

BuzzFeed, Inc. Hosts Investor Day, Outlines Strategic Vision for the Future of Digital Media

May 11, 2023

Company Projects Full Year 2023 Adjusted EBITDA¹ in the High Teens Millions

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NEW YORK & LOS ANGELES--(BUSINESS WIRE)--May 11, 2023-- BuzzFeed, Inc. (Nasdaq: BZFD) today hosted a virtual Investor Day featuring CEO Jonah Peretti, President Marcela Martin, CFO Felicia DellaFortuna, and other company leaders presenting their plans to transform the company and lead the digital media industry into the future.

"We have reached another inflection point on the internet. We are here today to share the strategic and organizational changes we have made to transform our business and lead the digital media industry into the future," said **Jonah Peretti, BuzzFeed Founder & CEO**.

Virtual attendees viewed presentations from Peretti, Martin, and DellaFortuna, as well as leaders from across the BuzzFeed, Inc. portfolio: General Manager (GM) of BuzzFeed Jess Probus; GM of Complex Donnie Kwak; GM of Tasty Hannah Bricker; GM of First We Feast and Hot Ones Chris Schonberger; and Head of Sales Andrew Guendjoian.

The company introduced a portfolio-wide go to market strategy —focused on Creators, Artificial Intelligence, and Cultural Moments —and discussed its progress in each of these areas.

1. **BuzzFeed** is using generative **AI** to innovate around new content formats and establish the **blueprint for AI-driven revenue growth** across the company.
 - o Audience time spent with our [Infinity Quizzes](#) is 40% higher relative to our traditional quiz format.
 - o Audience time spent with our [Under the Influencer](#) chatbot game is 4x higher than static quizzes.
2. **Tasty** has made tremendous progress in growing its **creator** network and establishing the **blueprint for creator-driven revenue growth** across the company.
 - o Creator content performs **2x better** when it's published on Tasty handles instead of a creators account.
 - o Our residents grow their audiences by an average of **50%** throughout the program.
3. **Complex** is taking advantage of the fragmented media environment as one of the few companies that can deliver culturally relevant **moments** at scale.
 - o Every year, **tens of thousands of fans and hundreds of brands** alike look forward to Complex's highly anticipated IRL event —**ComplexCon**.
 - o The last season of [Hot Ones](#) also contributed a number of huge cultural moments, with the Jenna Ortega episode alone generating more than **100 million views** across platforms.

Financial highlights from the presentations include:

- BuzzFeed, Inc. rolled out additional KPIs² the company will use to measure progress in growing revenue and profitability. In addition to using industry-standard reporting to measure Time Spent on BuzzFeed, Inc. properties and YouTube and Apple News, the company is also introducing new metrics, including:
 - o the **number of advertisers**,
 - o **revenue retention**, and
 - o **average spend per advertiser**.
- Additionally, in terms of profitability and cash flow, the company expects:
 - o **Adjusted EBITDA¹ in the high teens millions** for FY 2023,
 - o **Adjusted EBITDA¹ margin expansion** in 2024 and 2025, and
 - o to be **cash flow positive** in the medium term.

For further details, please see our Q1 2023 form 10-Q as filed with the SEC on May 10, 2023.

¹ Adjusted EBITDA is a non-GAAP financial measure. Please refer to "Non-GAAP Financial Measures" below for a description of how it is calculated.

These statements are forward-looking and actual results may differ materially as a result of many factors. Refer to "Forward-Looking Statements" below for information on factors that could cause our actual results to differ materially from these forward-looking statements.

Please see "Non-GAAP Financial Measures" below for a description of how Adjusted EBITDA is calculated. While Adjusted EBITDA is a non-GAAP financial measure, we have not provided guidance for the most directly comparable GAAP financial measure — net loss — due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary to forecast such measure. Accordingly, a reconciliation of non-GAAP guidance for Adjusted EBITDA to the corresponding GAAP measure is not available.

Definitions²

- **Net branded content advertiser revenue retention** is calculated by dividing the branded content revenue for the trailing twelve month from the close of the current reporting period, from advertisers who were also advertisers at the close of the

same period in the prior year (the “base period”), by the branded content revenue for the trailing twelve month from the close of the base period. This analysis only considers branded content advertisers who spent greater than \$250,000 in the trailing twelve months from the close of the base period, and is pro forma for acquisitions. This metric also excludes revenues derived from joint ventures and from deals not included in the branded content definition. In both periods presented, this represents the significant majority of branded content advertiser revenue.

