

A Powerful Diversified Media & Marketing Company

Stephens 2016 Spring Investment Conference

June 7, 2016

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# Today's Agenda

- ❖ Meredith Overview
- ❖ National Media Growth Strategies
- ❖ Local Media Growth Strategies
- ❖ Total Shareholder Return



# Meredith's Strong Investment Thesis

## 1. Strong and consistent cash flow generation, driven by:

- ❖ Portfolio of highly rated television stations in large and fast-growing markets
- ❖ Trusted national brands with an unrivaled female reach
- ❖ Profitable and growing digital business
- ❖ World's 2<sup>nd</sup> largest brand licensor with very high margins

## 2. Commitment to delivering Top Third Total Shareholder Return:

- ❖ Dividend payer for 69 years; increases for 23 consecutive years
- ❖ Share buyback program
- ❖ Accretive strategic acquisitions

## 3. Experienced management team with a proven record of operational excellence and shareholder value creation over time

# Meredith at a Glance

**National Media**  
**Revenue: \$1.1B**  
**EBITDA: \$160M**

**Better  
Homes**  
and Gardens.

**MARTHA**  
STEWMART  
**LIVING**

**FamilyCircle**

**allrecipes**com®

Rachael Ray  
**every day**

**mxm**

**Parents**

**SHAPE**

**fitPREGNANCY**  
AND BABY.

**Local Media**  
**Revenue: \$545M**  
**EBITDA: \$200M**

**Atlanta**  
cbsatlanta.com

**4**  
KMOV

**EYEWITNESS  
NEWS 3**  
WFSB-TV/DT Hartford New Haven

**FOX 12**  
OREGON  
KPTV - PORTLAND

**FOX**  
CAROLINA  
www.foxcarolina.com

**WORKING 4 YOU**  
WISN-TV/DT WISN-TV/DT NASHVILLE E

**FOX 5**  
KVVU-TV  
Henderson - Las Vegas

**3**  
CBS 5  
CBS 5 AZ.com

**FOX 5**  
news

\$ in millions  
Based on fiscal 2016 consensus estimates  
EBITDA before special items

+ national media brands

+ local media brands

+ marketing solutions



# A Strong Start to Calendar 2016

- ❖ Improved print advertising performance
- ❖ Rapid growth in digital, mobile, video and social platforms
- ❖ Retransmission agreements renegotiated at favorable rates
- ❖ Strong start to political advertising cycle
- ❖ Grew dividend for 23<sup>rd</sup> straight year

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# National Media Group Footprint

Reaches Over 100 Million Unduplicated American Women Monthly

80 Million Unique Visitors | Nearly 75% of Millennial Women



YOUNG WOMEN

NEW NESTERS

YOUNG FAMILIES

ESTABLISHED FAMILIES

WOMEN OF WORTH



# Our Brands Speak to Her About What Matters Most

Seasons and styles change, but women's priorities remain the same

HER FAMILY



HER HOME



HERSELF



# Meredith Millennial Strategy

Increase Millennial women connecting and engaging with Meredith brands by:

- ❖ Infusing Millennial appealing personalities and talent with a social following across Meredith brand platforms
- ❖ Creating annual corporate and brand goals for Millennial growth
- ❖ Crafting a video strategy to increase distribution, serve up the “right” content on all platforms and monetize

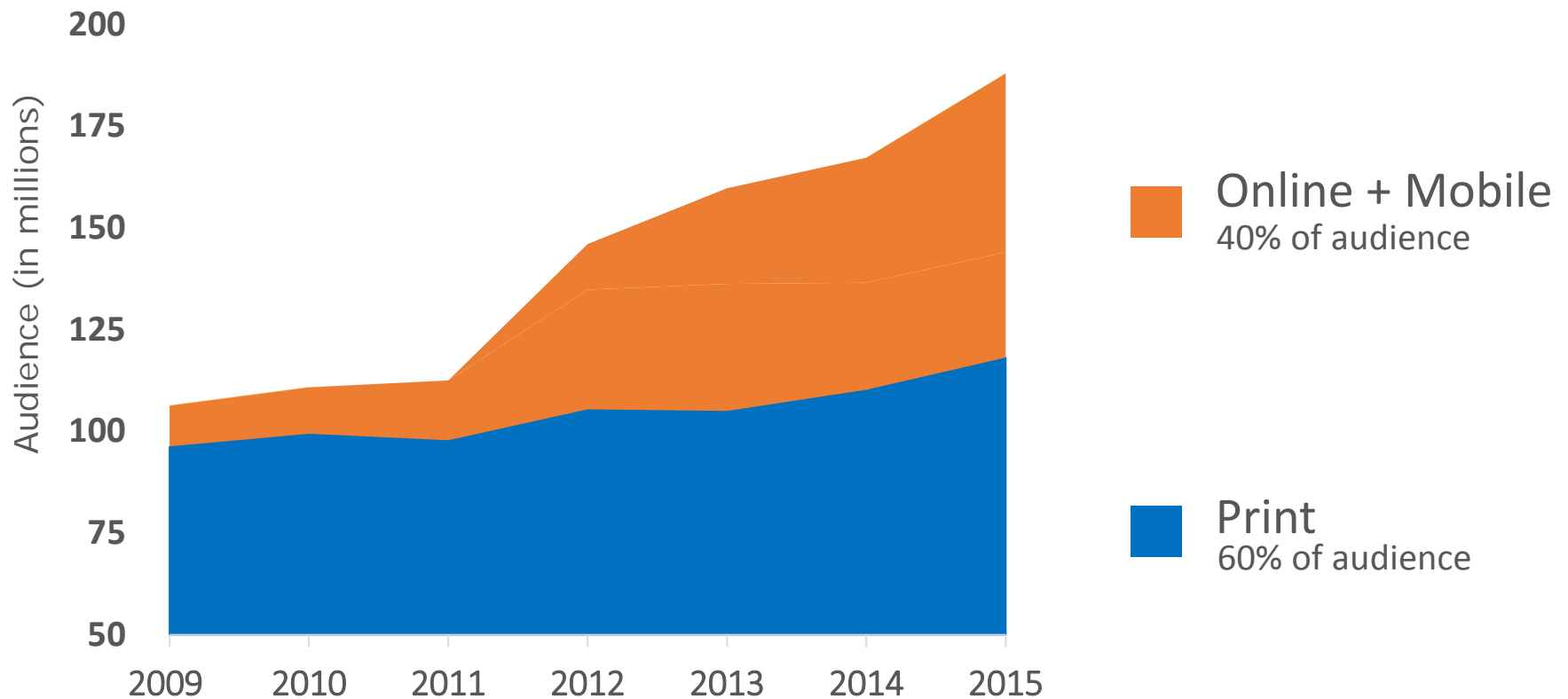


# Executing National Media Group Strategies

- ❖ Drive audience growth and engagement across platforms
- ❖ Grow share of advertising revenues
- ❖ Increase circulation profit contribution
- ❖ Accelerate growth of profitable digital business
- ❖ Expand Meredith Xcelerated Marketing
- ❖ Grow high margin brand licensing business

