



PHOENIX NEW MEDIA

NYSE: FENG

August 2020



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





Company Milestones



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

"New Media" subsidiary established



Strategic investment in Yidian

Achieved exceptional return on investment through Yidian's transaction





Senior Management Team



CFO – Edward Lu

15+ (Media Industry)
Joined in 2009



CEO – Shuang Liu

20+ (Media industry)
Joined in 2005



SVP – Xiaoyan Chi

18+ (Internet media marketing)
Joined in 2009



SVP – Chun Liu

27+ (Media industry)
Joined in 2018

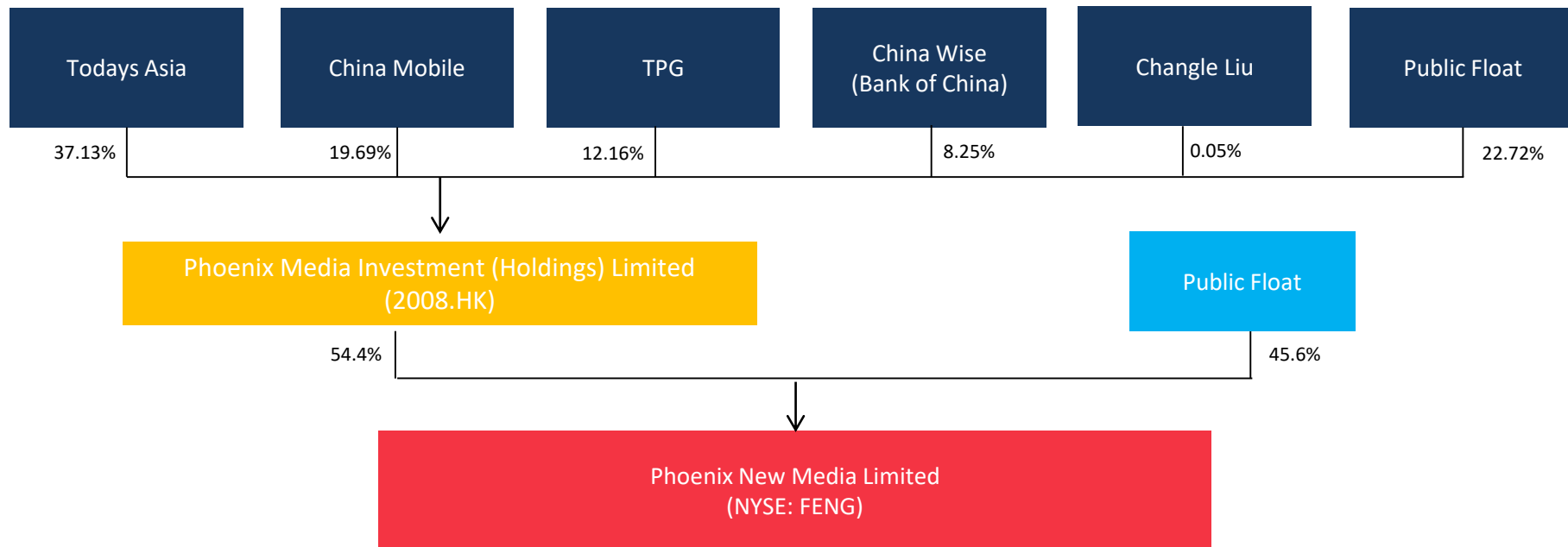


VP & Chief Editor – Ming Zou

23+ (Media industry)
Joined in 1998



Shareholding Structure





Institutional Shareholders

Rank	Investor Name	Position 2020/7/31	% of S/O
1	International Value Advisers, LLC	3,760,560	5.17%
2	FIL Investment Management (Hong Kong) Limited	2,047,091	2.81%
3	Top Ace Asset Management Ltd	1,117,845	1.54%
4	Value Partners Ltd.	989,000	1.36%
5	Sylebra Capital Ltd.	917,618	1.26%
6	Interactive Brokers, L.L.C.	621,000	0.85%
7	Renaissance Technologies LLC	594,187	0.82%
8	Charles Schwab & Co., Inc.	543,000	0.75%
9	Pacific Asset Management LLP	480,062	0.66%
10	Wedbush Securities, Inc.	431,000	0.59%

Note: Top 10 shareholders accounted for about 15.80% of total shares outstanding as of July 31, 2020.



