



Investor Presentation: ROTH Conference

March 2017

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Our Mission



We build platforms for communities of creators to reach passionate audiences in large and growing lifestyle categories

Our Portfolio



Marketplaces



SAATCHI ART

society6

**THE OTHER
ART FAIR**
PRESENTED BY SAATCHI ART

Marketplace Model

58% of total revenue in FY16
\$81M GTV in FY16, +30% Y/Y



Media

eHow

LIVESTRONG.COM

**Content
Channels**

Ad Supported Model

42% of total revenue in FY16
~47M Average Visitors per Month⁽¹⁾

(1) Average monthly unique visitors in the U.S. reached by Leaf Group properties in Q4'16 across desktop and mobile (Source: October – December 2016 U.S. comScore)

Key Statistics



Monthly Unique Visitors

Approximately 47M⁽¹⁾



Artists

Approximately 320,000⁽²⁾



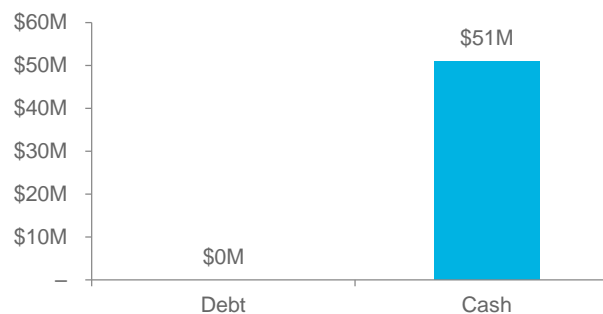
Paid to Artists in 2016

Approximately \$8.8M⁽³⁾



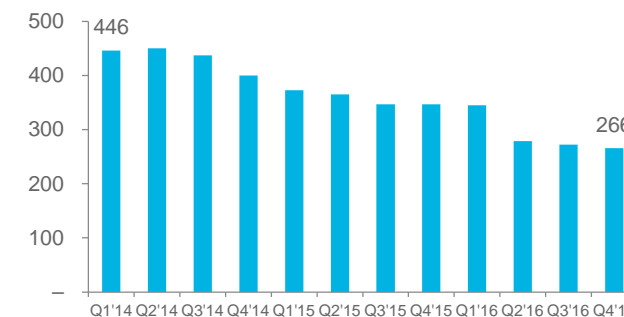
Diversified Revenue Mix

\$110M FY16⁽⁴⁾



Clean Balance Sheet

As of 12/31/16



Employees

Streamlining Operations

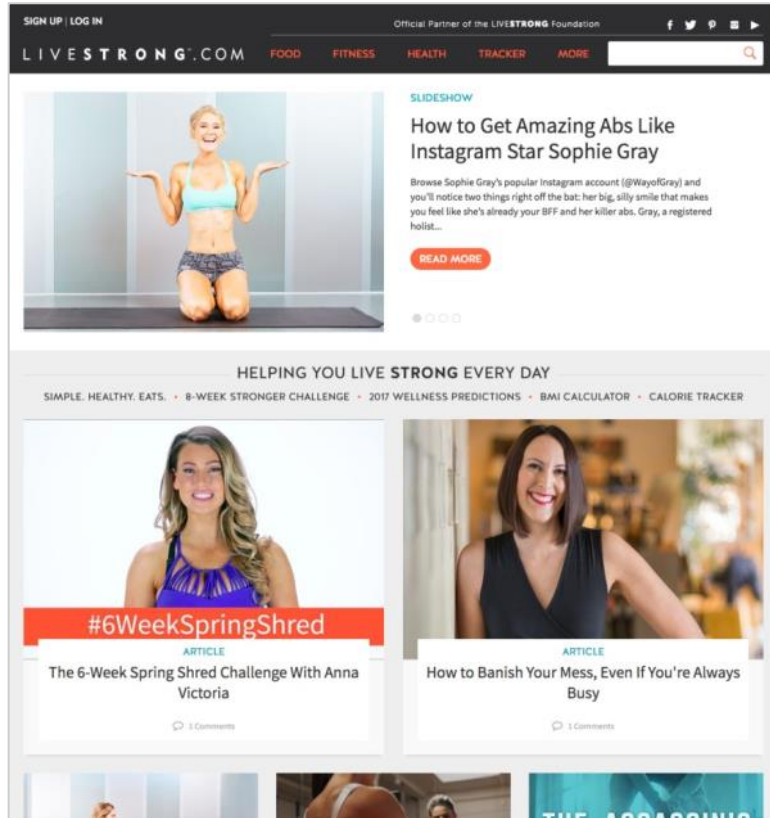
(1) Average monthly unique visitors in the U.S. reached by Leaf Group properties in Q4'16 across desktop and mobile (Source: October – December 2016 U.S. comScore)

(2) Total Artists: number of active Artists for Society6 and Saatchi Art in 2016; based on internal data

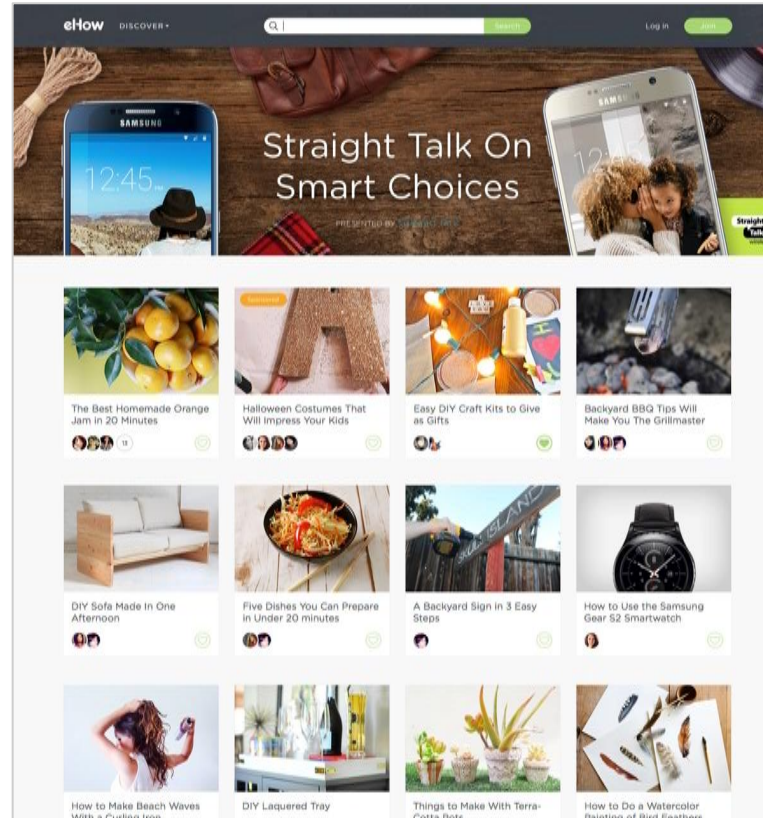
(3) Total paid to artists: full year 2016 for Society6 and Saatchi Art ; based on internal data