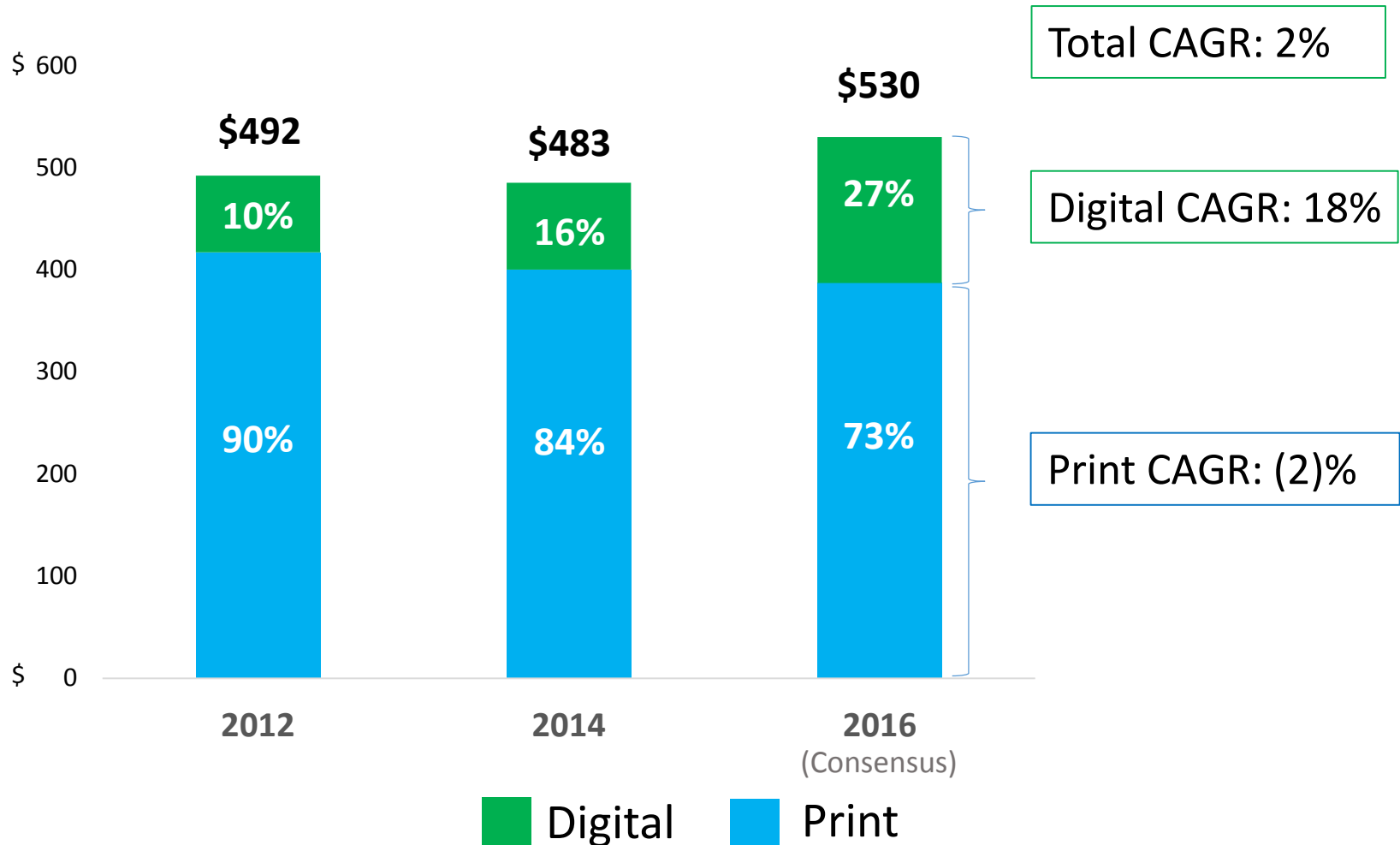
# Growing Audience Engagement Across Platforms

**Digital is adding to Meredith's total audience, and is not cannibalizing print**





# Total Advertising Revenue is Growing



\$ in millions  
Fiscal years ended June 30

# Circulation Auto-Renewal Has Large Upside

	Traditional renewal methods	Auto- renewal
Lifetime Value	\$8.00	\$15.00



Better  
Homes  
and Gardens.



SHAPE



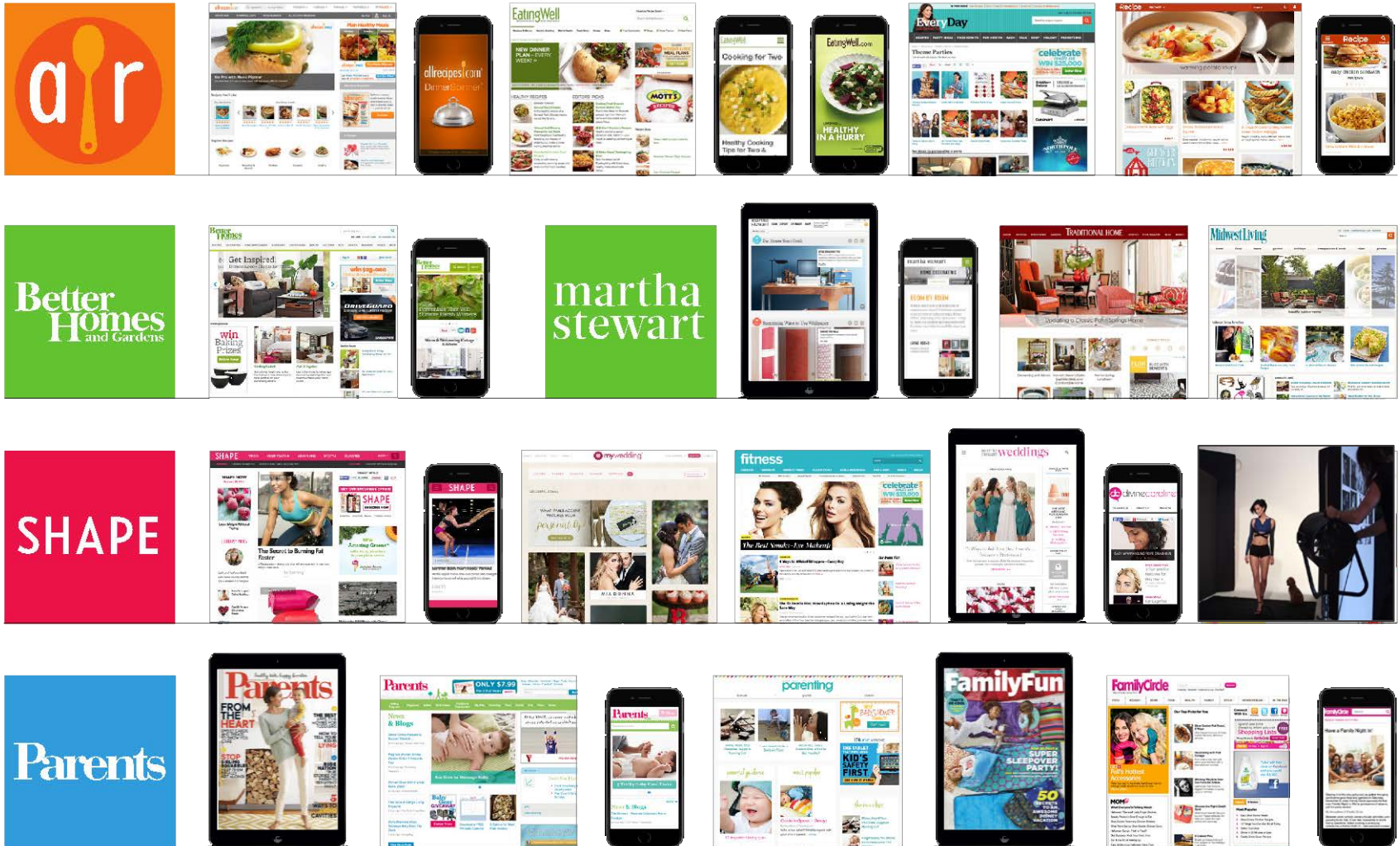
EatingWell  
WHERE GOOD TASTE MEETS GOOD HEALTH



