



PHOENIX NEW MEDIA

NYSE: FENG

November 2018



鳳凰網
IFENG.COM

鳳凰新聞 | 客戶端
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





Uniquely Successful in Bridging the Divide





Industry Landscape

Entertainment



- Algorithm and AI Based
- Personalized Info
- Mass Market

Balanced Results



- Interest-Engine Based
- User Click + Search + Channel Subscription
- Mass Market

Serious News & Current Affairs



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





Leading Verticals by Traffic

Almost 276 million MUV on PC in 3Q18.

DUV was 34 million on PC in 3Q18, ranked No. 3 among Chinese internet portal.



#1-ranked News channel

#2-ranked media home page



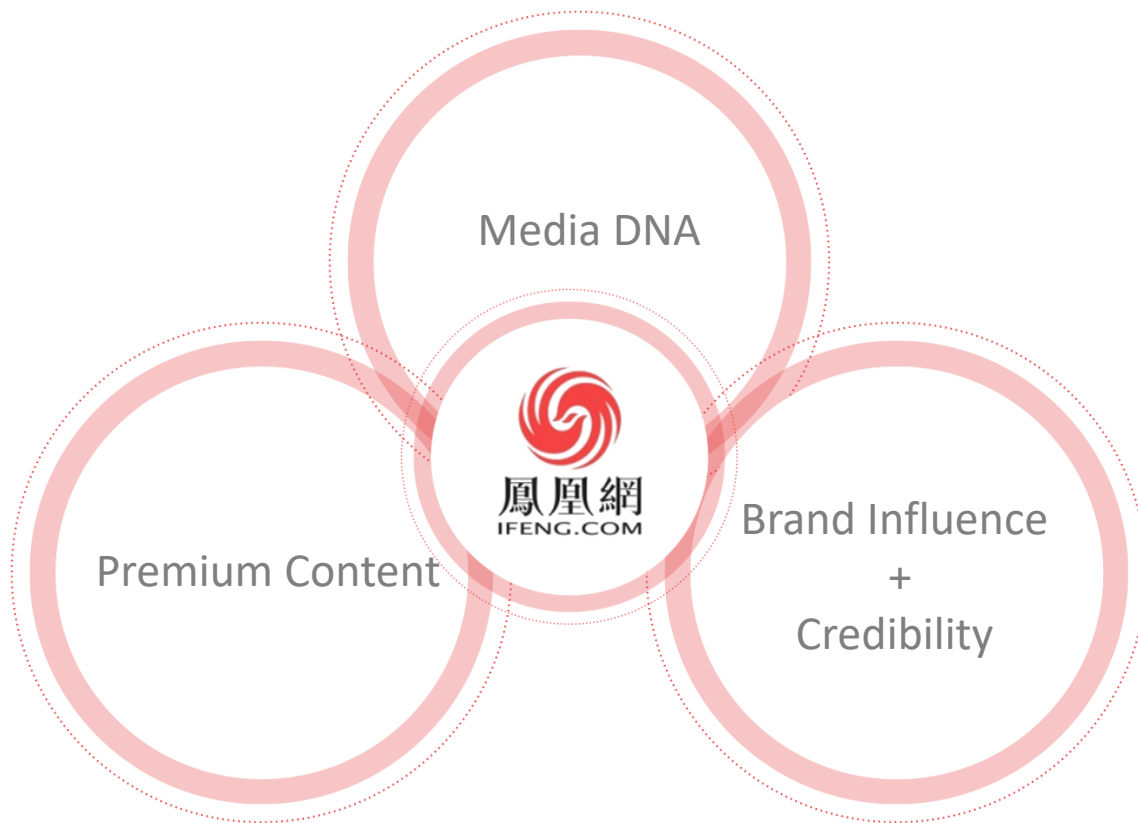
#1-ranked fashion channel



#2-ranked entertainment channel



What Sets Phoenix New Media Apart Today?