(4) Revenue is shown on a pro forma basis net of Cracked and certain other non-strategic properties that were disposed of in 2016

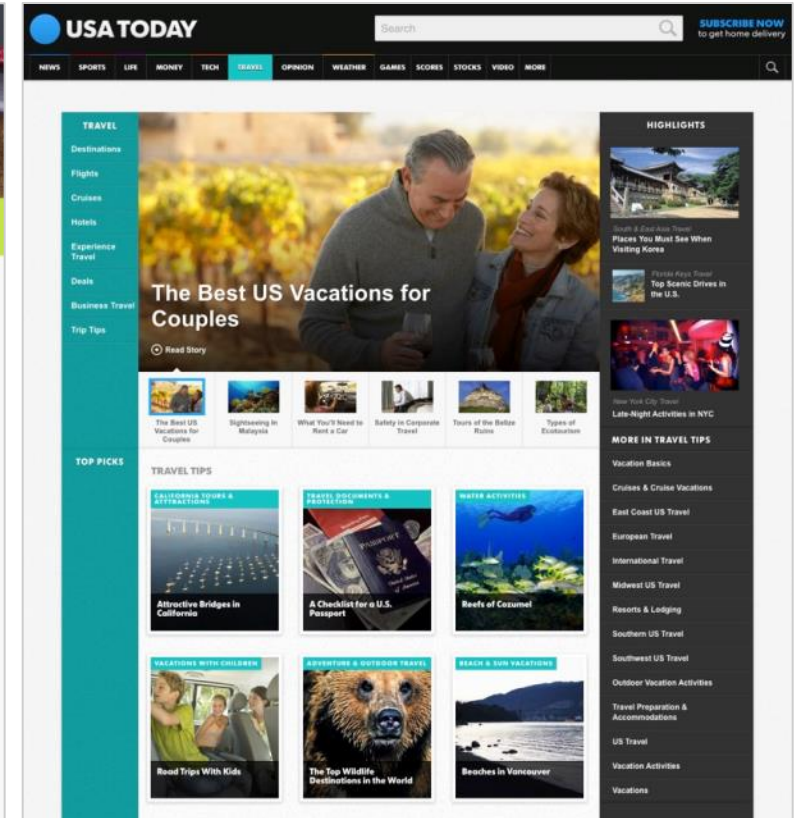
Media



LIVESTRONG.COM



eHow



Content Channels



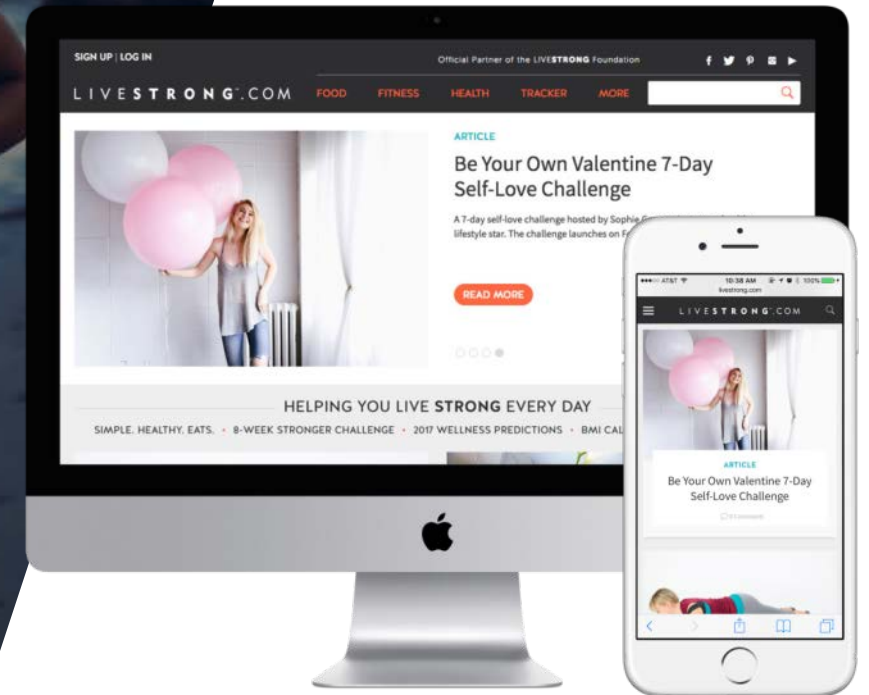
#4 in Health & Wellness Category⁽¹⁾

LIVESTRONGSM.COM

Revenue
+20% Y/Y
in Q4'16⁽²⁾

2016
25M Avg.
Monthly Uniques

+ 9% Y/Y⁽³⁾



(1) Among ad-supported sites (Source: January 2017 U.S. comScore)

(2) Source: Internal Data for Q4'16.

(3) Average monthly unique visitors in the US across desktop and mobile (Source: January - December 2016 US comScore).

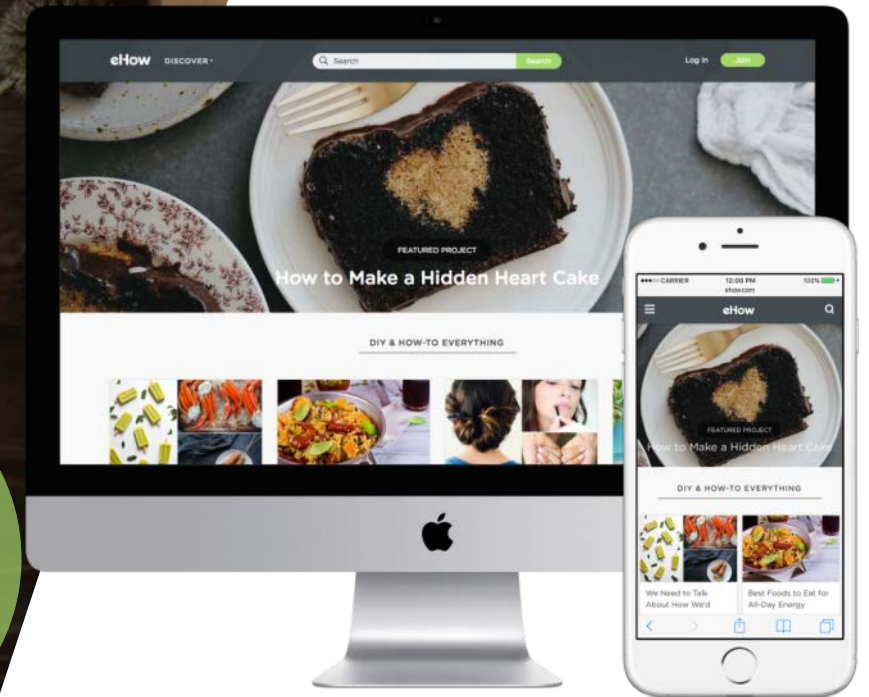


6 Unique
Properties for
How to
Everything

eHow

Over Half a
Billion Video
Views in 2016⁽¹⁾

Facebook
Followers
+71% Y/Y
to Over
1M⁽²⁾



(1) Total monthly video views on Facebook and YouTube, or on Leaf Group or third party sites via YouTube or any other embedded video player, for October – December 2016. Includes the eHow vertical sites and other YouTube channels affiliated with eHow or the other vertical sites.

