



PHOENIX NEW MEDIA

NYSE: FENG

March 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





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 273 million MUV on PC in 4Q18.

DUV was 30 million on PC in 4Q18, ranked No. 3 among Chinese internet portal.



#1-ranked News channel

#2-ranked media home page



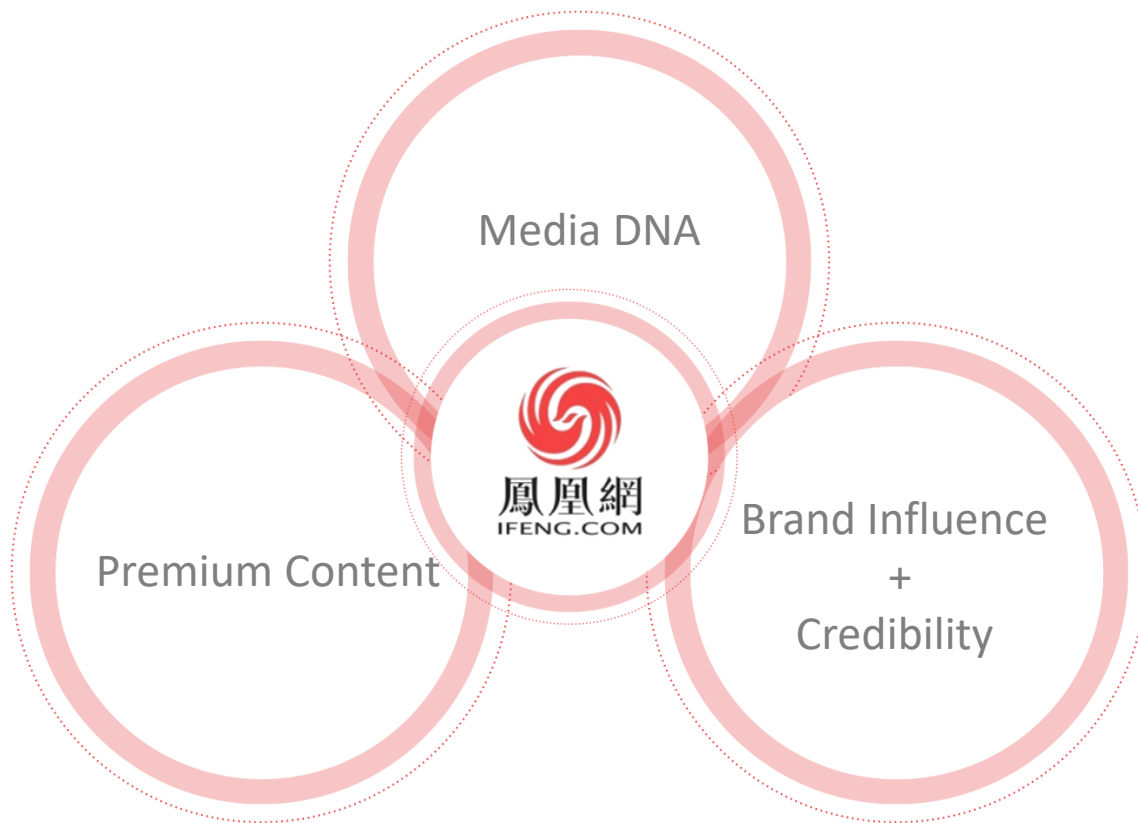
#1-ranked fashion channel



#2-ranked entertainment channel



What Sets Phoenix New Media Apart Today?



