



# PHOENIX NEW MEDIA

NYSE: FENG

November 2019



鳳凰網  
IFENG.COM

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IFENG NEWS





# Safe Harbor Statement

This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Among other things, the business outlook and quotations from management in this presentation, as well as Phoenix New Media’s strategic and operational plans, contain forward-looking statements. Phoenix New Media may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (“SEC”) on Forms 20-F and 6-K in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about Phoenix New Media’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the Company’s goals and strategies; the Company’s future business development, financial condition and results of operations; the expected growth of the online and mobile advertising, online video and mobile paid service markets in China; the Company’s reliance on online advertising and MVAS for the majority of its total revenues; the Company’s expectations regarding demand for and market acceptance of its services; the Company’s expectations regarding the retention and strengthening of its relationships with advertisers, partners and customers; fluctuations in the Company’s quarterly operating results; the Company’s plans to enhance its user experience, infrastructure and service offerings; the Company’s reliance on mobile operators in China to provide most of its MVAS; changes by mobile operators in China to their policies for MVAS; competition in its industry in China; and relevant government policies and regulations relating to the Company. Further information regarding these and other risks is included in the Company’s filings with the SEC, including its registration statement on Form F-1, as amended, and its annual reports on Form 20-F. All information provided in this presentation is as of the date of this presentation, and Phoenix New Media does not undertake any obligation to update any forward-looking statement, except as required under applicable law.



# ABOUT THE COMPANY





# Company Milestones

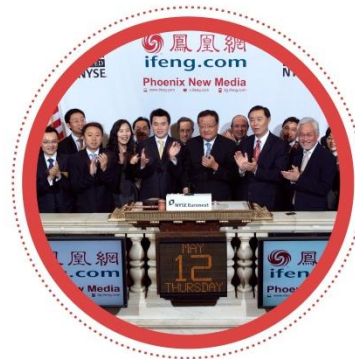


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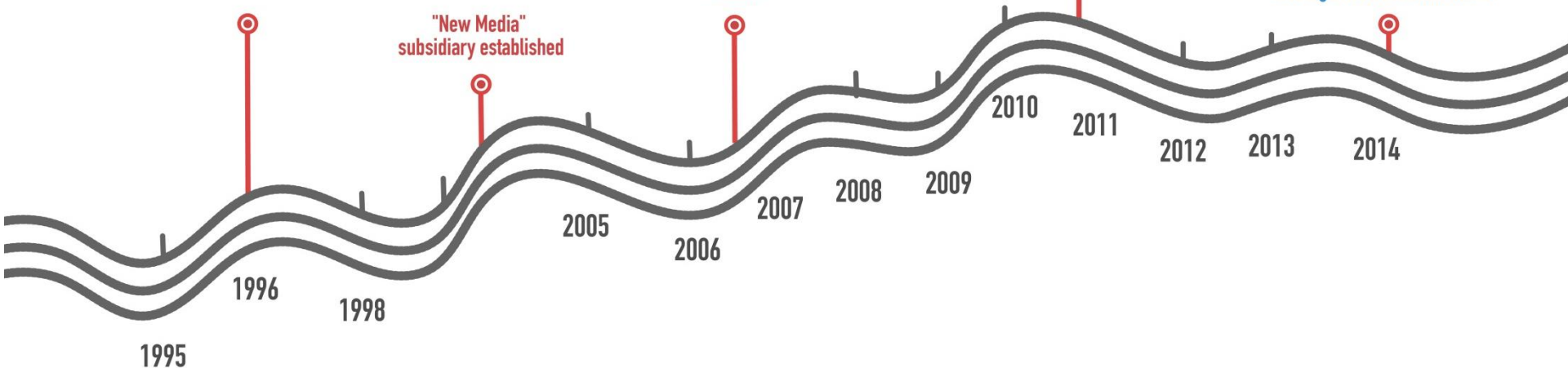
Phoenix TV founded – a leading Chinese language TV & media group based in HK



"New Media" subsidiary established



Strategic Investment in Yidian





## Uniquely Successful in Bridging the Divide



# Industry Landscape



- Editorial Based + AI Powered
- Serious Journalism + Entertainment
- High-end Users



