



PHOENIX NEW MEDIA

NYSE: FENG

May 2019



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





Young Company with Long History



鳳凰衛視

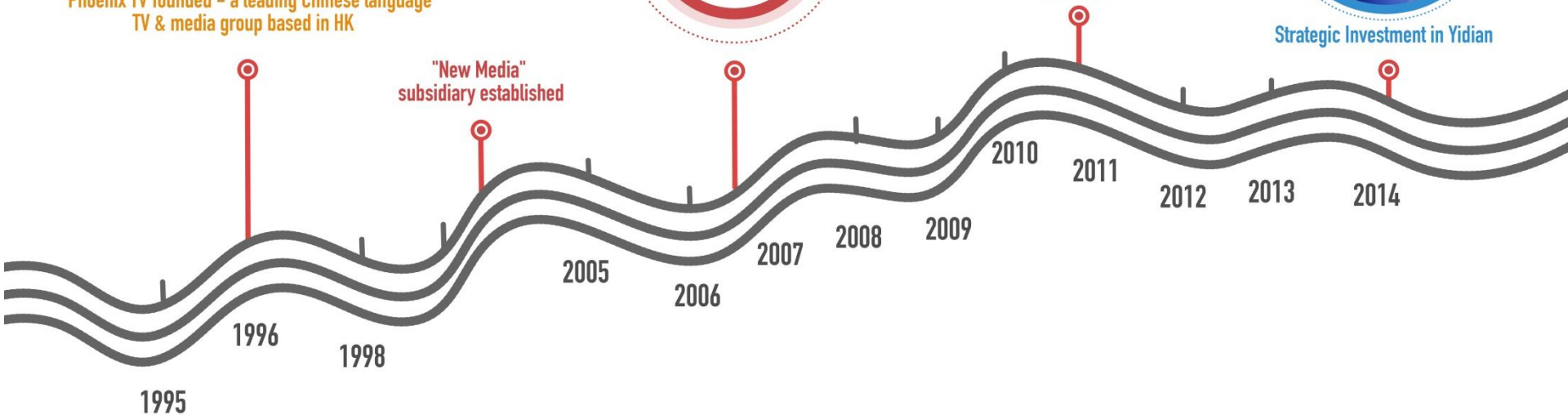
Phoenix TV founded – a leading Chinese language TV & media group based in HK



