



Demand  
Media

# COMPANY OVERVIEW

November 2015

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We are an operating company with  
**MULTIPLE BRANDS**

**eHow**

LIVESTRONG.COM

**CRACKED**

**studioD**

*society6*

 SAATCHI ART



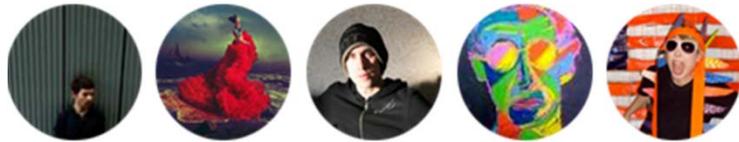
We build platforms  
that enable communities  
of creators to reach  
passionate audiences  
in large and growing  
lifestyle categories



# Demand Media by the Numbers

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CREATORS ACROSS PLATFORMS (1) *Approximately*  
**220,000**



PAID TO CREATORS IN 2014 (2) *Approximately*  
**\$20M**



TOTAL UNIQUE MONTHLY VISITORS (3) *Approximately*  
**49M**



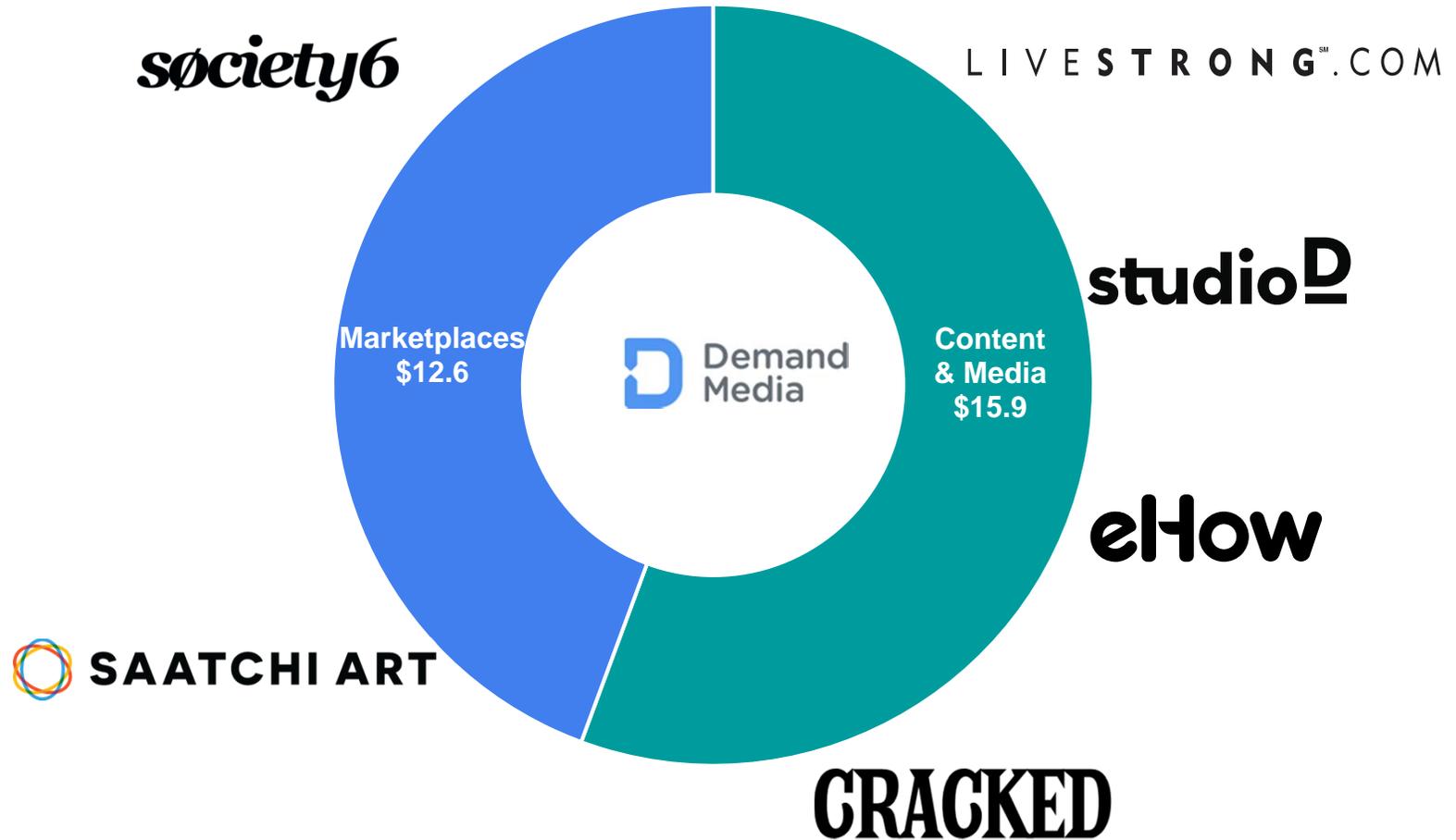
NUMBER OF EMPLOYEES *Approximately*  
**350**