## Leading Verticals by Traffic



#1-ranked News channel



#1-ranked Fashion channel

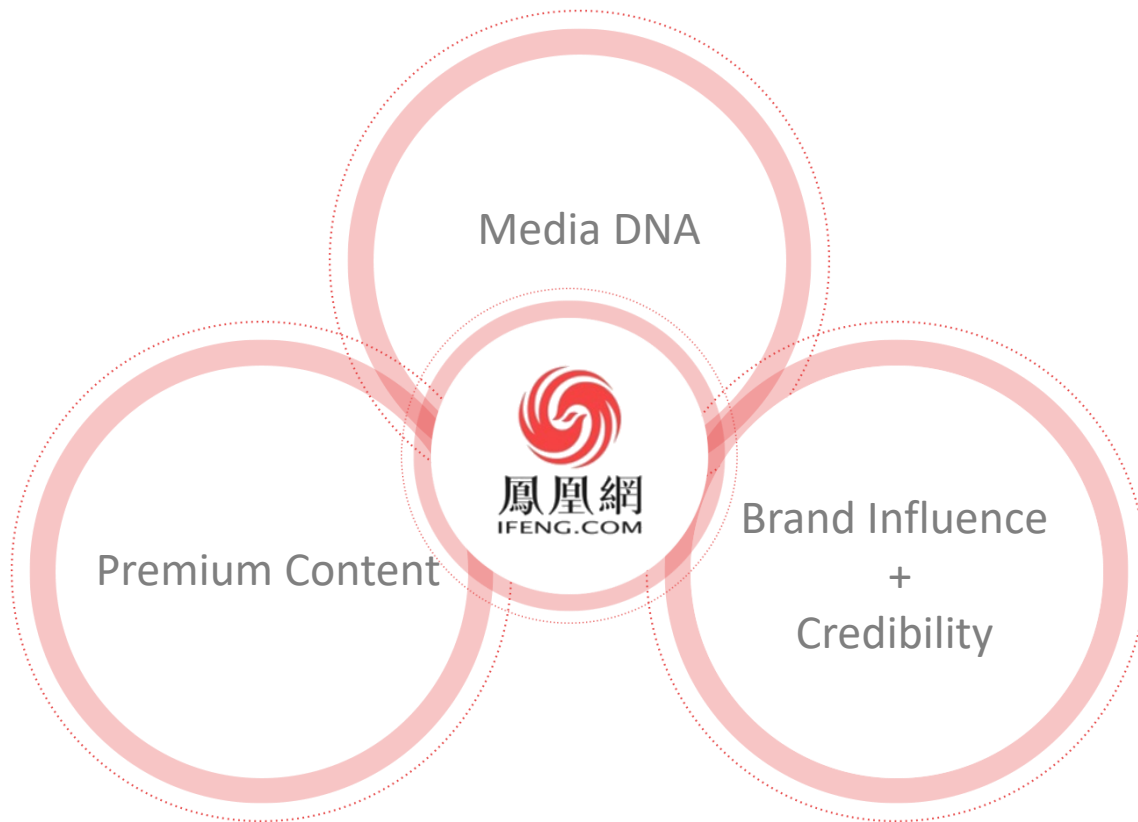


#2-ranked Entertainment channel

Source: iResearch's data and ranking as of September 30, 2019, all ranking by Monthly Unique Visitors.