Business Overview



Industry Landscape



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

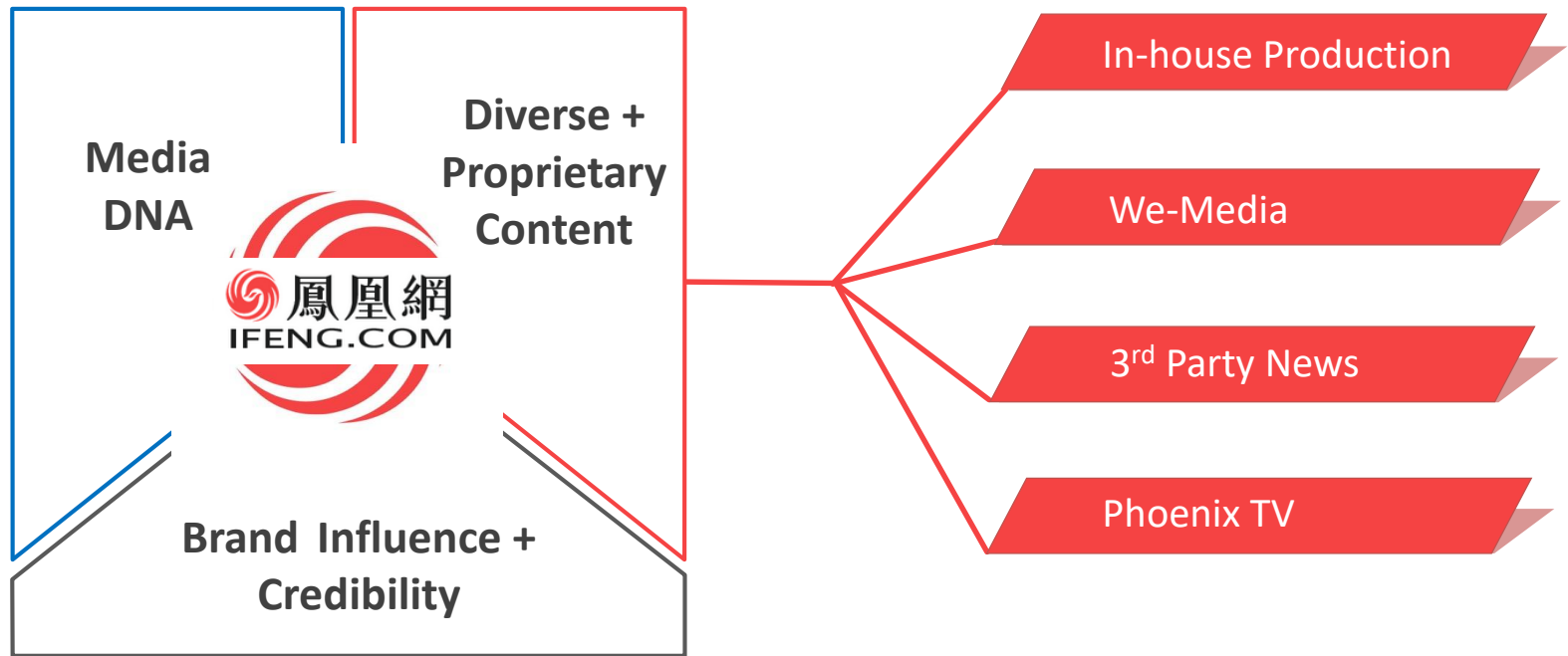


Uniquely Successful in Bridging the Divide



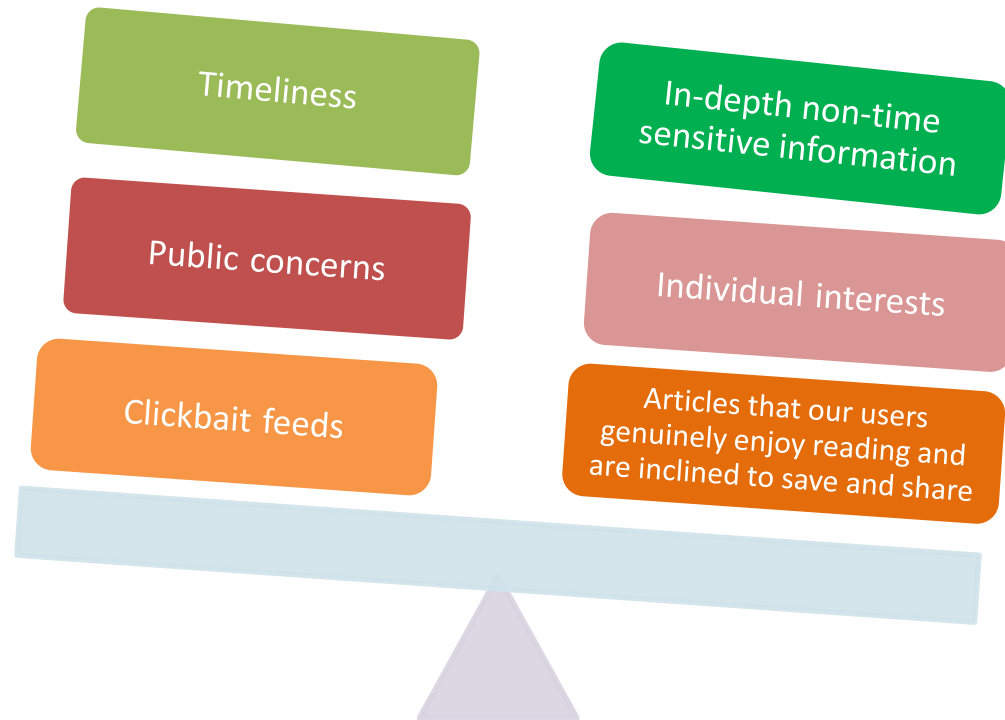


What Sets Phoenix New Media Apart Today?





High-quality and Differentiated Content



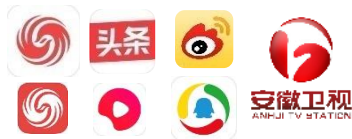
A balanced content strategy enables us to provide high-quality and differentiated content



Our New Growth Engine—Original IP



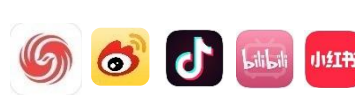
Jun Pin Tan



Alliance of Heroes



IFENG Talk



Powerful pipeline of new original IP content with diversified network of distribution partners