Parents

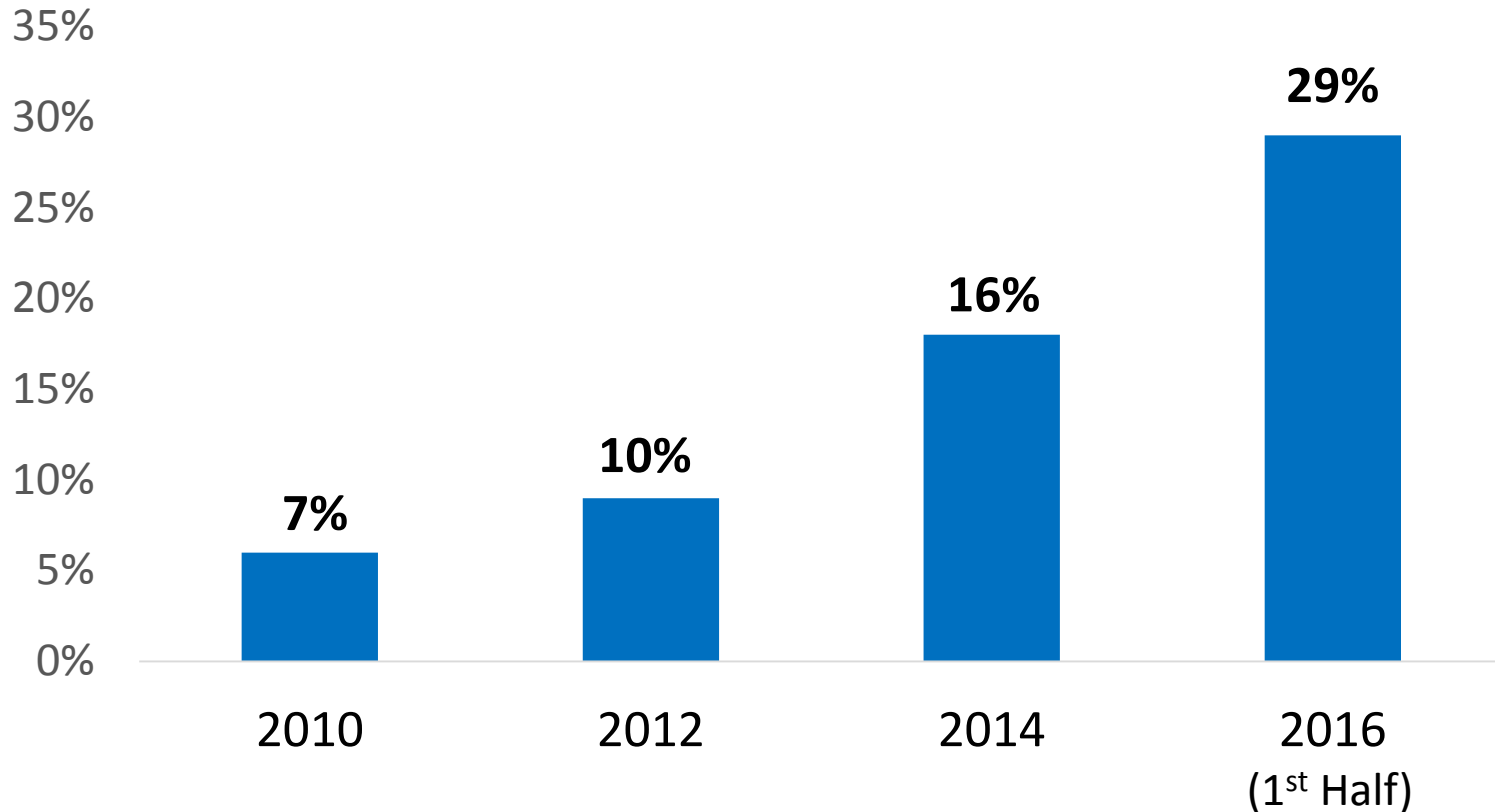
# Accelerate Growth of Meredith Digital

An Engaged and Growing Audience of 80 Million



# Digital Represents Nearly 30% of Advertising

Delivering Mid-Teens Operating Profit Margin



Fiscal years

+ national media brands

+ local media brands

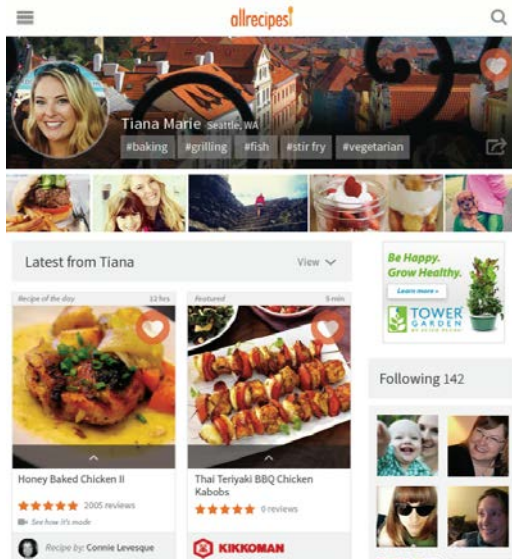
+ marketing solutions



# Developing Best-in-Class Branded Experiences



- ❖ Improved User Experience
- ❖ Improved Natural Search Ranking
- ❖ Updated Ad Placements
- ❖ Modernized Look & Feel



# Leveraging Data, Insights and Analytics



- ❖ We focus on women at scale:
  - 102 million consumers
  - 82 million unique visitors
- ❖ 1st party data is based on direct behavioral engagement
- ❖ We operate across platforms
- ❖ Data is our DNA
  - Team of expert data analysts
  - Identify trends and consumer intent
  - Used to find, inform and reach consumers throughout purchase path

# MXM Provides Full Suite of Services for Leading National Brands

## Areas of Focus:

- ❖ **Content strategy & execution**
- ❖ **Customer Relationship Management**
  - Direct communication with consumers via mail, email and other sources
- ❖ **Digital Marketing**
  - Website development
  - Search engine optimization
- ❖ **Mobile Marketing**
  - Mobile site and app development
- ❖ **Social Media Marketing**
  - Brand monitoring
- ❖ **Data & Analytics**
  - Measurement
  - Reporting
  - Predictive analytics