- **Branded content advertisers** represents the actual number of branded content advertisers, excluding branded content advertisers that spent less than \$250,000 during the trailing twelve months at the close of the current reporting period, and is pro forma for acquisitions. This does not mean an included advertiser spent \$250,000 in any given quarter.
- **Net average branded content advertiser revenue** represents the net branded content revenue (dollars in millions) generated by branded content customers (as defined above) during the trailing twelve months at the close of the current reporting period divided by the number of branded content advertisers during that period, and is pro forma for acquisitions. This does not mean an included advertiser spent \$250,000 in any given quarter.
- **Time Spent** captures the time audiences spend engaging with our content across our owned and operated sites, as well as YouTube and Apple News, as measured by Comscore. This metric excludes time spent with our content on platforms for which we have minimal advertising capabilities that contribute to our Advertising revenues, including TikTok, Facebook, Instagram, Snapchat and Twitter. There are inherent challenges in measuring the total actual number of hours spent with our content across all platforms; however, we consider the data reported by Comscore to represent industry-standard estimates of the time actually spent on our largest distribution platforms with our most significant monetization opportunities. Effective January 1, 2023, we exclude time spent on Facebook from our measure of Time Spent as our monetization strategy is increasingly focused on advertising on our owned and operated properties, and Facebook now contributes an immaterial amount of advertising revenue.

About BuzzFeed, Inc.

BuzzFeed, Inc. is home to the best of the Internet. Across pop culture, entertainment, shopping, food and news, our brands drive conversation and inspire what audiences watch, read, and buy now — and into the future. Born on the Internet in 2006, BuzzFeed is committed to making it better: providing trusted, quality, brand-safe news and entertainment to hundreds of millions of people; making content on the Internet more inclusive, empathetic, and creative; and inspiring our audience to live better lives.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and represent key metrics used by management and our board of directors to measure the operational strength and performance of our business, to establish budgets, and to develop operational goals for managing our business. We define Adjusted EBITDA as net loss, excluding the impact of net (loss) income attributable to noncontrolling interests, income tax provision, interest expense, net, other income, net, depreciation and amortization, stock-based compensation, change in fair value of warrant liabilities, change in fair value of derivative liability, restructuring costs, transaction-related costs, public company readiness costs, and other non-cash and non-recurring items that management believes are not indicative of ongoing operations. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue for the same period.

We believe Adjusted EBITDA and Adjusted EBITDA margin are relevant and useful information for investors because they allow investors to view performance in a manner similar to the method used by our management. There are limitations to the use of Adjusted EBITDA and Adjusted EBITDA margin and our Adjusted EBITDA and Adjusted EBITDA margin may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Adjusted EBITDA and Adjusted EBITDA margin should not be considered a substitute for measures prepared in accordance with GAAP. Reconciliations of non-GAAP financial measures to the most directly comparable financial results as determined in accordance with GAAP are included at the end of this press release following the accompanying financial data.

Forward-Looking Statements

Certain statements in this press release may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Our forward-looking statements include, but are not limited to, statements regarding our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts (including our outlook for Q2 and FY 2023) or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “affect,” “anticipate,” “believe,” “can,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements may include, for example, statements about: (1) anticipated trends, growth rates, and challenges in our business and in the markets in which we operate; (2) demand for products and services and changes in traffic; (3) changes in the business and competitive environment in which we operate; (4) developments and projections relating to our competitors and the digital media industry; (5) the impact of national and local economic and other conditions and developments in technology, each of which could influence the levels (rate and volume) of our advertising, the growth of our business and the implementation of our strategic initiatives; (6) poor quality broadband infrastructure in certain markets; (7) technological developments including artificial intelligence; (8) our success in retaining or recruiting, or changes required in, officers, key employees or directors; (9) our business, operations and financial performance, including expectations with respect to our financial and business performance and the benefits of our restructuring, including financial projections and business metrics and any underlying assumptions thereunder and future business plans and initiatives and growth opportunities; (10) our future capital requirements and sources and uses of cash, including, but not limited to, our ability to obtain additional capital in the future in a higher interest rate environment and any impacts of bank failures or any restrictions on our ability to access our cash and cash equivalents; (11) expectations regarding

future acquisitions, partnerships or other relationships with third parties; (12) developments in the law and government regulation, including, but not limited to, revised foreign content and ownership regulations; (13) the anticipated impacts of current global supply chain disruptions, further escalation of tensions between Russia and Western countries and the related sanctions and geopolitical tensions, as well as further escalation of trade tensions between the United States and China; the inflationary environment; the tight labor market; the continued impact of the COVID-19 pandemic and evolving strains of COVID-19; and other macroeconomic factors on our business and the actions we may take in the future in response thereto; and (14) our ability to maintain the listing of our Class A common stock and warrants on the Nasdaq Stock Market LLC.

The forward-looking statements contained in this press release are based on current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the sections entitled "Risk Factors" in the Company's annual and quarterly filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. There may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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