"New Media" subsidiary established



Strategic Investment in Yidian





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

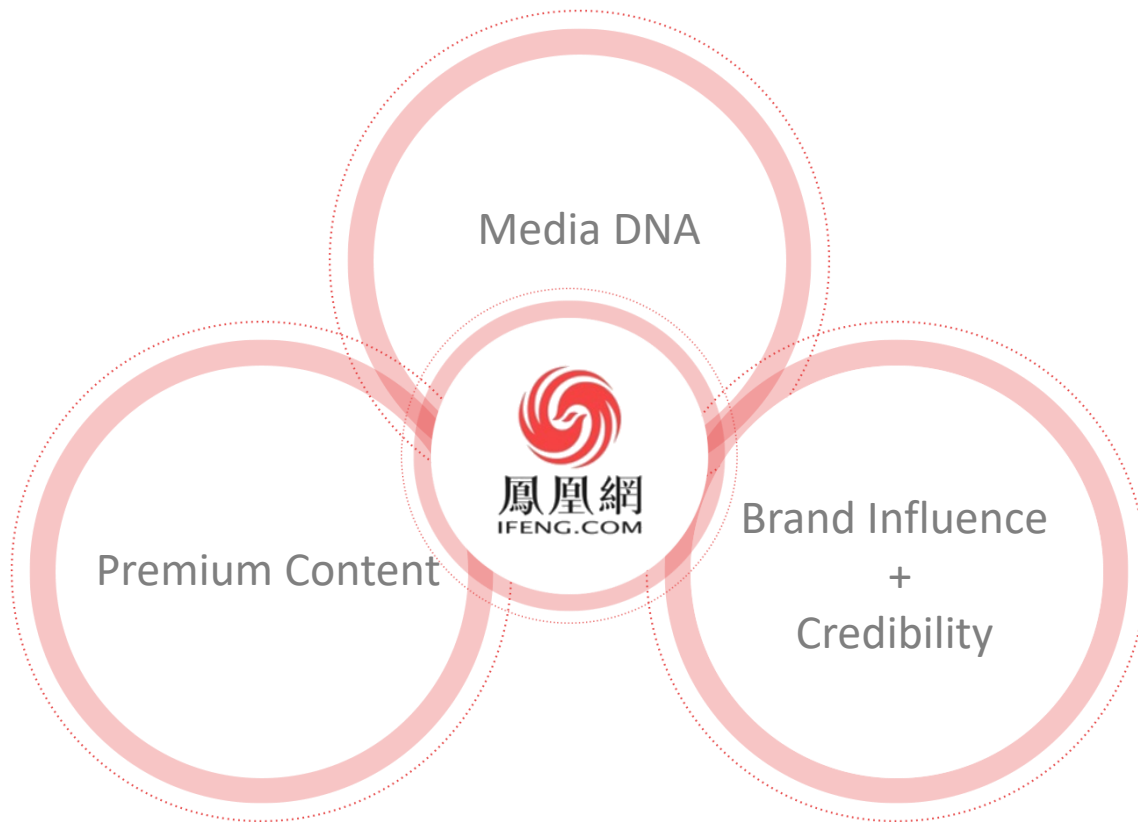


#2-ranked Entertainment channel

Source: iResearch's data and ranking as of March 31, 2019, all ranking by Monthly Unique Visitors.



What Sets Phoenix New Media Apart Today?