(2) Source: Facebook Q4'16

eHow Transitions to Category Specific Brands



- (1) Source: comScore January 2017
- (2) Source: comScore October – December 2016
- (3) Across ad networks, Source: comScore January 2017
- (4) Source: Facebook, January 2017
- (5) Source: comScore January 2017

Multi-year
Partnerships with
Over a Dozen
Publishers

Over 250M
Visits Across
Channels in
Q4'16
+40% Y/Y⁽¹⁾

Content Channels

30 Channels
Managed or
Operated



Brand Partners:



Publisher Partners:

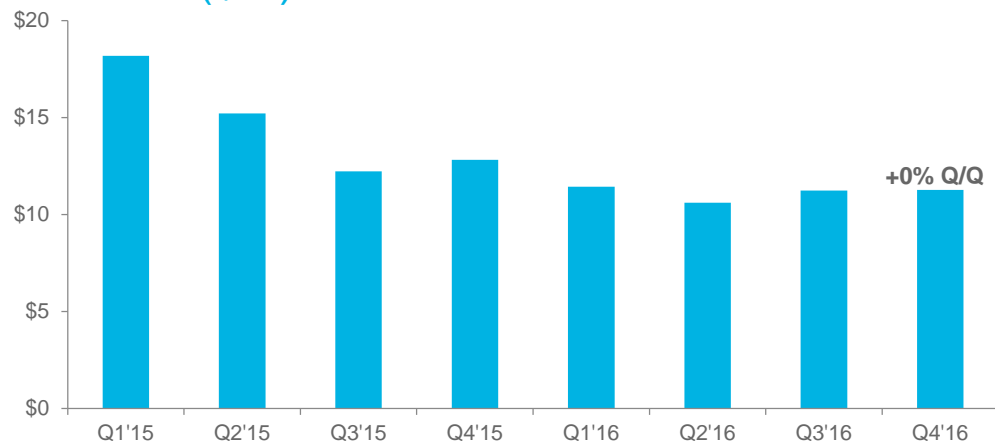


SAMSUNG

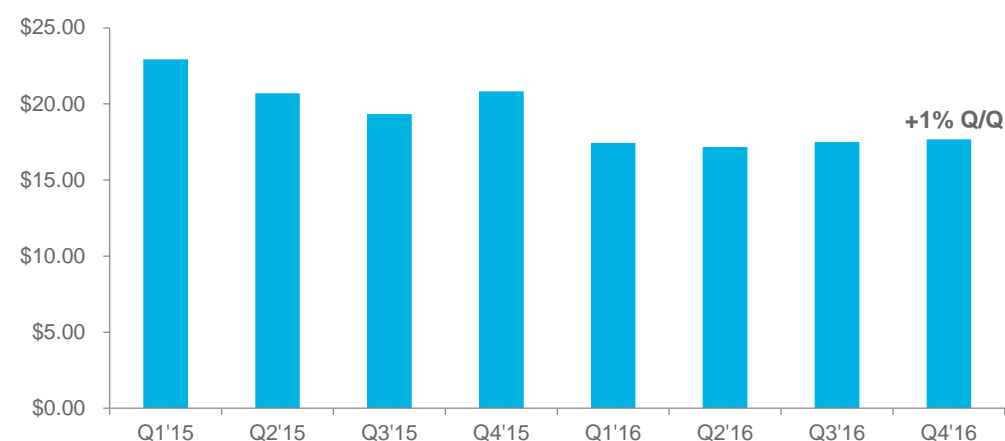
Media: Transformation Efforts Taking Effect