Volkswagen



# Meredith is The World's 2<sup>nd</sup>-Largest Licensor

**1** THE WALT DISNEY COMPANY  
\$52.5B (NYSE: DIS)

**2** MEREDITH  
\$20.1B (NYSE: MDP)

**3** PVH CORP.  
\$18B (NYSE: PVH)

**Walmart**  
Save money. Live better.

Partnership signed: 1996



**richloomfabricsgroup**

Partnership signed: 2006

**Better Homes and Gardens**  
FABRIC COLLECTION

**REALOGY**

Partnership signed: 2007

**Better Homes and Gardens**  
REAL ESTATE



Partnership signed: 2009

**Better Homes and Gardens**  
FLOWERS by FTD



Partnership signed: 2014

**allrecipes!**



Partnership signed: 2015

**EatingWell**  
WHERE GOOD TASTE MEETS GOOD HEALTH

**APPAREL Bridge**

Partnership signed: 2015

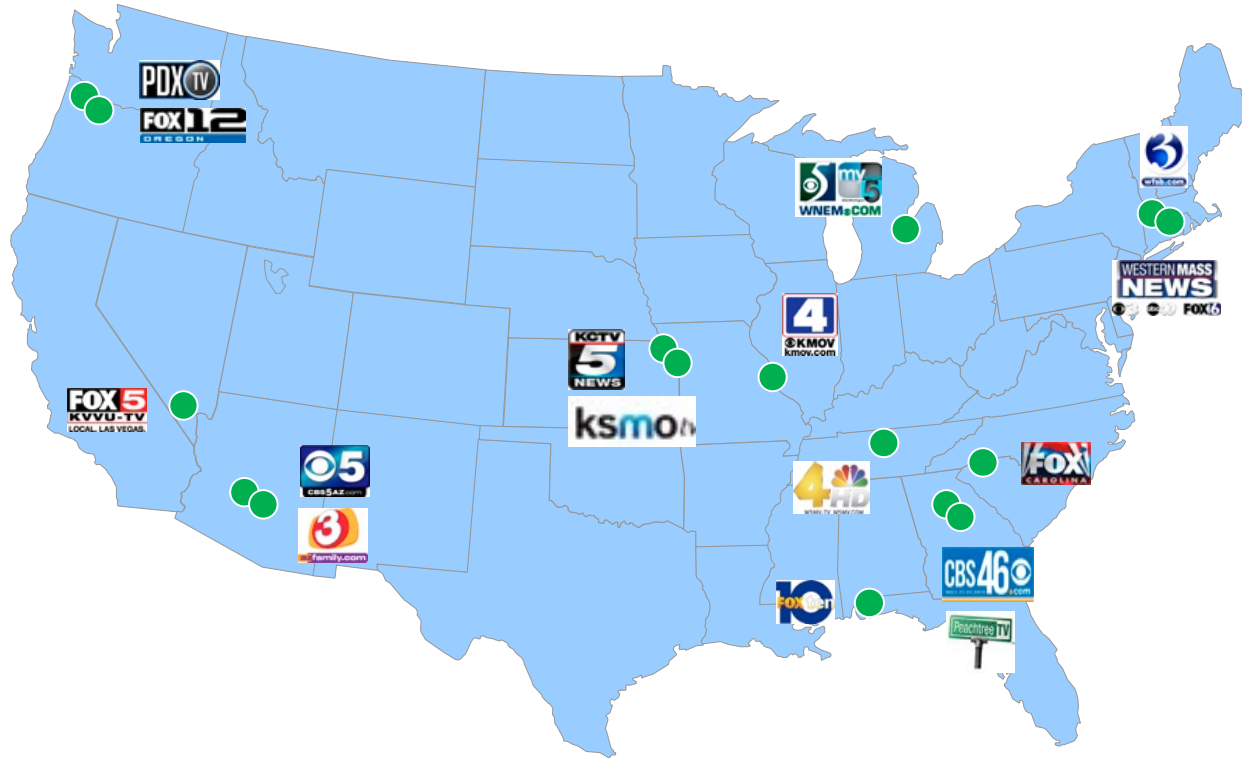
**SHAPE**



# Today's Agenda

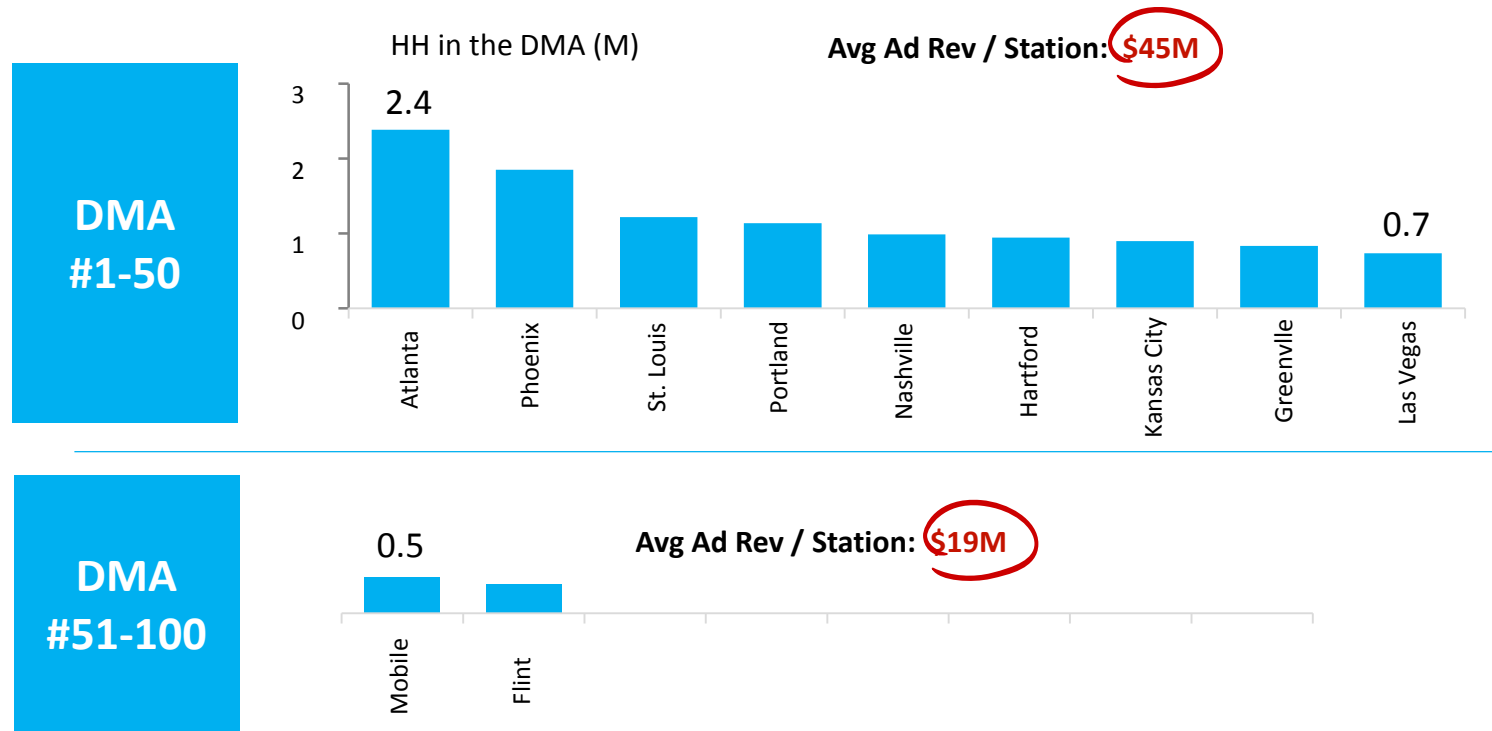
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# Attractive Stations in Large & Growing Markets



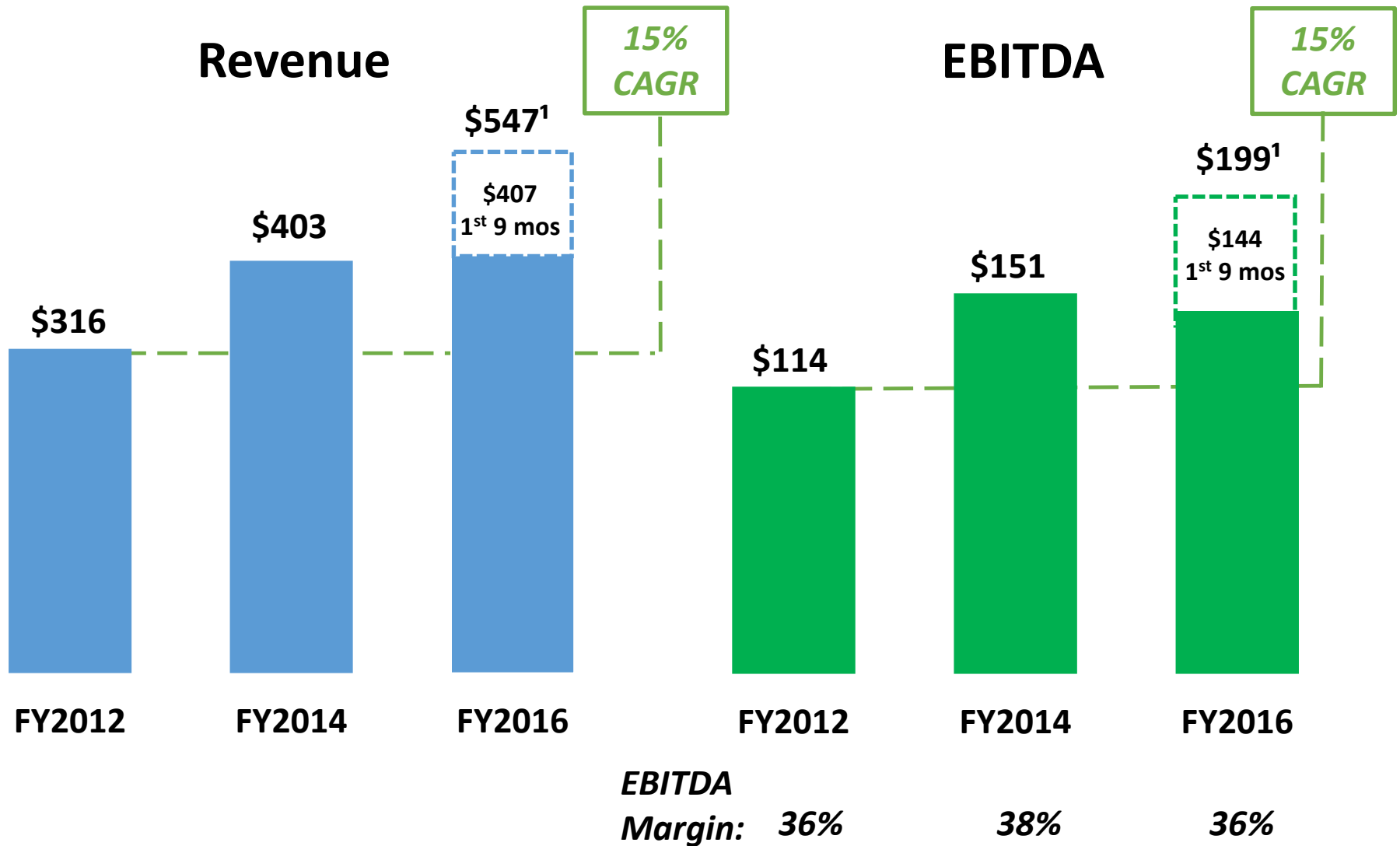
Station Market	Market Rank	Network Affiliation
Atlanta	9	CBS & IND
Phoenix	12	CBS & IND
St. Louis	21	CBS
Portland	24	FOX & MyTV
Nashville	29	NBC
Hartford	30	CBS
Kansas City	33	CBS & MyTV
Greenville	37	FOX
Las Vegas	40	FOX

