



PHOENIX NEW MEDIA

NYSE: FENG

August 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

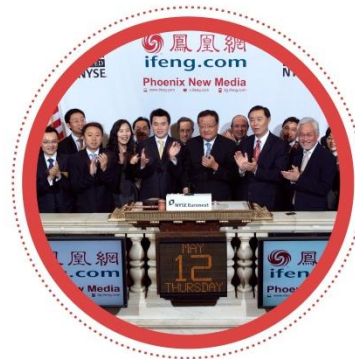


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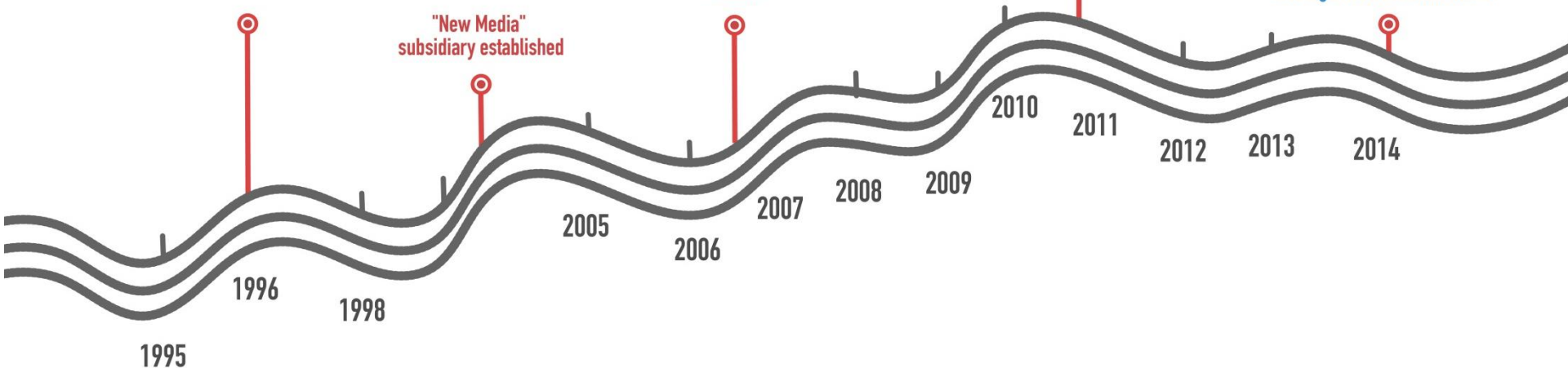
Phoenix TV founded – a leading Chinese language TV & media group based in HK