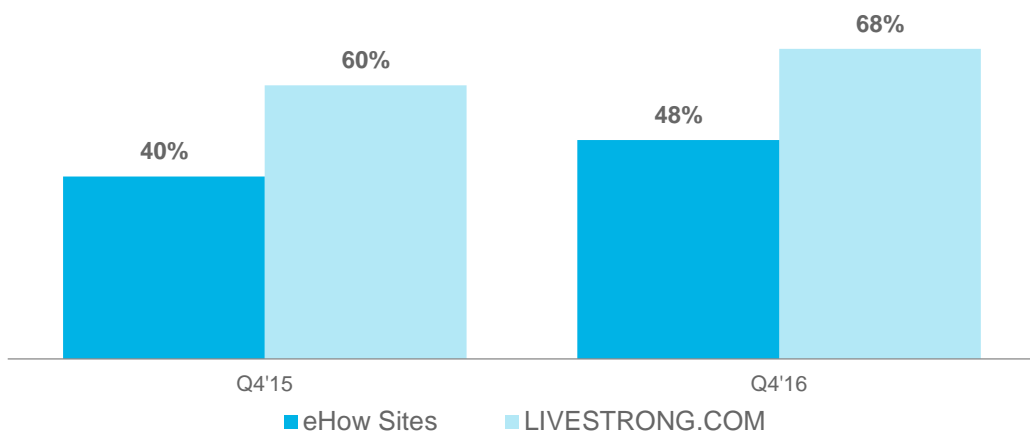
Revenue (\$M)⁽¹⁾



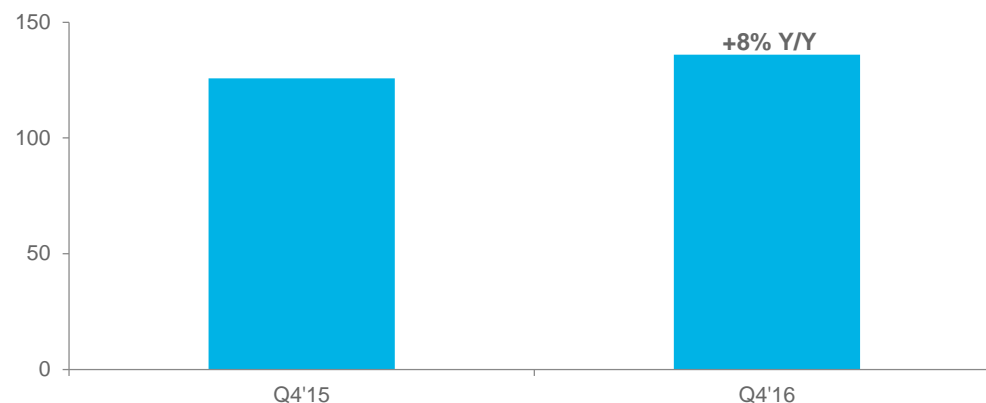
Revenue Per Visit⁽²⁾



Mobile Visits As A Percentage Of Total Visits⁽³⁾



Video Views (M)⁽⁴⁾

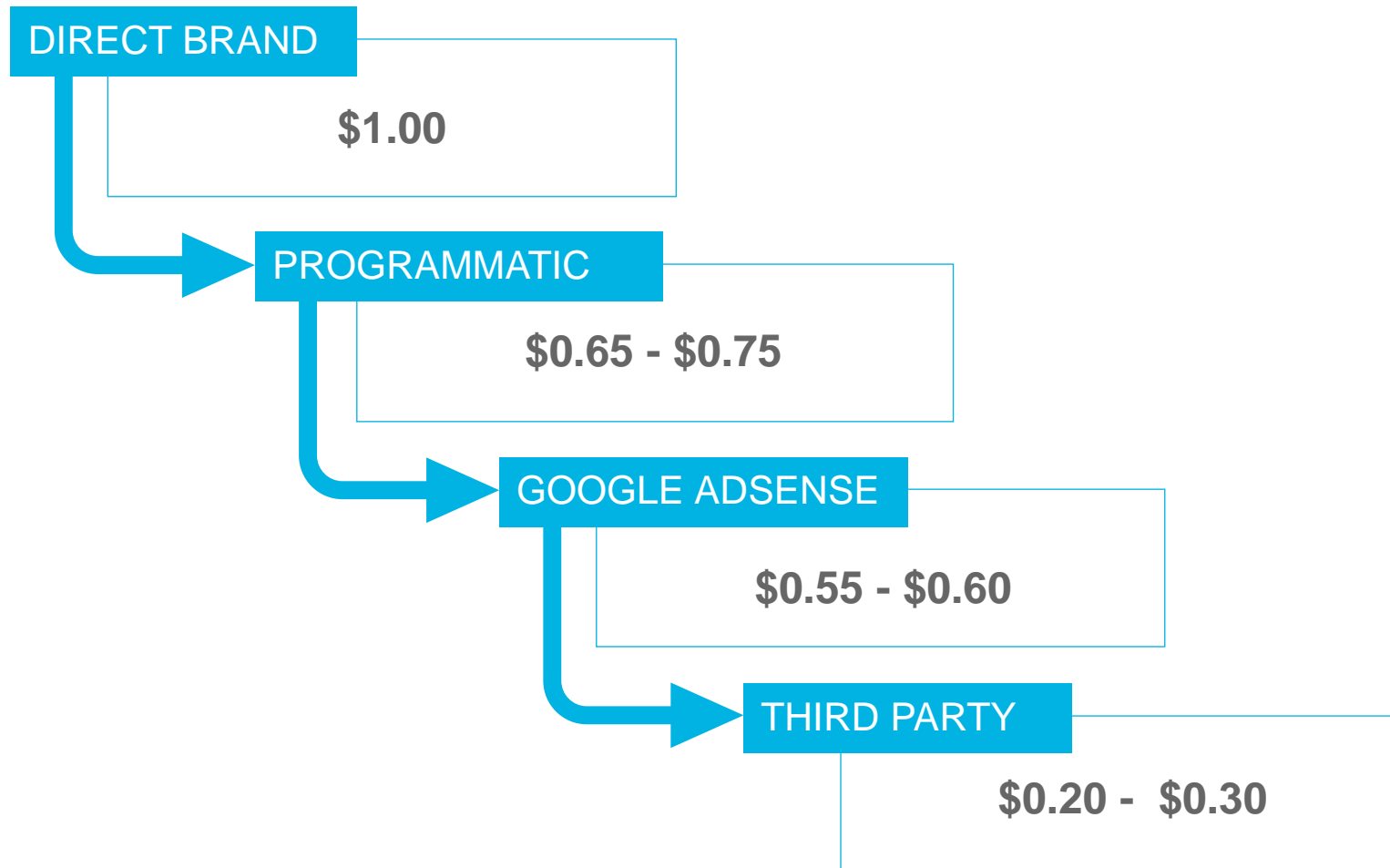


- (1) Revenue is shown on a pro forma basis net of Cracked and other non-strategic properties that were disposed of in 2015 and 2016.
- (2) Based on internal data. Revenue Per Visit is defined as Media revenue per one thousand visits. Revenue per visit is shown on a pro forma basis net of Cracked and certain other non-strategic properties that were disposed of in 2015 and 2016.
- (3) Based on internal data. Visits are defined as the total number of times users access the company's content across (a) one of its owned and operated online properties and/or (b) one of its customers' online properties, to the extent that the visited customer web pages are hosted by the company's media services. In each case, breaks of access of at least 30 minutes constitute a unique visit. Visits are shown on a pro forma basis net of Cracked and certain other non-strategic properties that were disposed of in 2015 and 2016.
- (4) Video Views is defined as the total number of views of all of our Media videos on Facebook and YouTube, or on Leaf Group or third party sites via YouTube or any other embedded video player, during the applicable period. We include in this metric (i) views of videos published by any of our Media properties, including Livestrong.com, eHow, category specific sites and international sites; and (ii) videos viewed on multiple YouTube channels affiliated with certain of our properties.

