



INVESTOR PRESENTATION

March 1, 2018

LIVESTRONG.COM

hunker

cuteness

eHow

leaf

Sapling



Techwalla



SAATCHI ART

society6

DenyDesigns.

THE OTHER
ART FAIR
PRESENTED BY SAATCHI ART

Disclaimers



This presentation contains certain forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding the Company's future results of operations and financial position, business strategy, plans and objectives for future operations, are forward-looking statements. You should not rely upon forward-looking statements as guarantees of future performance. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial and operating trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those contained in any forward-looking statements, including those described under the heading "Risk Factors" in the Company's periodic reports filed from time to time with the Securities and Exchange Commission (the "SEC"), which are incorporated herein by reference. Moreover, the Company operates in a very competitive and rapidly changing environment and new risks emerge from time to time. In light of these risks, uncertainties and assumptions, the forward-looking statements included in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Except as required by law, the Company undertakes no obligation to update any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in the Company's expectations.

The Company is publicly traded on the New York Stock Exchange under the ticker symbol "LFGR" and is a registrant under the rules and regulations promulgated by the SEC. For further information, you should read all of the disclosures set forth in the Company's annual, quarterly and periodic reports filed with the SEC, including the disclosures under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company's SEC filings can be found at www.sec.gov and ir.leafgroup.com.

This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

Non-GAAP disclosure:

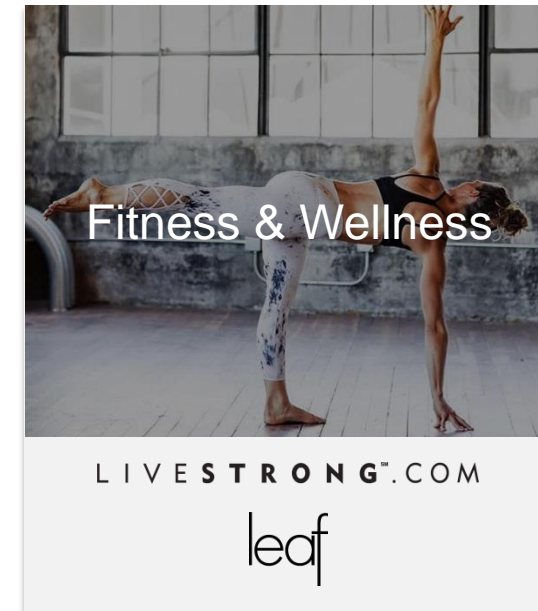
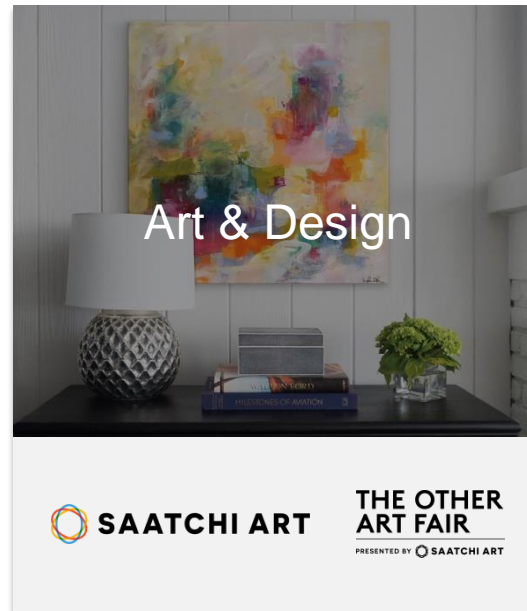
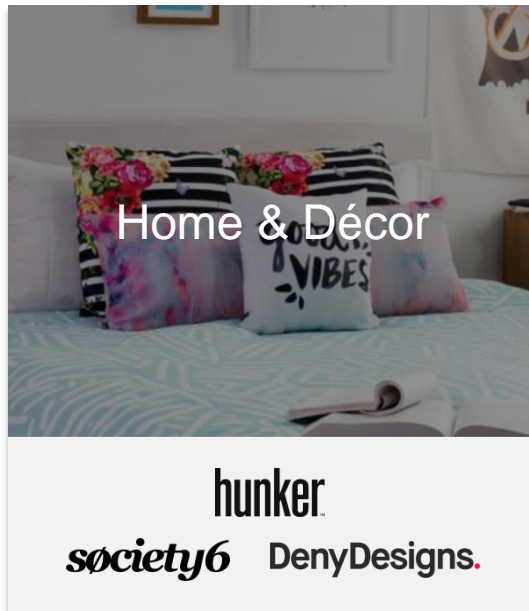
This presentation also contains Adjusted EBITDA and Operating Contribution, each of which is a non-GAAP financial measure. We define Adjusted EBITDA as net income (loss) adjusted to exclude income tax expense (benefit), interest (income) expense, other expense (income), depreciation and amortization, stock-based compensation and acquisition, disposition and realignment costs. We define Operating Contribution as net income (loss) before corporate expenses and also excludes income tax benefit (expense), other (expense) income, depreciation and amortization and stock-based compensation. We have provided in the Appendix hereto a reconciliation (i) of Adjusted EBITDA, a non-GAAP financial measure, to net income (loss), the most directly comparable GAAP financial measure, and (ii) Operating Contribution, a non-GAAP financial measure, to net income (loss), the most directly comparable GAAP financial measure.

Leaf Group considers these non-GAAP financial measures to be important because they provide a useful measure of the operating performance of the Company and are used by the Company's management for that purpose. In addition, investors often use similar measures to evaluate the operating performance of a company. Non-GAAP results are presented for supplemental informational purposes only for understanding the Company's operating results. The non-GAAP results should not be considered a substitute for financial information presented in accordance with generally accepted accounting principles, and may be different from non-GAAP measures used by other companies. A reconciliation of each of Adjusted EBITDA and Operating Contribution to net loss is available in the Appendix to this presentation.