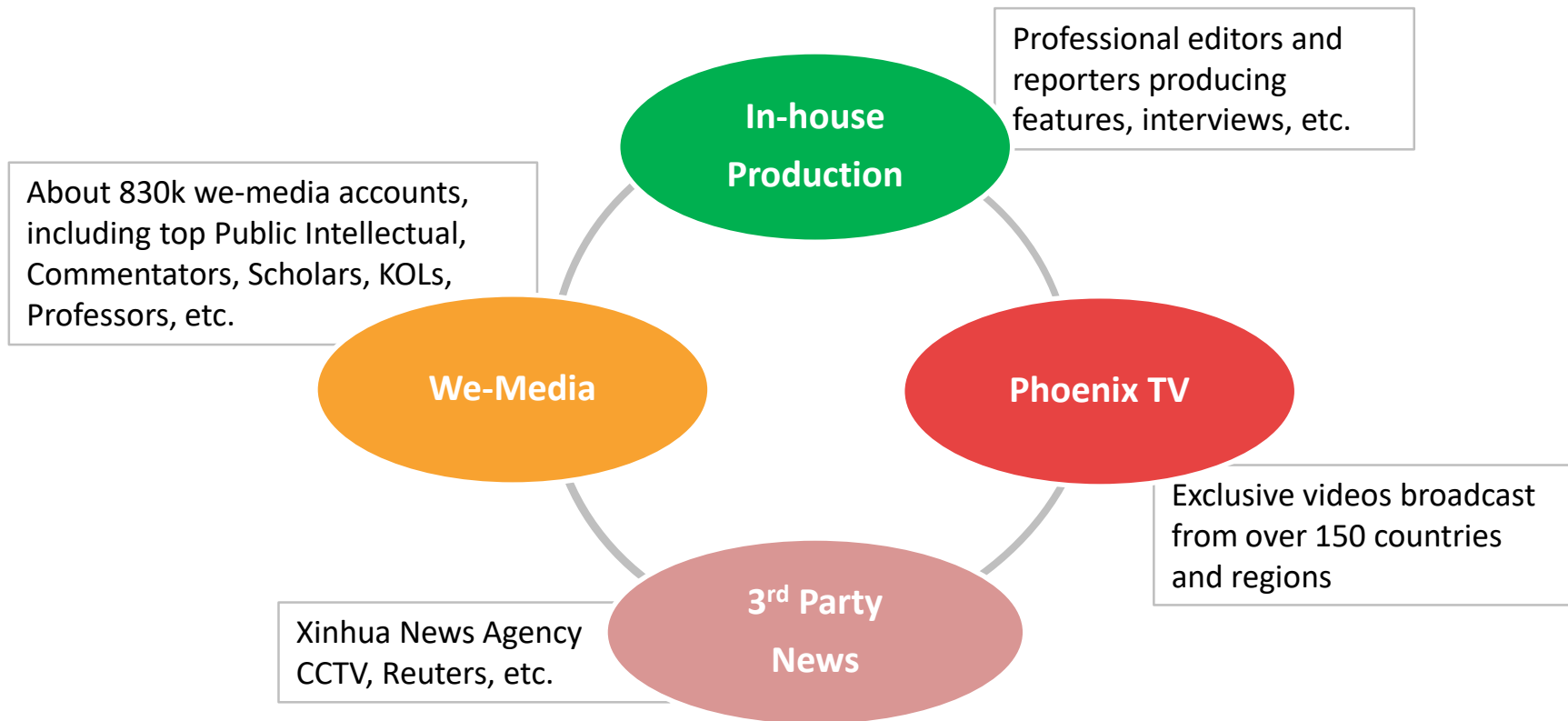


CONTENT





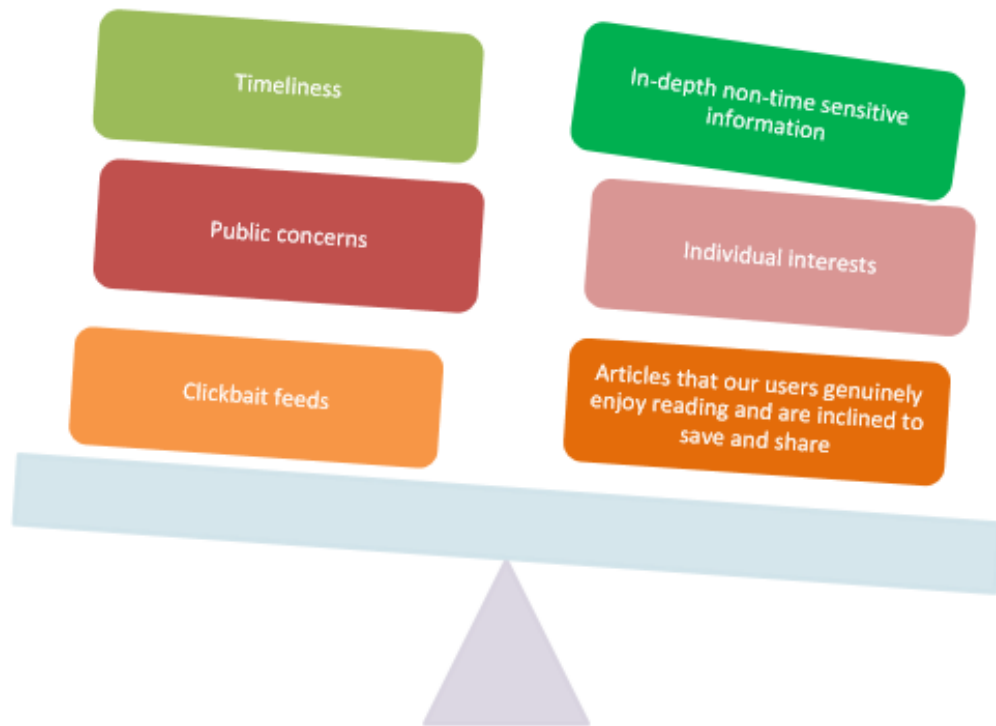
Diverse and Proprietary Content