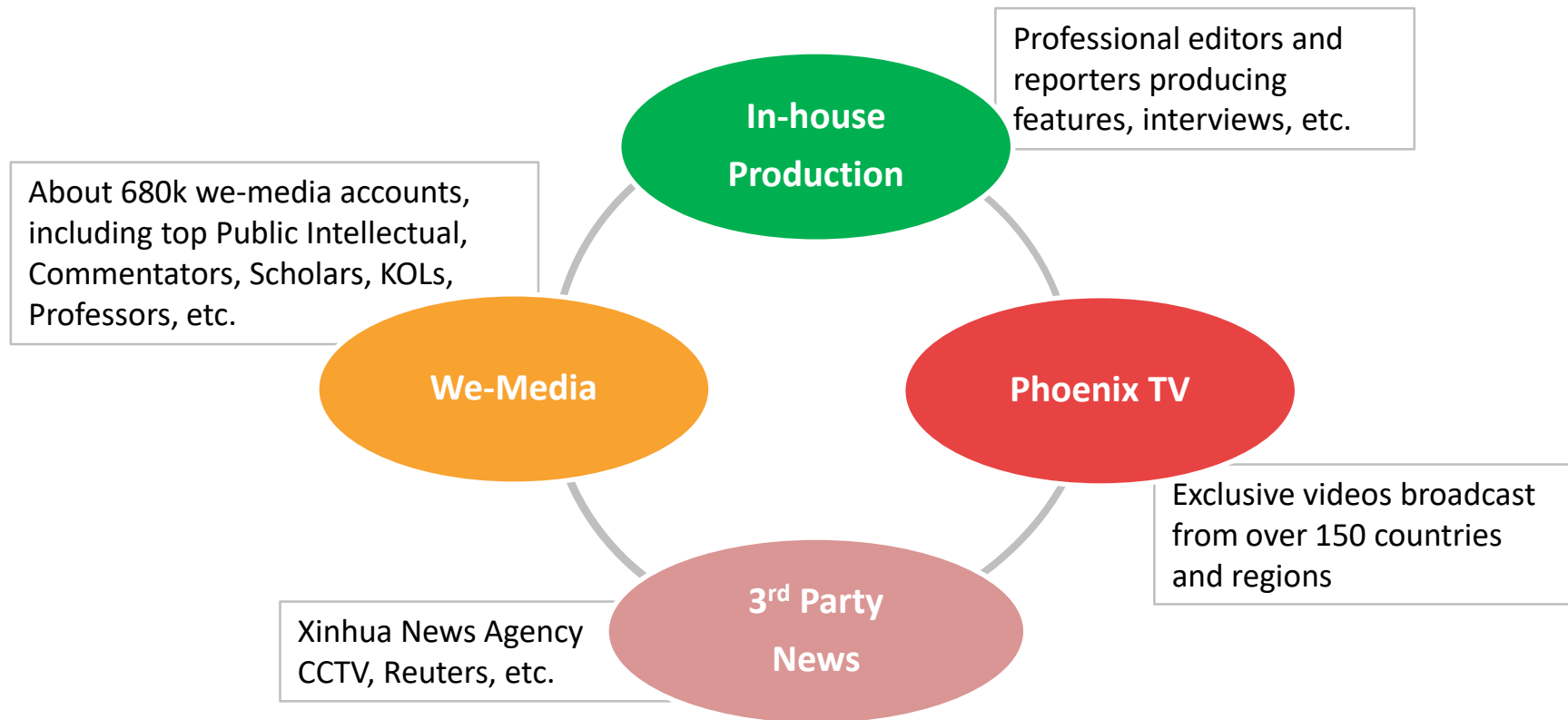


CONTENT





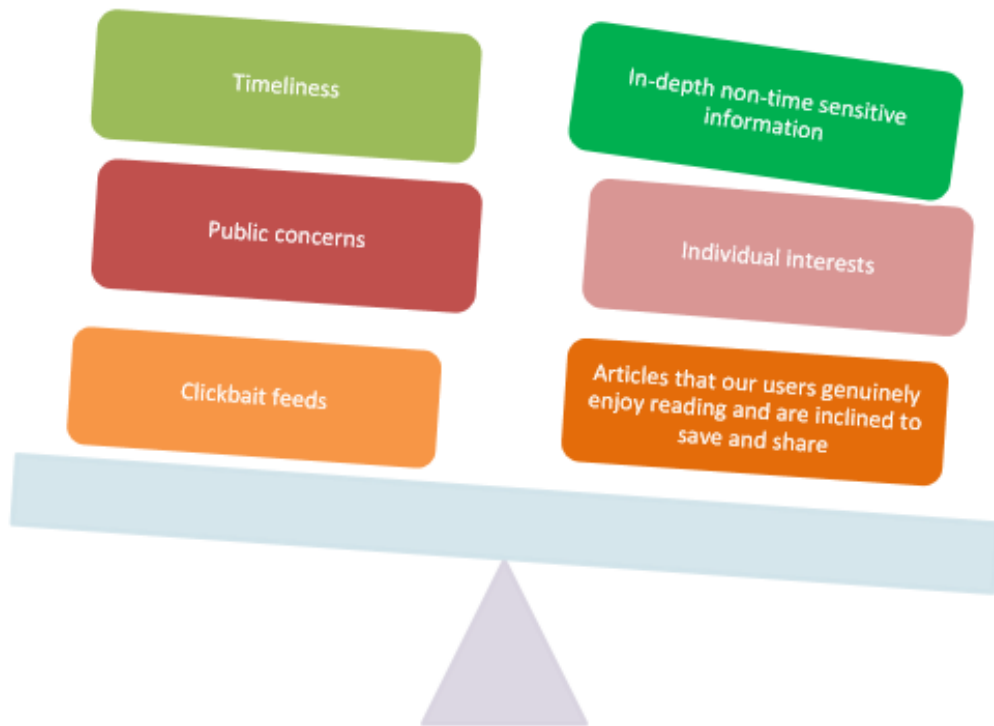
Diverse and Proprietary Content





High-quality and Differentiated Content

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





Content Strategy — Intellectual Property

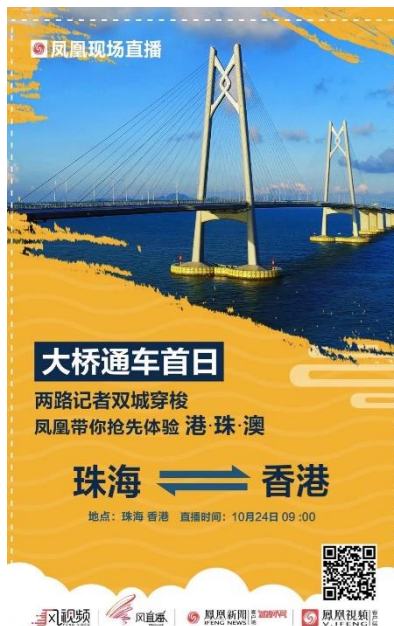
Fireless Power (火力无限) achieved a record-breaking viewing volume of over 170 million since its release on ifeng.com and various media outlets.





Content Strategy – Live Broadcasting

1000+ Reporters, **200+** PGC Partners





Content Strategy – We-media

680K+ We-media Accounts





Content Strategy – Paid Services



Online Reading



Audio Books



Knowledge Sharing Lessons





Our Investment in Yidian Zixun

DAUs reached 70 million in October, 2018.



The Company now owns approximately 37.6% of equity interest of Yidian Zixun on an as-if converted basis.



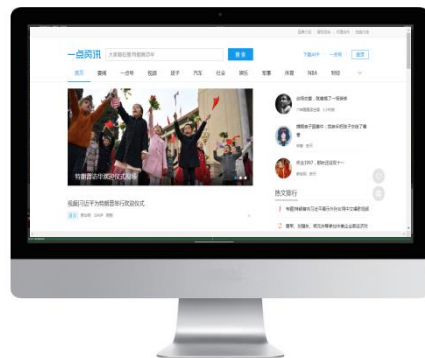
Official Recognition

Yidian received the License for Internet News Information Service from the Cyberspace Administration of China (the "CAC") on October 31, 2017.

This is the **FIRST License** issued by CAC since the new Provisions for the Administration of Internet News Information Services went into effect on June 1, 2017.