Our Mission



We build enduring, creator driven **brands** that reach **passionate audiences** in large and growing **lifestyle categories**



Leaf Group: A House of Emerging Consumer Internet Brands



<div></div>		LVMH	RICHEMONT	KERING
<div><div>\$155M</div><div>Market Cap⁽¹⁾</div></div>	<div><div>\$129M</div><div>Revenue FY17</div></div>	<div><div>\$152B</div><div>Market Cap⁽¹⁾</div></div> <div><div>\$53B</div><div>Revenue FY17</div></div>	<div><div>\$46B</div><div>Market Cap⁽¹⁾</div></div> <div><div>\$13B</div><div>Revenue FY17</div></div>	<div><div>\$60B</div><div>Market Cap⁽¹⁾</div></div> <div><div>\$15B</div><div>Revenue FY16</div></div>
<div>Example Brands</div> <div><div>eHow</div><div>LIVESTRONG™.COM</div><div>hunker</div><div>cuteness</div><div>leaf</div><div>Sapling</div><div>Techwalla</div><div>SAATCHI ART</div><div>society6</div><div>DenyDesigns.</div><div><div>THE OTHER ART FAIR</div><div>PRESENTED BY  SAATCHI ART</div></div></div>		<div>Example Brands</div> <div><div>fresh.</div><div>HUBLOT</div><div>Veuve Clicquot</div><div>SEPHORA</div><div>MARC JACOBS</div></div>	<div>Example Brands</div> <div><div>Cartier</div><div>Chloé</div><div>IWC</div><div>MONTBLANC</div><div>PANERAI</div></div>	<div>Example Brands</div> <div><div>ALEXANDER MQUEEN</div><div>BALENCIAGA</div><div>BOTTEGA VENETA</div><div>GUCCI</div><div>SAINT LAURENT</div></div>
<div>Lifestyle Categories</div> <div>Home and Décor, Art and Design, Fitness and Wellness, DIY and Crafts</div>		<div>Lifestyle Categories</div> <div>Wine and Spirits, Fashion and Goods, Perfumes and Cosmetics, Watches and Jewelry, Selective Retailing</div>	<div>Lifestyle Categories</div> <div>Jewelry, Watchmaking, Accessories</div>	<div>Lifestyle Categories</div> <div>Luxury, Sports and Lifestyle</div>

Digital Brands for the Global Mass Affluent



\$1.2T

Fitness, Mind-Body + Healthy Eating, Nutrition and Weight Loss ⁽¹⁾

\$325B

Global Spend on Personal Luxury Goods ⁽²⁾

\$115B

Furniture and Home Furnishings Stores ⁽³⁾

\$57B

Total Art Market ⁽⁴⁾

\$129M

LEAF GROUP⁽⁵⁾

(1) Global Wellness Institute, Global Wellness Monitor January 2017

(2) Bain – Luxury Goods Worldwide Market Study, Fall-Winter 2017

(3) US Census Advanced Retail Data 2017

(4) Art Basel & UBS Report 2017

(5) Leaf Group year end December 31, 2017 revenue

Leaf Group at a Glance



51M

Unique Monthly Visitors*

\$129M

Est. Revenue generated in
FY17

870K

Original, Unique works
On Saatchi Art

380K

Creators & Artists on Platforms

4.7M

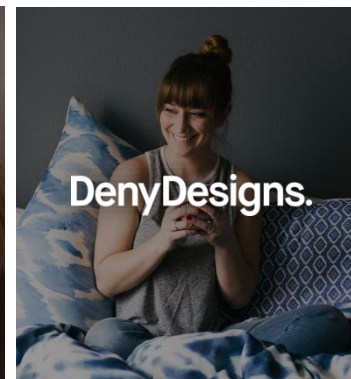
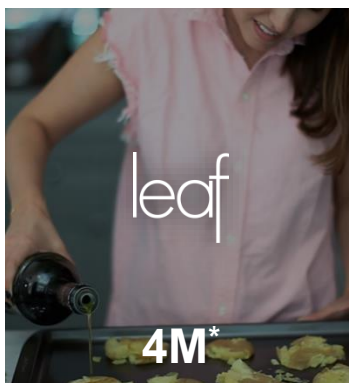
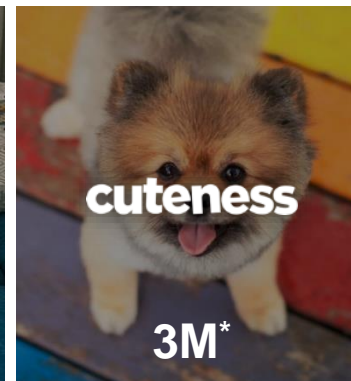
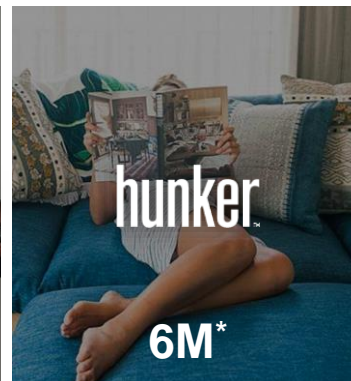
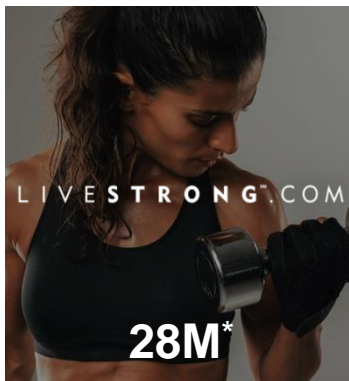
Unique Designs on
Society6