# What Sets Phoenix New Media Apart Today?





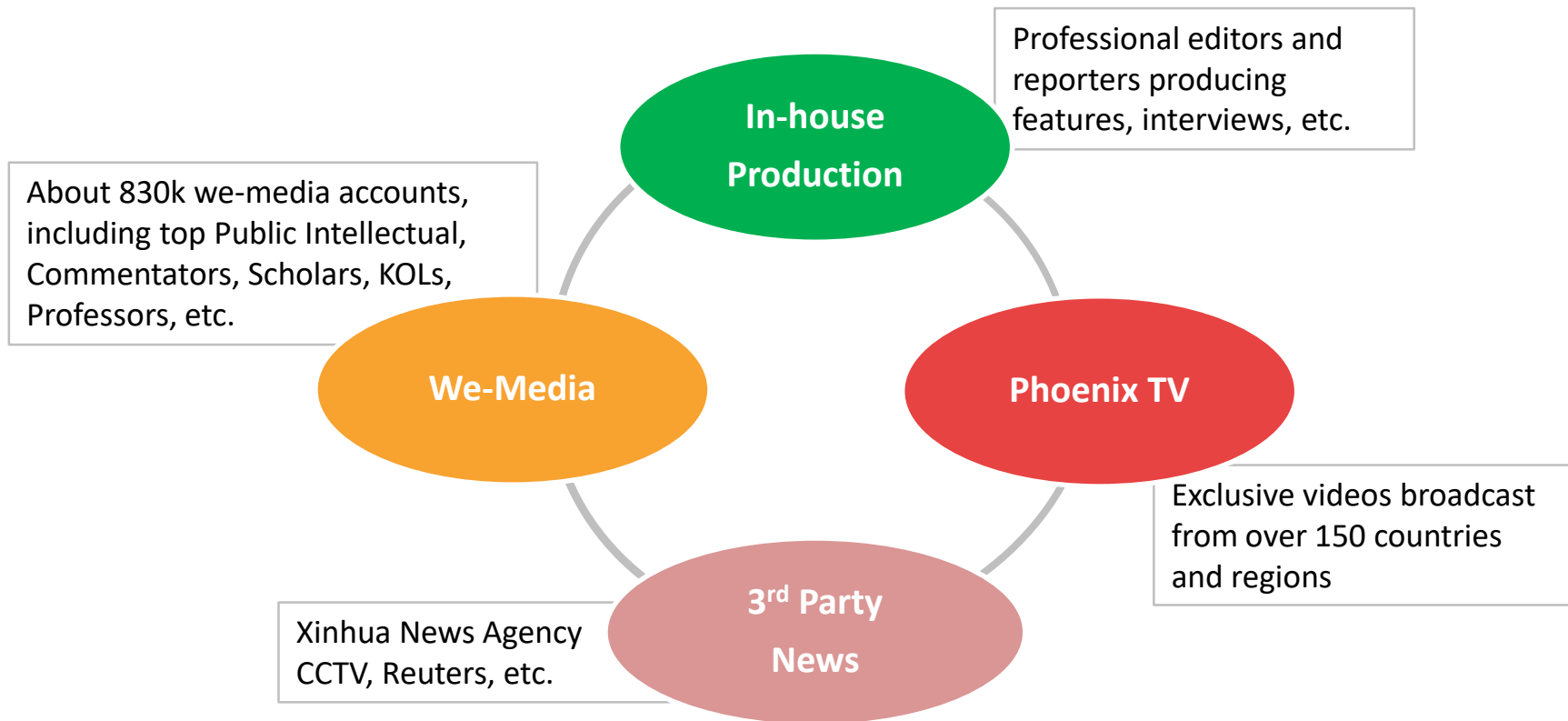


# CONTENT



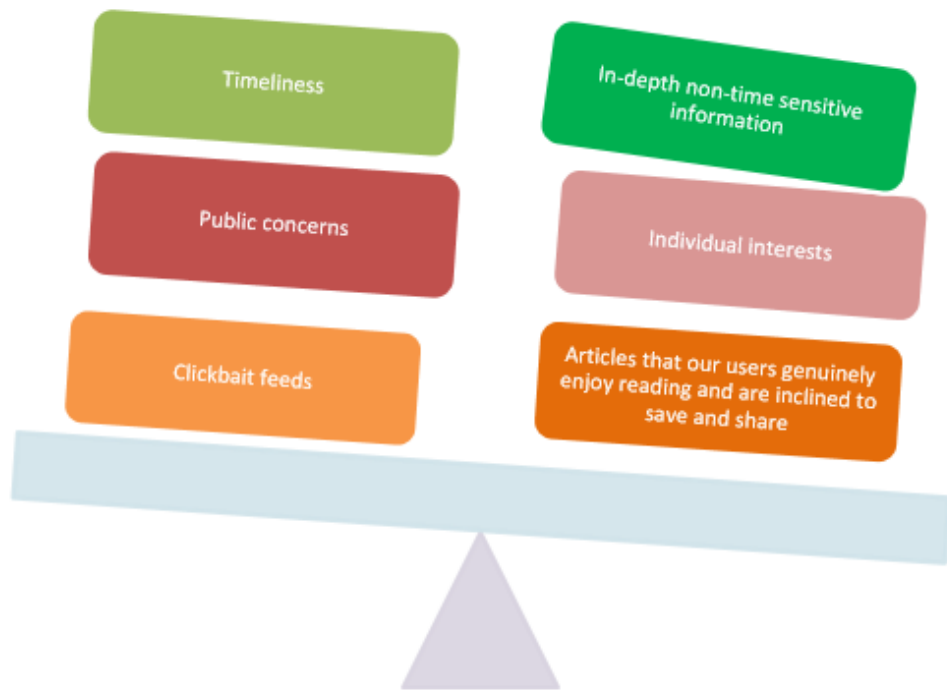


## Diverse and Proprietary Content





# High-quality and Differentiated Content



A balanced content strategy enables us to provide high-quality and differentiated content

