



PRESENTATION TO THE SPECIAL  
COMMITTEE OF THE NEWS CORP  
BOARD OF DIRECTORS



# Important Disclosures

---

## General Considerations

This presentation is for general informational purposes only, is not complete and does not constitute an agreement, offer, a solicitation of an offer, or any advice or recommendation to enter into or conclude any transaction or confirmation thereof (whether on the terms shown herein or otherwise). This presentation should not be construed as legal, tax, investment, financial or other advice. The views expressed in this presentation represent the opinions of . Irenic Capital Management LP ("Irenic") and are based on publicly available information with respect to News Corporation ("News Corp" or the "Company") and the other companies referred to herein. Irenic recognizes that there may be confidential information in the possession of the companies discussed in this presentation that could lead such companies to disagree with Irenic's conclusions. Certain financial information and data used herein have been derived or obtained from filings made with the Securities and Exchange Commission ("SEC") or other regulatory authorities and from other third-party reports. Irenic has not sought or obtained consent from any third party (other than the individuals who have provided the testimonials included in this presentation) to use any statements or information indicated herein as having been obtained or derived from statements made or published by third parties, nor has it paid for any such statements. Any such statements or information should not be viewed as indicating the support of such third party for the views expressed herein. Irenic does not endorse third-party estimates or research, which are used in this presentation solely for illustrative purposes. No representation or warranty, express or implied, is made that data or information, whether derived or obtained from filings made with the SEC or any other regulatory agency or from any third party, are accurate. Past performance is not an indication of future results. Neither Irenic nor any of its affiliates shall be responsible or have any liability for any misinformation contained in any statement by any third party or in any SEC or other regulatory filing or third-party report. Unless otherwise indicated, the figures presented in this presentation have not been calculated using generally accepted accounting principles ("GAAP") and have not been audited by independent accountants. Such figures may vary from GAAP accounting in material respects and there can be no assurance that the unrealized values reflected in this presentation will be realized. There is no assurance or guarantee with respect to the prices at which any securities of News Corporation will trade, and such securities may not trade at prices that may be implied herein. The estimates, projections, pro forma information and potential impact of the opportunities identified by Irenic herein are based on assumptions that Irenic believes to be reasonable as of the date of this presentation, but there can be no assurance or guarantee that actual results or performance of the Company will not differ, and such differences may be material. This presentation does not recommend the purchase or sale of any security. Irenic reserves the right to change any of its opinions expressed herein at any time as it deems appropriate. Irenic disclaims any obligation to update the data, information or opinions contained in this presentation.

## Forward-Looking Statements

This presentation contains forward-looking statements. All statements contained in this presentation that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "potential," "could," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. The projected results and statements contained in this presentation that are not historical facts are based on current expectations, speak only as of the date of this presentation and involve risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such projected results and statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Irenic. Although Irenic believes that the assumptions underlying the projected results or forward-looking statements are reasonable as of the date of this presentation, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the projected results or forward-looking statements included in this presentation will prove to be accurate and, therefore, actual results could differ materially from those set forth in, contemplated by, or underlying those forward-looking statements. In light of the significant uncertainties inherent in the projected results and forward-looking statements included in this presentation, the inclusion of such information should not be regarded as a representation as to future results or that the objectives and strategic initiatives expressed or implied by such projected results and forward-looking statements will be achieved. Irenic will not undertake and specifically disclaims any obligation to disclose the results of any revisions that may be made to any projected results or forward-looking statements in this presentation to reflect events or circumstances after the date of such projected results or statements or to reflect the occurrence of anticipated or unanticipated events.

## Important Disclosures

---

### **Not an Offer to Sell or a Solicitation of an Offer to Buy**

Under no circumstances is this presentation intended to be, nor should it be construed as, an offer to sell or a solicitation of an offer to buy any security. Funds and investment vehicles managed by Irenic currently beneficially own shares of the Company. These funds and investment vehicles are in the business of trading—buying and selling—securities and intend to continue trading in the securities of the Company. You should assume such funds and investment vehicles will from time to time sell all or a portion of their holdings of the Company in open market transactions or otherwise, buy additional shares (in open market or privately negotiated transactions or otherwise), or trade in options, puts, calls, swaps or other derivative instruments relating to such shares. Consequently, Irenic's beneficial ownership of shares of, and/or economic interest in, the Company's common stock may vary over time depending on various factors, with or without regard to Irenic's views of the Company's business, prospects or valuation (including the market price of the Company's common stock), including without limitation, other investment opportunities available to Irenic, concentration of positions in the portfolios managed by Irenic, conditions in the securities markets and general economic and industry conditions. Irenic also reserves the right to change its intentions with respect to its investments in the Company and take any actions with respect to investments in the Company as it may deem appropriate, and disclaims any obligation to notify the market or any other party of any such changes or actions. However, neither Irenic nor any of its affiliates has any intention, either alone or in concert with another person, to acquire or exercise control of the Company or any of its subsidiaries.