- (1) Total creators across platforms: current # of active creators for Society6, Saatchi Art and Demand Studios
- (2) Total paid to creators: full year 2014 for Society6, Saatchi Art and Demand Studios
- (3) Total unique visitors in the U.S. reached by Demand Media properties in September 2015 (Source: September 2015 U.S. comScore)

# Revenue Q3 2015: \$28.5M

(in millions)



# Recent Corporate News

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## People

- CEO appointment: Sean Moriarty (August 2014)
- CTO appointment: Brian Pike (November 2014)
- CFO appointment: Rachel Glaser (April 2015)

## Transactions

- Divestitures of Creativebug & CoveritLive (July 2014)
- Spin-off of domain services business, Rightside Group (August 2014)
- Acquisition of Saatchi Art (August 2014)
- Repaid and terminated credit agreement (November 2014)
- Divestiture of Pluck (February 2015)
- Acquisition of LEAFtv (August 2015)
- Divestitures of certain non-core websites from our Demand Vertical Network (Q3 2015)

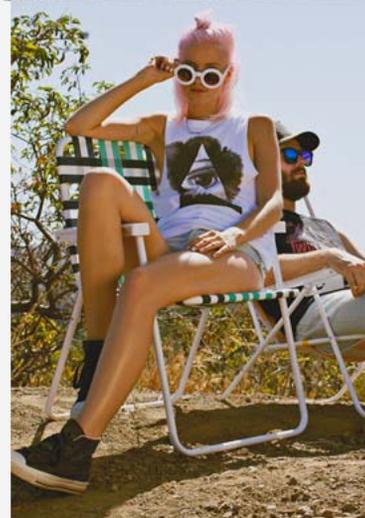
# society6

Marketplace platform  
empowering artists to  
make their designs  
available for sale on  
a variety of products

Over 2.5M unique designs

25 products (iPhone/Galaxy  
cases, t-shirts, leggings, wall  
tapestries, and others)

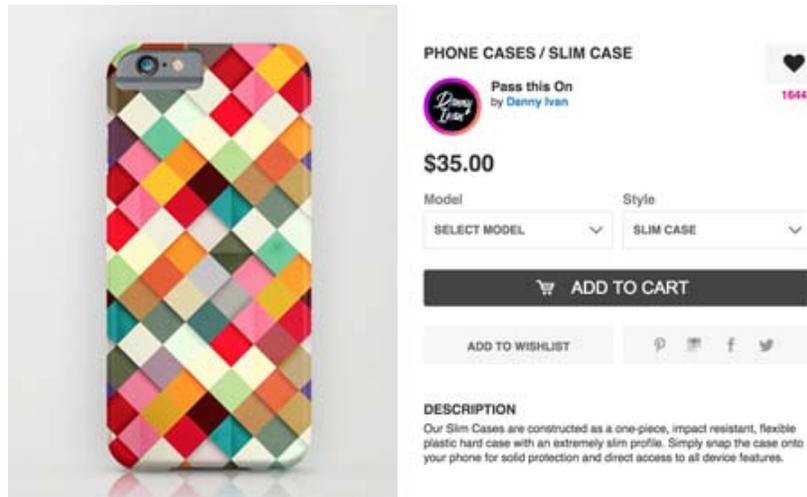
Shipped to customers in over  
100 countries



# Society6 at a Glance

## For Customers:

- Caliber of artists
- Quality & variety of products
- Over 2.5 million unique designs to choose from
- Best-in-class customer service
- Service reliability - products shipped within 3 business days



## For Artists:

- Global reach
- Quality & variety of products
- Premium product previews that can be used as marketing assets
- Opportunity of exposure through collaborations
- Active collaborative community
- Respected brand with history in the print-on-demand space



# Society6 – Q3 2015 Update

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- Marketplaces Revenue\* (Q3 2015): \$12.6M (44% of total)
- Launched laptop sleeves and iPhone 6s cases, for 25 total products currently available
- Over 2.5 million unique designs available from creators around the world



A global online marketplace with more than 60,000 emerging artists from nearly 100 countries selling original art.

