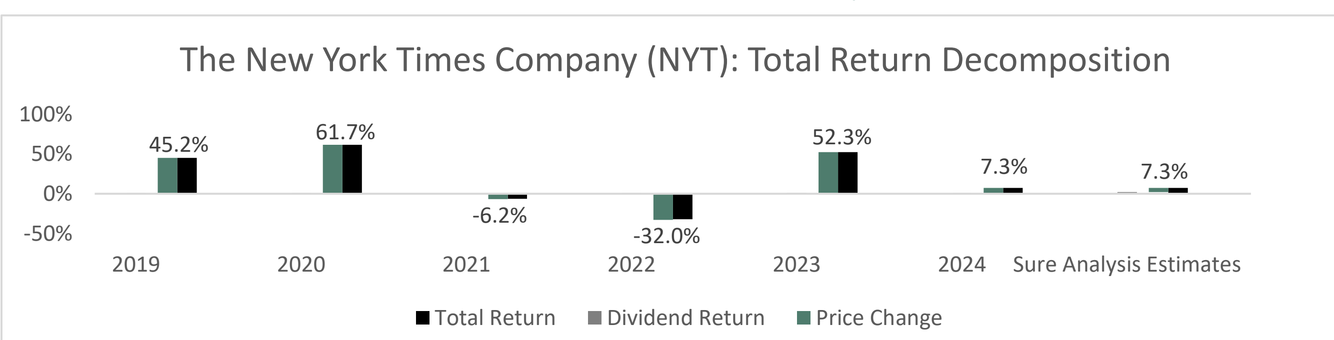
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	42%	---	---	21%	24%	---	21%	35%	31%	29%	***35%***	***36%***

The New York Times Company's competitive advantages include its globally recognized brand, loyal subscriber base, and diversified digital offerings like Cooking, Games, and The Athletic that boost engagement and cross-selling opportunities. The NYT is also widely regarded by readers as a high-quality journalism outlet, which positions it as a premium provider. This distinction is rather significant in a highly competitive media landscape dominated by major players like Google and Meta, who absorb the bulk of advertising dollars. Still, NYT will keep facing challenges from shifting industry dynamics, including content oversaturation. Regardless, the company should perform well during a recession given its subscription model and solid reader base.

Final Thoughts & Recommendation

The New York Times Company has one of the more interesting investment cases among its peers, with its strong brand, resilient subscription-first model, and successful digital transformation. We forecast an annualized return potential of 7.3%, as our growth estimate of 9% and the starting yield of 1.5% could be partially offset by valuation headwinds. For this reason, we assign NYT stock a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	1,589	1,579	1,555	1,676	1,749	1,812	1,784	2,075	2,308	2,426
Gross Profit	945	961	926	1,059	801	824	824	1,035	1,099	1,177
Gross Margin	59.5%	60.9%	59.5%	63.2%	45.8%	45.5%	46.2%	49.9%	47.6%	48.5%
SG&A Expense	771	754	728	815	472	479	453	545	557	571
D&A Expense	79	62	62	62	59	68	71	67	93	95
Operating Income	94	146	136	182	185	178	176	272	256	291
Operating Margin	5.9%	9.2%	8.7%	10.9%	10.6%	9.8%	9.9%	13.1%	11.1%	12.0%
Net Income	33	63	29	4	126	140	100	220	174	232
Net Margin	2.1%	4.0%	1.9%	0.3%	7.2%	7.7%	5.6%	10.6%	7.5%	9.6%
Free Cash Flow	45	152	74	2	80	144	263	234	114	338
Income Taxes	(4)	34	4	104	49	24	15	71	62	70

Balance Sheet Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Assets	2,566	2,418	2,185	2,100	2,197	2,089	2,308	2,564	2,534	2,715
Cash & Equivalents	177	106	101	183	242	230	286	320	221	289
Acct. Recv.	213	207	197	185	222	213	184	233	218	242
Goodwill	116	109	135	144	140	139	172	181	726	699
Total Liabilities	1,838	1,589	1,341	1,202	1,154	915	980	1,023	934	951
Accounts Payable	94	96	104	125	112	117	123	127	115	117
Long-Term Debt	650	431	240	243	247	-	-	-	-	-
Shareholder's Equity	726	827	848	897	1,041	1,172	1,326	1,539	1,598	1,763
LTD/E Ratio	0.90	0.52	0.28	0.27	0.24	-	-	-	-	-

Profitability & Per Share Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Assets	1.3%	2.5%	1.3%	0.2%	5.9%	6.5%	4.6%	9.0%	6.8%	8.9%
Return on Equity	4.2%	8.1%	3.5%	0.5%	13.0%	12.6%	8.0%	15.3%	11.1%	13.8%
ROIC	2.3%	4.8%	2.5%	0.4%	10.3%	11.4%	8.0%	15.3%	11.1%	13.8%
Shares Out.	161.3	166.4	162.8	164.3	166.9	167.5	168.0	168.5	167.1	165.7
Revenue/Share	9.85	9.49	9.55	10.20	10.47	10.82	10.61	12.31	13.81	14.65
FCF/Share	0.28	0.91	0.45	0.01	0.48	0.86	1.57	1.39	0.68	2.04

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.