High-quality and Differentiated Content

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





Content Strategy — Original Content IP



340m VV



2 Seasons



Aired in Jan

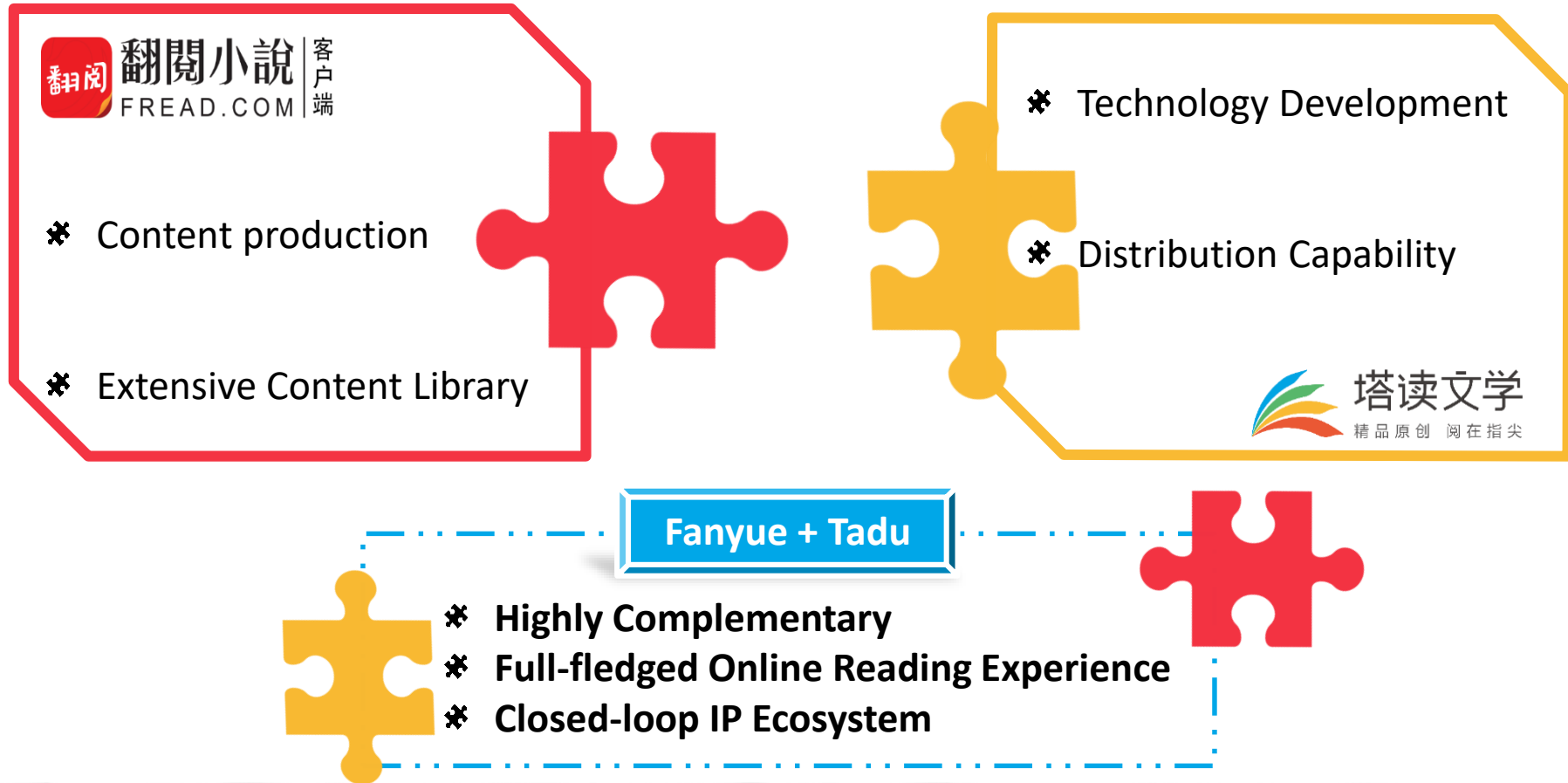


Insightful Perspectives

Original content IP will be a vital growth driver for us moving forward...