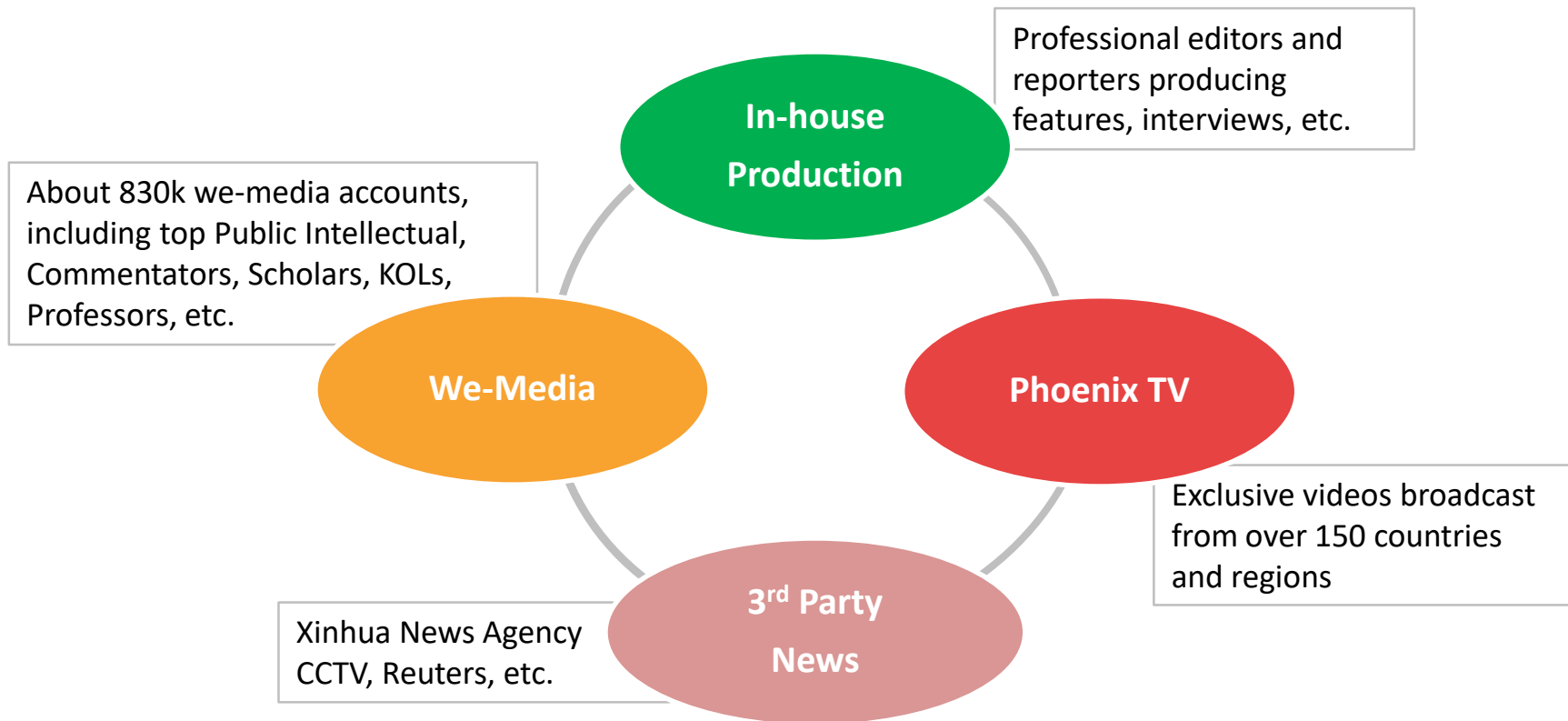


CONTENT



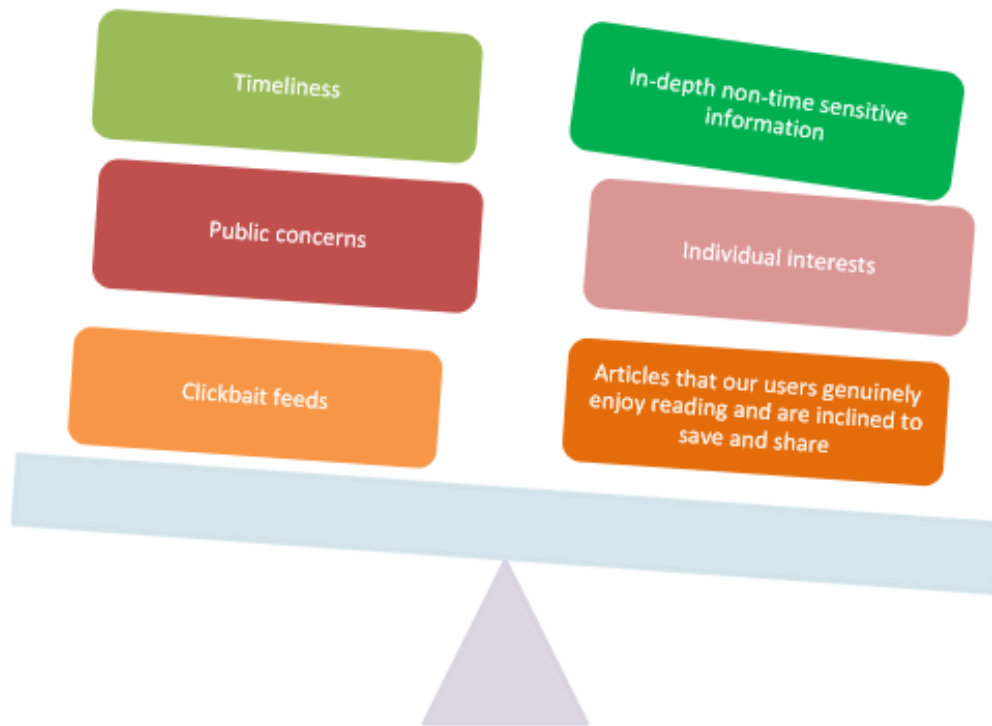


Diverse and Proprietary Content





High-quality and Differentiated Content



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



Content Strategy — Original Content IP



340m VV
iFeng/SZTV/Tencent



Aired in April
iFeng



1 billion VV
iFeng/Youku/IQIYI



500m VV
iFeng/Youku/Tencent

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



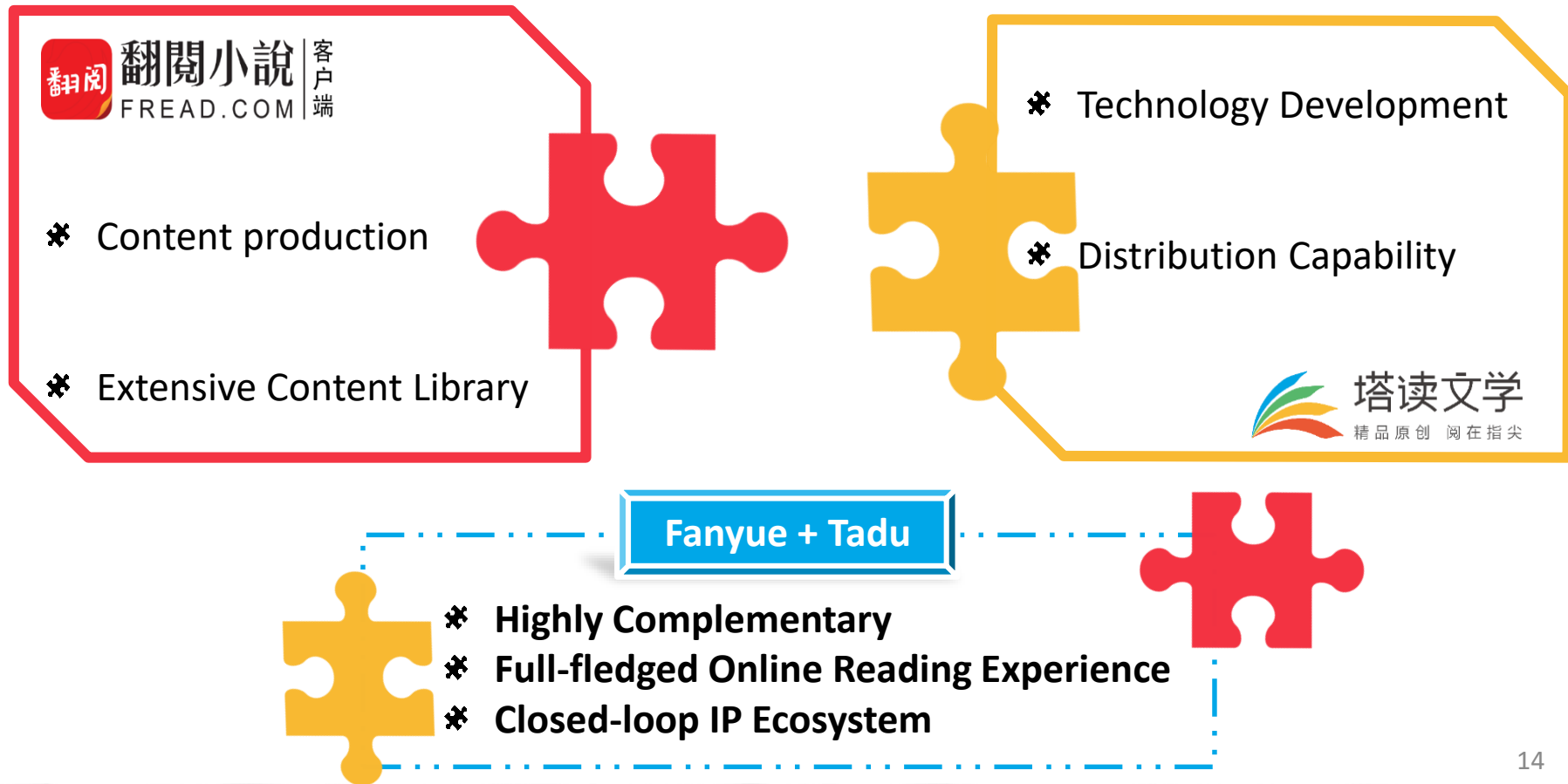
Content Strategy – We-media

830K+ We-media Accounts



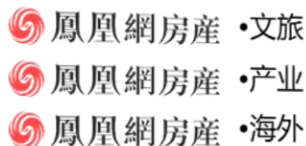


Our New Growth Engine – Online Reading





Our New Growth Engine— iFeng Housing



- 🏠 RESS+(Residential Ecological Service System)
- 🏠 New Residential Property +Second Housing
- 🏠 Team of experts in real estate transactions
- 🏠 Media resources inherited from Phoenix
- 🏠 5-year CAGR 74%



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

In March 2019, we signed the SPA for the sale of **32%** of Yidian for a total consideration of US\$ **448**million. We expected to own approximately **5.63%** if the transactions are completed.