"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

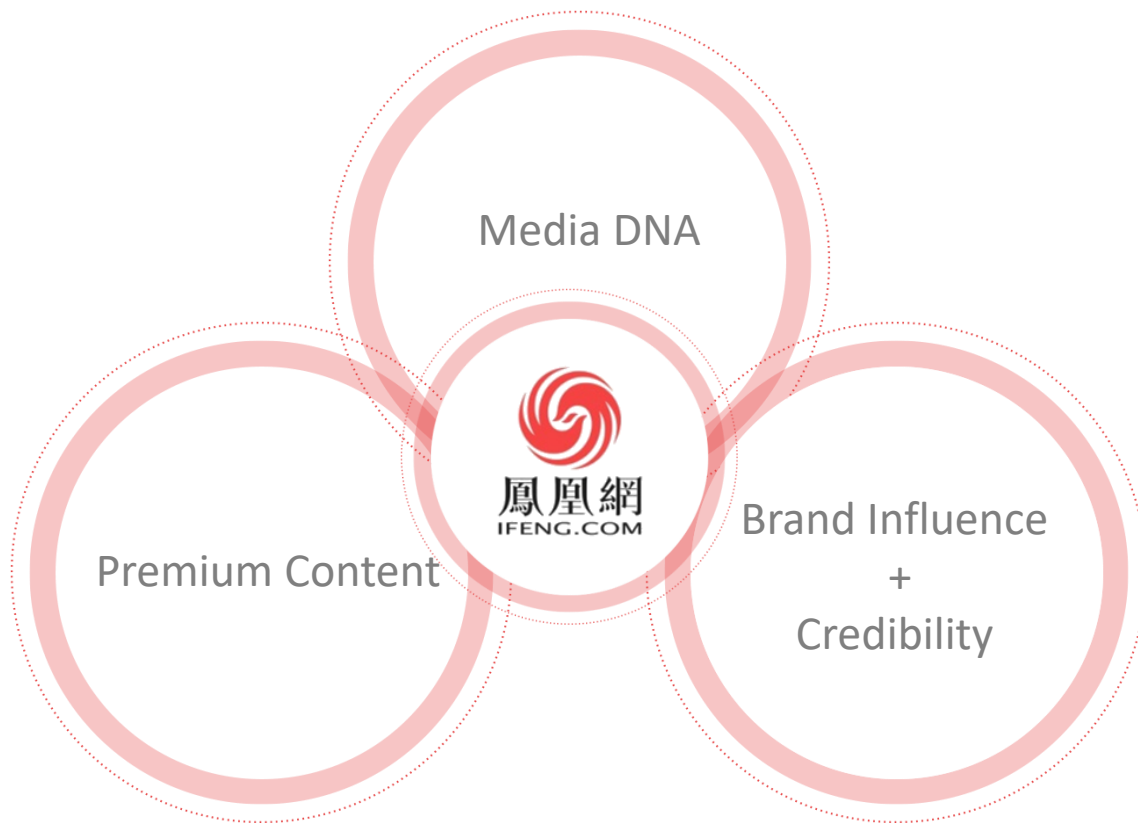


#2-ranked Entertainment channel

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



What Sets Phoenix New Media Apart Today?