Content Strategy – Online Reading





Content Strategy – We-media

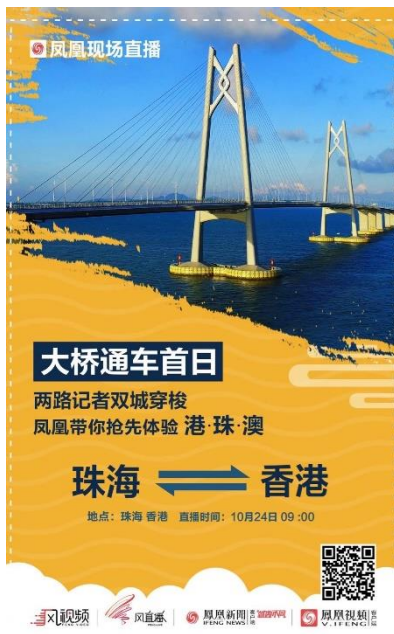
830K+ We-media Accounts





Content Strategy – Live Broadcasting

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





Our Investment in Yidian Zixun



74m

✓ DAUs reached 74 million in January, 2019

✓ TOP3 Mobile News APP in China

✓ FY18 Revenues almost doubled

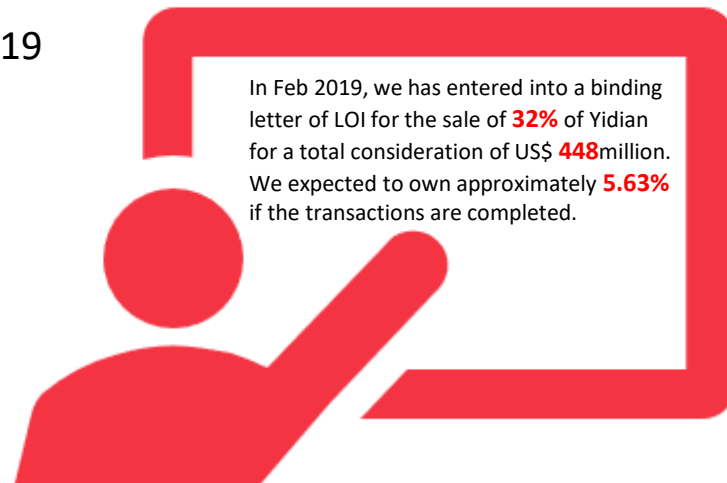
✓ Valuation: US\$1.4bn

✓ Cash Received: US\$448mn

✓ Remaining Stake: 5.63%



448mn



One of the most successful investments we have made in the past several



MONETIZATION

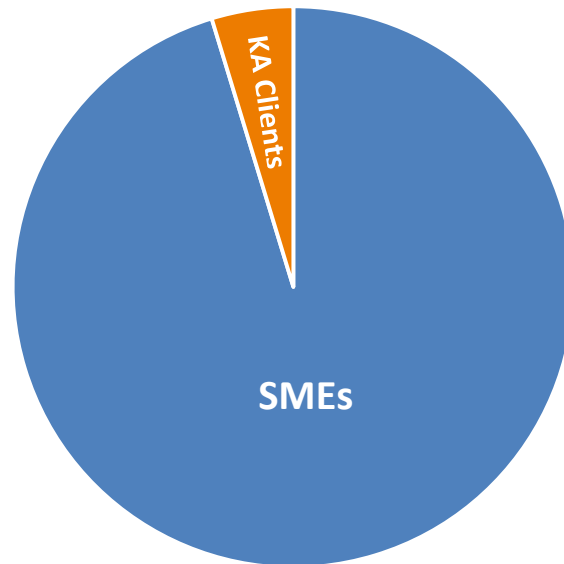




Expanding Advertisers



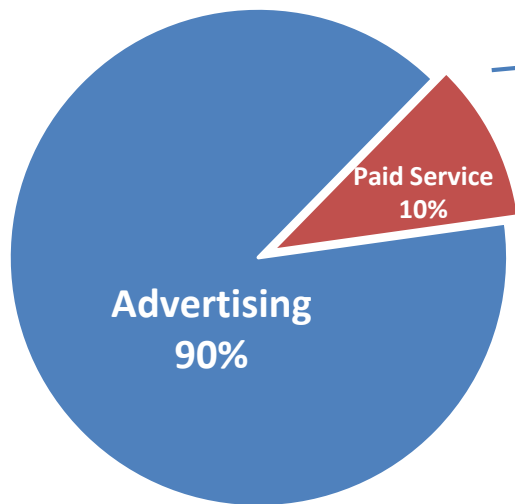
SME Clients Increased Significantly



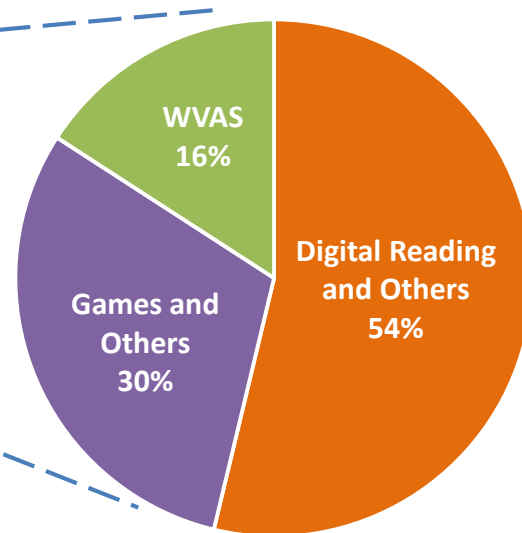


Paid Services – Subscription and Transaction

4Q18 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.