Best-in-Class Programmatic Advertising with Growing Brand Sales



Monetization Ad Stack⁽¹⁾

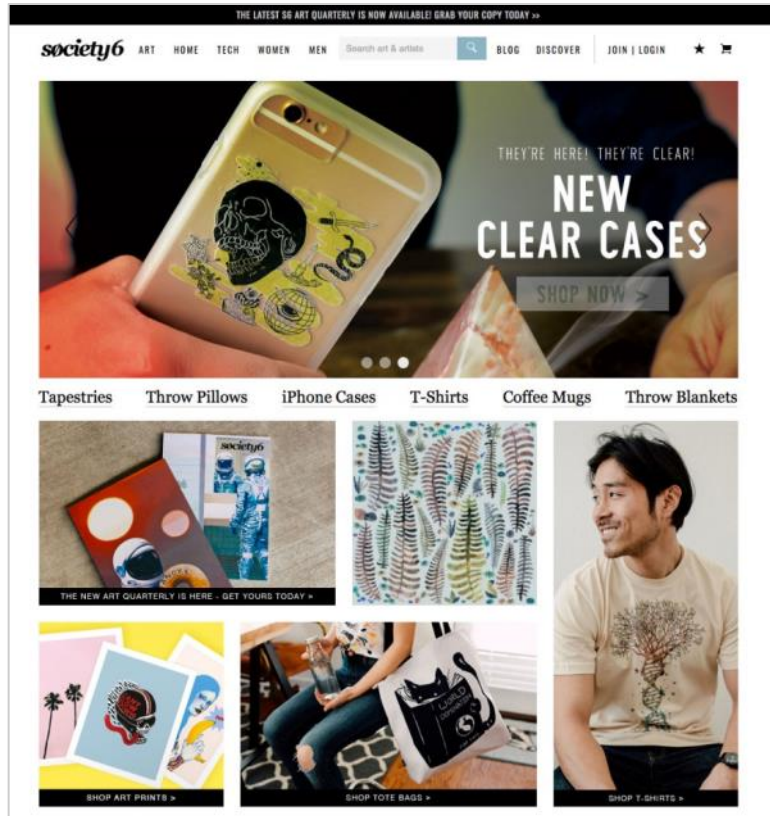


Select Advertising Partners

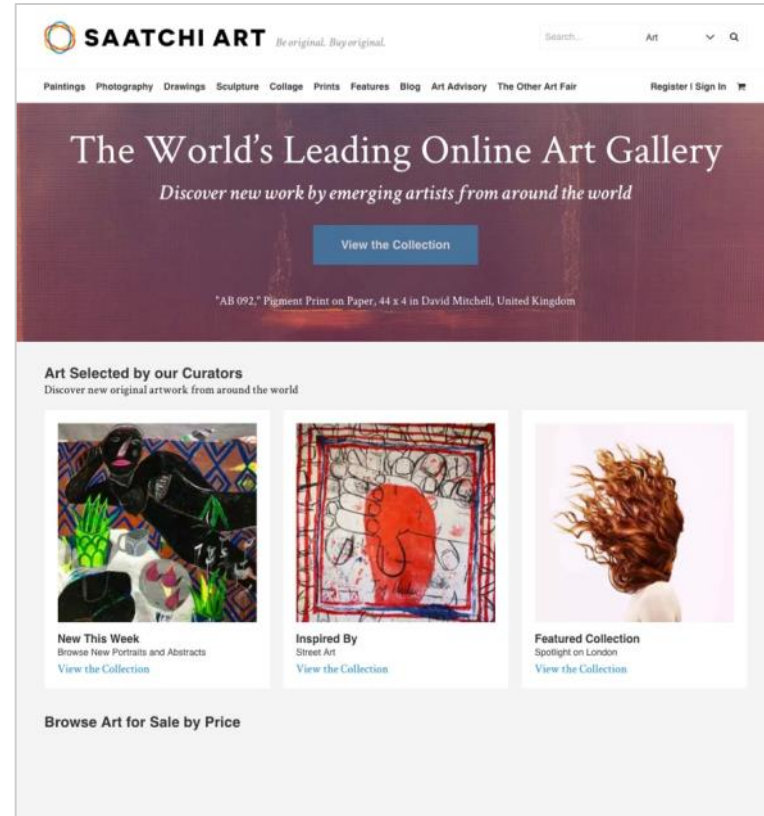


(1) Source: Internal Data as of Q4'16. CPMs are based on relative scale with Direct Brand CPMs equal to \$1.00.

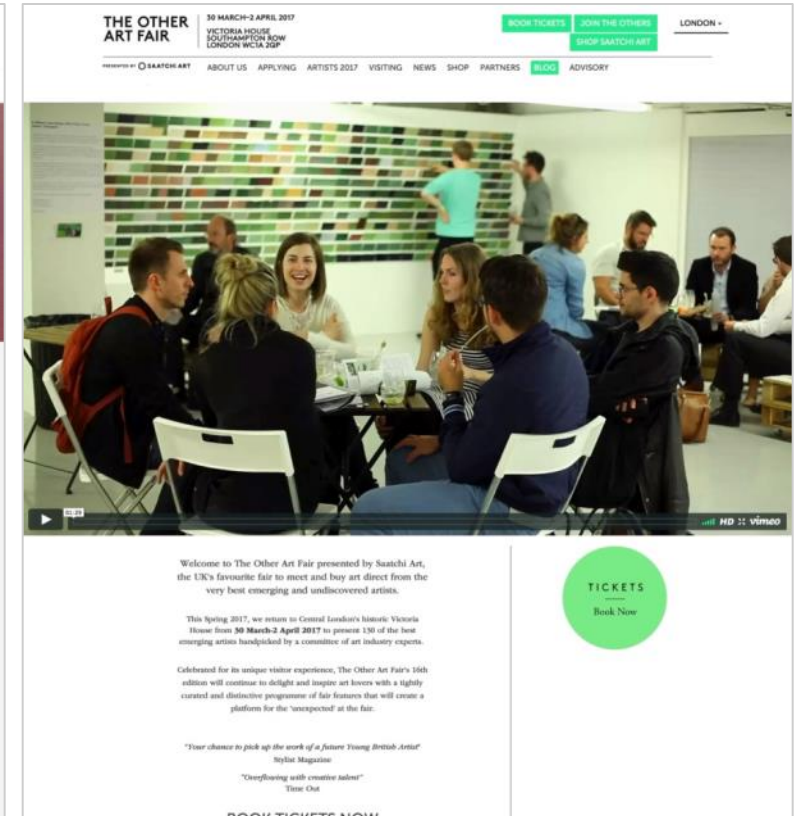
Marketplaces



society6



SAATCHI ART



THE OTHER
ART FAIR
PRESENTED BY SAATCHI ART

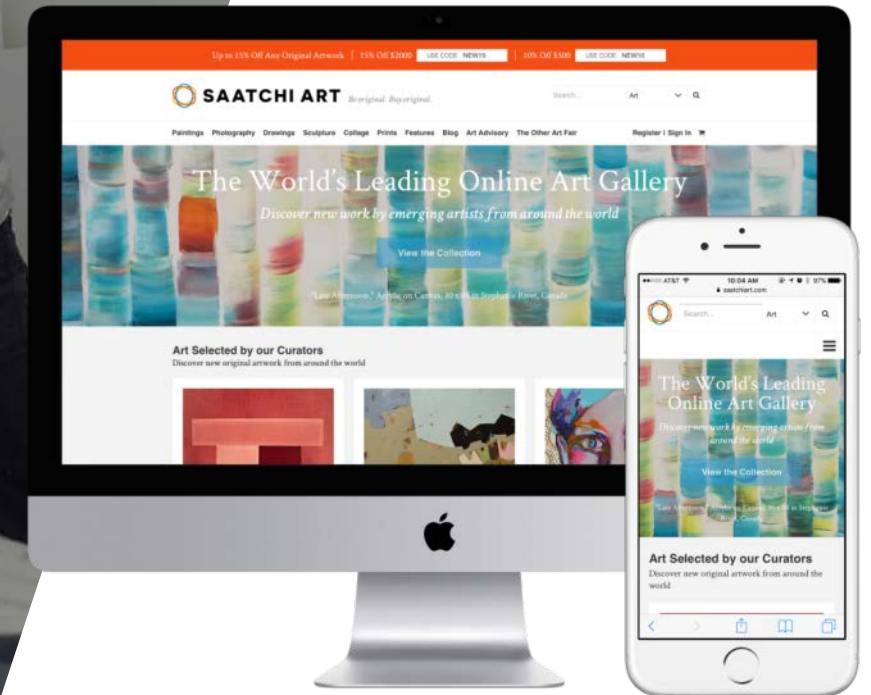


Global
Community of
Over 75,000
Artists with \$1.9B
of Art Available for
Sale

28% Y/Y Revenue
Growth in Q4'16



Average Order
Value ~\$1,100



The Q4'16
London Show
Had Over
12,500
Attendees

Each Fair
Features ~120
Emerging
Artists

THE OTHER ART FAIR

PRESENTED BY  SAATCHI ART

7 Fairs
Planned in
2017



Source: Figures based on internal data for the London Fair hosted in October 2016