3.5M

Cumulative Buying Customers
to Date

“Made-to-Order” Platform
Targeting Massive Home Goods Market

Global Online Art Marketplace



LIVESTRONGSM.COM

The premier site for healthy living with expert content, tools and community



Millennials and
Gen X Demographics

28M

Monthly Unique Visitors⁽¹⁾

41M

Pounds lost through
MyPlate app⁽²⁾

3M

Newsletter Subscribers⁽²⁾

10M

MyPlate App downloads⁽²⁾

2M

Social Media Followers⁽²⁾

258M

Total Digital Population⁽¹⁾

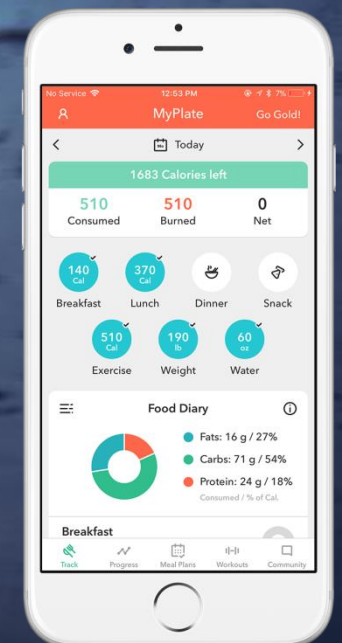
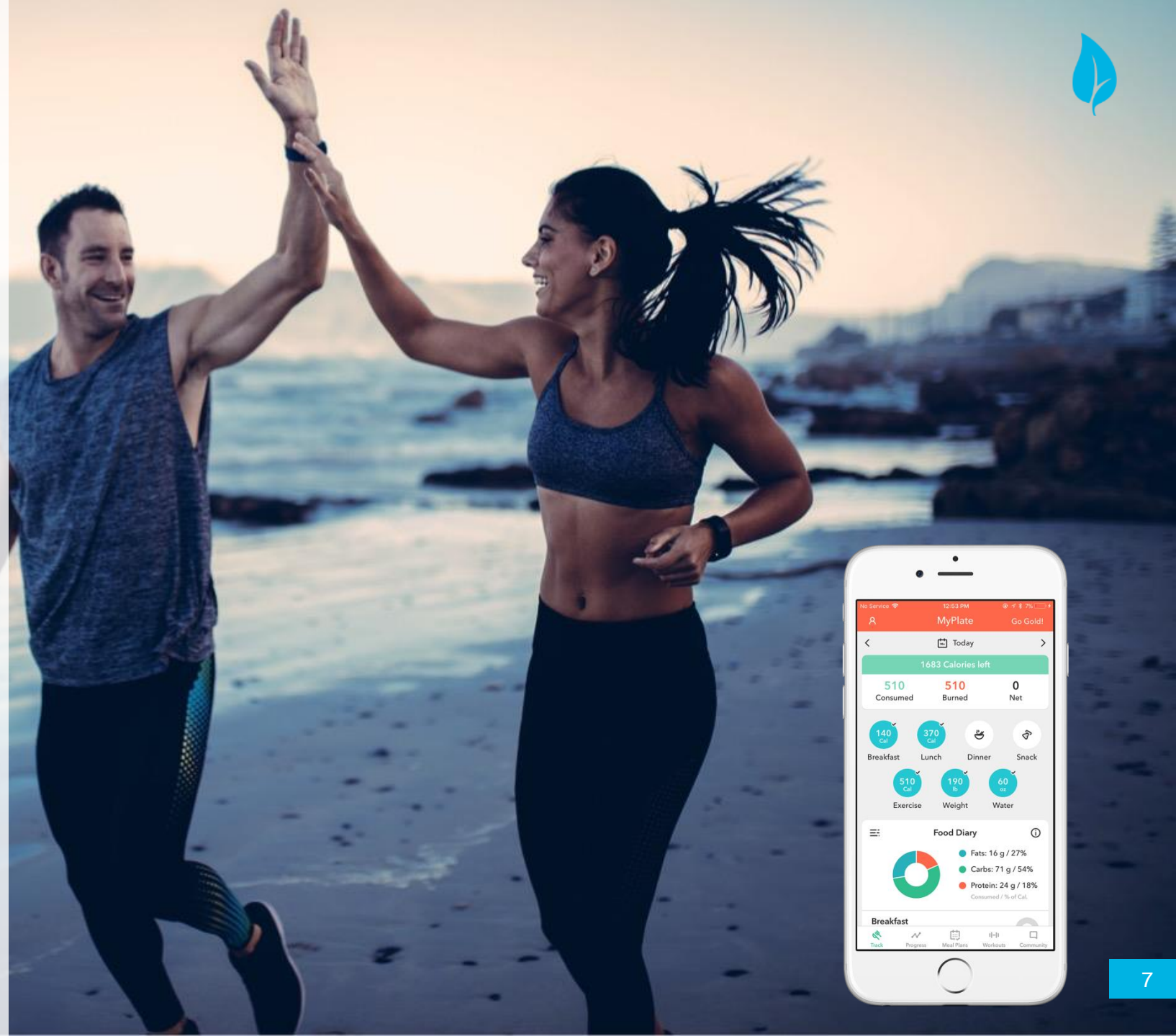
190M

Health Category⁽¹⁾

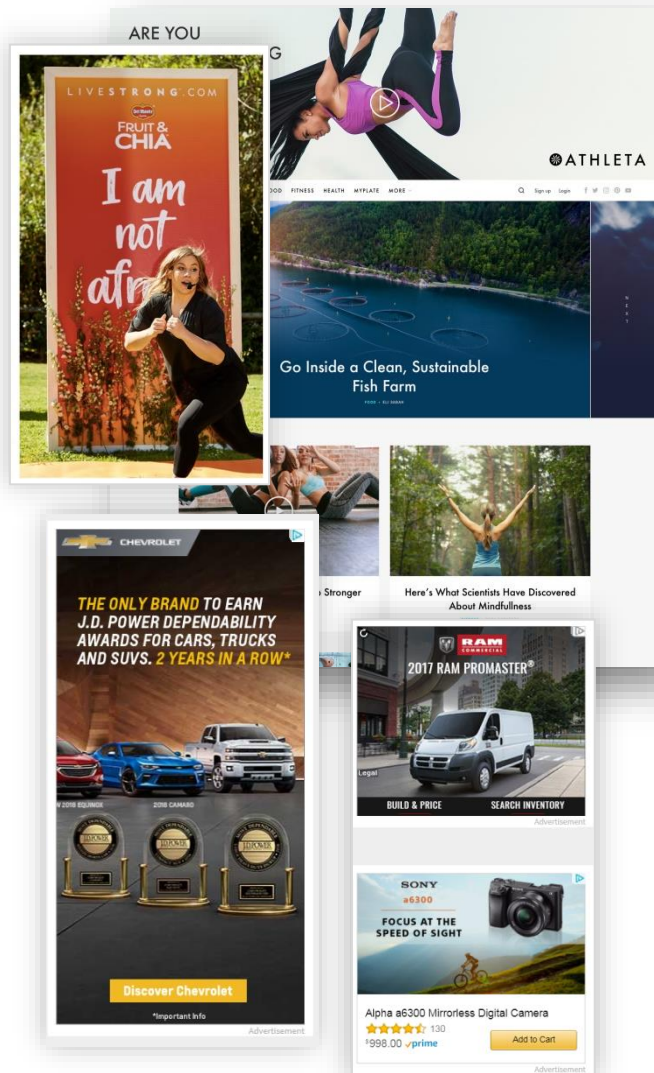
28M

Monthly Unique
Visitors⁽¹⁾

(1) Unique Monthly Visitors from November 2017 comscore data
(2) Metrics provided as of January 30, 2018, based on Leaf Group internal data