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



MONETIZATION

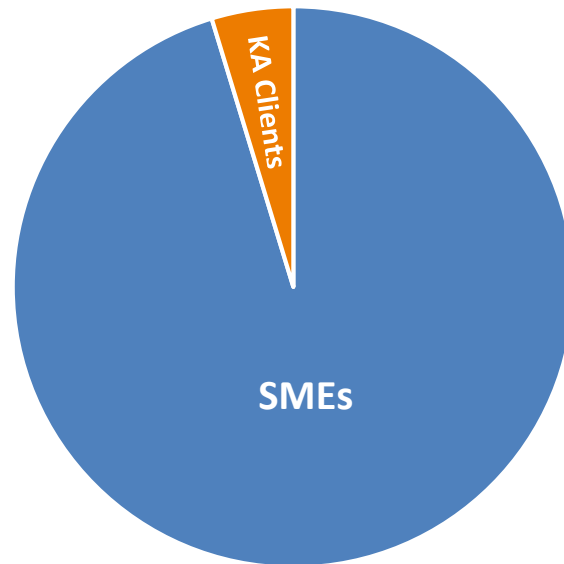




Expanding Advertisers



SME Clients Increased Significantly

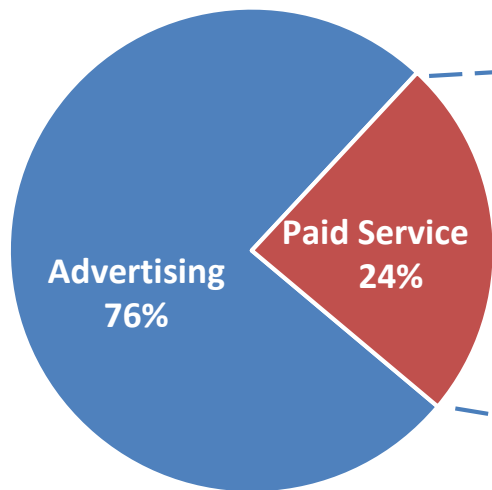


Source: Company data in 19Q1

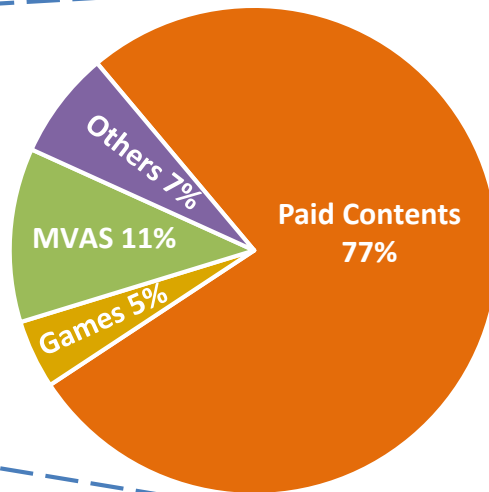


Paid Services – Subscription and Transaction

19Q1 Revenues Breakdown



(1)
Paid Service Breakdown



(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.