# Stations are Big 4 Affiliates in Large DMAs



Source: SNL Data

# Strong Revenue & EBITDA Growth



<sup>1</sup> Fiscal 2016 full year consensus estimate

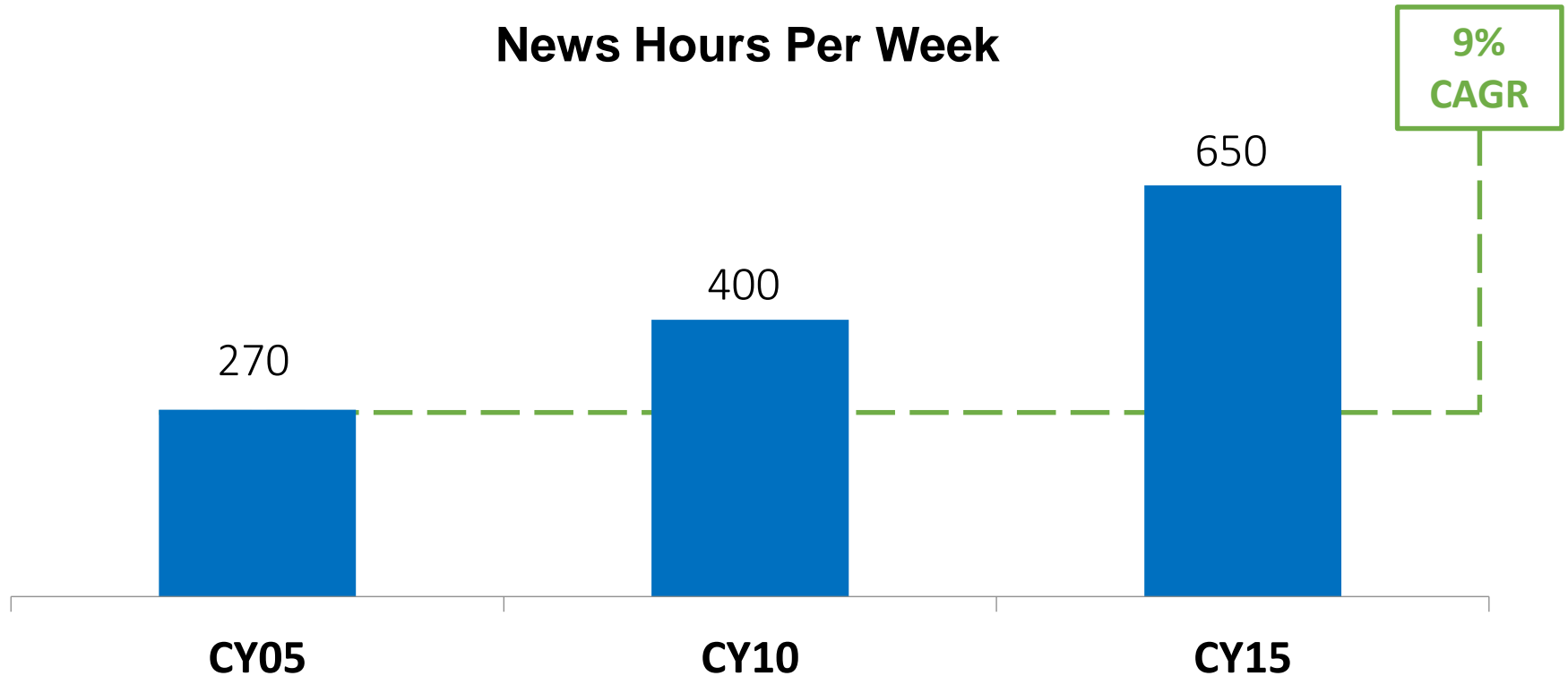


# Local Media Growth Strategies

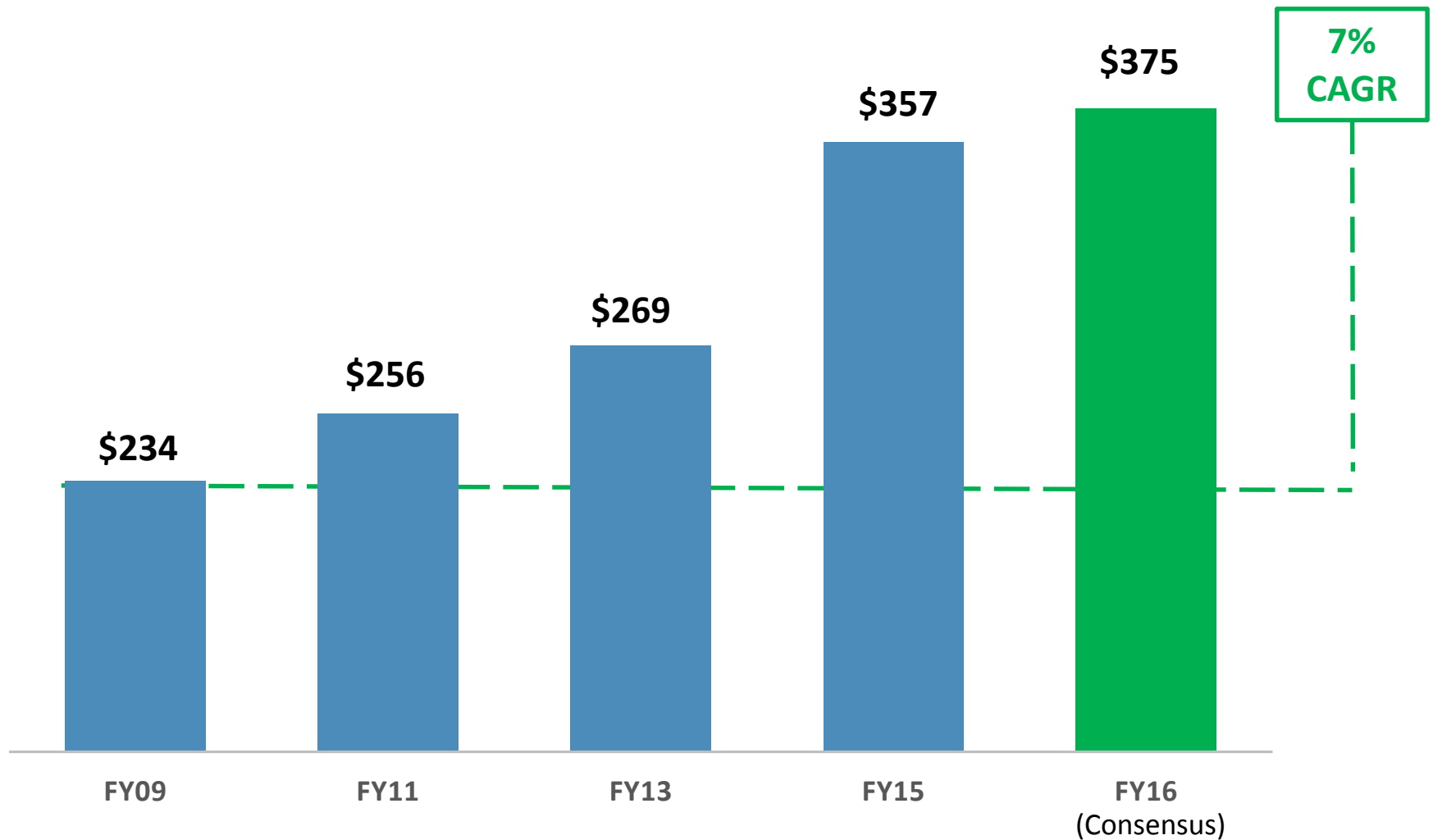
- ❖ Increase News Viewership
- ❖ Grow Advertising Revenues
- ❖ Scale Digital Video and Mobile
- ❖ Increase Net Retransmission Contribution
- ❖ Maximize Recent Acquisitions and Expand Station Portfolio