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PC: www.yidianzixun.com

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Mobile APP

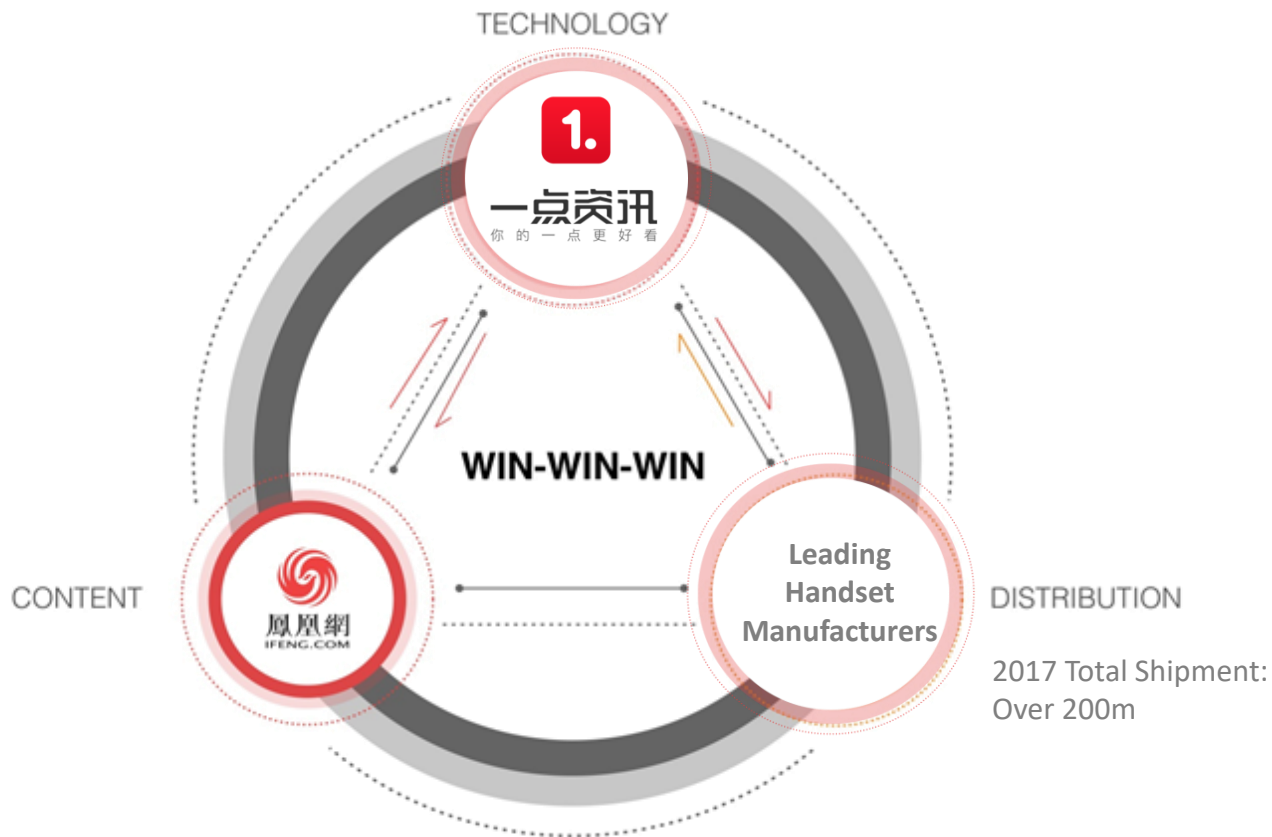
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We-media Platform