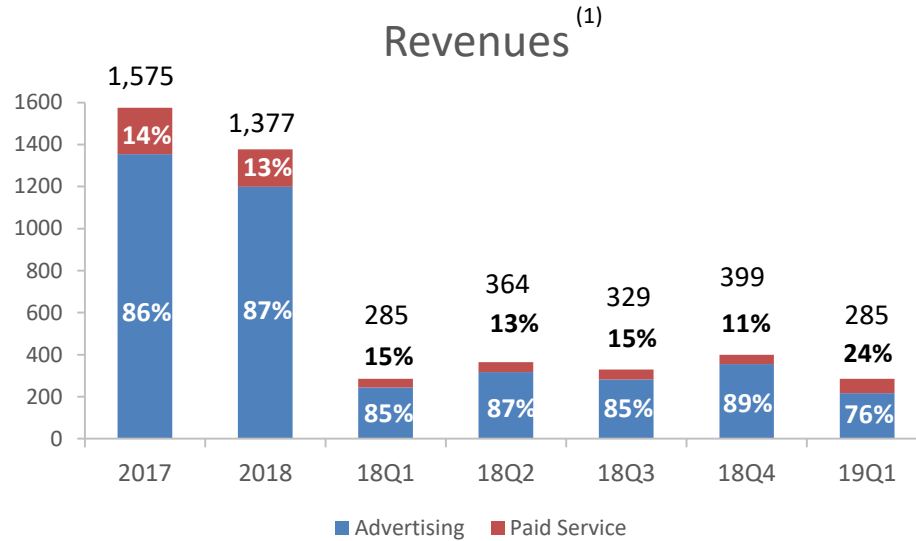


FINANCIAL HIGHLIGHTS

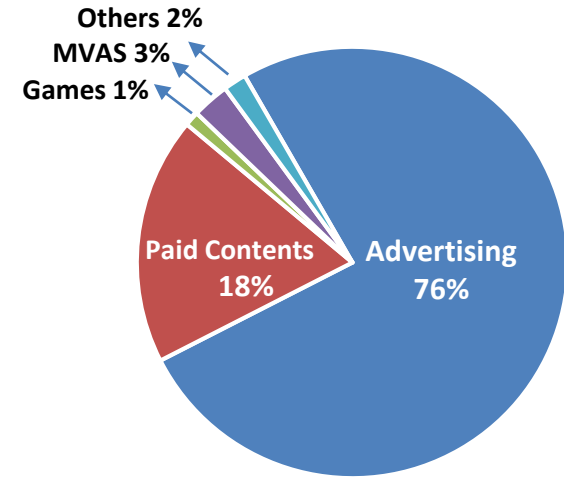




Revenues Breakdown



19Q1 Revenues 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.



Profits and Loss Highlights

(RMB 000's)	Quarterly Results			FY 2018		FY 2017
	19Q1	18Q4	18Q1	2018 (ACS606)	2018 (ACS605)	2017
Revenue	284,874	399,234	284,923	1,377,379	1,495,691	1,575,092
Cost of Revenues	178,145	181,272	128,744	596,548	719,213	727,197
Revenue sharing fees	17,329	13,201	8,617	47,539	47,540	72,613
Content and operational costs	146,961	153,866	105,784	491,868	491,569	466,379
Bandwidth costs	13,855	14,205	14,343	57,141	57,140	55,050
Sales tax and surcharges	-	-	-	-	122,964	133,155
Operating Expenses	228,865	257,011	214,029	904,853	900,536	832,912
S&M	120,572	155,522	131,219	537,562	533,245	493,664
G&A	48,852	44,670	34,398	162,568	162,568	146,923
R&D	59,441	56,819	48,412	204,723	204,723	192,325
Non GAAP Income/(loss) from Operations	(118,149)	(34,435)	(54,400)	(110,033)	(111,330)	35,835
Non GAAP Net Profits	(111,782)	(37,660)	(51,660)	(54,585)	(55,881)	52,028
% to Revenue						
Revenue sharing fees	6.1%	3.3%	3.0%	3.5%	3.2%	4.6%
Content and operational costs	51.6%	38.5%	37.1%	35.7%	33.0%	29.6%
Gross Margin	37.5%	54.6%	54.8%	56.7%	51.9%	53.8%
S&M	42.3%	39.0%	46.1%	39.0%	35.7%	31.3%
G&A	17.1%	11.2%	12.1%	11.8%	10.9%	9.3%
R&D	20.9%	14.2%	17.0%	14.9%	13.7%	12.2%
Non GAAP Operation Income Margin	-41.5%	-8.6%	-19.1%	-8.0%	-7.4%	2.3%
Non GAAP Net Margin	-39.2%	-9.4%	-18.1%	-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>	2018/12/31	2019/3/31	2019/3/31
	RMB	RMB	USD
Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash	1,356	1,747	260
Total Current Assets	2,021	2,417	360
Total Non-Current Assets	2,610	3,451	514
Total Liabilities	1,240	2,029	302
Total Shareholders' Equity	3,390	3,839	572