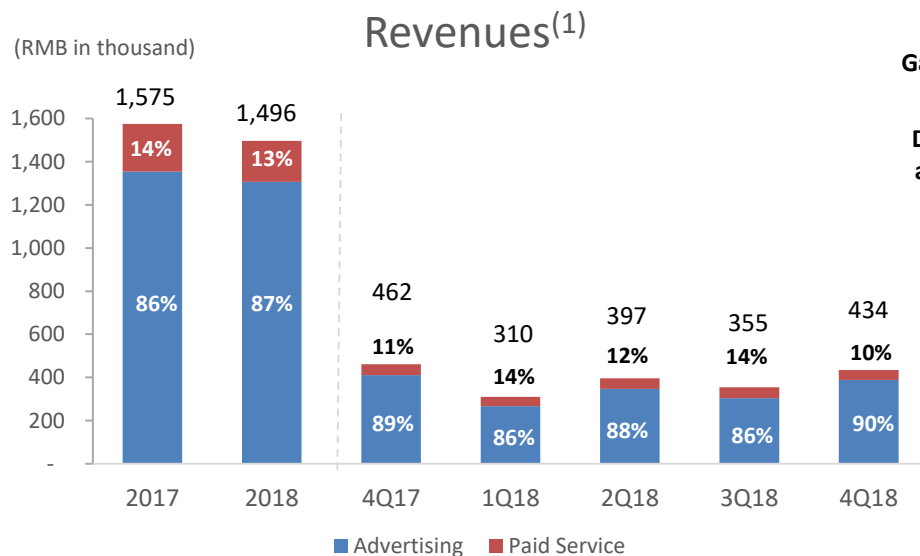


FINANCIAL HIGHLIGHTS

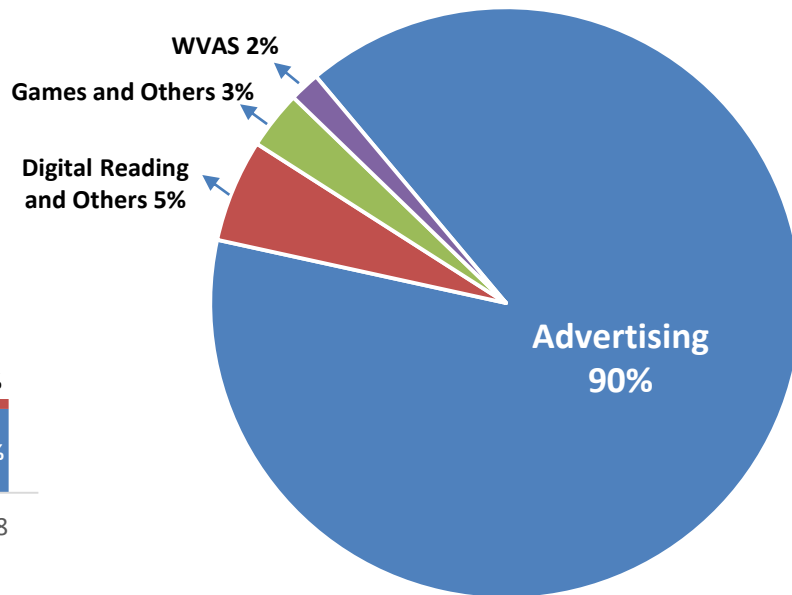




Revenues Breakdown



4Q18 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 2018		FY 2017
	4Q18 (ASC606)	4Q18 (ASC605)	3Q18 (ASC606)	3Q18 (ASC605)	4Q17	2018 (ACS606)	2018 (ACS605)	2017
Revenue	399,234	434,068	329,340	354,999	461,787	1,377,379	1,495,691	1,575,092
Cost of Revenues	181,272	217,198	152,236	181,104	208,679	596,548	719,213	727,197
Revenue sharing fees	13,201	13,201	14,261	14,261	12,350	47,539	47,540	72,613
Content and operational costs	153,866	153,971	123,281	122,502	143,588	491,868	491,569	466,379
Bandwidth costs	14,205	14,205	14,694	14,693	12,830	57,141	57,140	55,050
Sales tax and surcharges	-	35,821	-	28,998	39,911	-	122,964	133,155
Operating Expenses	257,011	254,447	233,659	233,396	258,541	904,853	900,536	832,912
S&M	155,522	152,958	140,998	140,735	156,590	537,562	533,245	493,664
G&A	44,670	44,670	41,692	41,692	50,457	162,568	162,568	146,923
R&D	56,819	56,819	50,969	50,969	51,494	204,723	204,723	192,325
Non GAAP Income/(loss) from Operations	(34,435)	(32,964)	(54,020)	(56,966)	(756)	(110,033)	(111,329)	35,835
Non GAAP Net Profits	(37,660)	(36,189)	(18,331)	(21,277)	11,633	(54,585)	(55,880)	52,028
% to Revenue								
Revenue sharing fees	3.3%	3.0%	4.3%	4.0%	2.7%	3.5%	3.2%	4.6%
Content and operational costs	38.5%	35.5%	37.4%	34.5%	31.1%	35.7%	32.8%	29.6%
Gross Margin	54.6%	50.0%	53.8%	49.0%	54.8%	56.7%	51.8%	53.8%
S&M	39.0%	35.2%	42.8%	39.6%	33.9%	39.0%	35.7%	31.3%
G&A	11.2%	10.3%	12.7%	11.7%	10.9%	11.8%	10.9%	9.3%
R&D	14.2%	13.1%	15.5%	14.4%	11.2%	14.9%	13.7%	12.2%
Non GAAP Operation Income Margin	-8.6%	-7.6%	-16.4%	-16.0%	-0.2%	-8.0%	-7.4%	2.3%
Non GAAP Net Margin	-9.4%	-8.3%	-5.6%	-6.0%	2.5%	-4.0%	-3.7%	3.3%