# Original IP



Camera Room Talk



Alliance of Heroes



Shede Lecture of Wisdom

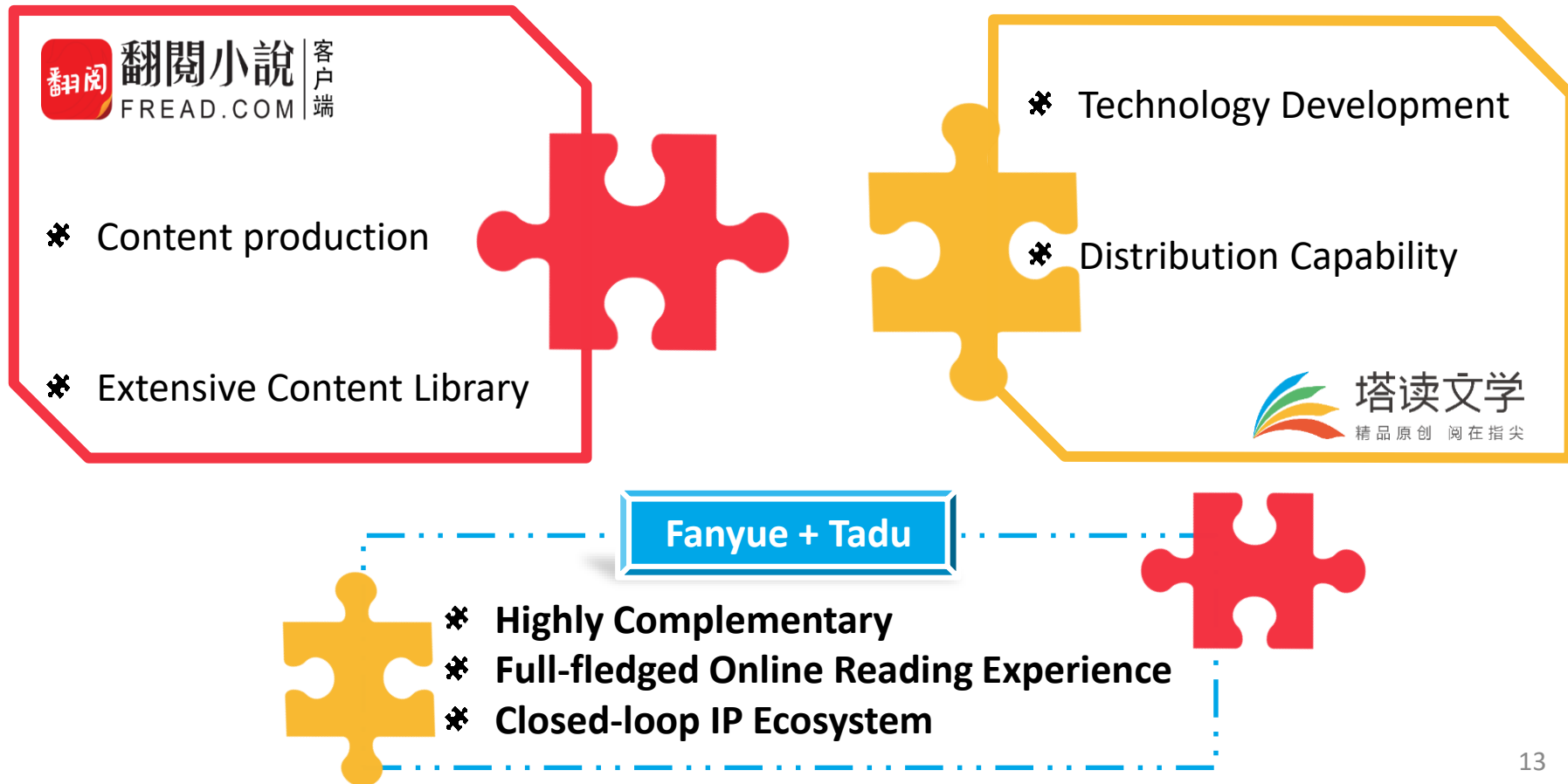


Hua's Talk Show

A powerful pipeline of new original IP content will further enrich our content library...