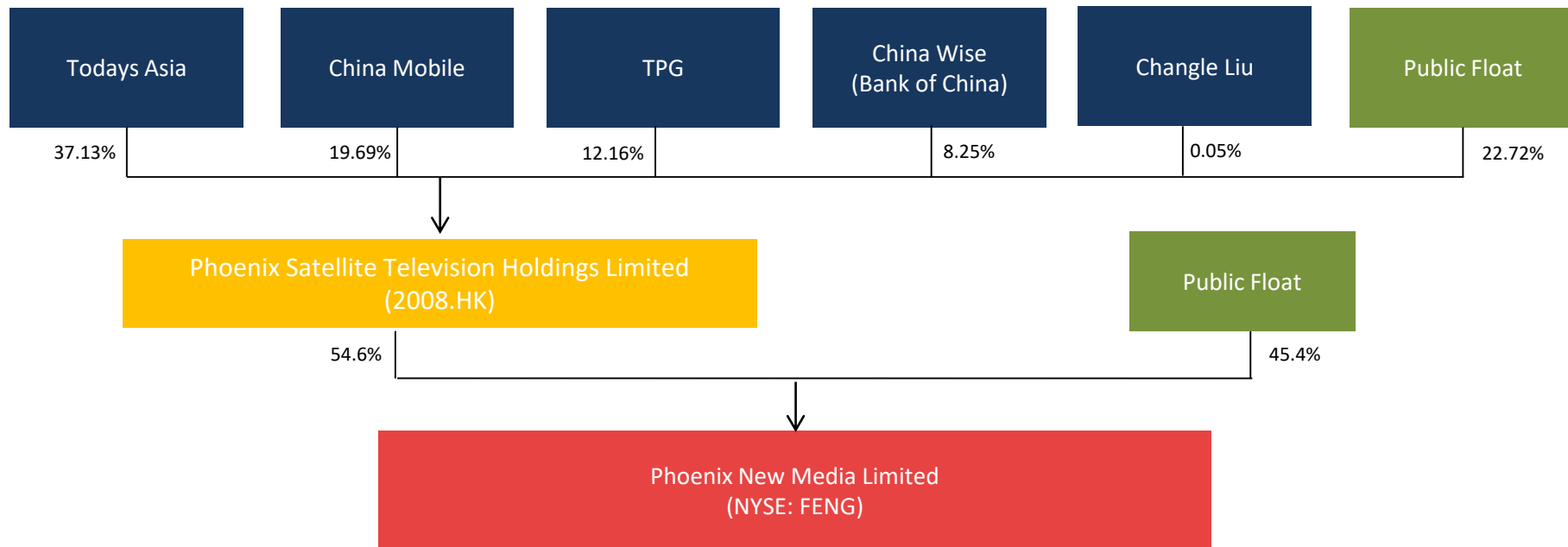


APPENDIX





Shareholding Structure



Note: As of March 31, 2019, 6.95% of total outstanding shares were granted but not exercised.



Institutional Shareholders

Rank	Investor Name	Position 2019/4/30	% of S/O
1	International Value Advisers, LLC	3,722,584	5.12%
2	Park West Asset Management LLC	1,704,641	2.34%
3	FIL Investment Management (Hong Kong) Limited	1,201,560	1.65%
4	Top Ace Asset Management Ltd	1,119,845	1.54%
5	Unidentified Money Manager 1	1,024,000	1.41%
6	Sylebra HK Co Ltd	946,433	1.30%
7	Renaissance Technologies LLC	812,887	1.12%
8	Atlantis Investment Management Limited	747,182	1.03%
9	Value Partners Ltd.	638,000	0.88%
10	Pacific Asset Management LLP	521,244	0.72%

Note: Top 10 shareholders accounted for about 16.50% of total shares outstanding as of April 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 23 % of our total headcount, out of a total of around 1,400 headcounts.





Company Snapshot

As of May 3, 2019

Exchange / Ticker	NYSE: FENG
Market Cap	US\$ 317.0Mn
Price	US\$ 4.36
ADS Outstanding	72.7Mn
Average Daily Trading Volume (last 3 months)	0.17Mn

Analysts Coverage

J.P.Morgan





THANKS

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