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



Strong Balance Sheet — No Debt!

<i>(RMB in mn)</i>	2017/12/31	2018/12/31	2018/12/31
	RMB	RMB	USD
Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash	1,437	1,356	197
Total Current Assets	2,243	2,021	294
Total Non-Current Assets	1,356	2,610	380
Total Liabilities	1,098	1,241	181
Total Shareholders' Equity	2,501	3,390	493



APPENDIX





Young Company with Long History

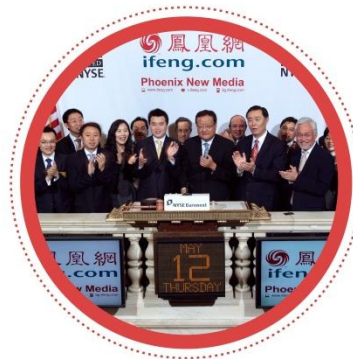


鳳凰衛視

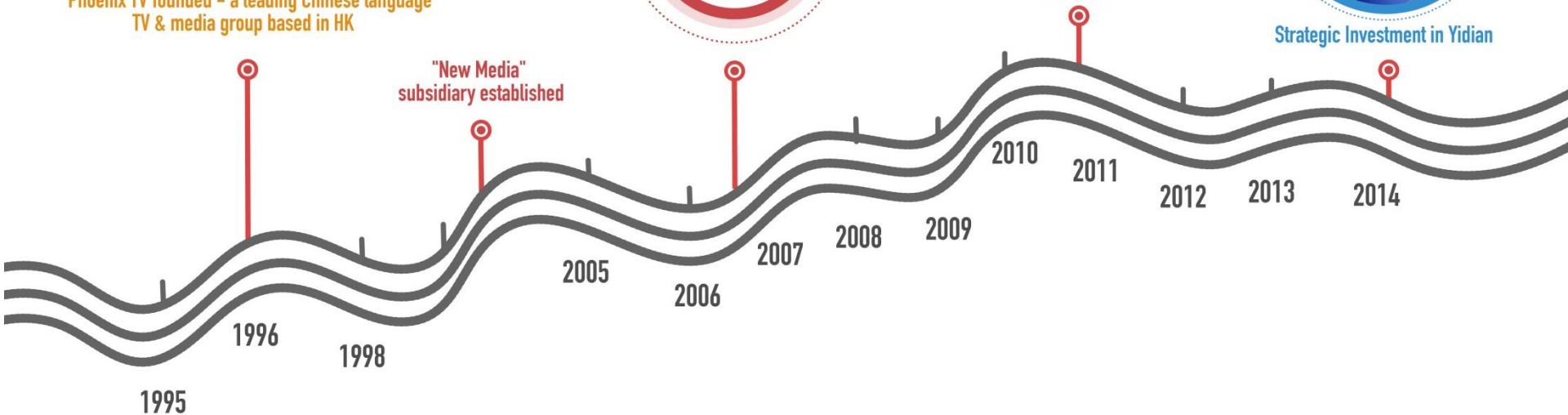
Phoenix TV founded – a leading Chinese language TV & media group based in HK