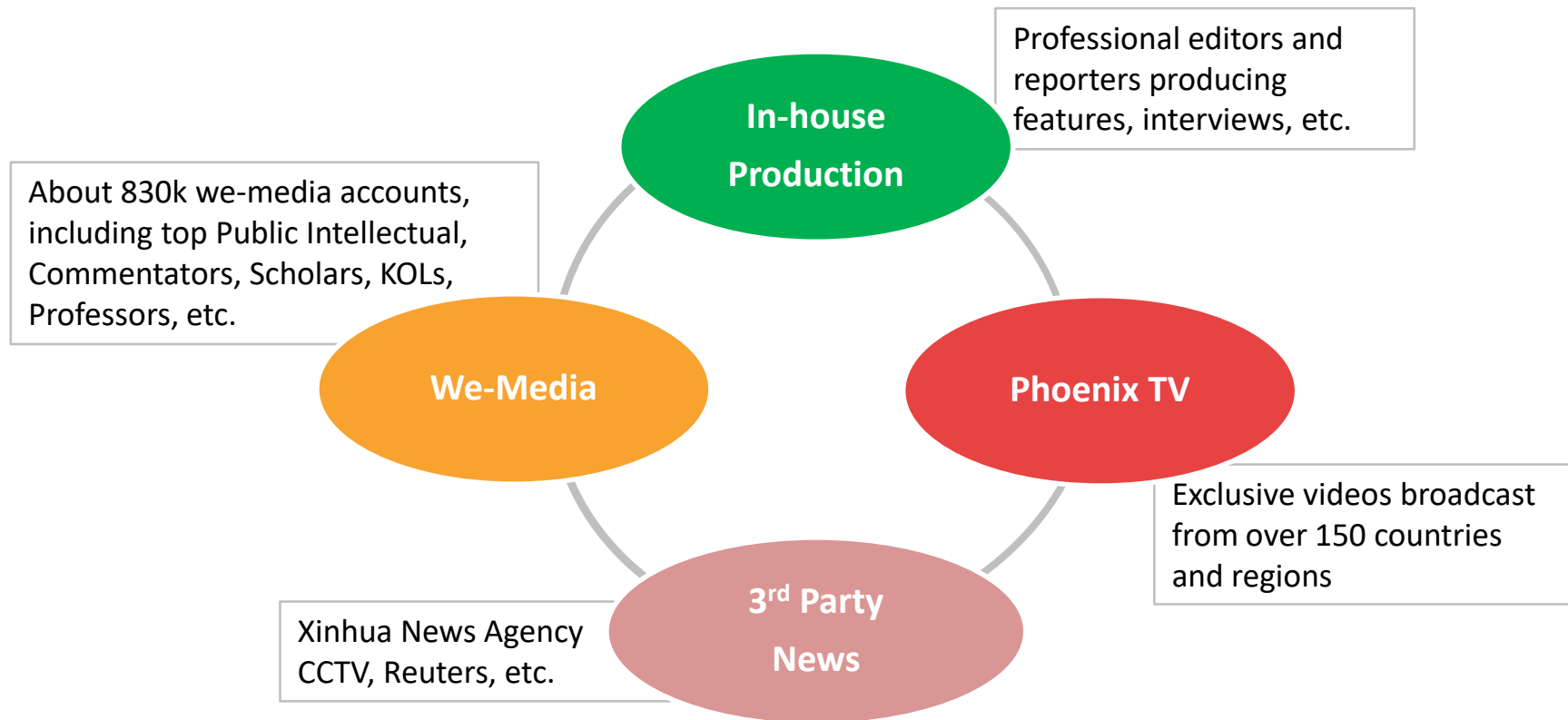


CONTENT



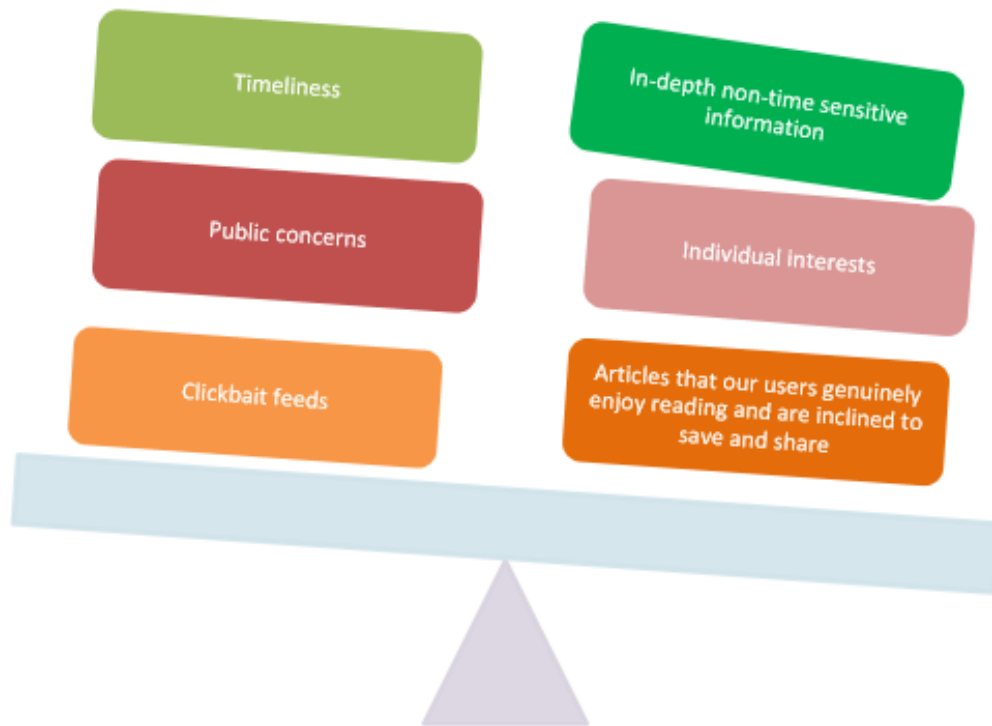


Diverse and Proprietary Content





High-quality and Differentiated Content



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



Content Strategy



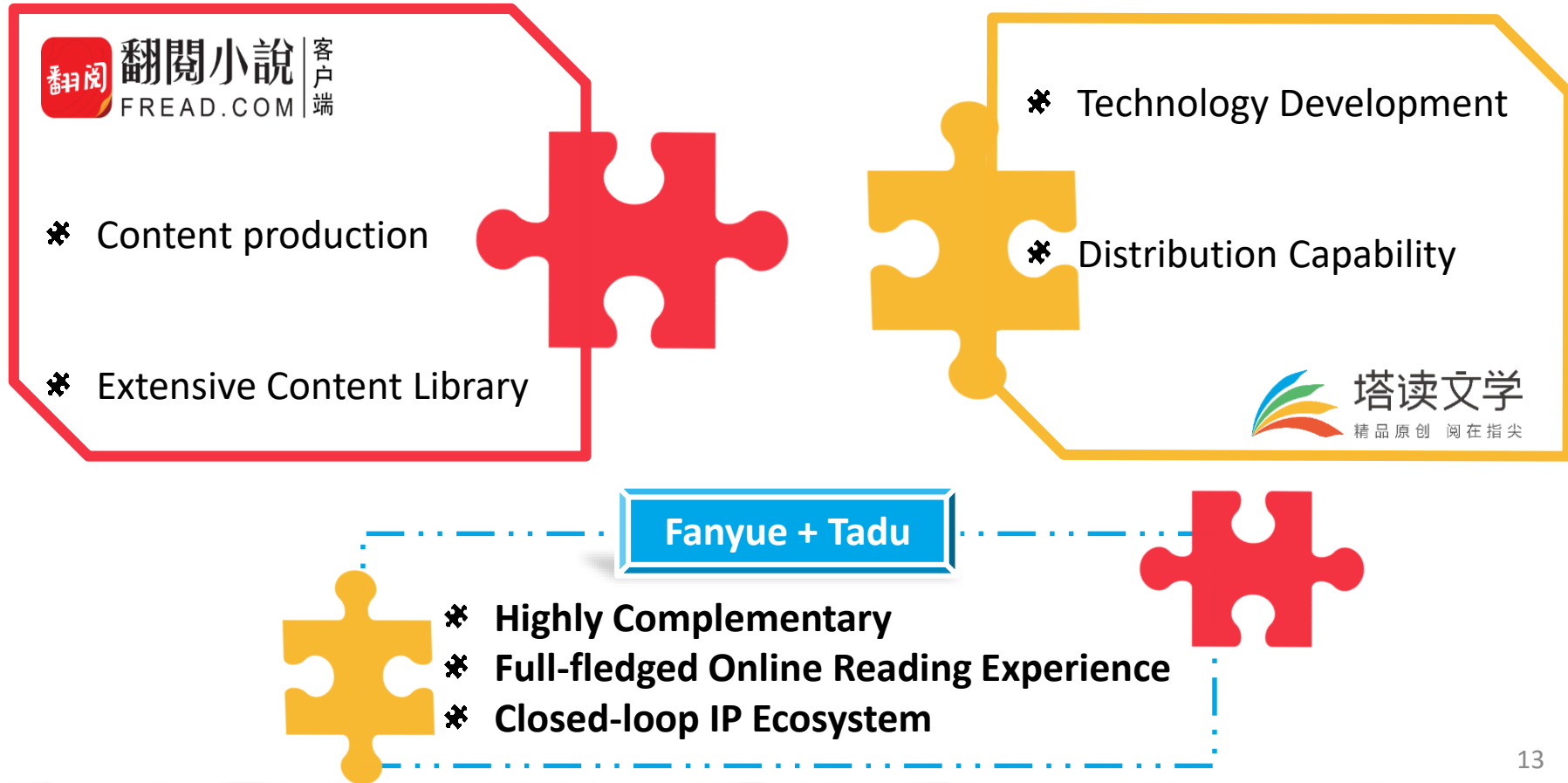
Original IP

We-Media (Dafenghao)