Media Advertising Monetization Business Model



DIRECT
> \$10 CPMs

PROGRAMMATIC
\$5 CPMs

THIRD PARTY
\$3 CPMs

GOOGLE ADSENSE
≤ \$1 CPMs

Deals entail custom sponsored content, video, high-impact ad units, social media, email, and events = highest CPMs and cost-of-sale



Leaf Private Marketplace with ad agency or brand who bids directly on our ad inventory enabling access to our targeting capabilities, and ensuring brand safety



Intermediaries buy ad inventory at the most efficient prices on behalf of brands and agencies



Our CPMs are higher than most sites because of the intent-driven nature of our traffic⁽¹⁾



(1) CPM are based on relative scale – internal data

society6

Serving the consumer's desire for uniqueness and personalization in the home category



Female Millennials and
Gen X Demographics

71

Unique Products⁽³⁾

4.7M

Unique, Personalized
Designs⁽³⁾

276K

Sellers⁽³⁾

DenyDesigns.

\$58

Average Order Value⁽³⁾

\$115B

Furniture and Home Furnishing Stores⁽¹⁾

\$31B

Furniture and Home Furnishings eCommerce⁽²⁾

\$84M

Marketplaces
Revenue FY 2017

(1) US Census Advanced Retail Data 2017

(2) eMarketer July 2017

(3) Metrics provided as of January 30, 2018, based on Leaf Group internal data





SAATCHI ART

The premier site for original artwork lovers



Gen X and Baby Boomers
Demographics

1.2M

Artworks for Sale⁽²⁾

THE OTHER ART FAIR

PRESENTED BY SAATCHI ART

Giving artists an offline
presence

\$1,200

Average Order Value⁽²⁾

\$2.5B

Art Inventory Value on Saatchi Art⁽²⁾

Limited

BY SAATCHI ART

Target customer earlier in
lifecycle

\$57B

Total Art Market⁽¹⁾

\$5B

Est. Online Art Market⁽¹⁾

\$84M

Marketplaces
Revenue FY2017



Dare to Fly by Marco Battaglini
Listed at \$40,000
SOLD on 11/27/17

(1) Art Basel & UBS Report 2017
(2) Metrics provided as of January 30, 2018, based on Leaf Group internal data

Executive Leadership



Sean Moriarty
Chief Executive Officer

Prior:

- CEO at Saatchi Art
- President, CEO at Ticketmaster
- EVP, Technology at Citysearch



Jantoon Reigersman
Chief Financial Officer

Prior:

- CFO at Ogin
- Investor at Goldman Sachs
- Investment banking at Morgan Stanley



Brian Pike
Chief Operating Officer &
Chief Technology Officer

Prior:

- CTO at Rubicon Project
- CTO at Ticketmaster



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



Dion Camp Sanders
EVP, Marketplaces

Prior:

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

Longer Term Targets: Key Characteristics of Leaf Group



Targeting sustainable organic double digit topline growth with potential to accelerate as brands hit scale



Topline growth aiming to come two-thirds from organic growth and a third from strategic, disciplined M&A