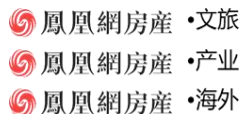
# Our New Growth Engine – Online Reading





# Our New Growth Engine— Online Real Estates

Established in 2013, 5- year Revenue CAGR is **74%**



知了普惠



RESS+ (Residential Ecological Service System)



New Residential Property + Second Housing



Team of experts in real estate transactions



Media resources inherited from Phoenix



## Our New Growth Engine—God Slayer





## Our Investment in Yidian Zixun



✓ DAUs reached 74 million in January, 2019

✓ TOP3 Mobile News APP in China

74m

✓ FY18 Revenues almost doubled

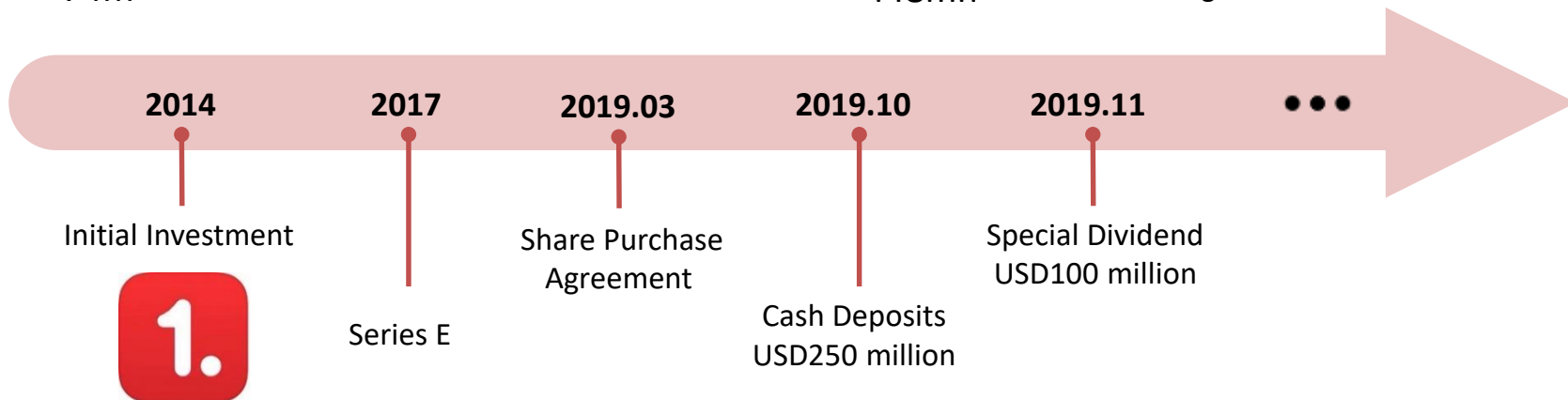


✓ Valuation: US\$1.318bn

✓ Return: nearly 6x

448mn

✓ Remaining Stake: 3.63%



*The most successful investments we have made in the past several years!*





# MONETIZATION





# Expanding Advertisers

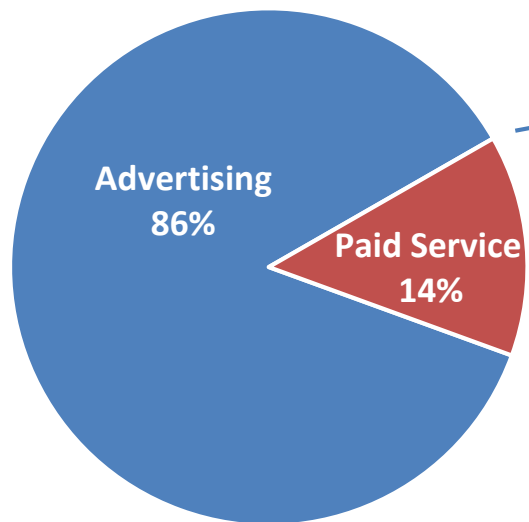
|  |  |
|--|--|
| AUTO                                       |  |
| E-COMMERCE                                 |  |
| FINANCIAL SERVICES                         |  |
| INTERNET SERVICES & COMMUNICATION SERVICES |  |

