Meredith Corporation Announces Sale of Sports Illustrated to ABG for $110 million

Global Brand Owner Purchases a Sports Media Icon and Forges a Strategic Partnership with Meredith Corporation to Build a Global Platform Converging Sports, Culture and Entertainment

NEW YORK and DES MOINES, Iowa, May 27, 2019 /**PRNewswire**/ -- Authentic Brands Group (ABG), a global brand development, marketing and entertainment company, today announced that it has finalized the purchase of the intellectual property of Sports Illustrated from Meredith Corporation (NYSE: MDP; **www.Meredith.com**), the leading media and marketing company reaching 175 million American consumers each month via print, digital, mobile, video, social and broadcast television platforms. This transformative acquisition adds a new vertical to ABG's growing platform and portfolio, which currently generates over $9.3 billion in global retail sales annually.

"We are honored to welcome Sports Illustrated to the ABG family," said Jamie Salter, Founder, Chairman and CEO of ABG. "As one of the most iconic brands in sports media, SI is a cultural centerpiece with massive opportunities for growth across its burgeoning digital, TV and social platforms and industry-leading print magazine. SI's trusted name and fiercely devoted following set the stage for the brand to become a leader in lifestyle and entertainment."

Through this acquisition, ABG forges a strategic partnership with diversified media powerhouse Meredith to build a global platform that converges the worlds of sports, culture and entertainment. ABG assumes the marketing, business development and licensing functions for the Sports Illustrated intellectual property and brand, while the print magazine and SI.com will maintain editorial independence and continue to operate under the leadership of Meredith and Editor-in-Chief Chris Stone and Publisher Danny Lee.

"We are delighted to find a great home for Sports Illustrated with ABG, one of the world's premier brand owners and licensors," said Jon Werther, President, Meredith National Media Group. "Additionally, we are excited about the opportunity to fully integrate Sports Illustrated's print and digital products into Meredith's operations. We believe our proven expertise in content creation and sales and marketing will greatly enhance the vitality and profitability of these channels."

As the most-read sports magazine in the world, Sports Illustrated is an undisputed leader in journalism with a total audience of more than 120 million consumers. Its enterprise includes a fastest-growing top 10 sports website, storied print magazine, rising TV and digital platform, Emmy award-winning digital innovation and enduring franchises including Sports Illustrated Swimsuit and the nationally televised Sportsperson of the Year award ceremony. The print magazine has shaped the narrative around sports culture over the last six decades, publishing thousands of covers featuring the world's most disruptive professional athletes including Michael Jordan, Muhammad Ali, Serena Williams and Tiger Woods, as well as influential sports teams, celebrities and political figures.

"Sports have a remarkable way of bringing people together - regardless of gender, race or socioeconomic status, the experiences shared by sports fans around the world are unifying and indelible," said Nick Woodhouse, President and CMO of ABG. "As a trailblazer and cultural phenomenon, Sports Illustrated has created moments and experiences for its readers that are unmatched by any other sports brand. We look forward to working with Meredith to extend Sports Illustrated's legacy and connect the brand with new audiences around the world."

"We're thrilled that Authentic Brands Group and Meredith share the vision of SI management to build a premium sports platform," said Chris Stone, Editor-in-Chief of Sports Illustrated. "In addition to

continuing to produce independent, award-winning journalism and storytelling—what Jamie Salter has described as the heart of SI—we are now perfectly positioned, with the support and resources of ABG, to thrive in many other spaces: events and conferences, licensing, gambling and gaming, IP development, especially in video and TV, to name a few, all while continuing to benefit from Meredith's industry-leading track record in operating media companies."

"This strategic partnership brings a new approach to media brand development, and we're excited to leverage Meredith and ABG's respective strengths to enhance and build upon Sports Illustrated's undeniable value," said John Zieser, Chief Development Officer of Meredith. "We will also combine our world-class media platform and consumer audience with ABG's brand development, marketing and licensing expertise to develop other media-driven opportunities across the company's portfolio."

Transaction Details:

- ABG has acquired the intellectual property of Sports Illustrated fromMeredith for $110 million.
- The purchase includes SI's associated brands including Sports Illustrated™, Sports Illustrated Kids™, Sportsperson of the Year, Sports Illustrated Swimsuit, SI™ and SI TV.
- The transaction does not include the FanSided digital platform, whichMeredith is currently in the process of selling.
- ABG also acquires the rights to over 2 million iconic images as part of Sports Illustrated's archive of owned photography.
- ABG assumes the marketing, business development and licensing functions for the Sports Illustrated intellectual property and brands.
- Meredith will pay ABG a licensing fee to operate the Sports Illustrated print magazine and SI.com for a minimum of two years.

Strategic Benefits:

- ABG and Meredith have formed a strategic partnership to build a global media platform that encompasses print, digital, mobile, video, social and broadcast television.
- ABG and Meredith will combine their respective strengths to create other strategic, media-driven opportunities for complimentary ABG-owned brands.
- ABG will develop broad-based licensing programs under the Sports Illustrated brand spanning product, original content and live events.
- ABG also sees a significant opportunity to leverage Sports Illustrated's trusted name and digital infrastructure to position the brand as a leader in esports and sports gambling.