Capital efficient business with best-in-class capital allocation practice



Free cash flow growing faster than revenue



Best-in-class customer engagement

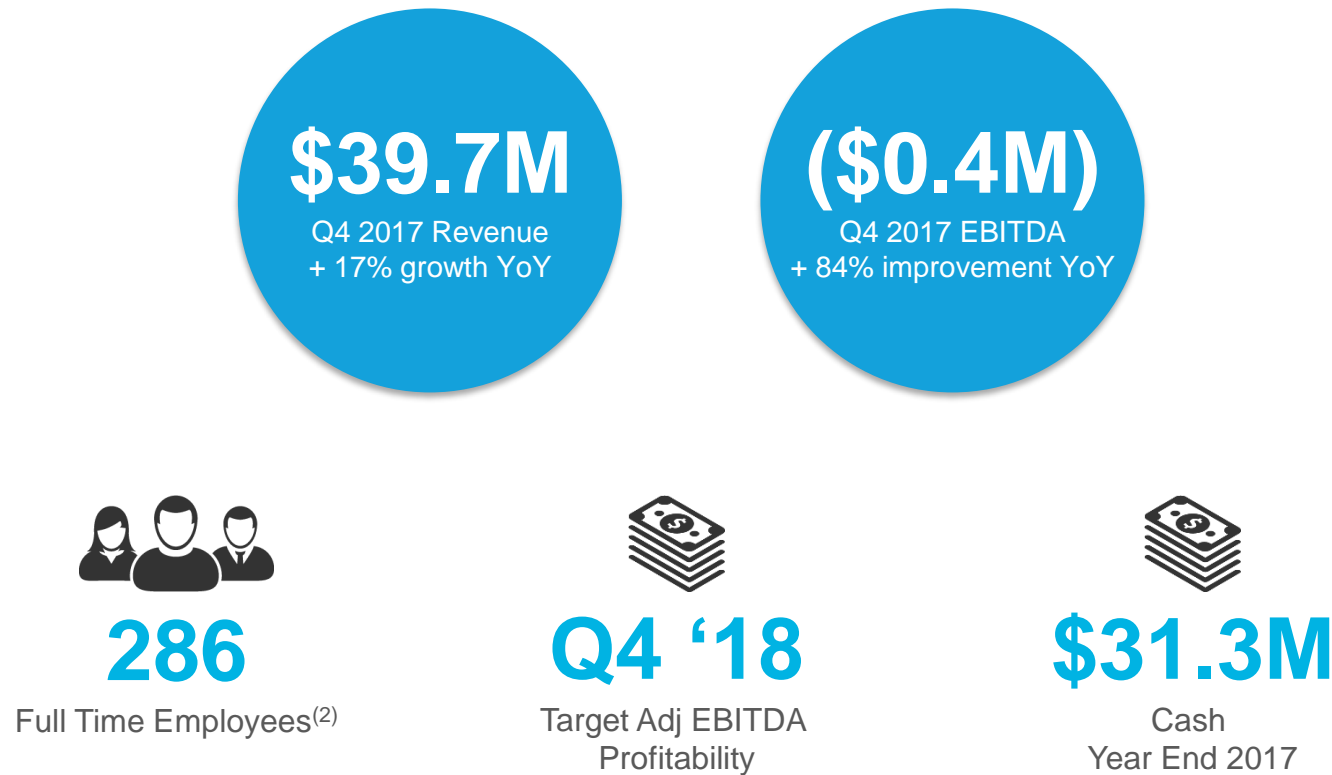


Operational excellence

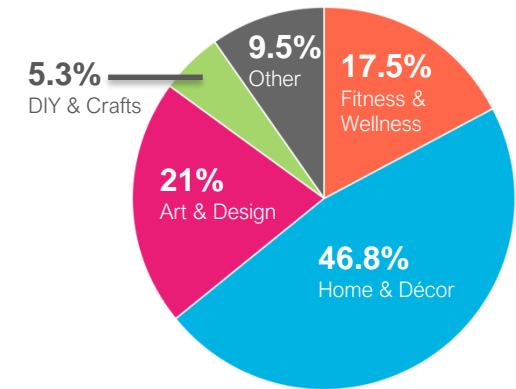


FINANCIALS

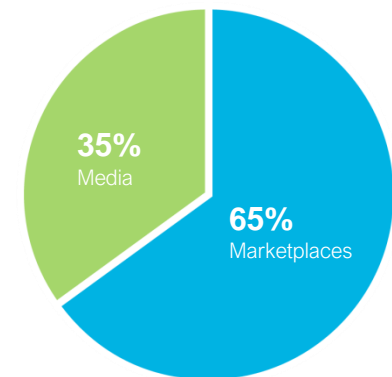
Leaf Group Financial Snapshot



Revenue Breakdown
per Category ⁽¹⁾



Revenue Breakdown per
Financial Segment ⁽¹⁾

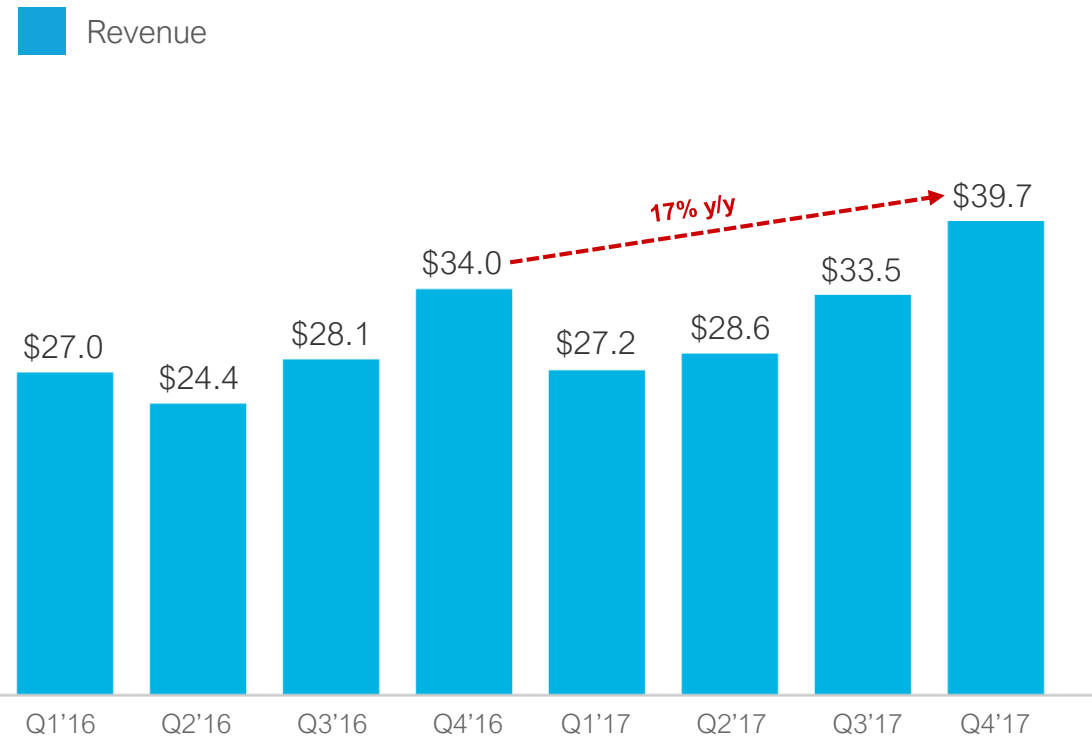


Leaf Group - Financial Results

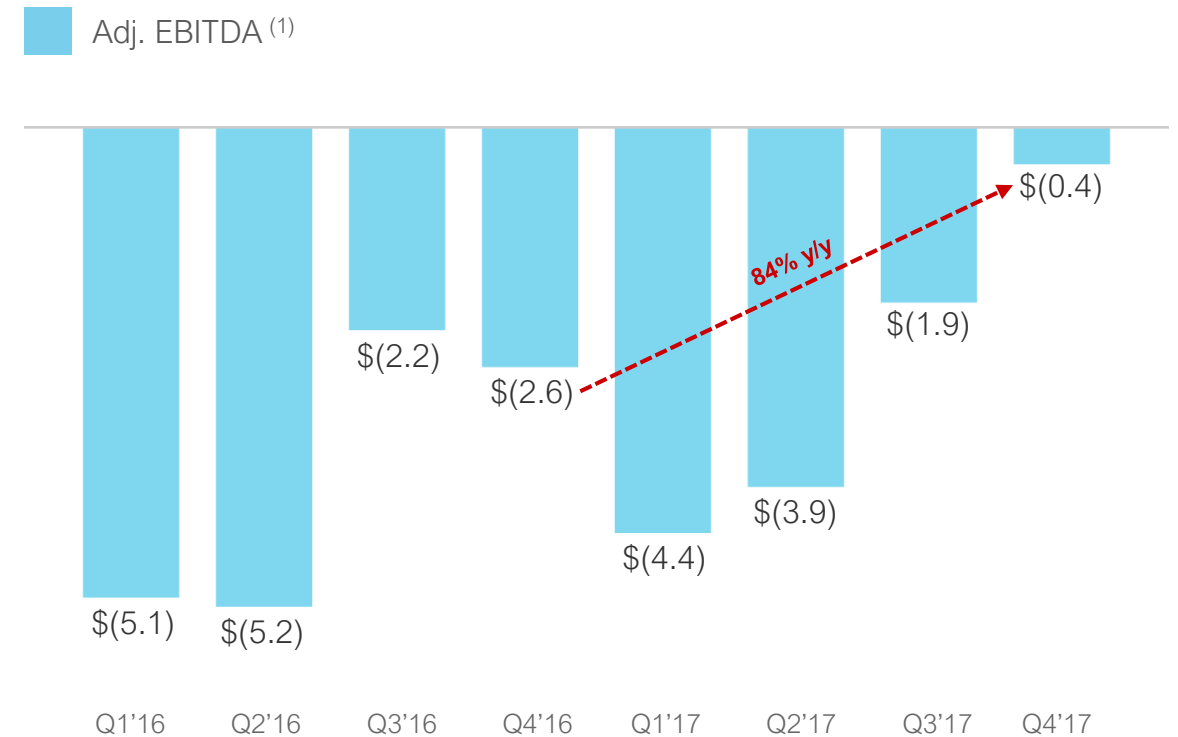