Source: Company data in 3Q19

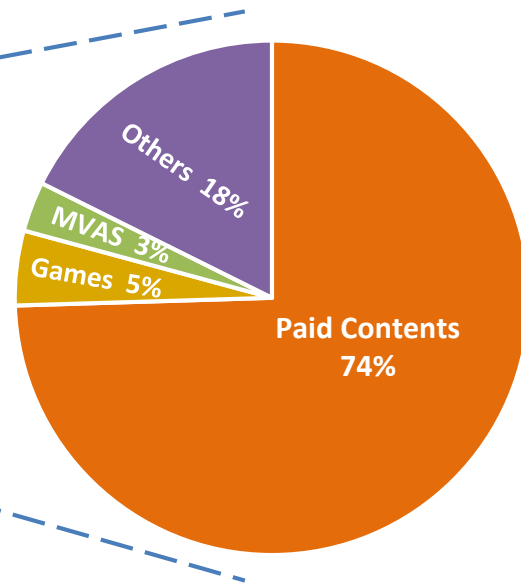


# Paid Services – Subscription and Transaction

3Q19 Revenues Breakdown



Paid Service Breakdown <sup>(1)</sup>



(1) Beginning from January 1, 2019, paid services revenues have been re-classified and now comprised of (i) revenues from paid contents, which includes digital reading, audio books, paid videos, and other content-related sales activities, (ii) revenues from games, which includes web-based games and mobile games, (iii) revenues from MVAS, and (iv) revenues from others.

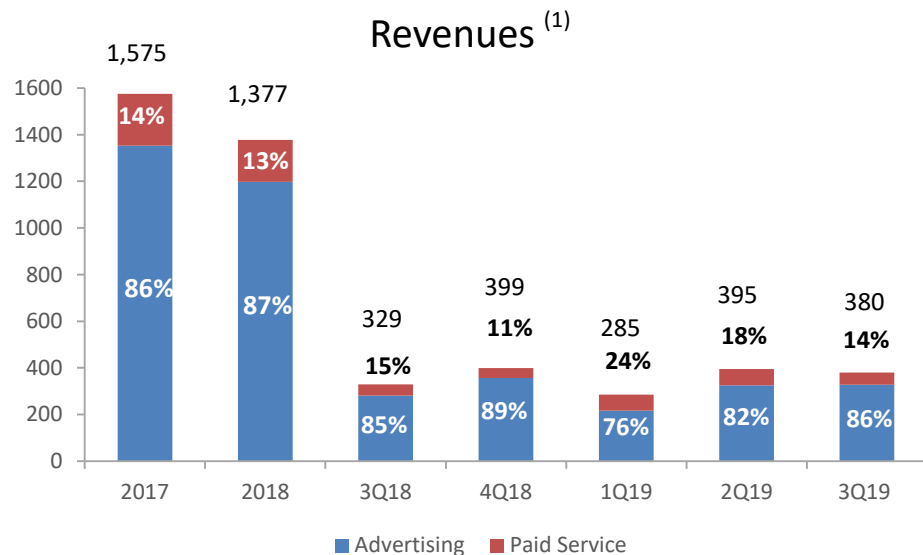


# FINANCIAL HIGHLIGHTS

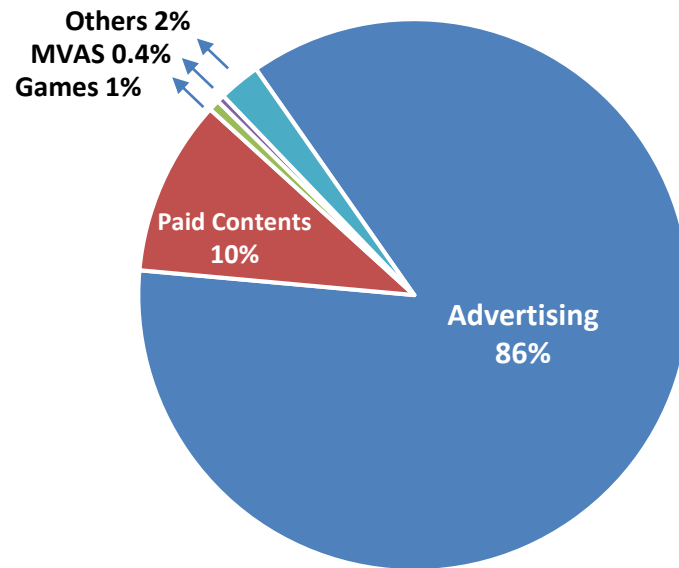




# Revenues Breakdown



## 3Q19 Revenues Breakdown <sup>(1)</sup>



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# Profits and Loss Highlights