# Expanding Local Content Creation

News Hours Per Week

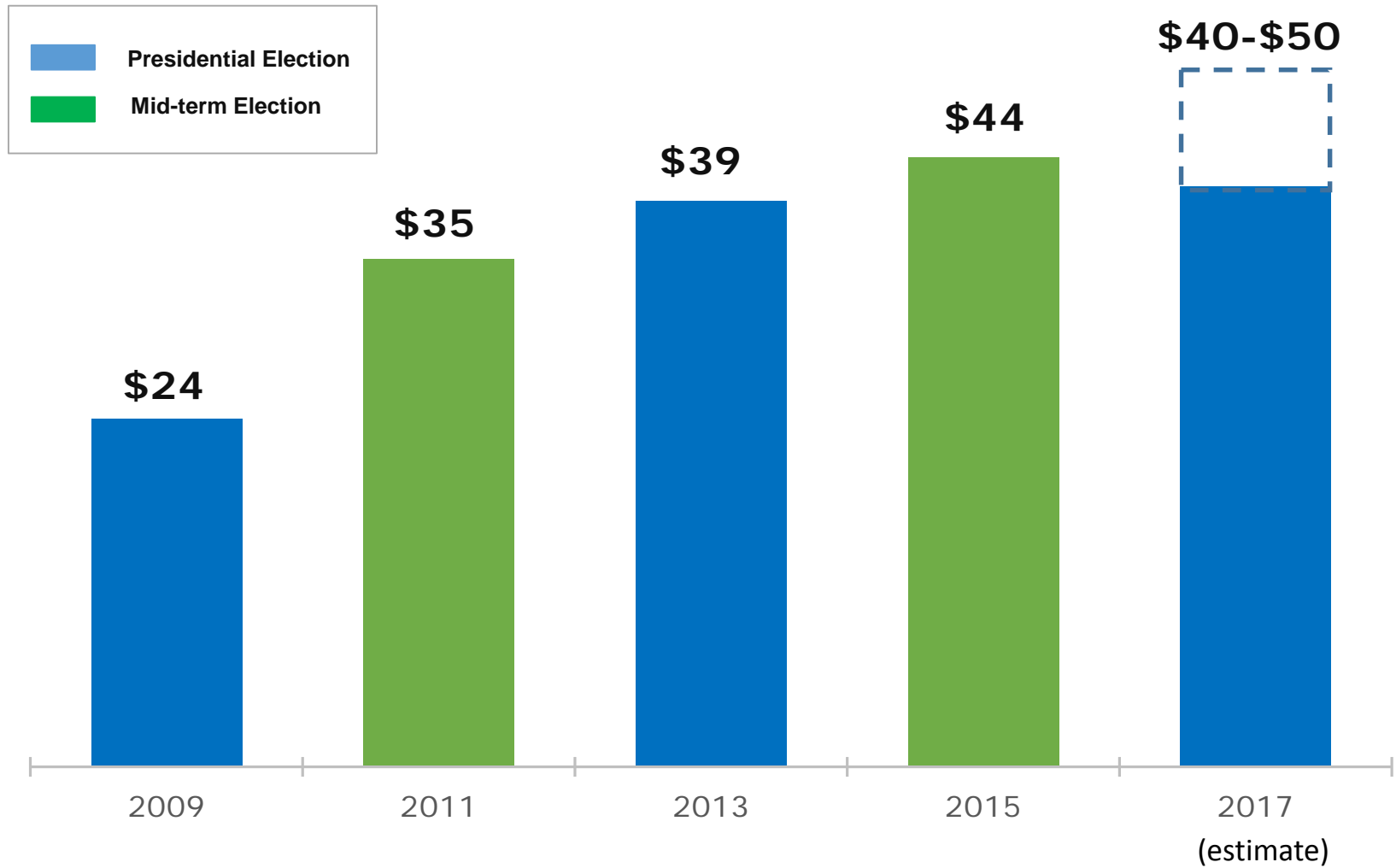


# Increasing Non-Political Advertising Revenues



\$ in millions

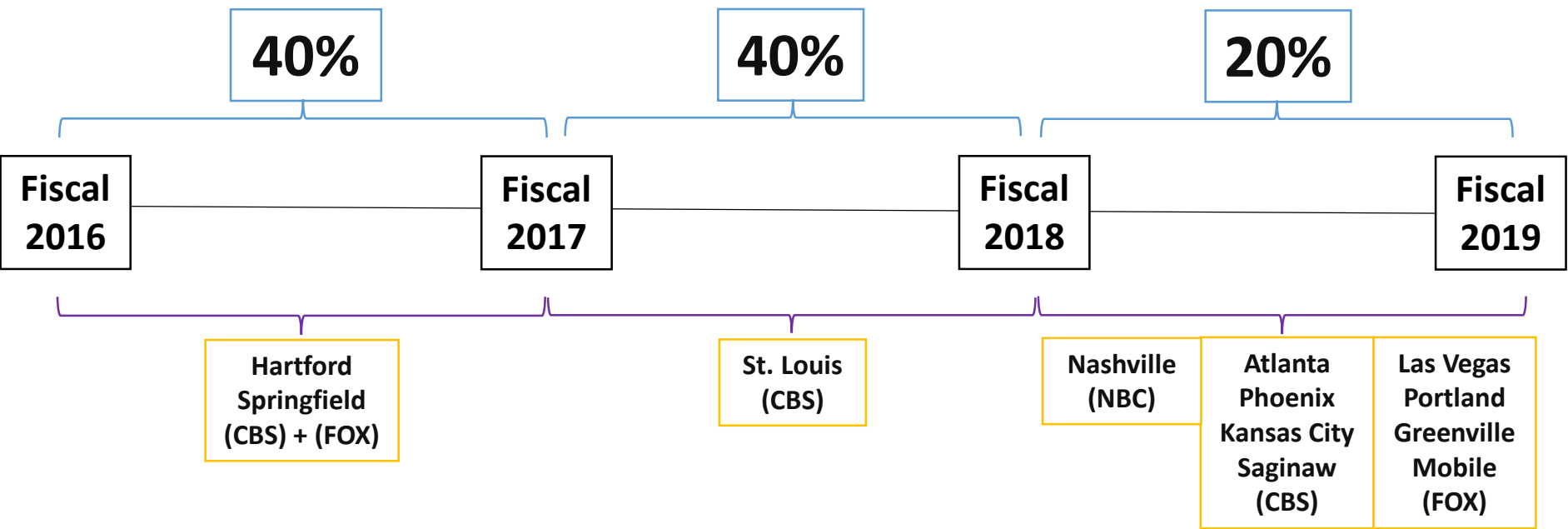
# Maximizing Political Advertising Opportunity



