

BuzzFeed Inc. Logo

## BuzzFeed, Inc. Announces First Quarter 2022 Financial Results

May 16, 2022

*Results in line with March outlook for Revenue and Adjusted EBITDA*

*Q1 revenue grew 26% year-over-year to \$92 million, driven by robust double-digit growth in Content revenue*

NEW YORK--(BUSINESS WIRE)--May 16, 2022-- BuzzFeed, Inc. ("BuzzFeed" or the "Company") (Nasdaq: BZFD), a premier digital media company for the most diverse, most online, and most socially engaged generations the world has ever seen, today announced financial results for the quarter ended March 31, 2022.

"I'm incredibly proud of all that our team accomplished in the first quarter," said **Jonah Peretti, BuzzFeed Founder & CEO**. "We completed the unification of the sales, business and admin teams across BuzzFeed and Complex Networks, demonstrated agility across our editorial, video and news teams in serving ever-evolving audience and consumer preferences, and delivered first quarter Revenue and Adjusted EBITDA in line with the outlook that we shared in March."

Mr. Peretti continued, "We are offering our partners a comprehensive solution to the biggest challenges they face in the marketplace today. Our focused, strategic investments in vertical video, first party data and creator programs are synergistic and together become more than the sum of their parts."

Mr. Peretti concluded, "With those investments, as well as the rapid integration of Complex Networks into the company, BuzzFeed, Inc. is increasingly well positioned to serve the growing demand for brand-safe, culturally relevant content, deepen our competitive moats, and help shape the next generation of the internet."

### **First Quarter 2022 Financial and Operational Highlights<sup>1</sup>**

- **Including HuffPost and Complex Networks results from the date of each acquisition, BuzzFeed increased revenues to \$91.6 million, growing 26% compared to the first quarter of 2021**
  - **Advertising revenue**, consisting of payments we receive from advertisers for ads distributed against our editorial and news content, including display and pre-roll, grew 26% year over year to \$48.7 million
  - **Content revenue**, consisting of payments received from clients for custom assets, including both long-form and short-form content from branded quizzes to Instagram takeovers, grew 65% year over year to \$32.3 million
  - **Commerce revenue**, which includes affiliate marketplace and product licensing revenue, declined 27% year over year to \$10.6 million
- **Net loss was \$44.6 million, compared to a net loss of \$11.3 million in the first quarter of 2021**
- **Adjusted EBITDA<sup>2</sup> loss was \$16.8 million, compared to Adjusted EBITDA loss of \$4.3 million in the first quarter of 2021**
- **Time spent declined 4% year over year to 184 million hours across our owned and operated properties as well as third-party platforms**
- **BuzzFeed ended the first quarter with cash and cash equivalents of approximately \$74.5 million**

### **Second Quarter 2022 Financial Outlook**

For the second quarter of 2022:

- We expect overall revenues to grow by a low 20s percentage year-over-year
- We expect Adjusted EBITDA in the range of \$2 to \$7 million
  - Additionally, we expect stock-based compensation expenses in the range of \$11 to \$13 million

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

We have not provided the most directly comparable GAAP financial guidance measure due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. Accordingly, a reconciliation of non-GAAP guidance for Adjusted EBITDA to the corresponding GAAP measure is not available.

### **Quarterly Conference Call**

BuzzFeed's management team will hold a conference call to discuss our first quarter 2022 results today, May 16, at 5PM ET. The call will be available via webcast at [investors.buzzfeed.com](https://investors.buzzfeed.com) under the heading News & Events. To participate via telephone, please dial 855-289-4604 (toll-free) or 253-236-3418 (international) and use the conference ID 3458216. A replay of the call will be made available at the same URL.

We have used, and intend to continue to use, the Investor Relations section of our website at <https://investors.buzzfeed.com> as a means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD.

### **Definitions**

BuzzFeed reports revenues across three primary business lines: Advertising, Content and Commerce. The definition of "Time Spent" is also set forth

below.

- **Advertising revenues** consist primarily of payments we receive from advertisers for ads distributed against our editorial and news content, including display, pre-roll and mid-roll video products sold directly to brands and also programmatically. We distribute these ad products across our owned and operated sites as well as third-party platforms, primarily Facebook, YouTube, and Apple News.
- **Content revenues** consist primarily of payments received from clients for custom assets, including both long-form and short-form content, from branded quizzes to Instagram takeovers to sponsored content. Revenues for film and TV projects produced by BuzzFeed Studios and Complex Networks are also included here.
- **Commerce revenues** consist primarily of affiliate commissions earned on transactions initiated from our editorial shopping content. Revenues from our experiential and product licensing businesses are also included here.
- **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, and on Facebook, as reported by Facebook. This metric excludes time spent with our content on platforms for which we do not have advertising capabilities that materially contribute to our Advertising revenues, including TikTok, 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 and Facebook to represent industry-standard estimates of the time actually spent on our largest distribution platforms with our most significant monetization opportunities.