| (RMB 000's)   | Quarterly Results |                 |                 | FY 2018          |                  | FY 2017          |
|---|-------------------|-----------------|-----------------|------------------|------------------|------------------|
|   | 3Q19              | 2Q19            | 3Q18            | 2018 (ACS606)    | 2018 (ACS605)    | 2017             |
| <b>Revenue</b>  | <b>380,219</b>    | <b>395,076</b>  | <b>329,340</b>  | <b>1,377,379</b> | <b>1,495,691</b> | <b>1,575,092</b> |
| Cost of Revenues  | 194,268           | 184,951         | 152,236         | 596,548          | 719,213          | 727,197          |
| Revenue sharing fees  | 17,363            | 13,676          | 14,261          | 47,539           | 47,540           | 72,613           |
| Content and operational costs   | 161,600           | 156,346         | 123,281         | 491,868          | 491,569          | 466,379          |
| Bandwidth costs   | 15,305            | 14,929          | 14,694          | 57,141           | 57,140           | 55,050           |
| Sales tax and surcharges  | -                 | -               | -               | -                | 122,964          | 133,155          |
| Operating Expenses  | 196,784           | 289,156         | 233,659         | 904,853          | 900,536          | 832,912          |
| S&M   | 154,969           | 163,655         | 140,998         | 537,562          | 533,245          | 493,664          |
| G&A   | 43,131            | 65,380          | 41,692          | 162,568          | 162,568          | 146,923          |
| R&D   | 60,735            | 60,121          | 50,969          | 204,723          | 204,723          | 192,325          |
| Changes in fair value of financial assets-<br>contingent returnable consideration | (62,051)          | -               | -               | -                | -                | -                |
| <b>Non GAAP Income/(loss) from Operations</b>                                     | <b>(67,607)</b>   | <b>(74,804)</b> | <b>(54,020)</b> | <b>(110,033)</b> | <b>(111,329)</b> | <b>35,835</b>    |
| <b>Non GAAP Net Profits</b>   | <b>(50,847)</b>   | <b>(66,409)</b> | <b>(18,331)</b> | <b>(54,585)</b>  | <b>(55,880)</b>  | <b>52,028</b>    |
| <b>% to Revenue</b>   |                   |                 |                 |                  |                  |                  |
| Revenue sharing fees  | 4.6%              | 3.5%            | 4.3%            | 3.5%             | 3.2%             | 4.6%             |
| Content and operational costs   | 42.5%             | 39.6%           | 37.4%           | 35.7%            | 33.0%            | 29.6%            |
| Gross Margin  | 48.9%             | 53.2%           | 53.8%           | 56.7%            | 51.9%            | 53.8%            |
| S&M   | 40.8%             | 41.4%           | 42.8%           | 39.0%            | 35.7%            | 31.3%            |
| G&A   | 11.3%             | 16.5%           | 12.7%           | 11.8%            | 10.9%            | 9.3%             |
| R&D   | 16.0%             | 15.2%           | 15.5%           | 14.9%            | 13.7%            | 12.2%            |
| Changes in fair value of financial assets-<br>contingent returnable consideration | -16.3%            | -               | -               | -                | -                | -                |
| Non GAAP Operation Margin   | -17.8%            | -18.9%          | -16.4%          | -8.0%            | -7.4%            | 2.3%             |
| Non GAAP Net Margin   | -13.4%            | -16.8%          | -5.6%           | -4.0%            | -3.7%            | 3.3%             |

Notes: The above table is the excerpts of Condensed Consolidated Statements of Income



## Strong Balance Sheet — No Debt!

| (RMB in mn)  | 2018/12/31 | 2019/6/30 | 2019/9/30 | 2019/9/30 |
|--|------------|-----------|-----------|-----------|
|  | RMB        | RMB       | RMB       | USD       |
| Cash and Cash Equivalents and<br>Term Deposits and Short Term<br>Investments and Restricted Cash | 1,356      | 1,687     | 2,065     | 289       |
| Total Current Assets   | 2,021      | 2,484     | 2,936     | 411       |
| Total Non-Current Assets   | 2,610      | 3,032     | 3,922     | 549       |
| Total Liabilities  | 1,240      | 2,143     | 2,692     | 377       |
| Total Shareholders' Equity   | 3,391      | 3,373     | 4,166     | 583       |

**Organic:**

RMB1,915.2 million (US\$267.9 million)

**Tianbo:**

RMB131.3 million (US\$18.4 million)

**Tadu :**

RMB18.4 million (US\$2.6 million)