“Supporting artists from around the world” “Brilliant innovation... delightfully subversive”

**2015 Webby Award**



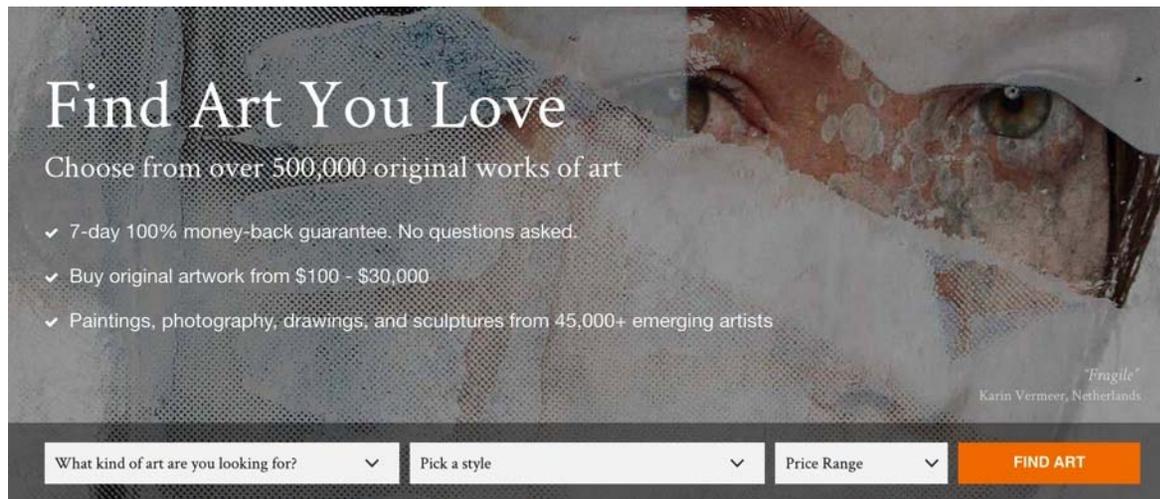
# Saatchi Art at a Glance

## For Buyers:

- Global selection
- Discovery & decision support
- Expert curation
- Direct connection with artists

## For Artists:

- Global reach
- Self service selling platform
- Curated exhibits and contests
- Emerging artist community



**Find Art You Love**  
Choose from over 500,000 original works of art

- ✓ 7-day 100% money-back guarantee. No questions asked.
- ✓ Buy original artwork from \$100 - \$30,000
- ✓ Paintings, photography, drawings, and sculptures from 45,000+ emerging artists

*"Fragile"*  
Karin Vermeer, Netherlands

What kind of art are you looking for? ▾ Pick a style ▾ Price Range ▾ **FIND ART**