Over \$21M
GTV Q4 2016

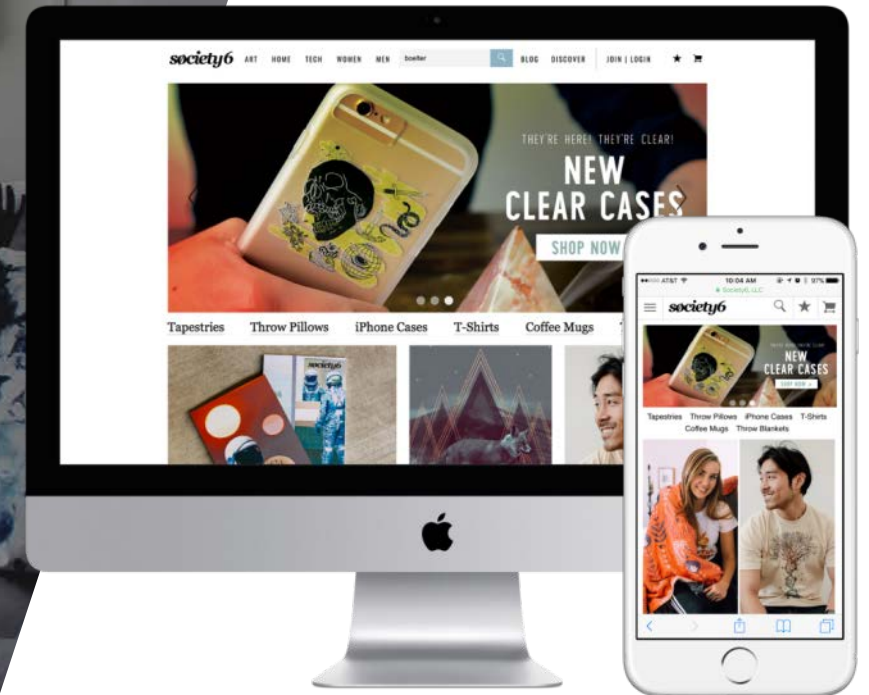
+21% Y/Y

230,000 Artists and
3.6M Original
Designs

society6

Over 350,000
Customers in
2016

+40% Y/Y

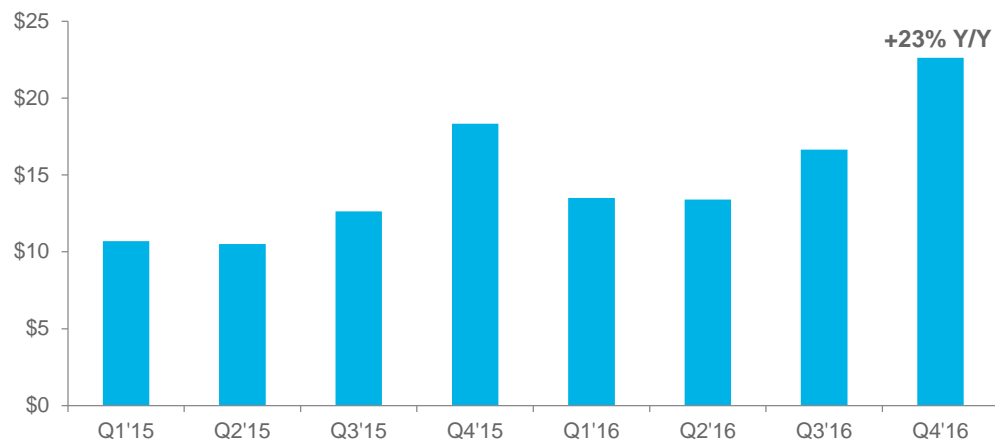


Source: Figures based on internal data as for the quarter ended December 31, 2016.

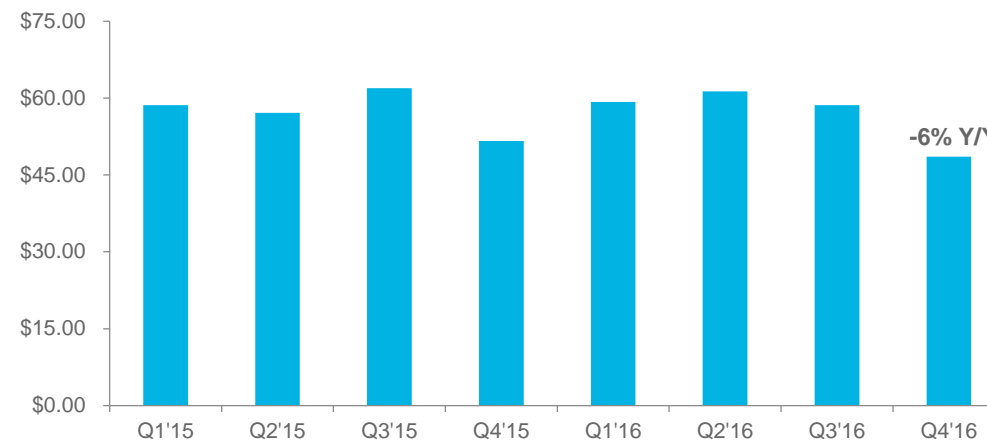
Marketplaces Grew 23% Year-Over-Year



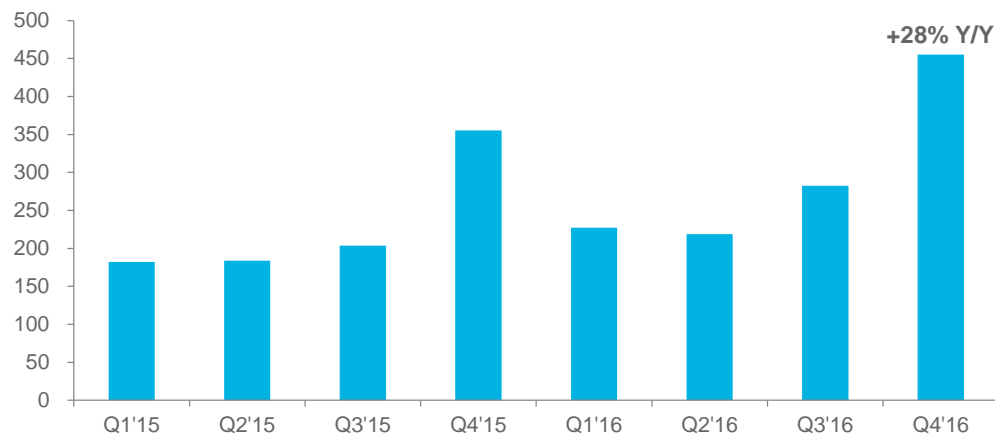
Revenue (\$M)