\$ in millions  
Fiscal years

# Increasing Retransmission Revenue and Contribution

## MVPD Renewal Schedule



## Affiliation Renewal Schedule



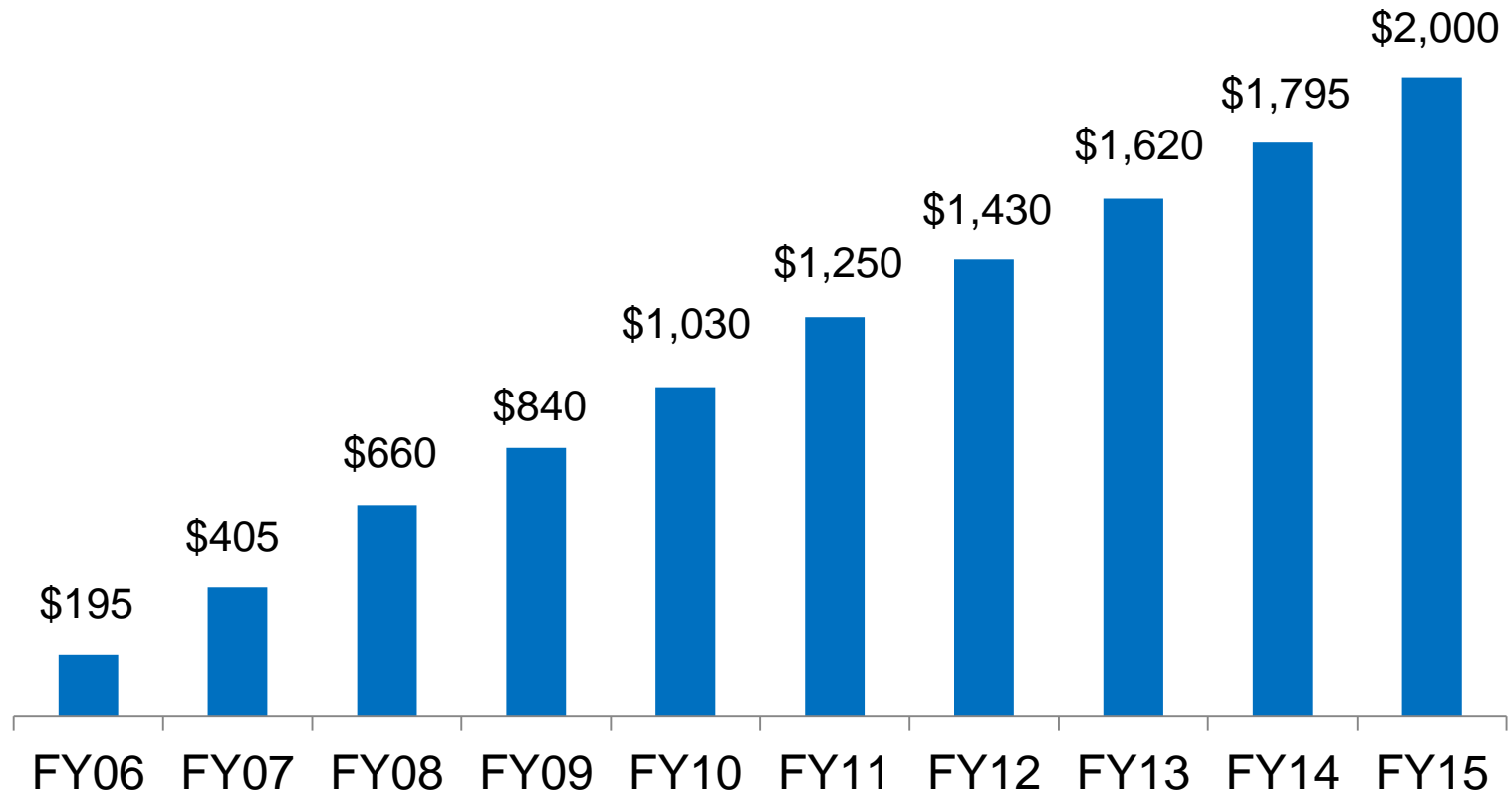
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# Total Shareholder Return Strategy

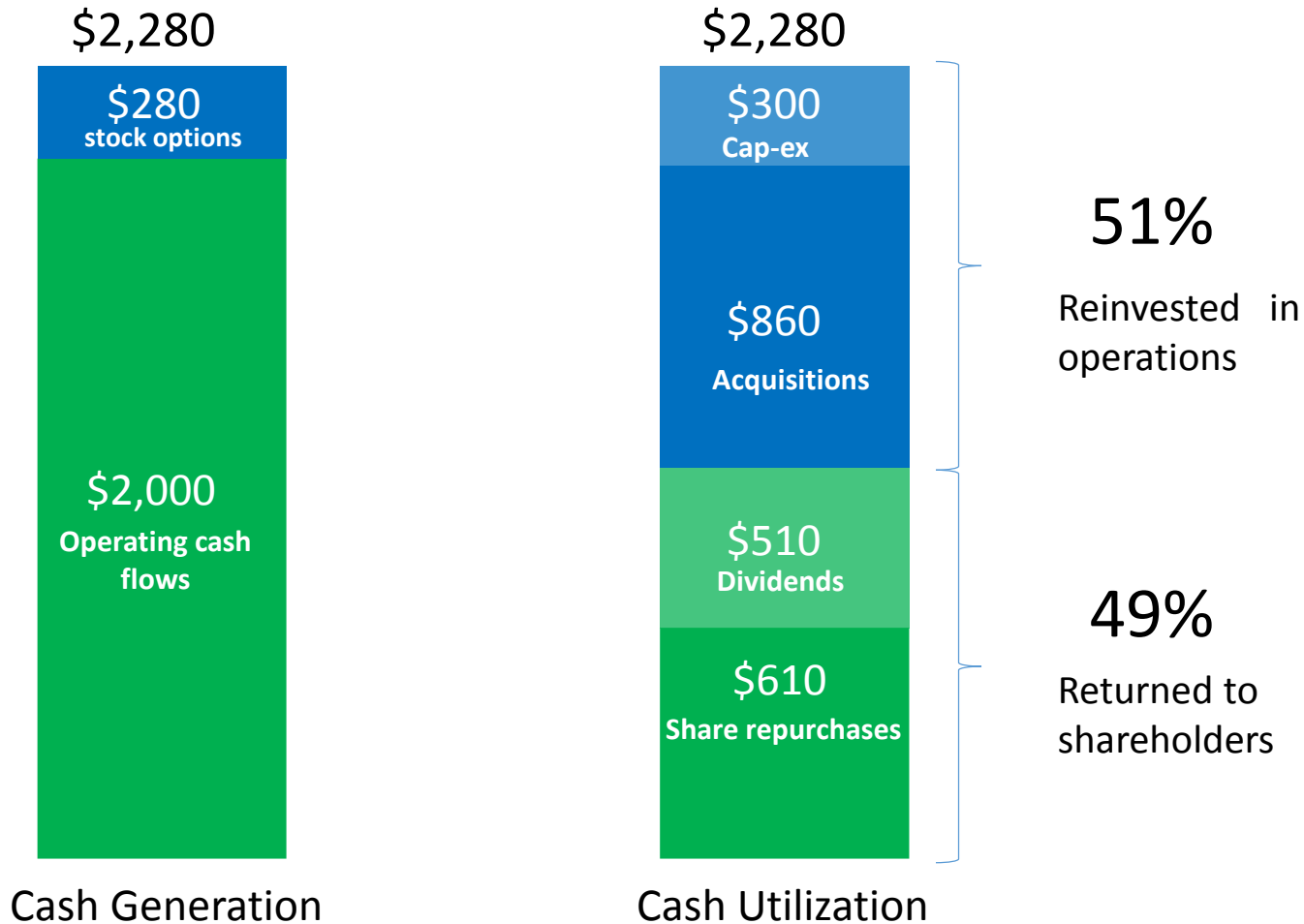
- 1. Current annualized dividend of \$1.98 per share**
- 2. \$100 million share repurchase program**
- 3. Ongoing strategic investments to scale business and build shareholder value**