**Just for Tonight**  
Painting  
David Fredrik Moussallem  
Canada

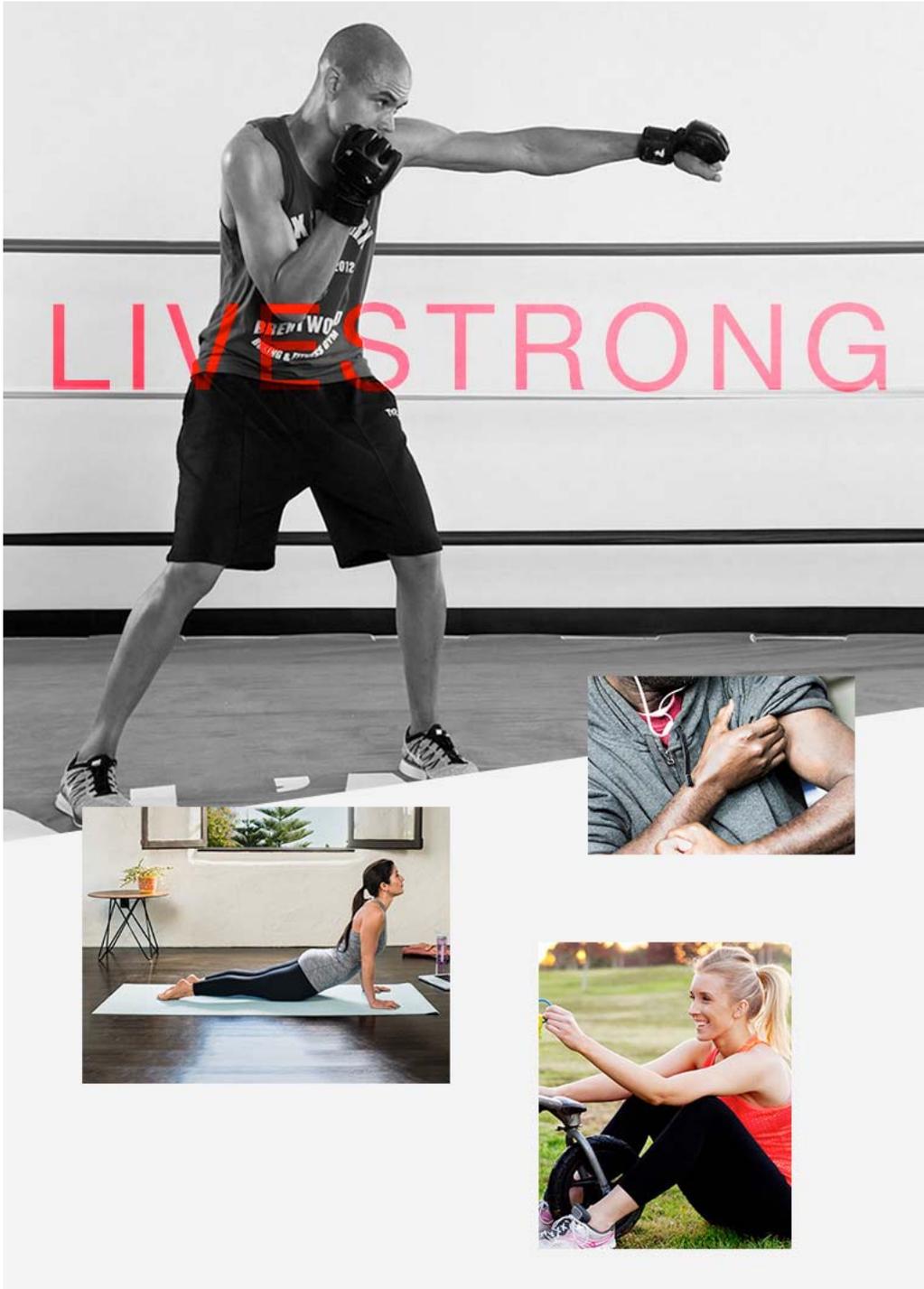


\$3,300

## Saatchi Art – Q3 2015 Update

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- Saatchi Art designed and produced its first catalog, which shipped to approximately 100,000 households in early October.
- Repeat buyers on Saatchi Art increased 25% year-over-year in Q3, demonstrating consumer satisfaction with Saatchi Art's products and services



LIVESTRONG<sup>SM</sup>.COM

Leading health and fitness website with diet, nutrition and fitness tips for a healthier lifestyle