A powerful pipeline of new original IP content and focusing on top-performing We-Media accounts will further enrich our content library...

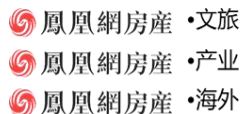


Our New Growth Engine – Online Reading



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



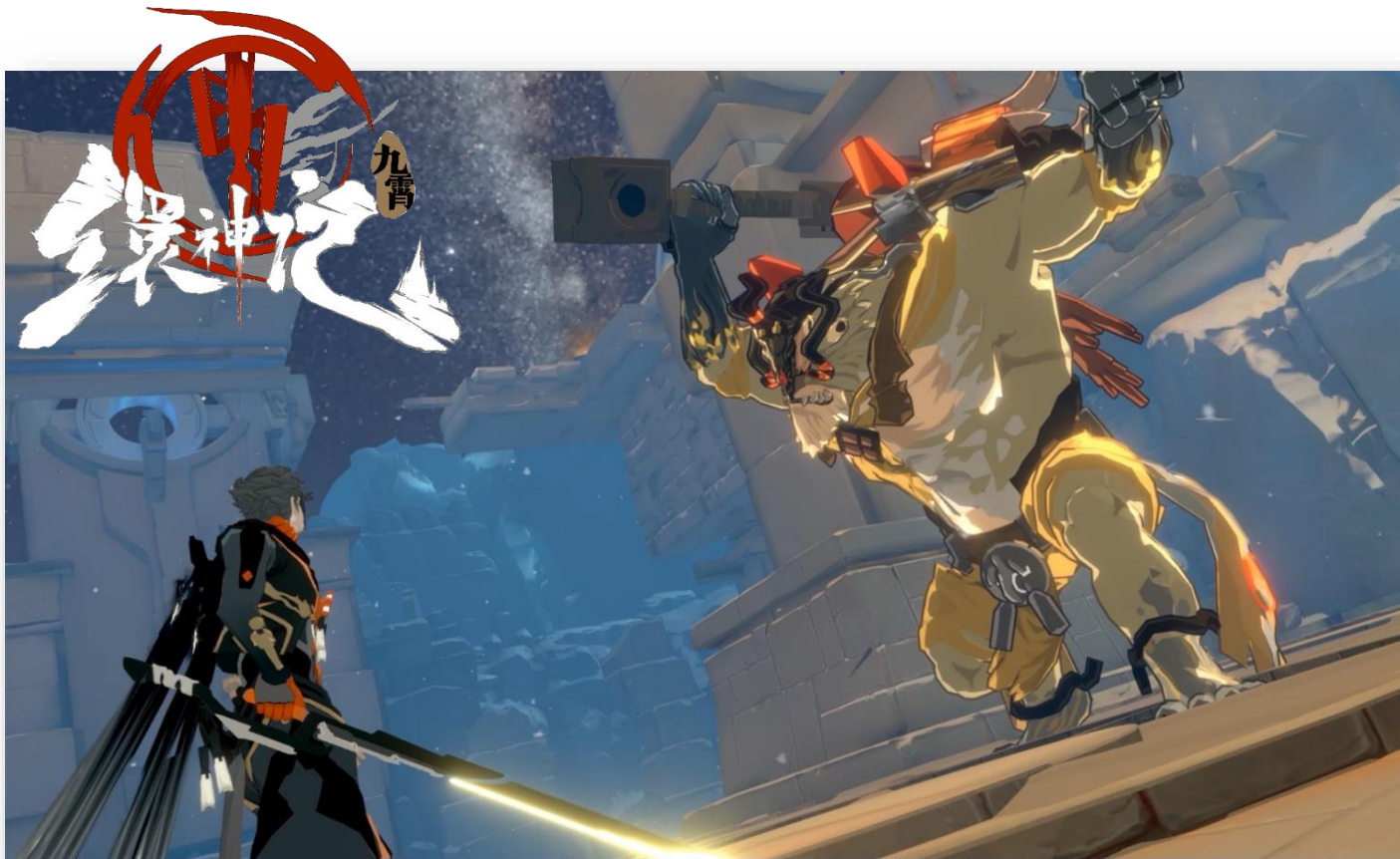
Team of experts in real estate transactions



