

New York Times buys sports site The Athletic for \$550M

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A sign for The New York Times hangs above the entrance to its building on May 6, 2021 in New York. The New York Times Co. is buying sports site The Athletic for \$550 million, drilling down on subscriptions as the newspaper print ads business fades. The Athletic covers national and local sports—more than 200 teams, according to the Times' press release. Credit: AP Photo/Mark Lennihan, File

The New York Times Co. is buying sports news site The Athletic for \$550 million, the latest move in its strategy to expand its audience of paying subscribers as the newspaper print ads business fades.

The Times, unlike many local news outlets, has thrived in the past several years. It gained millions of subscribers during the Trump presidency and the pandemic, keeping it on track for its previously stated goal of 10 million by 2025.

As of the most recent quarter, the Times had nearly 8.4 million. It has been diversifying its coverage with lifestyle advice, games and recipes, helping it counter a pullback from the politics-driven news traffic boom of 2020.

"We are now in pursuit of a goal meaningfully larger than 10 million subscriptions and believe The Athletic will enable us to expand our addressable market of potential subscribers," said New York Times Co. CEO Meredith Kopit Levien in a news release Thursday.

It's one of the Times' largest-ever acquisitions. The company spent \$1.1 billion on the Boston Globe in 1993 and \$410 million for About.com in 2005, both of which it later sold for less.

Digital media outlets have been consolidating recently to help them compete for online ad revenue with tech giants like Google and Facebook. German media conglomerate Axel Springer bought Politico; Vox Media is buying Group Nine Media, owner of Thrillist and animals site The Dodo; BuzzFeed bought HuffPost.

San Francisco-based The Athletic covers national and local sports—more than 200 teams, according to the Times. It was founded in 2016 and has 1.2 million subscribers. Its website says it has over 400 editorial employees, making it a major acquisition for The Times, which

has more than 2,000 editorial employees.

There is a bit of irony that an upstart sports media company is being bought by one of the world's largest legacy media companies. Alex Mather, a co-founder of The Athletic said during a 2017 interview with the Times that, "We will wait every local paper out and let them continuously bleed until we are the last ones standing. We will suck them dry of their best talent at every moment. We will make business extremely difficult for them."

The two sides had started discussing a deal last summer before talks fell through. The Athletic, had also been in discussions with Axios last year.

After the sale closes, which is expected in the current quarter, The Athletic will be a Times Co. subsidiary and operate separately. Mather will stay on as general manager and co-president and co-founder Adam Hansmann as chief operating officer and co-president.

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