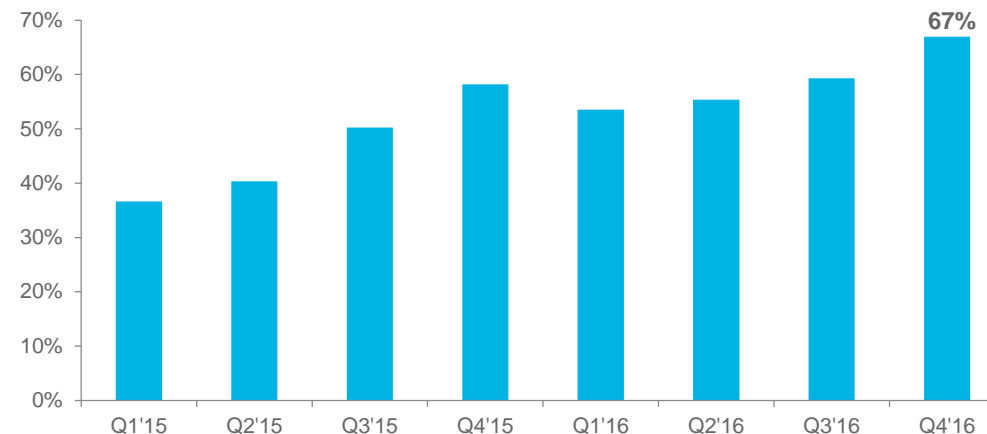
Revenue Per Transaction⁽¹⁾



Total Transactions⁽²⁾



Marketplaces Revenue as a Percent of Total Revenue⁽³⁾



- (1) Average Revenue per Transaction is calculated by dividing Marketplaces revenue for a period (not including revenue generated by The Other Art Fair) by the number of Transactions in that period.
- (2) Number of transactions is defined as the total number of Marketplaces transactions successfully completed online by a customer during the applicable period. Excludes transactions from The Other Art Fair.
- (3) Total Revenue is on a pro forma basis net of Cracked and other non-strategic properties that were disposed of in 2015 and 2016.

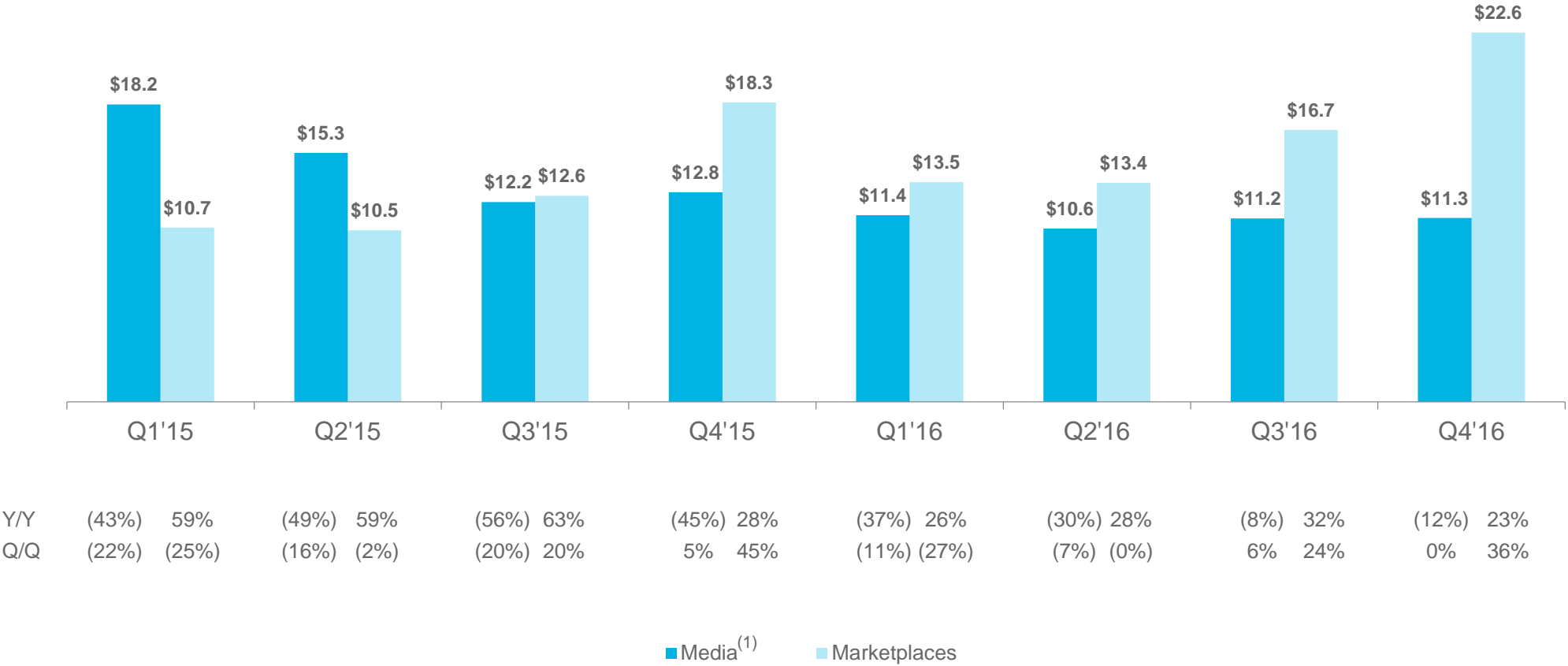


Financials

Quarterly Revenue Composition (Pro Forma)



(in millions)

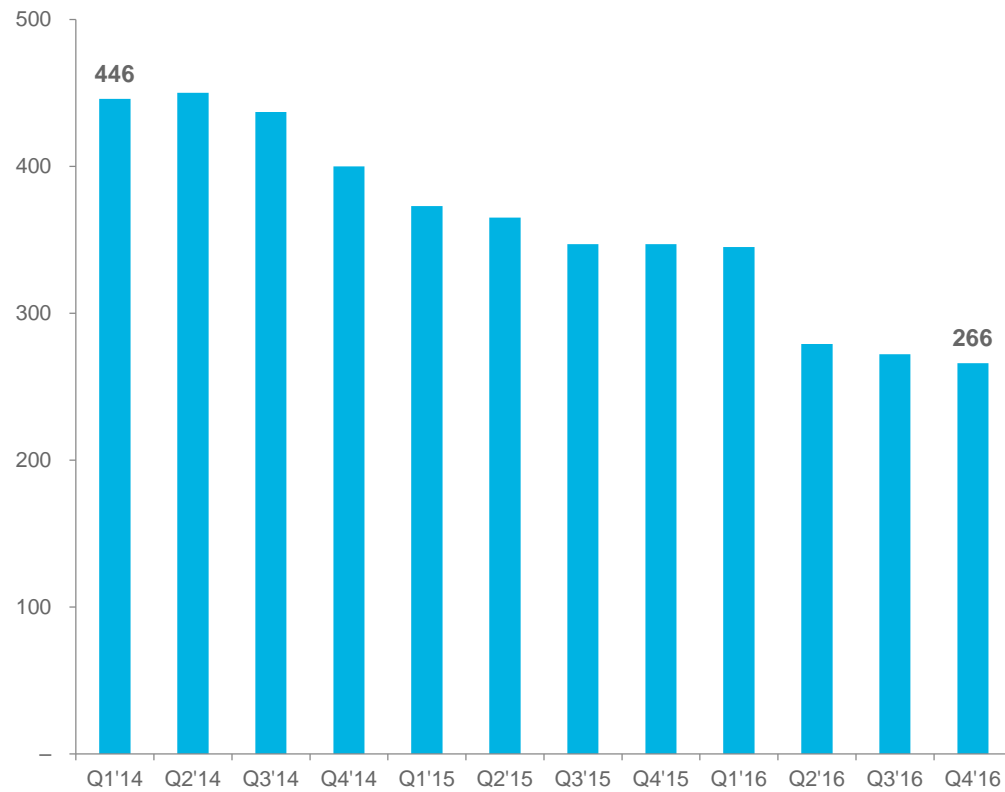


(1) Media revenue is shown on a pro forma basis net of Cracked and certain other non-strategic properties that were disposed of in 2015 and 2016.