**Nearly 24M** Monthly Visitors<sup>(1)</sup>

**Over 8M** Registered Users<sup>(2)</sup>

**Over 150** Expert Bloggers

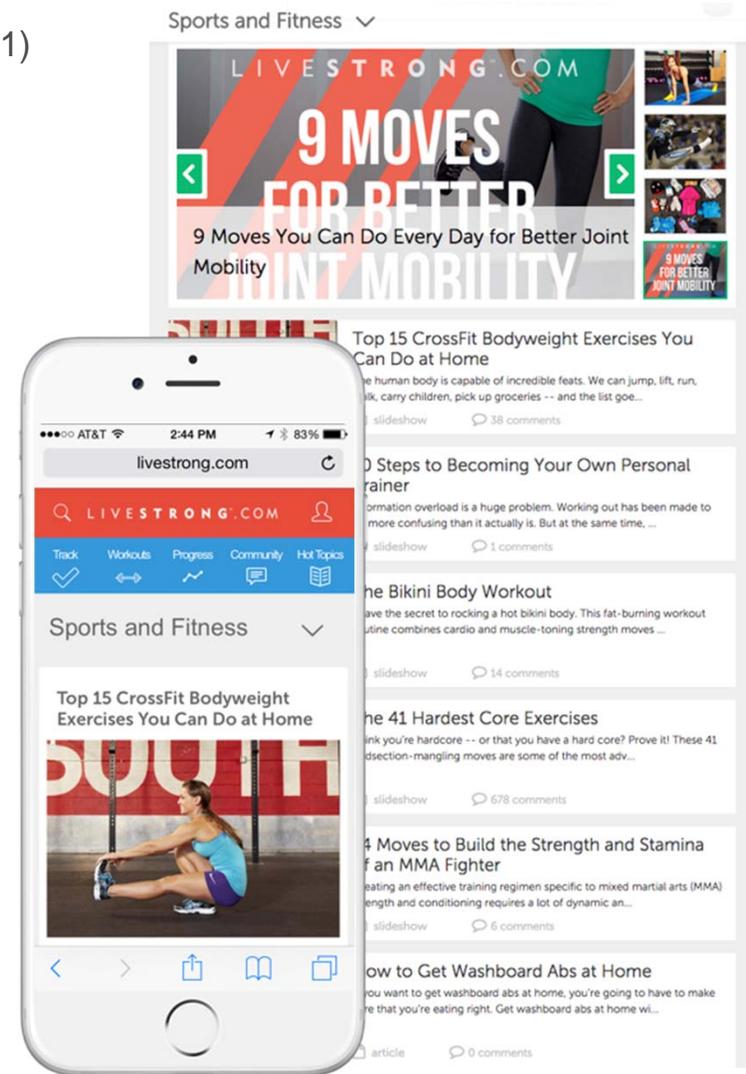
(Including Jillian Michaels, Kayla Itsines and Gabby Reece)

(1) Total unique visitors in the U.S. reached by Livestrong.com/eHow Health in September 2015 Source: September 2015 U.S. comScore