Win Win Win



2017 Total Shipment:
Over 200m



MONETIZATION

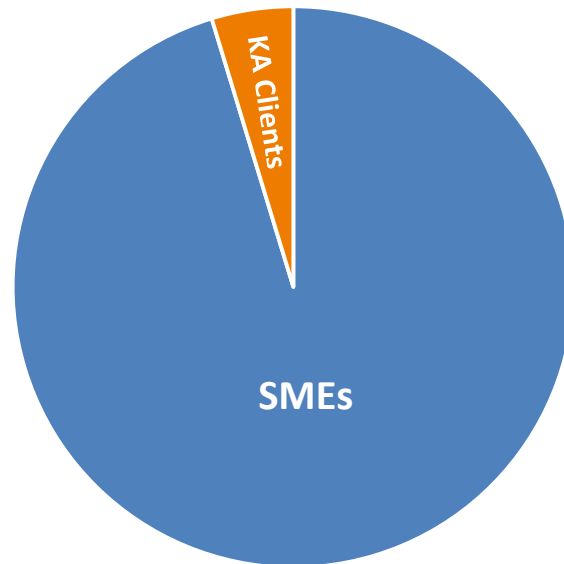




Expanding Advertisers



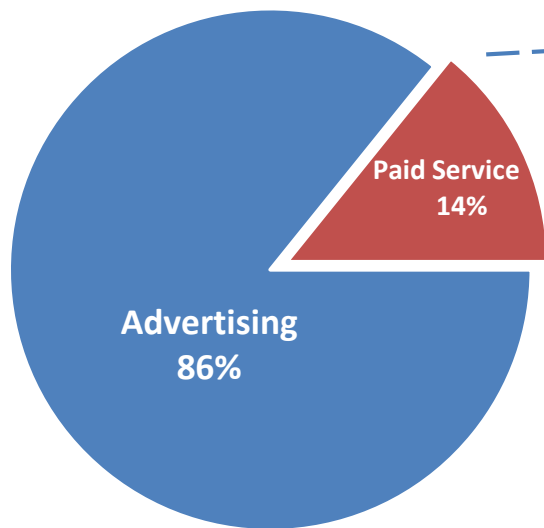
SME Clients Increased Significantly



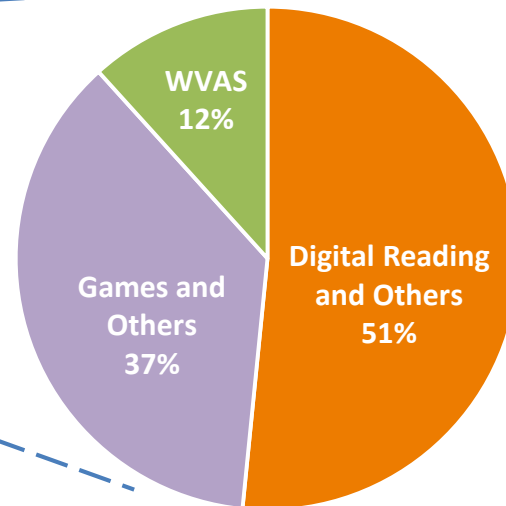


Paid Services – Subscription and Transaction

3Q18 Revenues Breakdown⁽¹⁾



Paid Service Breakdown⁽¹⁾



(1) Beginning from January 1, 2018, the Company adopted a new accounting standard of ASC606, Revenue from Contracts with Customers (the “new accounting standard”). By applying the modified retrospective method under the new accounting standard, the cumulative effect of initially applying the guidance recognized at January 1, 2018, the date of initial application, is not material and the financial statements of prior periods are not retrospectively adjusted. For comparative purposes, on this slide the company provides certain financial items under the old accounting standard of ASC605.