"New Media" subsidiary established

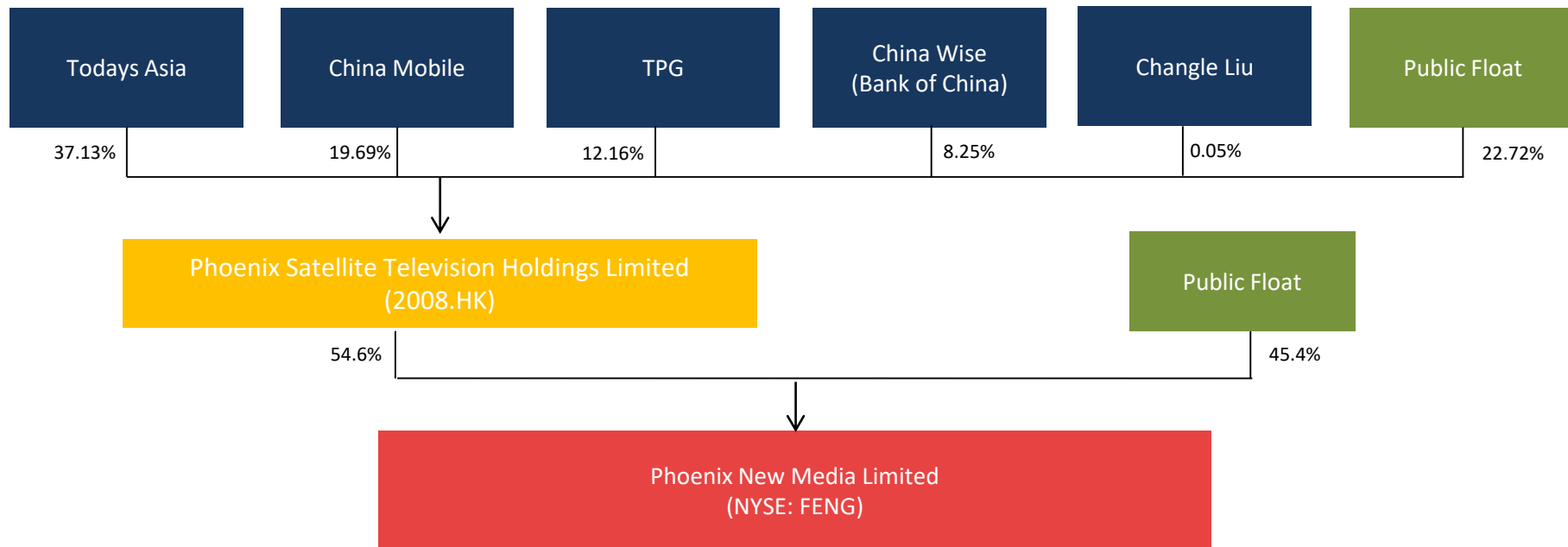


Strategic Investment in Yidian





Shareholding Structure



Note: As of December 31, 2018, 6.95% of total outstanding shares were granted but not exercised.



Institutional Shareholders

Rank	Investor Name	Position 2019/2/28	% of S/O
1	International Value Advisers, LLC	3,493,584	4.80%
2	FIL Investment Management (Hong Kong)	1,502,560	2.06%
3	Park West Asset Management LLC	1,441,641	1.98%
4	Top Ace Asset Management Ltd	1,119,845	1.54%
5	Sylebra HK Co Ltd	946,433	1.30%
6	Renaissance Technologies	881,887	1.21%
7	Atlantis Investment Management (Hong Kong)	747,182	1.03%
8	Value Partners	705,000	0.97%
9	Unidentified Money Manager 1	669,000	0.92%
10	Pacific Asset Management LLP	500,577	0.69%

Note: Top 10 shareholders accounted for about 16.50% of total shares outstanding as of February 28, 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 24 % of our total headcount, out of a total of around 1,300 headcounts.





Company Snapshot

As of March 12, 2019

Exchange / Ticker	NYSE: FENG
Market Cap	US\$ 290.8Mn
Price	US\$ 4.20
ADS Outstanding	72.7Mn
Average Daily Trading Volume (last 3 months)	0.21Mn

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

IR Team

Qing Liu

E-mail: investorrelations@ifeng.com

Website: <http://ir.ifeng.com>

IR Consultant

ICR, Inc.

China: William Zima

USA: Jack Wang

Tel: +1 (646) 405-4883