(2) Source: Internal data

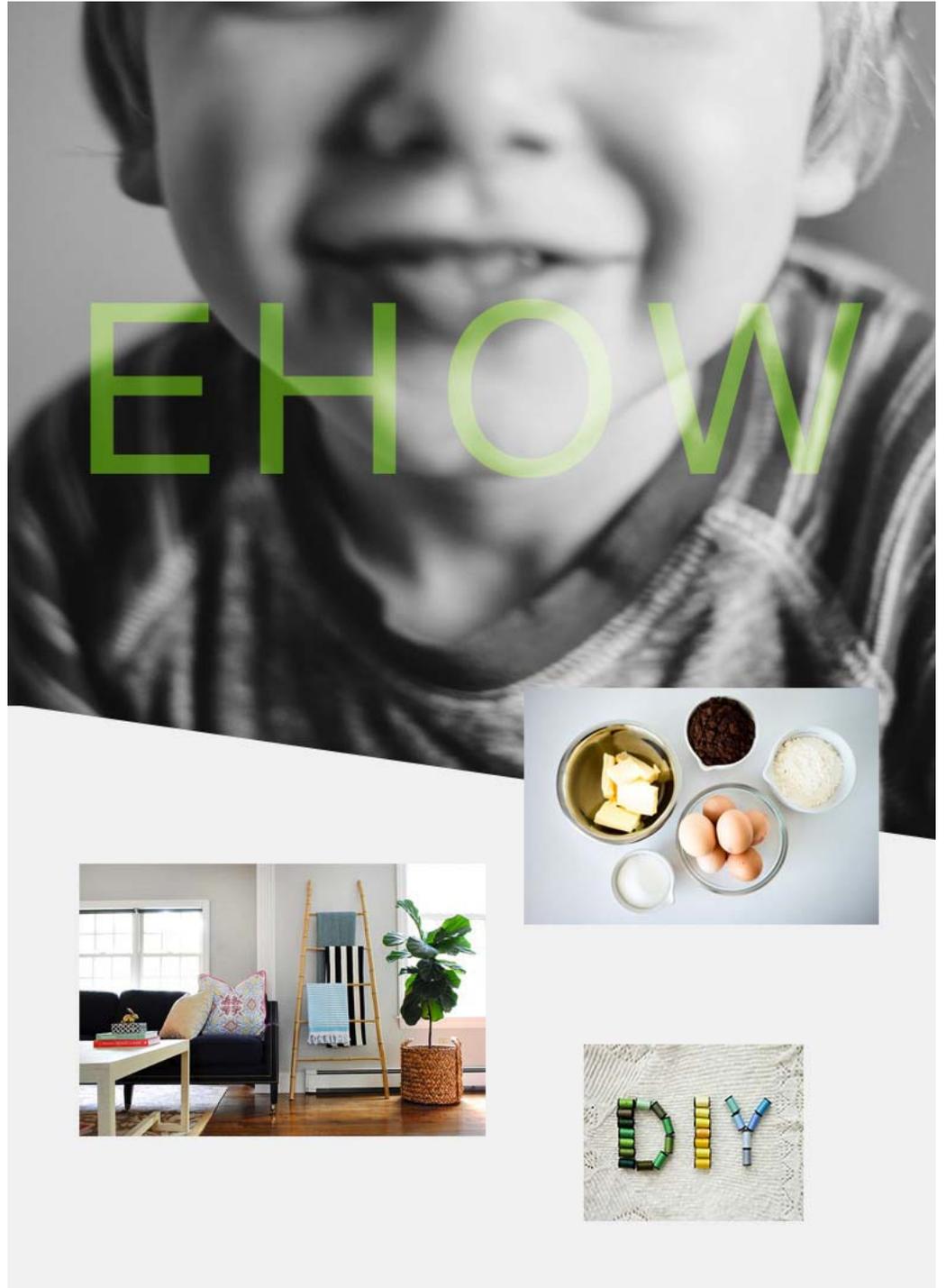
# LIVESTRONG.com – Q3 2015 Highlights

- Unique Visitors (September 2015): 24M <sup>(1)</sup>
- Engaged audience with over 50 million visits on average per month<sup>(2)</sup>
- 22% growth year-over-year in monthly average users on MyPlate, MyQuit and MyWater apps <sup>(2)</sup>
- Launch of first 7 different Condition Centers



# eHow

Learn how to do almost anything from expert advice, articles and videos



# eHow at a Glance

## A market leader in the how-to and DIY categories which represent a large market opportunity

- Content geared toward the DIY and Home Improvement market, which was estimated to be \$700 billion by 2015 (2012 Global Industry Analysts)
- ~98 million unique visitors to all properties in the Lifestyles/Home category <sup>(1)</sup>

**Ditch The Frame: 5 Clever Ways to Display Photos in Your Home**

By Kristen Duke  
Sep 16, 2014

104 64 20 Share 204 Found This Helpful



If you are a photography buff like me, you probably have so many pictures of people and travel that you aren't quite sure what to do with them to enjoy them. If you are diligent, you've likely created a photo album that sits on a shelf, or keep them on your phone to peruse every once in a while.

Today, I'm going to share 5 unique ways to display pictures you've taken, so you can think outside of the picture frame and enjoy them year round. I've done an entire series on my website, all about [Decorating with Pictures](#). I advocate the importance of display



**How to Build Simple Floating Shelves**

By Jennifer Bridgman  
ehow Contributor

11 Share Tweet Share 19 Found This Helpful

Floating shelves are a simple solution to add extra storage space on the walls while maintaining a clean, minimal look. They also add interest to a blank wall and can be used to display framed pictures or decorative objects.

Though they may look like the shelves are floating on air, there's actually a hidden support piece that mounts the shelf in place. This tutorial walks you through the simplest way to build your floating shelf -- using a support bracket that's finished on the top and sides to hide the support piece underneath.



Jennifer Bridgman

## eHow – Q3 2015 Update

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- Unique Visitors (September 2015): 24M <sup>(1)</sup>
- Shifted to a single page layout in mobile
- Removed 2.4M articles and 4 desktop ad units since November 2014
- Traffic from social channels (primarily Pinterest) growing in both absolute visits and as a percentage of total traffic

# CRACKED

Entertainment for people who like to think, laugh and learn while they're supposed to be working, waiting in line, commuting... you get the picture.

**#1 in Humor** <sup>(1)</sup>

(CollegeHumor/Cracked Network)

**2015 Webby Award**



“Addictive... hauntingly funny...  
terrifyingly well-informed.”