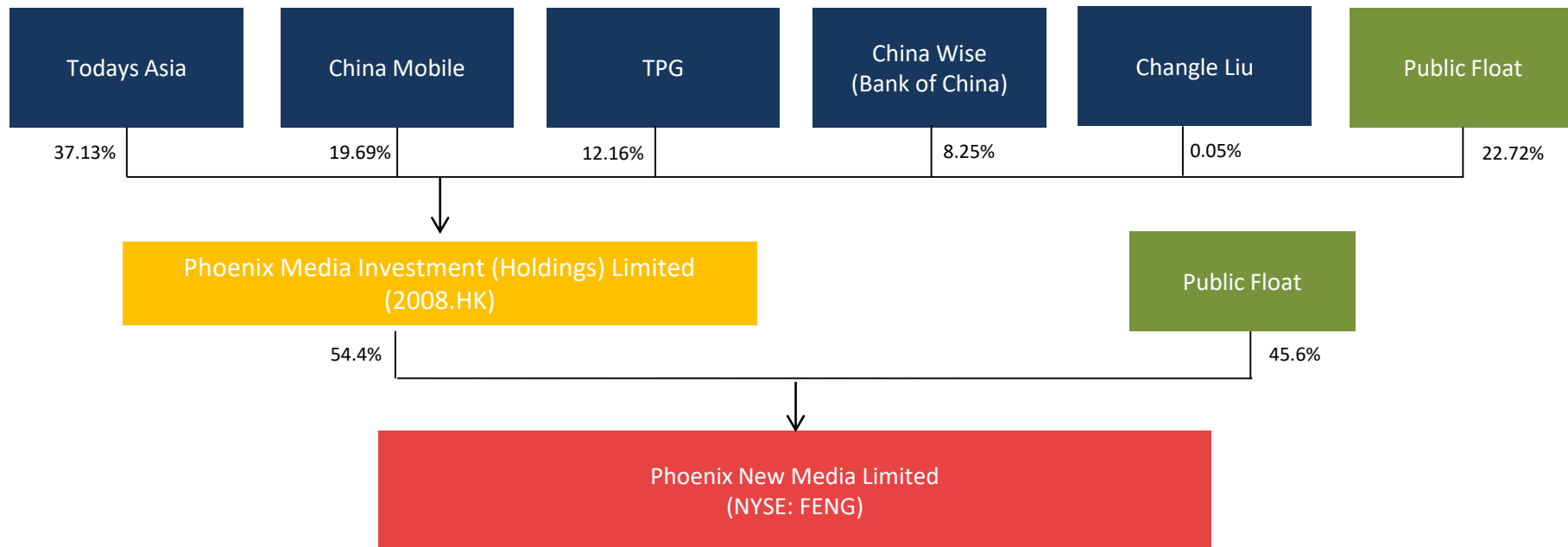
# APPENDIX







# Shareholding Structure





## Institutional Shareholders

| Rank | Investor Name                         | Position<br>2019/11/01 | % of S/O |
|------|---------------------------------------|------------------------|----------|
| 1    | International Value Advisers, LLC     | 4,993,454              | 6.86%    |
| 2    | FIL Investment Management (Hong Kong) | 1,770,091              | 2.43%    |
| 3    | Top Ace Asset Management Ltd          | 1,119,845              | 1.54%    |
| 4    | Sylebra Capital Ltd.                  | 983,560                | 1.35%    |
| 5    | Renaissance Technologies              | 718,287                | 0.99%    |
| 6    | Unidentified Money Manager 1          | 635,000                | 0.87%    |
| 7    | Value Partners                        | 611,000                | 0.84%    |
| 8    | J. Goldman & Co.                      | 526,000                | 0.72%    |
| 9    | RiverCrest Capital                    | 500,357                | 0.69%    |
| 10   | Eastspring Investments (Singapore)    | 390,000                | 0.54%    |

**Note:** Top 10 shareholders accounted for about 16.83% of total shares outstanding as of November 1, 2019.



# Stable Management Team



**CFO – Edward Lu**

14+ (Media Industry)  
Joined in 2009



**CEO – Shuang Liu**

15+ (Media industry)  
Joined in 2005



**SVP – Xiaoyan Chi**

17+ (Internet media marketing)  
Joined in 2009



**SVP – Chun Liu**

25+ (Media industry)  
Joined in 2018



**VP & Chief Editor – Ming Zou**

22+ (Media industry)  
Joined in 1998



# Resources Distributions

Content Development consist of about 24 % of our total headcount, out of a total of around 1,900 headcounts.





# Company Snapshot

As of November 14, 2019

|   |              |
|---|--------------|
| Exchange / Ticker                               | NYSE: FENG   |
| Market Cap                                      | US\$ 247.8Mn |
| Price   | US\$ 3.36    |
| ADS Outstanding                                 | 72.8Mn       |
| Average Daily Trading Volume<br>(last 3 months) | 0.09Mn       |

## Analysts Coverage

J.P.Morgan





THANKS

IR Team

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