# Free Cash Flow Generation: 2006-2015



\$ in millions  
Cumulative

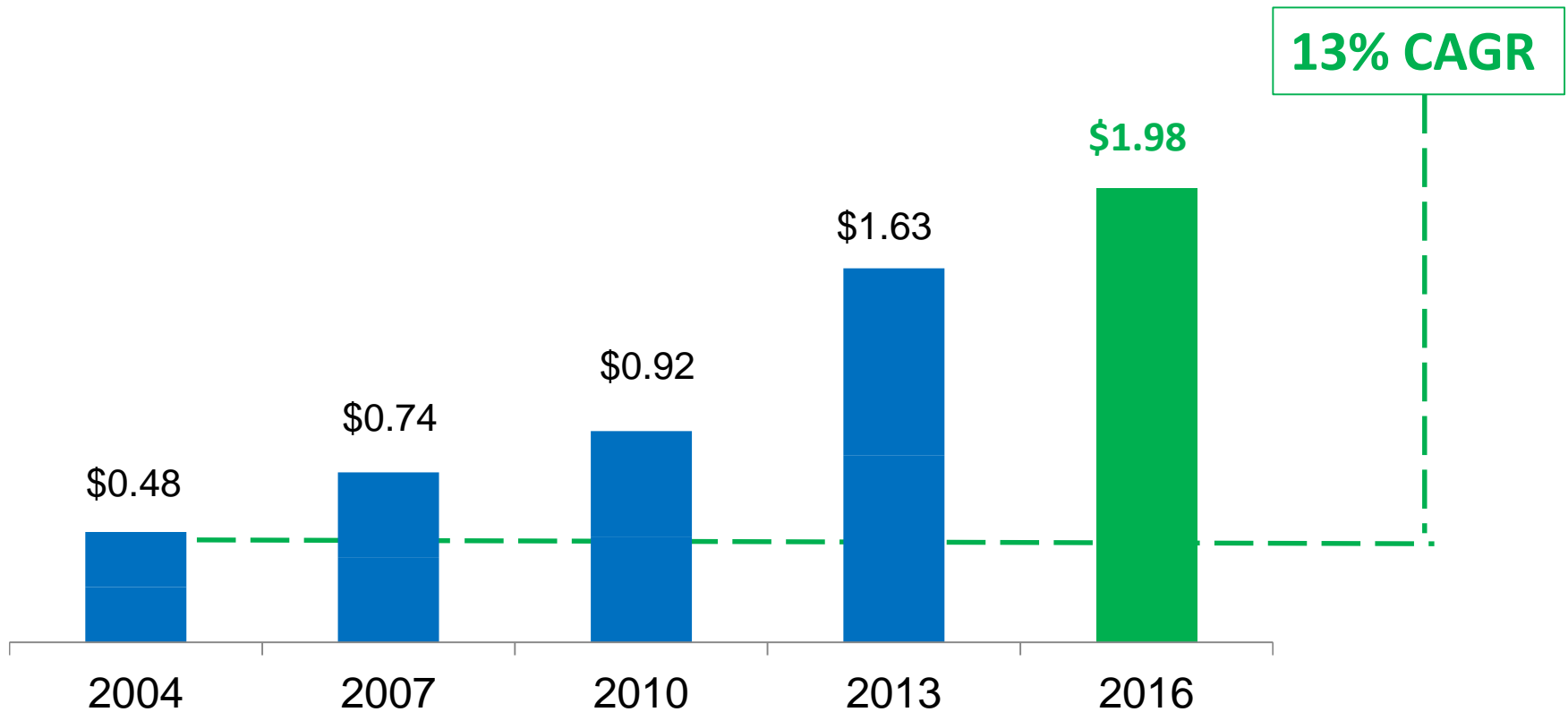
# Balanced Use of Cash: FY2006 to FY2015



*\$ in millions*  
*Net of change in debt*

# Strong Track Record of Increasing Dividends

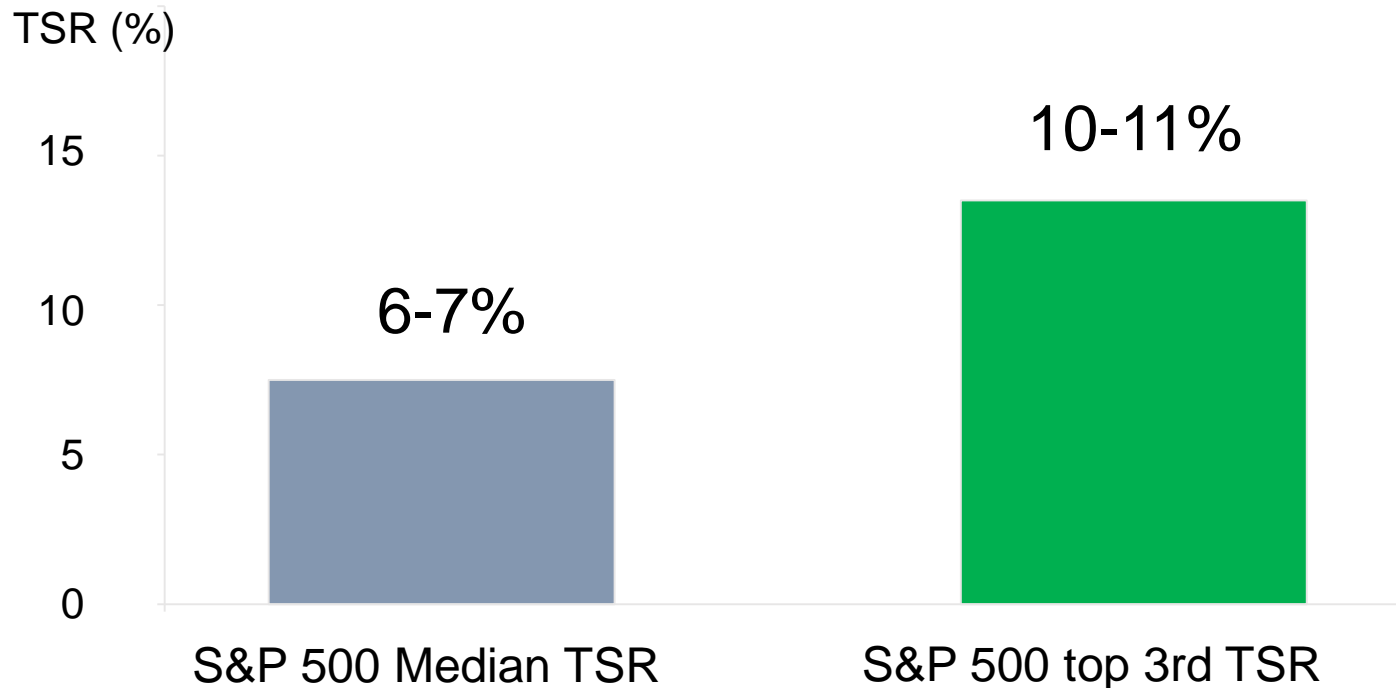
Currently Yielding 4%





# Meredith's Goal: Approach Top-Third TSR

## S&P 500 TSR Benchmarks – expected returns



Multiple sources including BCG Investor Survey and Value Line

# Top-Third TSR Expectations Over Next Three Years

## TSR Drivers through FY19:

- ❖ Organic revenue growth **+3-4%** Robust digital strategy with range of monetization options fueled by leading brands, content and scale
- ❖ Margin expansion **+2-3%** Stronger Broadcasting revenue upside from political year, retransmission uplift, and non-political advertising
- ❖ Dividend yield **+4-5%** Planned annual dividend increases to deliver peer-leading, stable yield and floor on stock
- ❖ Buybacks **+1-2%** Buyback program capitalizes on current undervaluation and returns excess cash

**Organic TSR** **10-14%**

- ❖ Acquisitions and/or multiple expansion **++**

**Total TSR** **At Least Top-Third**

# Fiscal 2016 Fourth Quarter

## Key Assumptions:

- ❖ Total company revenues up low- to mid-single digits
- ❖ Local Media Group revenues up mid- to high-single digits
- ❖ National Media Group revenues flat to up slightly

## Earnings per share:

**Fourth Quarter:** **\$1.01 to \$1.06**

**Full Year:** **\$3.25 to \$3.30<sup>1</sup>**

(Increased April 28, 2016)

(1) Before special items

# Key Takeaways from Today

## ❖ **National Media Group poised for continued profit growth:**

- Brand licensing delivering high-margin profit
- Circulation providing a stable source of revenue and contribution
- Digital advertising growth offsetting print advertising declines

## ❖ **Local Media Group delivering strong results fueled by:**

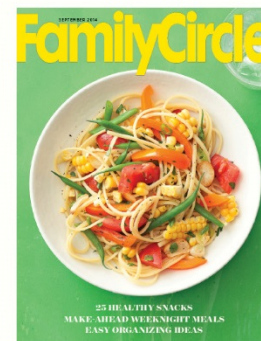
- Growth in non-political advertising revenues over time
- Maximizing political advertising opportunity
- Increasing retransmission contribution

## ❖ **Strong cash flows fueling 3-pronged TSR strategy:**

1. Acquisitions and investments in business
2. Dividend growth
3. Share buybacks

## ❖ **Meredith can deliver Top Third Total Shareholder Return**





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