Media resources inherited from Phoenix



Our New Growth Engine—God Slayer





Our Investment in Yidian Zixun



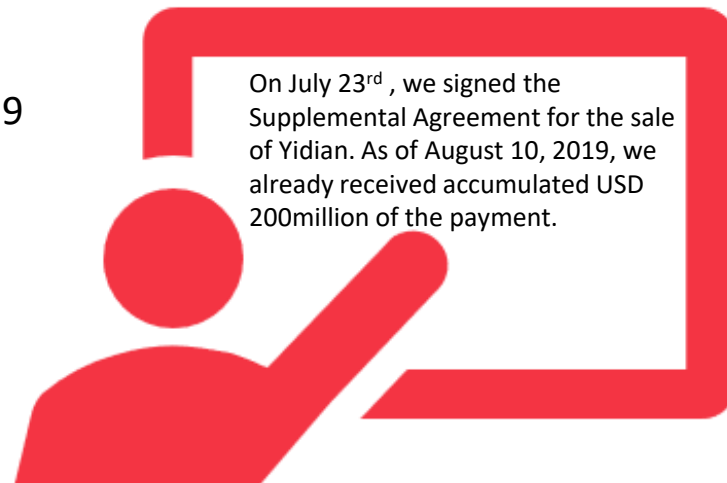
74m

- ✓ DAUs reached 74 million in January, 2019
- ✓ TOP3 Mobile News APP in China
- ✓ FY18 Revenues almost doubled



448mn

- ✓ Valuation: US\$1.318bn
- ✓ Return: nearly 6x
- ✓ Remaining Stake: 3.63%



On July 23rd, we signed the Supplemental Agreement for the sale of Yidian. As of August 10, 2019, we already received accumulated USD 200million of the payment.