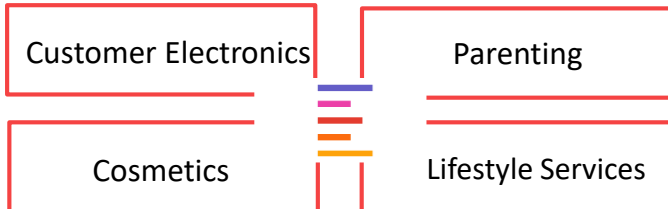


Our New Growth Engine— Phoenix Lab

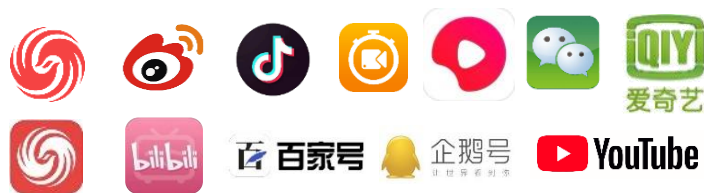


- ▣ **Genre:** Product reviews
- ▣ **Format:** Short - form Videos
- ▣ **Style:** Trustworthy & Entertaining
- ▣ **Target Audience:** China's rising middle class
- ▣ **Goal:** Become the go-to destination for product reviews

Current product categories:

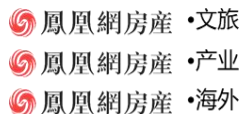


Diversified distribution channels:



Our Online Real Estates Verticals

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



RESS+ (Residential Ecological Service System)