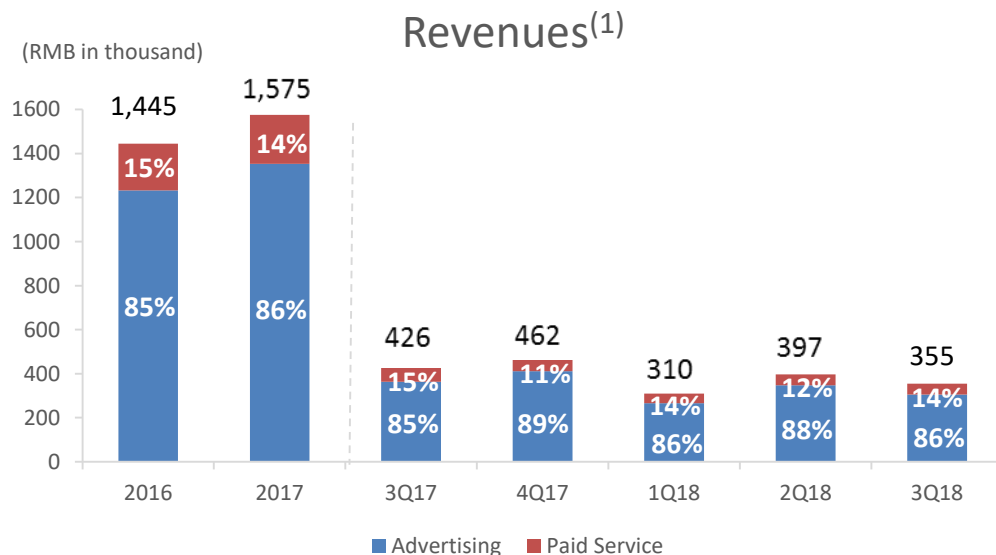


FINANCIAL HIGHLIGHTS

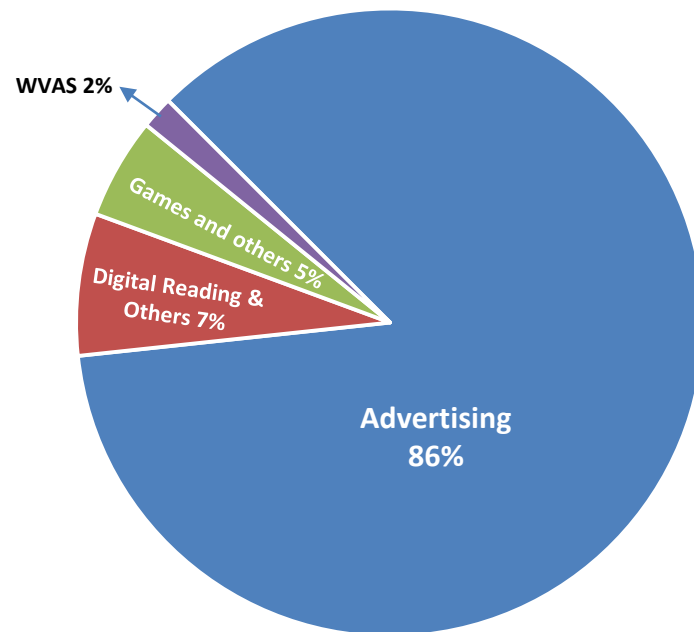




Revenues Breakdown



3Q18 Revenues Breakdown⁽¹⁾



(1) Beginning from January 1, 2018, the Company adopted a new accounting standard of ASC606, Revenue from Contracts with Customers (the “new accounting standard”). By applying the modified retrospective method under the new accounting standard, the cumulative effect of initially applying the guidance recognized at January 1, 2018, the date of initial application, is not material and the financial statements of prior periods are not retrospectively adjusted. For comparative purposes, on this slide the company provides certain financial items under the old accounting standard of ASC605.



Profits and Loss Highlights

(RMB 000's)	Quarterly Results					FY 2017	FY 2016
	3Q18 (ASC606)	3Q18 (ASC605)	2Q18 (ASC606)	2Q18 (ASC605)	3Q17	2017	2016
Revenue	328,691	354,999	362,461	396,707	425,560	1,575,092	1,444,907
Cost of Revenues	151,587	181,104	132,875	167,284	188,185	727,197	726,807
Revenue sharing fees	14,261	14,261	11,460	11,862	27,891	72,613	72,027
Content and operational costs	122,632	122,502	107,516	107,588	110,491	466,379	470,813
Bandwidth costs	14,694	14,693	13,899	13,899	14,085	55,050	64,200
Sales tax and surcharges	-	29,648	-	33,935	35,718	133,155	119,767
Operating Expenses	233,659	233,396	200,154	199,310	201,905	832,912	682,728
S&M	140,998	140,735	109,823	108,978	122,843	493,664	339,171
G&A	41,692	41,692	41,808	41,808	28,650	146,923	181,677
R&D	50,969	50,969	48,523	48,523	50,412	192,325	161,880
Non GAAP Income/(loss) from Operations	(54,020)	(56,966)	32,822	33,504	37,920	35,835	37,262
Non GAAP Net Profits	(18,331)	(21,277)	53,066	53,748	34,376	52,028	84,277
% to Revenue							
Revenue sharing fees	4.3%	4.0%	3.2%	3.0%	6.6%	4.6%	5.0%
Content and operational costs	37.3%	34.5%	29.7%	27.1%	26.0%	29.6%	32.6%
Gross Margin	53.9%	49.0%	63.3%	57.8%	55.8%	53.8%	49.7%
S&M	42.9%	39.6%	30.3%	27.5%	28.9%	31.3%	23.5%
G&A	12.7%	11.7%	11.5%	10.5%	6.7%	9.3%	12.6%
R&D	15.5%	14.4%	13.4%	12.2%	11.8%	12.2%	11.2%
Non GAAP Operation Income Margin	-16.4%	-16.0%	9.1%	8.4%	8.9%	2.3%	2.6%
Non GAAP Net Margin	-5.6%	-6.0%	14.6%	13.5%	8.1%	3.3%	5.8%