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



MONETIZATION





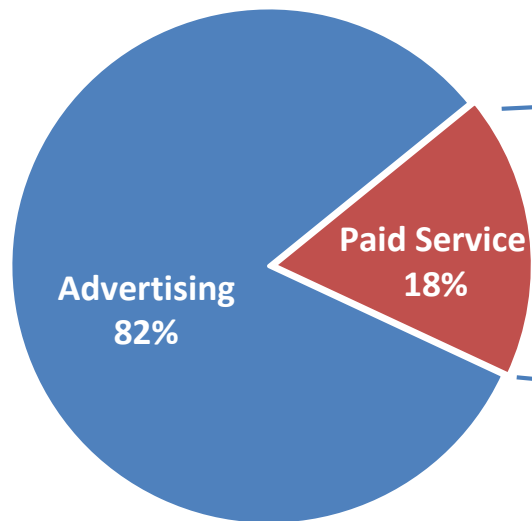
Expanding Advertisers



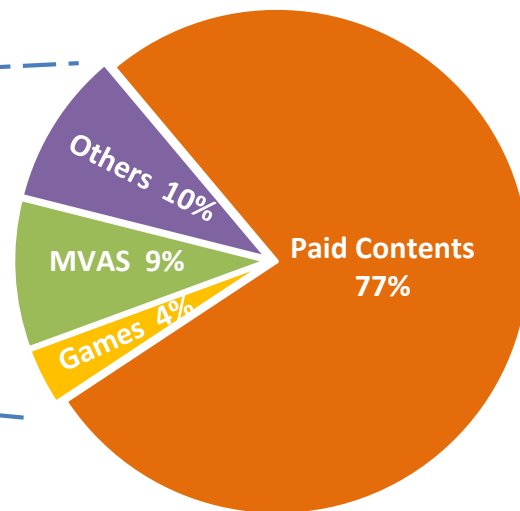


Paid Services – Subscription and Transaction

19Q2 Revenues Breakdown



Paid Service Breakdown⁽¹⁾



(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.

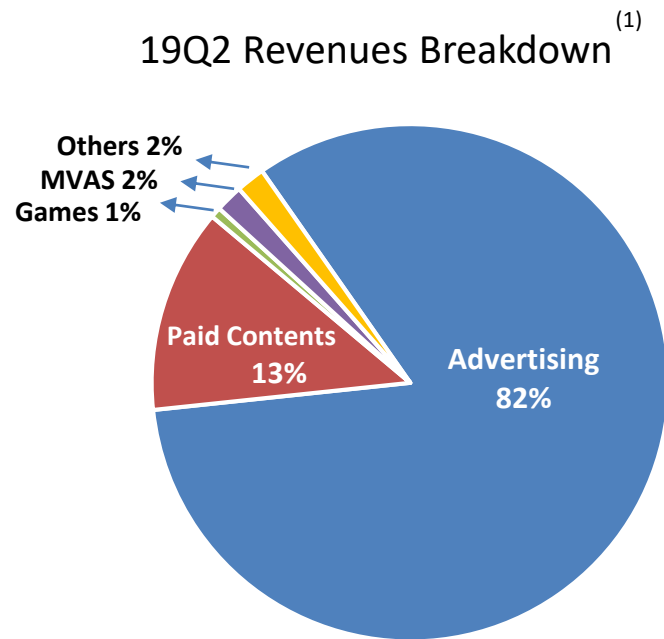
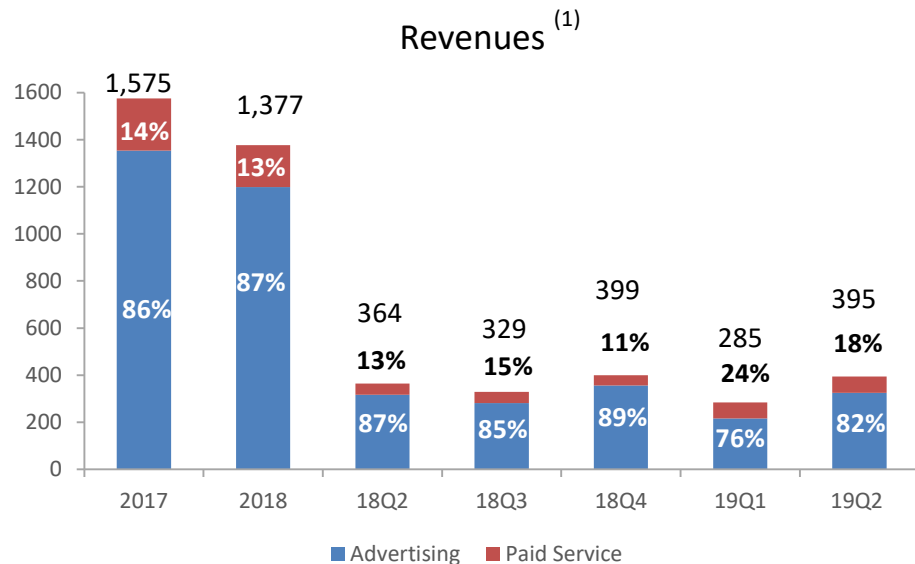