**WIRED INSIDER**

(1) Source: September 2015 U.S. comScore



# Cracked at a Glance

## Site Optimization

- Focus on building the best user experience for desktop and mobile users
- Improved viewability
- Responsive design in progress

## Social

- Focus on four main social platforms: Facebook, Twitter, StumbleUpon and Tumblr

## Video

- Focus on unscripted series and viral hit-driven model

## Content

- Multiple content formats including timely, image-based content



# Cracked – Q3 2015 Update

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- Unique Visitors: 7.6M <sup>(1)</sup>
- CollegeHumor/Cracked Network ranked as the #1 Humor Property in the US in September 2015 <sup>(1)</sup>
- Video views across YouTube, Facebook & site up >100% Y/Y <sup>(2)</sup>
- >35M streams on YouTube in Q3 2015<sup>(2)</sup>



# studioD

Creative studio  
and branded  
content division  
creating content  
across 20 different  
formats



eHow LIVESTRONG.COM

# studioD at a Glance

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**Content marketing and publishing platform driven by predictive insights and performance analytics**

## Data Driven Approach:

- Search & social trends
- Consumption patterns
- Behavioral signals

## Comprehensive Services:

- Publishing platform
- Best-in-class editorial, SEO and social strategists

## Talented Freelance Community:

- Thousands of highly qualified creators, specializing in a wide range of lifestyle categories

## studioD – Q3 2015 Update

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- Q3 Revenue: 13% of total company
- Continue to add new customers; Renewal rates ~70%
- Choice Hotels: “We’re excited to bring Demand Media on as true content partners... Not only are they a reliable, productive organization, but their focus on data-driven strategy ensures that our investment in them is also an investment in our corporate goals.”



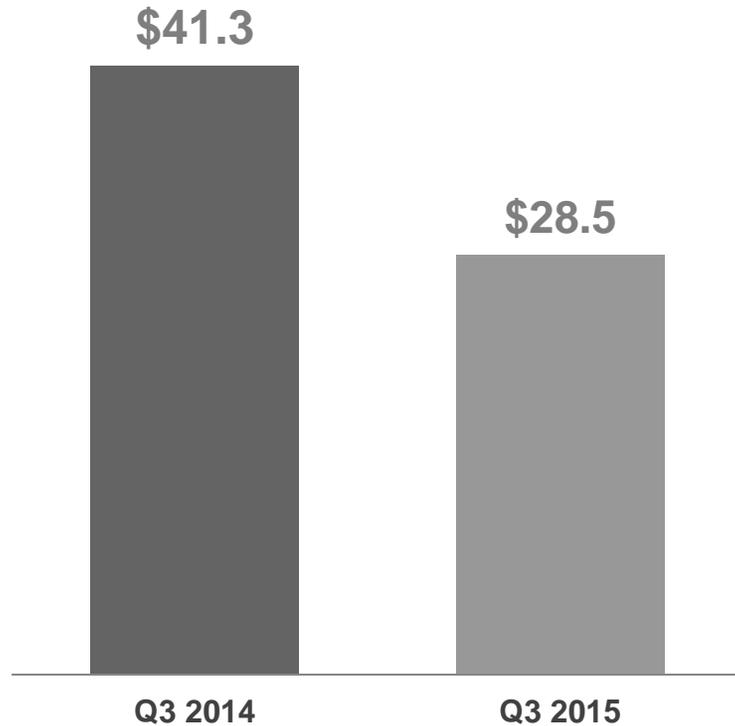
Demand  
Media

# FINANCIALS

# Revenue Summary

(in millions)

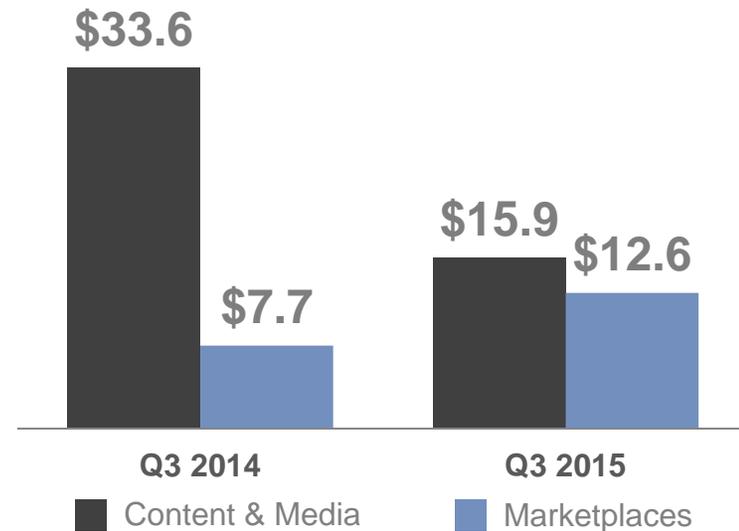
## Q3 2014 vs. Q3 2015



**YoY Comparison** -31%

Trailing 12 Months Revenue: \$134.5M  
(64% Content & Media, 36% Marketplaces)