New Residential Property + Second Housing



Team of experts in real estate transactions



Media resources inherited from Phoenix



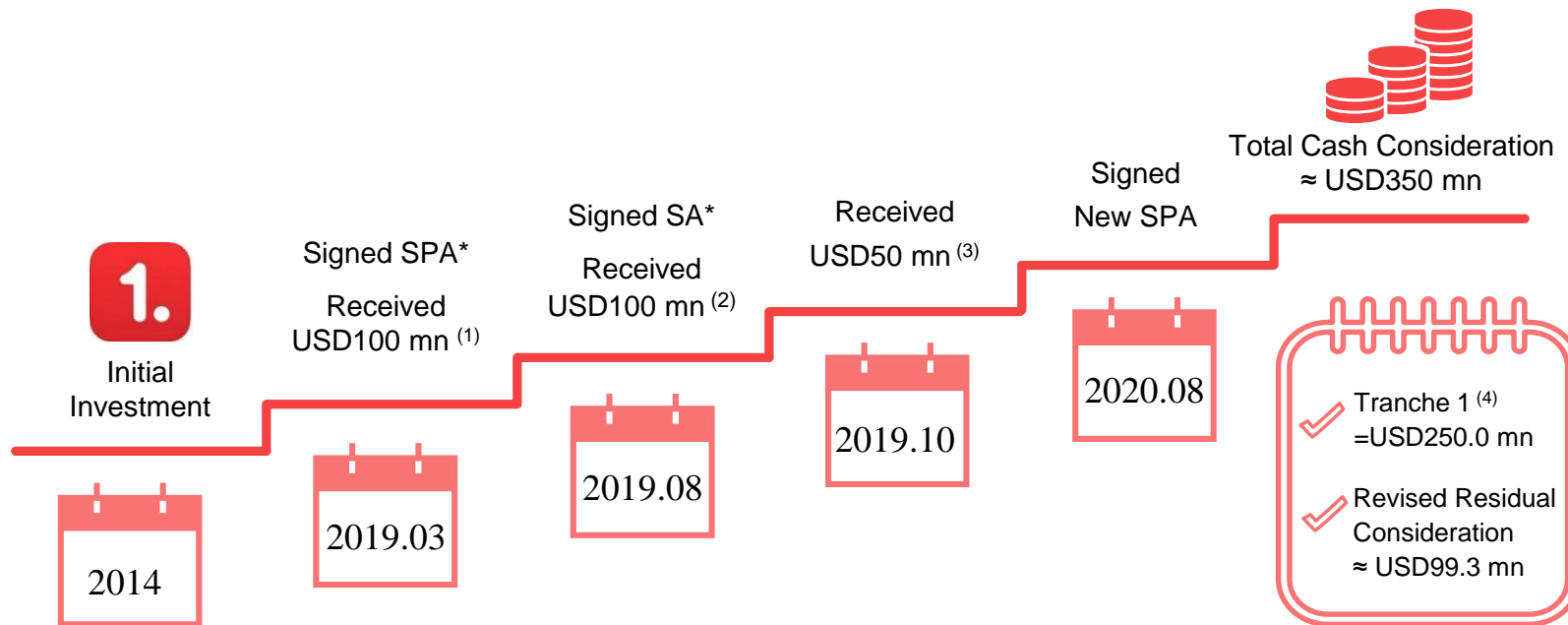
Expanding Advertisers

AUTO	
E-COMMERCE	
FINANCIAL SERVICES	
INTERNET SERVICES & COMMUNICATION SERVICES	

Source: Company data in 1H20



Our Investment in Yidian Zixun



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

Notes:

1. SPA* = Share Purchase Agreement, SA* = Supplemental Agreement

2. (4) = (1) + (2) + (3)