#### **About BuzzFeed, Inc.**

BuzzFeed, Inc. is home to the best of the internet. Across food, news, pop culture and commerce, our brands drive conversation and inspire what audiences watch, read, buy, and obsess over next. Born on the internet in 2006, BuzzFeed, Inc. 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 income (loss), excluding the impact of net income (loss) attributable to noncontrolling interests, income tax provision (benefit), interest expense, interest income, 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, 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 2022) or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "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 subscriptions and advertising, the growth of our business and the implementation of our strategic initiatives; (6) poor quality broadband infrastructure in certain markets; (7) technological developments; (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, including financial projections and business metrics and any underlying assumptions thereunder and future business plans and growth opportunities; (10) our future capital requirements and sources and uses of cash, including our ability to obtain additional capital in the future; (11) expectations regarding future acquisitions, partnerships or other relationships with third parties; (12) government regulation, including revised foreign content and ownership regulations; (13) the impact of the COVID-19 pandemic 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 Nasdaq.

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 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.

<sup>1</sup> 2021 actual results include HuffPost as of February 2021 and Complex Networks as of December 2021.

<sup>2</sup> A non-GAAP financial measure, as defined below.

**BUZZFEED, INC.**  
**Financial Highlights**  
**(Unaudited)**

<i>USD in thousands</i>	Three Months Ended March 31,		%
	2022	2021	
Advertising	48,668	38,649	26%
Content	32,279	19,537	65%
Commerce and other	10,611	14,462	(27%)
Total revenue	91,558	72,648	26%
Loss from operations	(35,298)	(16,523)	114%
Net loss	(44,566)	(11,325)	294%
Adjusted EBITDA	(16,764)	(4,259)	294%

**BUZZFEED, INC.**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

<i>USD in thousands</i>	Three Months Ended March 31,	
	2022	2021
Revenue	\$ 91,558	\$ 72,648
Costs and Expenses		
Cost of revenue, excluding depreciation and amortization	60,818	42,123
Sales and marketing	17,803	11,378
General and administrative	32,562	23,702
Research and development	7,192	6,699
Depreciation and amortization	8,481	5,269
Total costs and expenses	126,856	89,171
Loss from operations	(35,298)	(16,523)
Other income, net	862	660
Interest expense, net	(4,789)	(278)
Change in fair value of warrant liabilities	(3,416)	-
Change in fair value of derivative liability	(1,575)	-
Loss before income taxes	(44,216)	(16,141)
Income tax provision (benefit)	350	(4,816)
Net loss	(44,566)	(11,325)
Net income attributable to the redeemable noncontrolling interest	164	60
Net income (loss) attributable to noncontrolling interests	164	(18)
Net loss attributable to BuzzFeed, Inc.	<u>\$ (44,894)</u>	<u>\$ (11,367)</u>
Net loss per Class A, Class B and Class C common share:		
Basic	\$ (0.33)	\$ (0.75)
Diluted	\$ (0.33)	\$ (0.75)
Weighted average common shares outstanding:		
Basic	136,425	15,188
Diluted	136,425	15,188

**BUZZFEED, INC.**  
**Reconciliation of GAAP to Non-GAAP**  
**(Unaudited)**

<i>USD in thousands</i>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net loss	\$ (44,566)	\$ (11,325)
Income tax provision (benefit)	350	(4,816)
Interest expense	4,884	344
Interest income	(95)	(66)
Other income, net	(862)	(660)
Depreciation and amortization	8,481	5,269
Stock-based compensation	3,940	138
Change in fair value of warrant liabilities	3,416	-
Change in fair value of derivative liability	1,575	-
Restructuring <sup>1</sup>	1,843	3,645
Transaction costs <sup>2</sup>	2,955	3,212
Public company readiness costs <sup>3</sup>	1,315	-
<b>Adjusted EBITDA</b>	<b>\$ (16,764)</b>	<b>\$ (4,259)</b>
Adjusted EBITDA margin	(18.3%)	(5.9%)
Net loss as a percentage of revenue <sup>4</sup>	(48.7%)	(15.6%)

<sup>1</sup> For the three months ended March 31, 2022, reflects costs associated with the organizational changes to align sales and marketing and general and administrative functions as well as changes in content to better serve audience demands. For the three months ended March 31, 2021, reflects costs associated with involuntary terminations of employees across various roles and levels as part of the integration of the HuffPost Acquisition.

<sup>2</sup> Reflects one-time legal, advisory, consulting and incremental compensation expenses associated with the business combination with 890 5th Avenue Partners, Inc.

<sup>3</sup> Reflects public company readiness costs associated with the establishment of our public company structure and processes.

<sup>4</sup> Net loss as a percentage of revenue is included as the most comparable GAAP measure to Adjusted EBITDA margin, which is a non-GAAP financial measure.

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