FINANCIAL HIGHLIGHTS





Revenues Breakdown



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Profits and Loss Highlights

| (RMB 000's) | Quarterly Results | | | FY 2018 | | FY 2017 |
|--|-------------------|------------------|----------------|------------------|------------------|------------------|
| | 19Q2 | 19Q1 | 18Q2 | 2018 (ACS606) | 2018 (ACS605) | 2017 |
| Revenue | 395,076 | 284,874 | 363,882 | 1,377,379 | 1,495,691 | 1,575,092 |
| Cost of Revenues | 184,951 | 178,145 | 134,296 | 596,548 | 719,213 | 727,197 |
| Revenue sharing fees | 13,676 | 17,329 | 11,460 | 47,539 | 47,540 | 72,613 |
| Content and operational costs | 156,346 | 146,961 | 108,937 | 491,868 | 491,569 | 466,379 |
| Bandwidth costs | 14,929 | 13,855 | 13,899 | 57,141 | 57,140 | 55,050 |
| Sales tax and surcharges | - | - | - | - | 122,964 | 133,155 |
| Operating Expenses | 289,156 | 228,865 | 200,154 | 904,853 | 900,536 | 832,912 |
| S&M | 163,655 | 120,572 | 109,823 | 537,562 | 533,245 | 493,664 |
| G&A | 65,380 | 48,852 | 41,808 | 162,568 | 162,568 | 146,923 |
| R&D | 60,121 | 59,441 | 48,523 | 204,723 | 204,723 | 192,325 |
| Non GAAP Income/(loss) from Operations | (74,804) | (118,149) | 32,822 | (110,033) | (111,329) | 35,835 |
| Non GAAP Net Profits | (66,409) | (111,782) | 53,066 | (54,585) | (55,880) | 52,028 |
| % to Revenue | | | | | | |
| Revenue sharing fees | 3.5% | 6.1% | 3.1% | 3.5% | 3.2% | 4.6% |
| Content and operational costs | 39.6% | 51.6% | 29.9% | 35.7% | 33.0% | 29.6% |
| Gross Margin | 53.2% | 37.5% | 63.1% | 56.7% | 51.9% | 53.8% |
| S&M | 41.4% | 42.3% | 30.2% | 39.0% | 35.7% | 31.3% |
| G&A | 16.5% | 17.1% | 11.5% | 11.8% | 10.9% | 9.3% |
| R&D | 15.2% | 20.9% | 13.3% | 14.9% | 13.7% | 12.2% |
| Non GAAP Operation Margin | -18.9% | -41.5% | 9.0% | -8.0% | -7.4% | 2.3% |
| Non GAAP Net Margin | -16.8% | -39.2% | 14.6% | -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 | 2019/3/31 | 2019/6/30 | 2019/6/30 |
|--|------------|-----------|-----------|-----------|
| | RMB | RMB | RMB | USD |
| Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash | 1,356 | 1,747 | 1,687 | 246 |
| Total Current Assets | 2,021 | 2,417 | 2,484 | 362 |
| Total Non-Current Assets | 2,610 | 3,451 | 3,032 | 442 |
| Total Liabilities | 1,240 | 2,029 | 2,143 | 312 |
| Total Shareholders' Equity | 3,391 | 3,839 | 3,373 | 492 |

Organic:

RMB1,419 million (US\$206.7 million)

Tianbo:

RMB251.6 million (US\$36.7 million)

Tadu :

RMB16.3 million (US\$2.4 million)