Cost Breakdown

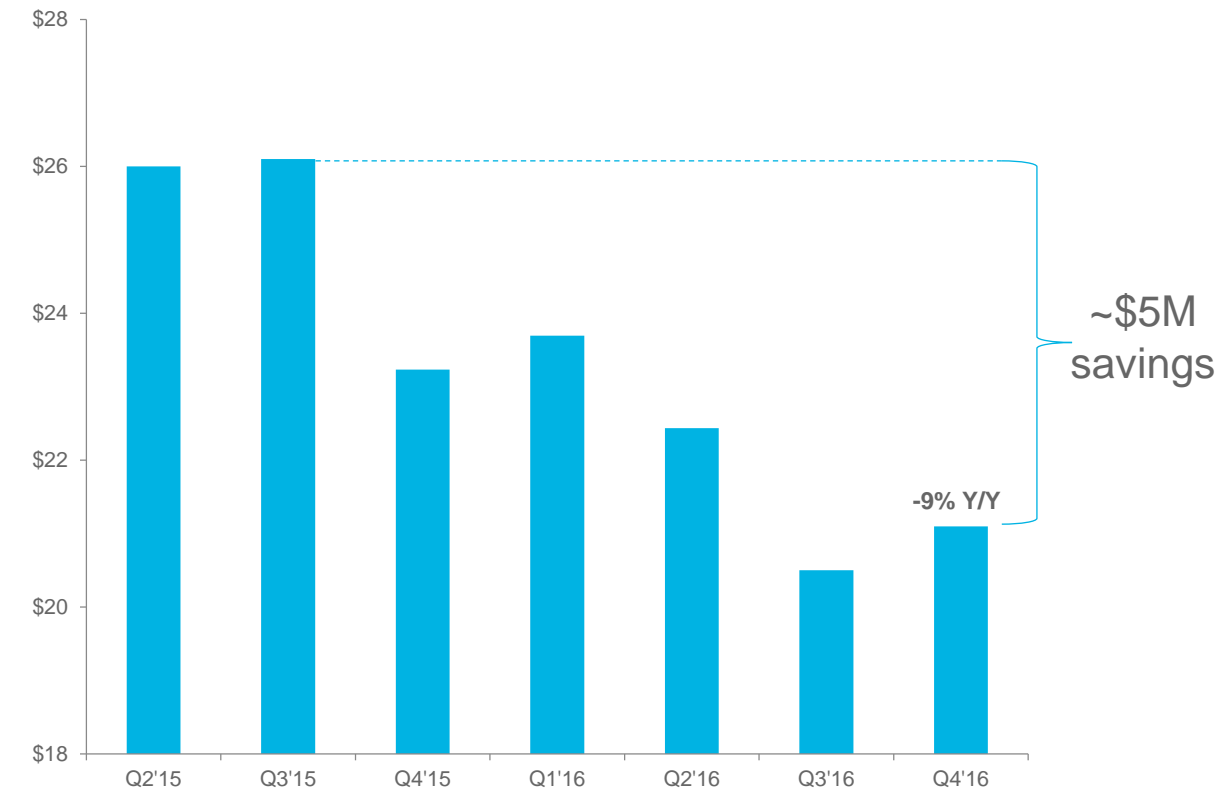


Headcount⁽¹⁾



Total Non-GAAP Expenses Excl. Product Costs⁽¹⁾

(in millions)



(1) Headcount provided as of the end of the relevant period. Headcount for Q1'14 and Q2'14 does not include headcount related to our former domain name services business that was spun-off in August 2014.

(2) Non-GAAP expenses excluding product costs are GAAP expenses less depreciation, amortization, stock based compensation and product costs.

Balance Sheet Summary



(in millions)

As of December 31, 2016

Assets

Cash & Cash Equivalents	\$ 50.9
Other Current Assets	15.0
Property and Equipment, Net	11.5
Other Long Term Assets ⁽¹⁾	23.9
Total Assets	\$ 101.3

Liabilities

Accounts Payable, Accrued Expenses, and Other Current Liabilities	\$ 17.5
Deferred Revenue	2.2
Non-current Liabilities	1.9
Stockholders' Equity	79.7
Total Liabilities and Stockholders' Equity	\$ 101.3

(1) Includes intangible assets, net, goodwill and other assets.

Investment Thesis



- Experienced management team
- Diversified portfolio of digital media and marketplace assets.
- Marketplace revenue ~60% of total growing ~27% Y/Y in FY 2016⁽¹⁾
- Transforming Media business with strong well-known brands
- Optimized for efficiency with corporate overhead cost reductions
- More focused portfolio with sale of Cracked in Q2'16 and divestitures of other non-core properties
- Clean balance sheet with ~\$51 million cash and no debt (as of 12/31/16)
- Cash of \$2.60 per share and stock is trading at \$7.95⁽²⁾
- Valuation potential considering cash balance, significant NOLs and sum of the parts analysis

(1) Percentage of Total Revenue is calculated on a pro forma basis net of Cracked and certain other non-strategic properties that were disposed of in 2016

(2) As of 3/7/17

Executive Leadership



Sean Moriarty
Chief Executive Officer

Prior:

- CEO at Saatchi Art
- President, CEO, EVP, Tech and COO of Ticketmaster
- EVP, Technology at Citysearch



Rachel Glaser
Chief Financial Officer

Prior:

- CFO at Move, Inc
- Senior VP, Finance at Yahoo!
- VP, Walt Disney Company



Brian Pike
Chief Operating Officer &
Chief Technology Officer

Prior:

- CTO at Rubicon Project
- CTO at Ticketmaster



Dion Camp Sanders
EVP, Marketplaces

Prior:

- Vice President, Emerging Businesses within the Labs Group at Disney
- Founder and CEO of Pacific Edison



Daniel Weinrot
EVP, Legal & General Counsel

Prior:

- VP & Deputy General Counsel at Las Vegas Sands Corp.
- Corporate associate at Latham & Watkins LLP



Tawn Albright
EVP, Corporate Development

Prior:

- CEO and founding partner at Rockhouse Partners
- Executive VP for Etix



Jill Angel
EVP, People

Prior:

- VP Operations at Saatchi Art
- Team leader at Cocodot, Swirl by DailyCandy, and GSI Commerce