Meredith acquired Sports Illustrated as part of its purchase of Time Inc. onJanuary 31, 2018. Shortly thereafter, Meredith announced it was selling certain Time Inc. news and sports brands. In its Fiscal 2019, Meredith has generated approximately $450 million of proceeds from the sale of the TIME, FORTUNE and Sports Illustrated brands. This figure is in addition to the nearly $300 million Meredith generated from the sale of Time Inc. assets in its Fiscal 2018.

Meredith is using the transaction proceeds to pay down debt. With the sale of Sports Illustrated, Meredith will have paid approximately $900 million of debt by June 30, 2019. Meredith intends to pay another $100 million in debt in the first quarter of its fiscal 2020 (endingSeptember 30, 2019) after completing the sale of FanSided and Viant to reach its stated goal of $1 billion of debt pay down.

Paul Weiss, Rifkind, Wharton & Garrison LLP served as legal advisor to Authentic Brands Group in the transaction.

Houlihan Lokey (NYSE: HLI) served as financial advisor and Cooley LLP served as legal advisor to Meredith in the transaction.

About Authentic Brands Group

Authentic Brands Group (ABG) is a brand development, marketing, and entertainment company, which owns a portfolio of global entertainment and lifestyle brands. Headquartered in New York City, ABG manages, elevates, and builds the long-term value of more than 50 consumer brands and properties by partnering with best-in-class manufacturers, wholesalers, and retailers. Its brands have a global retail footprint in more than 100,000 points of sale across the luxury, specialty, department store, mid-tier, mass, and e-commerce channels and more than 4,900 branded freestanding stores and shop-in-shops around the world. ABG is committed to transforming brands by delivering compelling product, content, business, and immersive brand experiences. It creates and activates original marketing strategies to drive the success of its brands across all consumer touchpoints, platforms, and emerging media. ABG's portfolio of iconic and world-renowned brands includes Marilyn

Monroe®, Mini Marilyn®, Elvis Presley®, Muhammad Ali®, Shaquille O'Neal®, Sports Illustrated®, Dr. J®, Greg Norman®, Neil Lane®, Thalia®, Michael Jackson® (managed brand), Nautica®, Aéropostale®, Juicy Couture®, Vince Camuto®, Herve Leger®, Judith Leiber®, Frederick's of Hollywood®, Nine West®, Frye®, Jones New York®, Louise et Cie®, Sole Society®, Enzo Angiolini®, CC Corso Como®, Hickey Freeman®, Hart Schaffner Marx®, Adrienne Vittadini®, Taryn Rose®, Bandolino®, Misook®, 1.STATE®, CeCe®, Chaus®, Spyder®, Tretorn®, Tapout®, Prince®, Volcom®, Airwalk®, Vision Street Wear®, Above The Rim®, Hind®, Thomasville®, Drexel®, and Henredon®. For more information, please visit **authenticbrandsgroup.com**.

About Meredith Corporation

Meredith Corporation has been committed to service journalism for more than 115 years. Today, Meredith uses multiple distribution platforms—including broadcast television, print, digital, mobile and video—to provide consumers with content they desire and to deliver the messages of its advertising and marketing partners.

Meredith's National Media Group reaches more than 175 million unduplicated American consumers every month, including over 80 percent of U.S. millennial women. Meredith is a leader in creating content across media platforms and life stages in key consumer interest areas such as entertainment, food, lifestyle, parenting and home. Meredith is the No. 1 magazine operator in the U.S., and owner of the largest premium content digital network for American consumers. Meredith's leading national brands include PEOPLE, Better Homes & Gardens, InStyle, Allrecipes, REAL SIMPLE, SHAPE, Southern Living and Martha Stewart Living. Meredith also features robust brand licensing activities including more than 3,000 SKUs of branded products at 4,000 Walmart stores across the U.S. and at walmart.com. Meredith's National Media Group also includes leading affinity marketer Synapse, and The Foundry, the company's state-of-the-art creative lab and content studio.

Meredith's Local Media Group includes 17 television stations reaching 11 percent of U.S. households. Meredith's portfolio is concentrated in large, fast-growing markets, with seven stations in the nation's Top 25 markets—including Atlanta, Phoenix, St. Louis and Portland—and 13 in the Top 50. Meredith's stations produce more than 700 hours of local news and entertainment content each week and operate leading local digital destinations. Meredith also owns MNI Targeted Media, which delivers targeted advertising solutions to more than 1,200 clients on a local, regional or national level.

Photos Available Upon Request

SOURCE Meredith Corporation

For further information: Press Contacts: Authentic Brands Group: Haley Steinberg, hsteinberg@abg-nyc.com, (814) 882-2913; Meredith Corporation: Art Slusark - art.slusark@meredith.com, (515) 284-3404; Jill Davison - jill.davison@meredith.com; (212) 522-0105; Meredith Shareholder/Analyst Contact: Mike Lovell - mike.lovell@meredith.com; (515) 284-3622

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