## Q3 Revenue by Service Offering



**YoY Comparison**

Content & Media -53%

Marketplaces +63%

# Balance Sheet Summary

(in millions)

As of September 30, 2015

## Assets

Cash & Cash Equivalents \$ 37.9

Other Current Assets 14.6

Property and Equipment, Net 15.5

Other Long Term Assets <sup>(1)</sup> 36.5

**Total Assets \$ 104.5**

## Liabilities

Accounts Payable, Accrued Expenses,  
and Other Current Liabilities \$ 13.9

Deferred Revenue 3.0

Non-current Liabilities 2.0

Stockholders' Equity 85.6

**Total Liabilities and  
Stockholders' Equity \$ 104.5**

# Executive Leadership



**Sean Moriarty**  
Chief Executive Officer

Sean serves as Chief Executive Officer and a member of the board of directors of Demand Media. Sean was previously the CEO of Saatchi Art, which Demand Media acquired in August 2014, and the President and CEO of Ticketmaster, where he also served on the board of directors. Sean held positions of increasing responsibility during his tenure at Ticketmaster, including EVP, Technology and Chief Operating Officer. Sean has also served as an Entrepreneur in Residence at Mayfield Fund and he began his executive experience as EVP, Technology at Citysearch.

Sean sits on several private company boards of directors, including Eventbrite and TuneIn. Sean is also actively involved in non-profit work with CoachArt and the Pat Tillman Foundation.

Sean received his bachelor's degree from the University of South Carolina and attended graduate school at Boston University and the University of South Carolina.



**Rachel Glaser**  
Chief Financial Officer

Rachel Glaser serves as the Chief Financial Officer of Demand Media. With nearly three decades of senior operations and financial experience, she most recently served as CFO at Move, Inc, parent of Realtor.com, where she helped lead the company through its successful transformation and sale to News Corporation. Prior to Move, she was Chief Operating and Financial Officer at MyLife.com. Before joining MyLife, Glaser was Senior Vice President, Finance at Yahoo! and spent many years at The Walt Disney Company in various finance, operations and technology roles.

Rachel received her undergraduate degree from University of California, Berkeley and earned her MBA at University of Southern California – Marshall School of Business.



**Brian Pike**  
Chief Operating Officer &  
Chief Technology Officer

Brian Pike joined Demand Media in 2014 and he currently serves as its Chief Operating Officer and Chief Technology Officer. Prior to Demand Media, Brian was CTO at Rubicon Project, where he led the engineering organization through rapid growth and a successful IPO. Prior to joining Rubicon, Brian was CTO at Ticketmaster where he led efforts to transform an established retailer and service company into a modern ecommerce retailer. Brian has an undergraduate degree from Stanford University and an MBA from the Anderson School at UCLA.

# Executive Leadership

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**Daniel Weinrot**  
EVP, Legal & General Counsel

Daniel Weinrot is the EVP, Legal & General Counsel. He joined Demand Media in 2010 and has held several positions within Demand's legal department before being promoted to General Counsel. Daniel was integral in managing Demand Media's initial public offering and the tax-free spin-off of its domain name services business. In his current role, Daniel oversees and manages Demand Media's legal and risk management functions, which includes public company compliance, mergers & acquisitions, litigation and insurance, among others.

Prior to joining Demand Media, Daniel was VP & Deputy General Counsel at Las Vegas Sands Corp. Prior to that, Daniel was a corporate associate at Latham & Watkins LLP, one of the leading international law firms based in Los Angeles. Daniel holds a JD from UCLA and a bachelor's degree from the University of California, Berkeley.



**Tawn Albright**  
EVP, Corporate Development

Tawn Albright is the Executive Vice President of Corporate Development for Demand Media. He joined the company in 2015. Prior to Demand Media, Albright was CEO and founding partner of the award-winning digital marketing agency, Rockhouse Partners. Following the sale of Rockhouse to Etix, Albright served as Executive Vice President for Etix, leading the integration of the two companies. Albright has more than twenty years of experience managing growth initiatives for companies that include Ticketmaster/IAC, The Coca-Cola Company and Cox Communications. He is trilingual (English, Spanish, French), enjoys backpacking, ultimate frisbee, big skies and music.

Tawn graduated from the University of Arizona with a double degree in Finance and Entrepreneurship and earned his MBA from Thunderbird School of Global Management.