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



Strong Balance Sheet — No Debt!

(RMB in mn)	2017/12/31	2018/9/30	2018/9/30
	RMB	RMB	USD
Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash	1,437	1,421	207
Total Current Assets	2,243	1,994	290
Total Non-Current Assets	1,356	1,594	232
Total Liabilities	1,098	942	137
Total Shareholders' Equity	2,501	2,646	385



APPENDIX





Young Company with Long History



鳳凰衛視

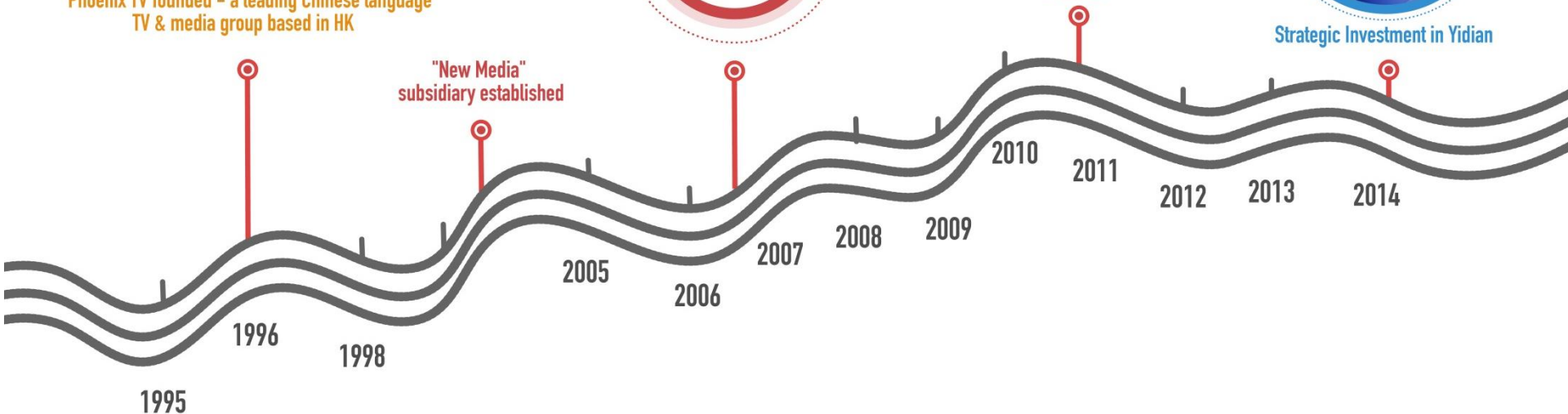
Phoenix TV founded – a leading Chinese language TV & media group based in HK