(\$ in millions)

Q4 '17 Revenue = \$39.7M ↑ 17% y/y

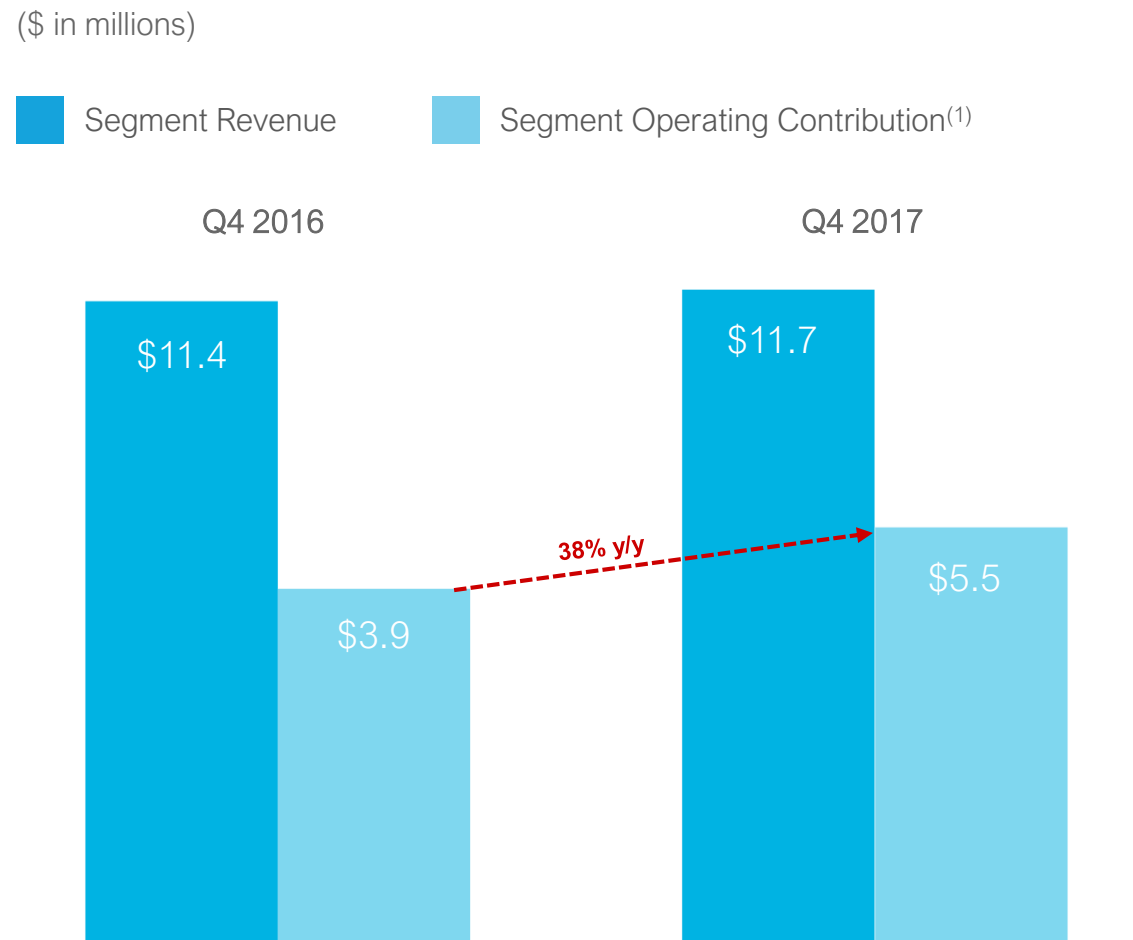


Q4 '17 Adj. EBITDA⁽¹⁾ = (\$0.4M) ↑ 84% y/y



(1) We define Adjusted EBITDA as net income (loss) adjusted to exclude income tax expense (benefit), interest (income) expense, other expense (income), depreciation and amortization, stock-based compensation and acquisition, disposition and realignment costs. See Appendix for a reconciliation of Adjusted EBITDA, a non-GAAP financial measure, to net income (loss), the most directly comparable GAAP financial measure.