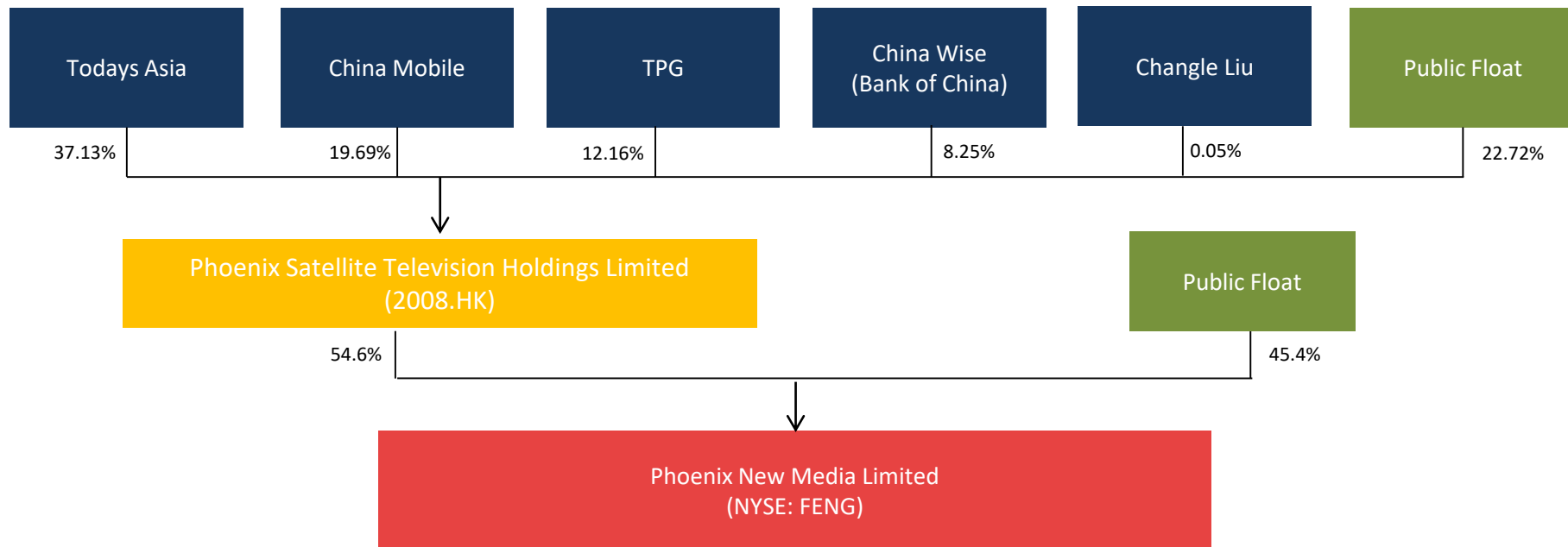


APPENDIX





Shareholding Structure



Note: As of June 30, 2019, 6.95% of total outstanding shares were granted but not exercised.



Institutional Shareholders

| Rank | Investor Name | Position 2019/7/30 | % of S/O |
|------|---------------------------------------|-----------------------|----------|
| 1 | International Value Advisers, LLC | 4,261,723 | 5.86% |
| 2 | FIL Investment Management (Hong Kong) | 1,768,091 | 2.43% |
| 3 | Park West Asset Management | 1,584,737 | 2.18% |
| 4 | Top Ace Asset Management Ltd | 1,119,845 | 1.54% |
| 5 | Sylebra Capital Ltd. | 983,560 | 1.35% |
| 6 | Renaissance Technologies | 695,587 | 0.96% |
| 7 | Value Partners | 614,000 | 0.84% |
| 8 | RiverCrest Capital | 499,889 | 0.69% |
| 9 | Two Sigma Investments | 444,470 | 0.61% |
| 10 | J. Goldman & Co. | 442,094 | 0.61% |

Note: Top 10 shareholders accounted for about 17.06% of total shares outstanding as of July 30, 2019.



Stable Management Team



CFO – Betty Ho

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



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



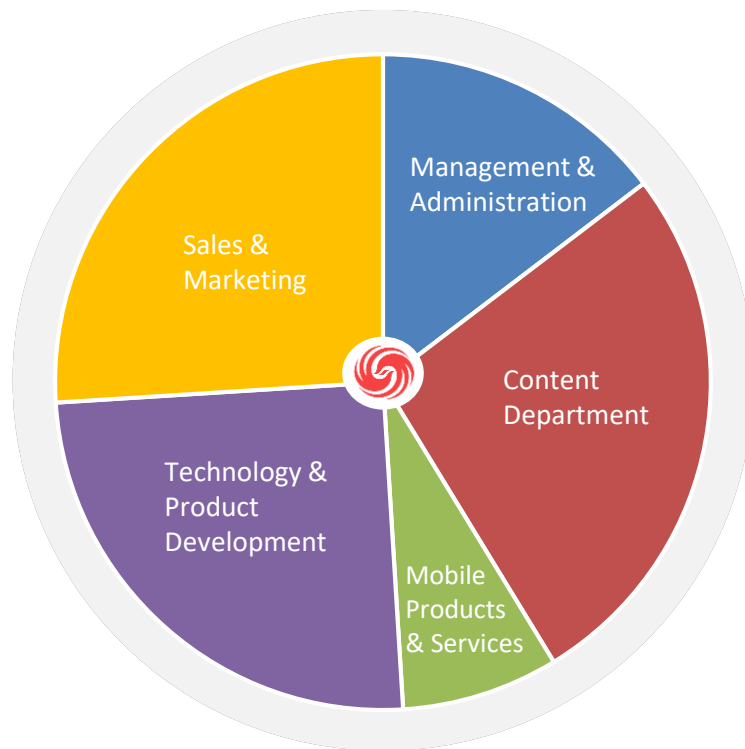
VP & Chief Editor – Ming Zou

22+ (Media industry)
Joined in 1998



Resources Distributions

Content Development consist of about 27 % of our total headcount, out of a total of around 1,900 headcounts.





Company Snapshot

As of August 20, 2019

| | |
|---|--------------|
| Exchange / Ticker | NYSE: FENG |
| Market Cap | US\$ 227.0Mn |
| Price | US\$ 3.15 |
| ADS Outstanding | 72.8Mn |
| Average Daily Trading Volume (last 3 months) | 0.07Mn |

Analysts Coverage

J.P.Morgan





THANKS

IR Team

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