"New Media" subsidiary established

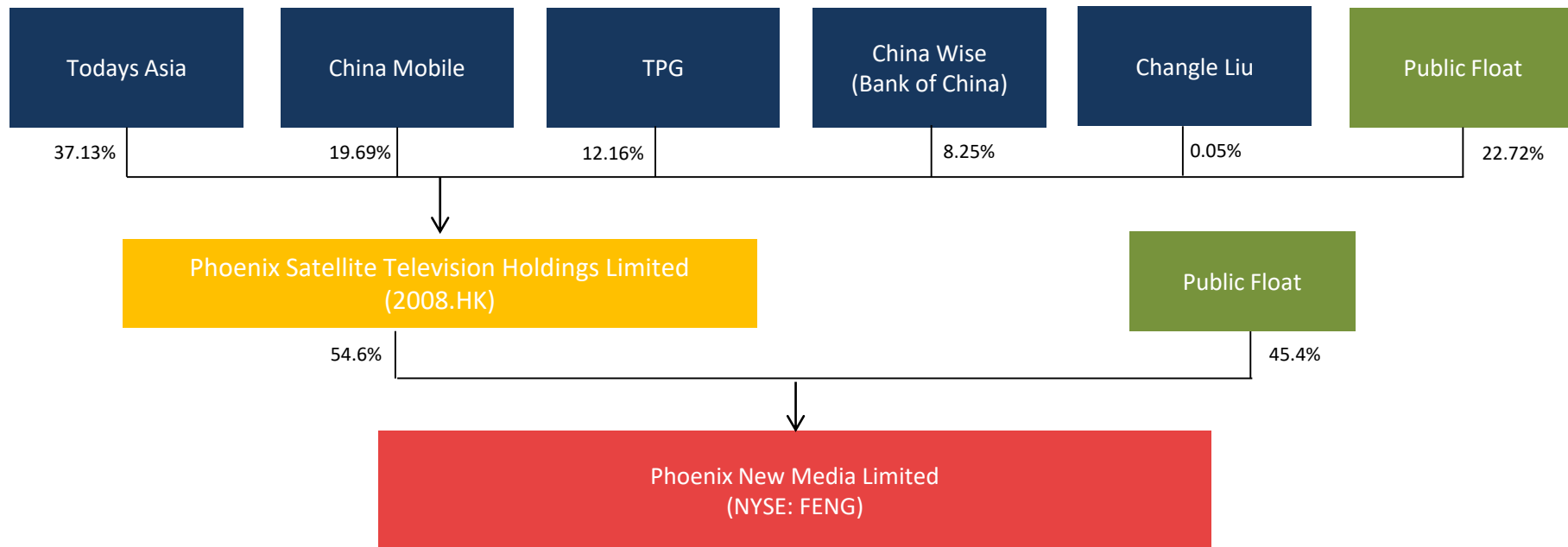


Strategic Investment in Yidian





Shareholding Structure



Note: As of September 30, 2018, 6.95% of total outstanding shares were granted but not exercised.



Institutional Shareholders

Rank	Investor Name	Position 2018/10/31	% of S/O
1	International Value Advisers, LLC	2,762,613	3.80%
2	Park West Asset Management LLC	1,999,697	2.75%
3	Renaissance Technologies LLC	1,251,100	1.72%
4	Top Ace Asset Management Ltd	1,156,845	1.59%
5	FIL Investment Management (Hong Kong) Limited	1,065,540	1.46%
6	Sylebra HK Co Ltd	945,033	1.30%
7	BlackRock Institutional Trust Company, N.A.	584,860	0.80%
8	Value Partners Ltd.	547,000	0.75%
9	Unidentified Hedge Fund 2	500,000	0.69%
10	J. Goldman & Co., L.P.	508,000	0.70%

Note: Top 10 shareholders accounted for about 15.56% of total shares outstanding as of October 31, 2018.



Stable Management Team



CFO – Betty Ho

AICPA and HKICPA
22+ (TMT, manufacturing and retail)
Joined in 2013



VP (Mobile business) – Jianxiong Yue

16+ (Internet & media industry)
Joined in 2016



CEO – Shuang Liu

14+ (Media industry)
Joined in 2005



SVP – Chun Liu

24+ (Media industry)
Joined in 2018



SVP – Xiaoyan Chi

16+ (Internet media marketing)
Joined in 2009



VP & Chief Editor – Ming Zou

21+ (Media industry)
Joined in 1998



Resources Distributions

Content Development consist of about 25 % of our total headcount, out of a total of around 1,400 headcounts.





Company Snapshot

As of November 09, 2018

Exchange / Ticker	NYSE: FENG
Market Cap	US\$ 255.2Mn
Price	US\$ 3.51
ADS Outstanding	72.8Mn
Average Daily Trading Volume (last 3 months)	0.22Mn

Analysts Coverage

J.P.Morgan



MACQUARIE



CICC

中国国际金融有限公司



国泰君安证券
GUOTAI JUNAN SECURITIES



第一上海
FIRST SHANGHAI GROUP



THANKS

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