Media Q4 2017 Financials



L I V E S T R O N G™.COM

hunker

cuteness

eHow

leaf

Sapling

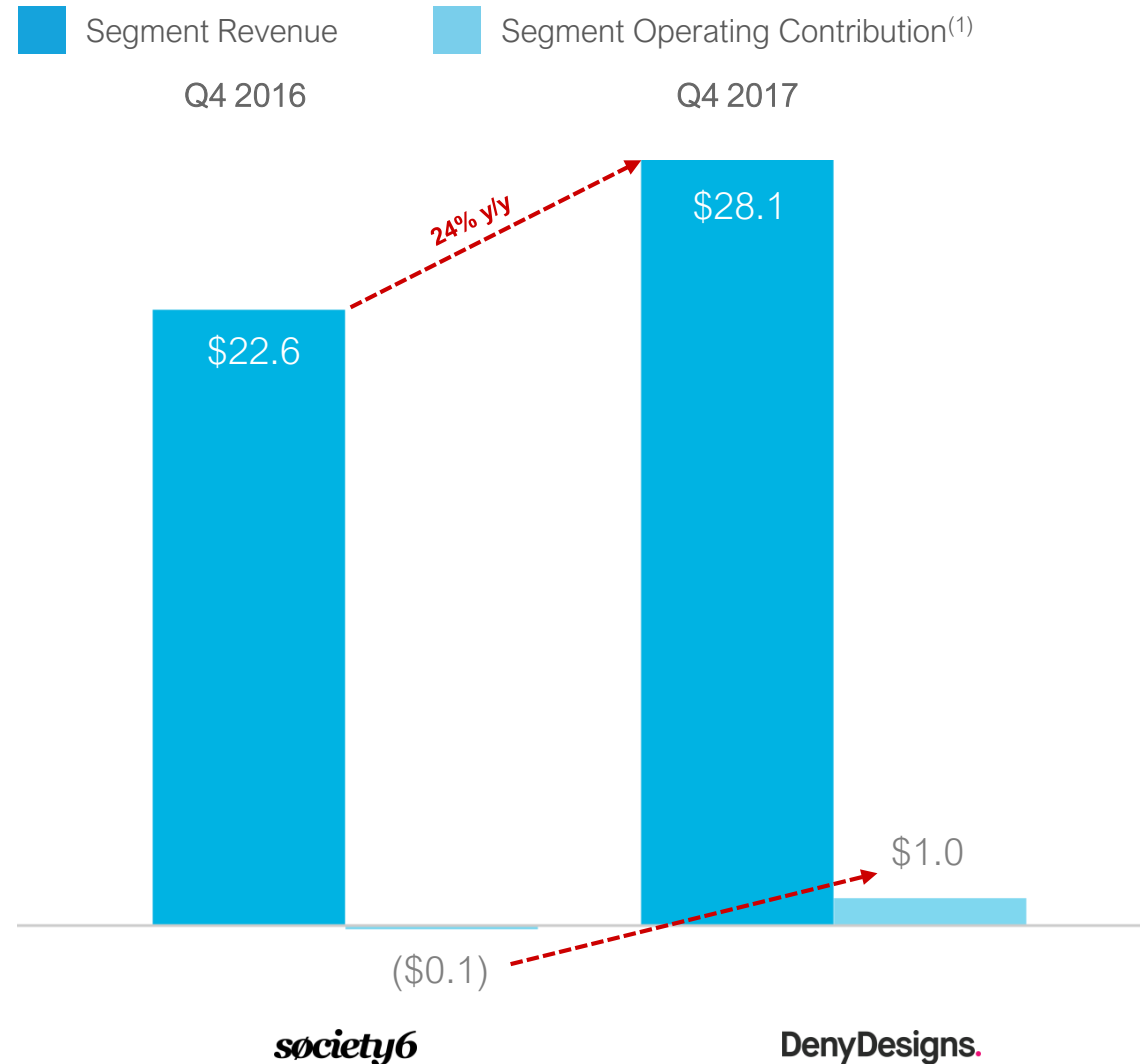
 Techwalla

(1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) stock-based compensation expense; (d) interest and other income (expenses); and (e) income taxes. See Appendix for a reconciliation of Operating Contribution, a non-GAAP financial measure, to net loss, the most directly comparable GAAP financial measure.

Marketplaces Q4 2017 Financials



(\$ in millions)



THE OTHER
ART FAIR
PRESENTED BY SAATCHI ART

(1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) stock-based compensation expense; (d) interest and other income (expenses); and (e) income taxes. See Appendix for a reconciliation of Operating Contribution, a non-GAAP financial measure, to net loss, the most directly comparable GAAP financial measure.

Marketplaces Business Model and Customer Target



	<i>society6</i>	DenyDesigns.	Limited BY SAATCHI ART	THE OTHER ART FAIR <small>PRESENTED BY SAATCHI ART</small>	SAATCHI ART
Demographics	<ul style="list-style-type: none"> College and Recently Graduated Millennial Starting 1st Job Unmarried or newlyweds 	<ul style="list-style-type: none"> More Purchasing Power Own Home Young kids More Established Professionally 	<ul style="list-style-type: none"> 30-45 Years Old Rent and Own Homes Younger Families More First Time Art Buyers 	<ul style="list-style-type: none"> Attendees are both Millennial and Gen X'ers Digitally Savvy Cultural Tastemakers 	<ul style="list-style-type: none"> Gen X and Baby Boomers Well Established Professionally High Purchasing Power Luxury Buyers
Who / Where We Sell To	<ul style="list-style-type: none"> Direct to Consumers Online Only 	<ul style="list-style-type: none"> Direct to Consumer Business to Business (Retailers, Wholesale) Online and Offline Retailers 	<ul style="list-style-type: none"> Direct to Consumers with Saatchi Online Art Gallery and Hospitality, mostly offline 	<ul style="list-style-type: none"> Direct to Consumers with tickets and products Direct to Artists Direct to sponsors 	<ul style="list-style-type: none"> Direct to Consumers Online Art Gallery Service within Marketplace
Business Model Characteristics	<div> <div></div> <div>Asset light business model with little inventory, limited capex and negative working capital</div> <div></div> </div>				
How We Generate Revenue	<div> <div></div> <div> <ul style="list-style-type: none"> Recognizes product sales revenue Royalty fee to the artists, included in the COGS </div> <div></div> </div>			<ul style="list-style-type: none"> Revenue as a service for commission earned on artwork sales Ticket sales to attendees Stand sales to the artists Sponsorship for the event 	<ul style="list-style-type: none"> Revenue as a service for commission earned on artwork sales Artists directly ship original artwork to customers using Saatchi fulfillment network
Offering	Unlimited designs created by illustrators, designers and artists	Curated portfolio of products by select number of invited designers and artists	Curated, limited edition art prints commissioned by Saatchi curators	One-of-a-kind Original Artwork selected by Fair Directors and Saatchi Curators	One-of-a-kind original artwork

Healthy Balance Sheet



Approximately \$190M in Federal and \$65M in State NOLs⁽¹⁾

As of December 31, 2017 (\$ in millions)

Assets		Liabilities and Stockholders' Equity	
Cash & Cash Equivalents	31.3	Accounts Payable, Accrued Expenses, and Other Current Liabilities	19.1
Other Current Assets	11.4	Deferred Revenue	2.1
Property and Equipment, Net	11.7	Non-current Liabilities	3.5
Other Long Term Assets ⁽²⁾	28.8	Stockholders' Equity	58.5
Total Assets	\$ 83.2	Total Liabilities and Stockholders' Equity	\$ 83.2

(1) Leaf Group had federal net operating loss ("NOL") carryforwards of approximately \$189.9 million as of December 31, 2017, which expire between 2021 and 2037.