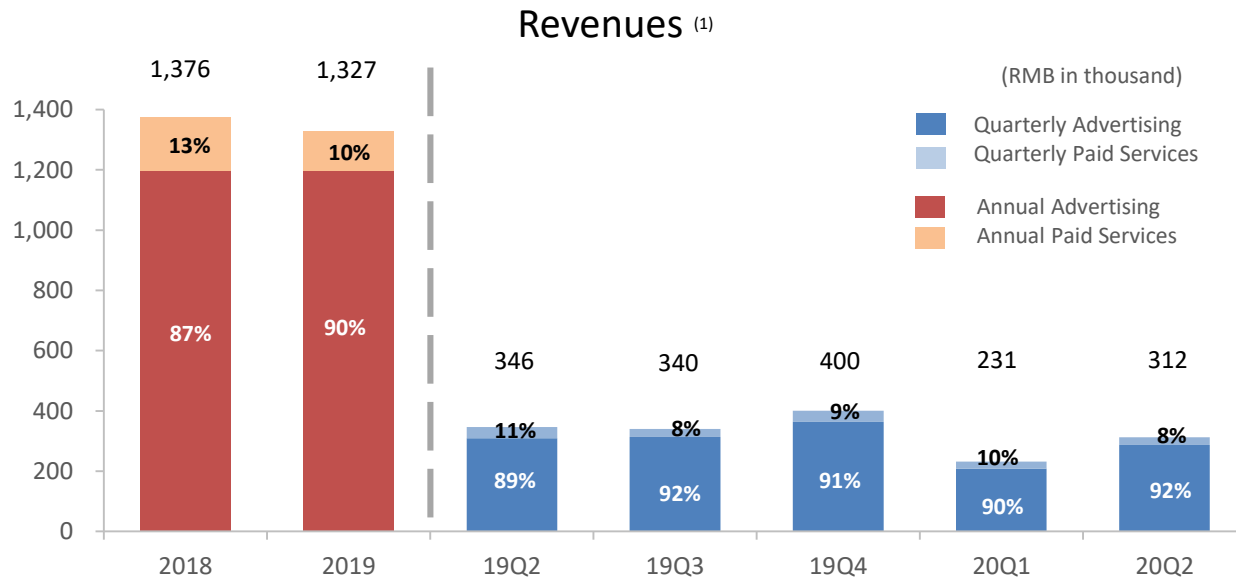


FINANCIAL HIGHLIGHTS





Revenues Breakdown



- (1) Paid services revenues comprised of (i) revenues from paid contents excluding those from Tadu, 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.
- (2) On May 18, 2020, the Company sold all of its investment in Beijing Yitian Xindong Network Technology Co., Ltd. ("Yitian Xindong" or "Tadu"). Tadu's results of operations have been excluded from the Company's results from continuing operations.



Profits and Loss Highlights

(RMB 000's)	Quarterly Results			FY 2019	FY 2018
	2Q20	1Q20	2Q19	2019	2018
Revenue	312,281	231,376	345,854	1,327,781	1,376,281
Cost of Revenues	124,728	105,298	165,604	683,330	595,843
Revenue sharing fees	2,371	4,256	6,398	25,156	47,262
Content and operational costs	107,404	87,030	145,627	603,574	491,476
Bandwidth costs	14,953	14,012	13,579	54,600	57,105
Sales tax and surcharges					
Operating Expenses					
S&M	57,247	81,623	143,001	541,772	536,980
G&A	62,161	70,272	58,995	242,047	162,424
R&D	42,555	45,111	53,714	216,741	204,723
Impairment of goodwill					
Changes in fair value of financial assets-contingent returnable consideration					
Non GAAP Income/(loss) from continuing operations	27,815	(68,262)	(73,071)	(344,252)	(109,699)
Non GAAP Net Profits from continuing operations	23,699	(50,461)	(67,884)	(326,117)	(54,503)
% to Revenue					
Revenue sharing fees	0.8%	1.8%	1.8%	1.9%	3.4%
Content and operational costs	34.4%	37.6%	42.1%	45.5%	35.7%
Gross Margin	60.1%	54.5%	52.1%	48.5%	56.7%
S&M	18.3%	35.3%	41.3%	40.8%	39.0%
G&A	19.9%	30.4%	17.1%	18.2%	11.8%
R&D	13.6%	19.5%	15.5%	16.3%	14.9%
Non GAAP Operation Margin	8.9%	-29.5%	-21.1%	-25.9%	-8.0%
Non GAAP Net Margin	7.6%	-21.8%	-19.6%	-24.6%	-4.0%

Notes: Tadu's results of operations have been excluded from the Company's results from continuing operations.



Strong Balance Sheet — No Debt!

<i>(RMB in mn)</i>	2019/12/31	2020/6/30	2020/6/30
	RMB	RMB	USD
Cash and Cash Equivalents and Term Deposits and Short Term Investments and Restricted Cash	1,696	1,723	244
Total Current Assets	2,557	2,480	351
Total Non-Current Assets	2,769	1,360	193
Total Liabilities	1,781	1,406	199
Total Shareholders' Equity	3,545	2,434	345



Company Snapshot

As of August 17, 2020

Exchange / Ticker	NYSE: FENG
Market Cap	US\$ 140.5Mn
Price	US\$ 1.93
ADS Outstanding	72.8Mn
Average Daily Trading Volume (last 3 months)	370,000

Analysts Coverage

J.P.Morgan





THANKS

IR Team

Qing Liu

E-mail: investorrelations@ifeng.com

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

IR Consultant

ICR, Inc.

Jack Wang

Tel: +1 (646) 405-4883