

Newspaper industry

Not working: can the commuter free sheet survive?

Titles such as the Evening Standard struggle to bounce back from pandemic as working from home endures and costs rise



The distribution of the Evening Standard, City AM and Metro is barely two-thirds that of the eve of the pandemic © Richard Baker / In Pictures via Getty Images

Arjun Neil Alim 8 HOURS AGO

In January 2020 commuters passing through London's Bank tube station could choose from three free newspapers with a combined circulation of around 2.4mn.

Almost three years on, and months after the last of Covid-19 restrictions were lifted in England, both passengers and papers are much thinner on the ground. The distribution of the Evening Standard, City AM and Metro is barely two-thirds of what it was on the eve of the pandemic, according to data from the Audit Bureau of Circulations.

The UK is one of the few countries where a swath of its established print media is distributed for free. Aimed at commuters, the so-called freesheets are almost entirely dependent on advertising revenue and commuter traffic.

Founded in 1859, the Evening Standard went free in October 2009. Co-owned by Evgeny Lebedev, its editors have included former chancellor George Osborne and Charles Wintour. Rival Metro was launched in 1999 and financial free sheet City AM followed in 2005.

Metro, which is distributed in 50 cities across the UK, is the country's largest

newspaper that discloses circulation figures.

The majority of print media titles are under pressure, with the cost of living crisis and surging newsprint costs having exacerbated the longer term trend of declining subscriptions and advertising costs. But for the freesheets the problem is worse: the [sluggish recovery in commuter numbers](#) as the pandemic subsides is prompting an existential crisis.

All three newspapers are investing more heavily in their digital presence, hoping that online readers and advertisers can make up for the slump in print circulation.



Tube journeys starting or ending in the heart of the City are at around 65 per cent of pre-pandemic levels © Louise Delmotte/Getty Images

'A dead business model'

At the heart of the problem is the fact that although most businesses are operating normally again following successive lockdowns, for millions of people working life is drastically different to before Covid-19 struck.

Tube journeys starting or ending at stations like Bank and Moorgate in the heart of the City stood at around 65 per cent of pre-pandemic levels in October 2022, according to data from Transport for London. This compares to 70 per cent across the Tube network as a whole with weekend demand back at 85 per cent of pre-Covid levels.

Nor are those who do commute spread consistently throughout the week. Data from consultancy Advanced Workplace Associates suggests that although a third of UK office workers come in between Tuesdays and Thursdays, this drops to 13 per cent on Fridays.

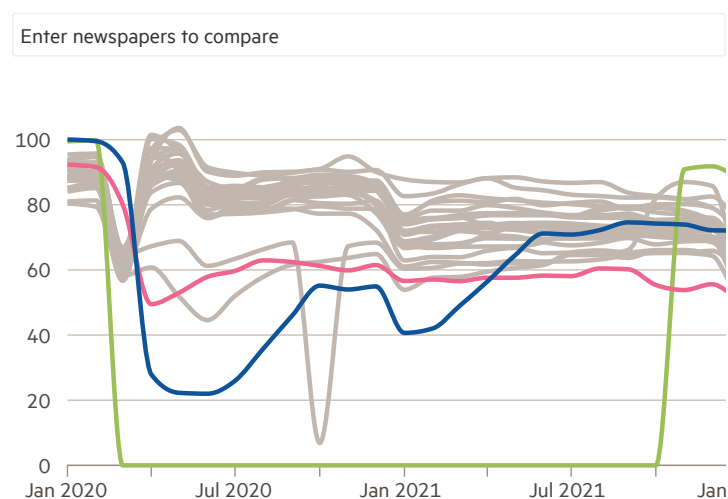
“From an advertisers’ point of view, volume is key. If the number of readers has fallen sharply, you’re going to pay less”, said Alex DeGroot, a media analyst and investor.

Lawson Muncaster, managing director and co-founder of City AM, expects the title will “probably” make a loss of “maybe £100,000” this year. The last time the company disclosed its annual earnings was in 2014, when it made a pre-tax loss of £625,000.

Last year Metro, which is owned by Daily Mail publisher DMGT, reported revenues of £21mn, 73 per cent lower than 2019, as its circulation fell from 1.4mn to an average of 800,000 per day in 2021. The Standard reported a pre-tax loss of £14mn last year and has seen its circulation almost halve to 400,000.

London’s free newspapers **Evening Standard**, **Metro** and **City AM** have faced very different recoveries from the pandemic

Average monthly circulation (rebased, 100 = equivalent month in 2019)



Source: [Audit Bureau of Circulations](#) • FT graphic: Martin Stabe

DMGT, which also owns the i newspaper, did not respond to a request for comment. But Tim Collier, the then chief financial officer of DMGT acknowledged in an earnings all last year that “the key driver of Metro’s revenues is the level of commuter traffic, which directly impacts advertising yields”.

Meanwhile newspapers are also grappling with surging production costs, exacerbated by inflation, energy prices and several European paper producers closing down. [Newsprint prices](#) more than doubled from €395.5 per tonne in January 2021 to €858.5 per tonne in September 2022 according to data from Fastmarkets.

“I think it’s a dead business model,” Christen Ager-Hanssen, a Norwegian media entrepreneur who used to own the separate and now defunct European free sheet Metro in Sweden, told the FT. “Print costs are very high, news is moving so fast. I don’t think it’s sustainable”.

Retreat from print

With their dependence on large numbers of bored commuters trapped on trains and buses day in day out, the menu of turnaround options for freesheets is limited.

“There’s no doubt that the model is getting harder. I think the next year is going to be very difficult, as it will for print advertising of all kinds”, said Douglas McCabe from Enders Analysis. “Undoubtedly some of these brands will retreat from print.”

All three brands have a significant digital presence. Metro had 41.5mn visits to its website in September 2022, compared to 21.3mn for the Standard and 1mn for City AM, according to data company Similarweb.

But Muncaster rejects the idea that online advertising is a magic bullet. “You’ll always get 10 times more eyeballs [on print ads] than online. Passive income is always a race to the bottom”, he said.

City AM paused its print edition for 18 months from the beginning of lockdown but has since resumed; the Evening Standard and Metro did not stop.

“I’m sure that fully digital first was something that will always be a natural progression, but Covid has accelerated that,” said Muncaster. “Delivering print copies is [now] a much smaller part of our business.” He told the FT that City AM

copies is [now] a much smaller part of our business. He told the FT that City AM is exploring putting some of its online content behind a paywall.

Nodding to new hybrid working patterns Muncaster added: “I don’t think Friday free newspapers have got a great life ahead of them.”



Newspapers are also grappling with surging production costs, exacerbated by inflation and energy prices © Chris Batson/Alamy
The Evening Standard confirmed that the company has reduced the circulation and size of the newspaper in response to higher print costs and is investing more in its digital presence, but declined to comment further on its plans.

Muncaster denied even considering closing City AM’s print edition. Neither the Evening Standard nor Metro ever ceased publication during the pandemic.

“There’s a reason why these businesses continue to print: they see it as a unique proposition for advertisers and readers”, said McCabe. “Once you become an online-only business your proposition [isn’t] the same.”

The downturn has already meant losing staff. The Standard in 2020 announced more than a hundred job cuts while DMGT said in its 2021 annual report that it was looking at staff cuts as print costs continued to weigh heavily.

McCabe, in a warning to other newspapers, said that the demise of the freesheets, although unlikely, would have an impact on the health of the broader print industry.

“If there is a worst-case scenario that freesheets disappeared, it would be unhelpful for paid-for newspapers”, he said. “The news industry is an advertising category;

softness in the free sheets makes the industry as a whole less appealing.”

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