In addition, Leaf Group had state NOL carryforwards of approximately \$65.4 million, which expire between 2019 and 2037. As of December 31, 2017, Leaf Group has a full valuation allowance against our net operating loss carryforwards.

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



THANK YOU





APPENDIX



Reconciliation of Segment Disclosure and Adjusted EBITDA



(\$ in thousands)

Segment Revenue:

	Q1' 16	Q2' 16	Q3' 16	Q4' 16	Q1' 17	Q2' 17	Q3' 17	Q4' 17
Marketplaces	\$ 13,462	\$ 13,409	\$ 16,650	\$ 22,618	\$ 15,876	\$ 17,691	\$ 22,493	\$ 28,065
Media	13,507	11,026	11,409	11,371	11,362	10,874	10,967	11,662
Total revenue	\$ 26,969	\$ 24,435	\$ 28,059	\$ 33,989	\$ 27,238	\$ 28,565	\$ 33,460	\$ 39,727

Segment Operating Contribution:

Marketplaces ⁽¹⁾	\$ 139	\$ (202)	\$ 793	\$ (104)	\$ (1,405)	\$ (1,743)	\$ (376)	\$ 993
Media ⁽¹⁾	2,063	741	4,053	3,946	3,615	4,398	4,779	5,456
Add (deduct):								
Corporate expenses ⁽²⁾	(7,432)	(6,832)	(7,102)	(6,479)	(6,915)	(6,607)	(6,290)	(6,879)
Acquisition, disposition and realignment costs ⁽³⁾	175	1,122	99	—	280	19	—	—
Adjusted EBITDA	\$ (5,055)	\$ (5,171)	\$ (2,157)	\$ (2,637)	\$ (4,425)	\$ (3,933)	\$ (1,887)	\$ (430)

Reconciliation to consolidated pre-tax income (loss):

Adjusted EBITDA	\$ (5,055)	\$ (5,171)	\$ (2,157)	\$ (2,637)	\$ (4,425)	\$ (3,933)	\$ (1,887)	\$ (430)
Add (deduct):								
Income tax benefit (expense)	(11)	(69)	32	58	(12)	(80)	(57)	187
Interest income (expense), net	2	23	33	34	41	38	64	46
Other income (expense), net ⁽⁴⁾	980	38,182	(31)	1,041	3	(6)	(6)	(9)
Depreciation and amortization ⁽⁵⁾	(5,731)	(4,857)	(4,447)	(3,055)	(3,267)	(2,799)	(2,749)	(2,988)
Stock-based compensation ⁽⁶⁾	(1,919)	(2,519)	(1,680)	(1,661)	(2,078)	(2,166)	(2,182)	(2,139)
Acquisition, disposition and realignment costs ⁽³⁾	(175)	(1,122)	(99)	—	(280)	(19)	—	—
Net Loss	\$ (11,909)	\$ 24,467	\$ (8,349)	\$ (6,220)	\$ (10,018)	\$ (8,965)	\$ (6,817)	\$ (5,333)

(1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) stock-based compensation expense; (d) interest and other income (expenses); and (e) income taxes.

(2) Corporate expenses include operating expenses that are not directly attributable to the operating segments, including: corporate information technology, marketing and general and administrative support functions and also excludes the following: (a) depreciation expense; (b) amortization of intangible assets; (c) stock-based compensation expense; (d) interest and other income (expenses); and (e) income taxes.

(3) Represents such items, when applicable, as (a) legal, accounting and other professional service fees directly attributable to acquisition, disposition or corporate realignment activities and (b) employee severance and other payments attributable to acquisition, disposition or corporate realignment activities.

(4) Primarily consists of income from the disposition of certain businesses, including Cracked, and non-core media properties.

(5) Represents depreciation expense of our long-lived tangible assets and amortization expense of our finite-lived intangible assets, including amortization expense related to our investment in media content assets, included in our GAAP results of operations.

(6) Represents the expense related to stock based awards granted to employees as included in our GAAP results of operations.

Reconciliation of Segment Disclosure and Adjusted EBITDA



(\$ in thousands)	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2017
Segment Revenue:		
Marketplaces	\$ 66,139	\$ 84,126
Media	47,313	44,864
Total revenue	\$ 113,452	\$ 128,990
Segment Operating Contribution:		
Marketplaces ⁽¹⁾	\$ 626	\$ (2,530)
Media ⁽¹⁾	10,803	18,248
Add (deduct):		
Corporate expenses ⁽²⁾	(27,845)	(26,691)
Acquisition, disposition and realignment costs ⁽³⁾	1,396	299
Adjusted EBITDA	\$ (15,020)	\$ (10,674)
Reconciliation to consolidated pre-tax income (loss):		
Adjusted EBITDA	\$ (15,020)	\$ (10,674)
Add (deduct):		
Income tax benefit (expense)	10	37
Interest income (expense), net	92	190
Other income (expense), net ⁽⁴⁾	40,172	(19)
Depreciation and amortization ⁽⁵⁾	(18,090)	(11,803)
Stock-based compensation ⁽⁶⁾	(7,779)	(8,565)
Acquisition, disposition and realignment costs ⁽³⁾	(1,396)	(299)
Net Loss	\$ (2,011)	\$ (31,133)

(1) Segment operating contribution reflects earnings before corporate and unallocated expenses and also excludes: (a) depreciation expense; (b) amortization of intangible assets; (c) stock-based compensation expense; (d) interest and other income (expenses); and (e) income taxes.

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