### **Concerning Intellectual Property**

All registered or unregistered service marks, trademarks and trade names referred to in this presentation are the property of their respective owners, and Irenic's use herein does not imply an affiliation with, or endorsement by, the owners of these service marks, trademarks and trade names or the goods and services sold or offered by such owners.

**I. Executive Summary**

**II. News Corp Owns High Quality Businesses**

**III. Why Irenic Believes News Corp is Worth \$34/share**

**IV. Recombination with Fox Fails to Maximize Value - Compelling Alternatives Exist**

**V. Appendix**

# News Corp is a Highly Desirable Collection of Assets - Special Committee Can Unlock Enormous Value

## I. News Corp owns high quality businesses

- **REA & Dow Jones are exceptional franchises:**
  - REA is the leading real estate listings business in Australia and is growing throughout India and Southeast Asia
  - Dow Jones owns the preeminent financial news brand in the world - *The Wall Street Journal* - and its professional services businesses (Risk & Compliance, OPIS, Base Chemicals) are underappreciated gems
- **The rest of the businesses - HarperCollins, News Media, Move and FOXTEL - are growing and well-positioned**
  - HarperCollins is a consistent cash-flow generator with improving margins as it benefits from the digital transition
  - News Media is fundamentally transformed by "digital retrans" - e.g., Australia's News Media Bargaining Code (passed in 2021)

## II. Why Irenic believes News Corp is worth \$34/share

- REA stake alone is worth \$12 per share
- Dow Jones is a better, larger business than *The New York Times* - worth an additional \$16 per share
- News Corp management and investment research analysts have consistently highlighted News Corp's substantial undervaluation

## III. A News Corp-Fox Corporation recombination has limited strategic merit

- News Corp and Fox Corporation ("Fox") already suffer from substantial complexity discounts
- Synergies with Fox are extremely limited. No meaningful synergies between Digital Real Estate and Fox
- REA's strategic priorities have little overlap with Fox's U.S.-centric cable and broadcast television assets

## IV. Alternative paths to maximizing value for News Corp shareholders

- Irenic believes a tax-free separation (not sale) of Digital Real Estate is likely the best approach
- An independent Dow Jones would unlock significant value as a standalone financial news and information business
- Existing governance structures can be preserved at any SpinCos

## V. Irenic focused on "win-win-win" alternatives for News Corp shareholders, Fox shareholders and the Murdoch Family Trust

- Multiple paths to create substantial value for News Corp shareholders while achieving Murdoch Family Trust goals
- Irenic invested in News Corp because it believes in the significant long-term value of News Corp's underlying assets

## News Corp owns high quality, extremely valuable businesses

		Value	Value/Share
<b>REA Group</b> <i>61.4% Stake</i>	<ul style="list-style-type: none"> <li>• Preeminent global real estate listings platform, dominant in Australia</li> <li>• News Corp owns 61.4% of REA, which is listed on the Australian Securities Exchange</li> </ul>	\$6.7B	\$11.56
<b>Dow Jones</b>	<ul style="list-style-type: none"> <li>• Flagship <i>The Wall Street Journal</i> and other publications have 4.9mm subscribers (83% digital-only)</li> <li>• \$700mm+ run-rate high-margin Professional Information business w/ consistent double-digit % growth</li> </ul>	\$9.2B	\$16.01
<b>Book Publishing</b> (HarperCollins)	<ul style="list-style-type: none"> <li>• 2nd largest of the five major consumer book publishers globally</li> <li>• Book publishing is a concentrated industry with steady growth and consistent cash flow</li> </ul>	\$3.5B	\$6.00
<b>News Media</b>	<ul style="list-style-type: none"> <li>• \$2.4bn+ business: the <i>New York Post</i>, <i>The Australian</i>, <i>The Sun</i> and <i>The Times of London</i></li> <li>• Collectively, more paid digital subscribers than <i>The Economist</i> and <i>The Financial Times</i></li> <li>• Receives high margin licensing payments from Google, Facebook and Apple</li> </ul>	\$1.0B	\$1.70
<b>Subscription Video Services</b> (FOXTEL)	<ul style="list-style-type: none"> <li>• The leading local Australian Pay-TV provider with 4.6mm subscribers</li> <li>• Successfully transitioned to a profitable live sports &amp; news-focused streaming business</li> </ul>	\$0.7B	\$1.27
<b>Move, Inc.</b> (Realtor.com) <i>80.0% Stake</i>	<ul style="list-style-type: none"> <li>• Operator of Realtor.com, the 2nd largest digital real estate listings platform in the U.S</li> <li>• Since News Corp's \$950mm (80% owned by News Corp and 20% owned by REA Group) acquisition of Move, Inc. in 2014, it has grown revenue from \$227mm to \$700mm+ in FY2022</li> </ul>	\$1.4B	\$2.47
		—	—
<b>Net Debt &amp; Corporate Adjustments</b>	<ul style="list-style-type: none"> <li>• Capitalized overhead, net debt and listed investments</li> </ul>	(\$2.9B)	(\$5.07)
		=	=
<b>News Corp</b>	<ul style="list-style-type: none"> <li>• News Corp Fair Market Value</li> </ul>	\$19.5B	\$33.95

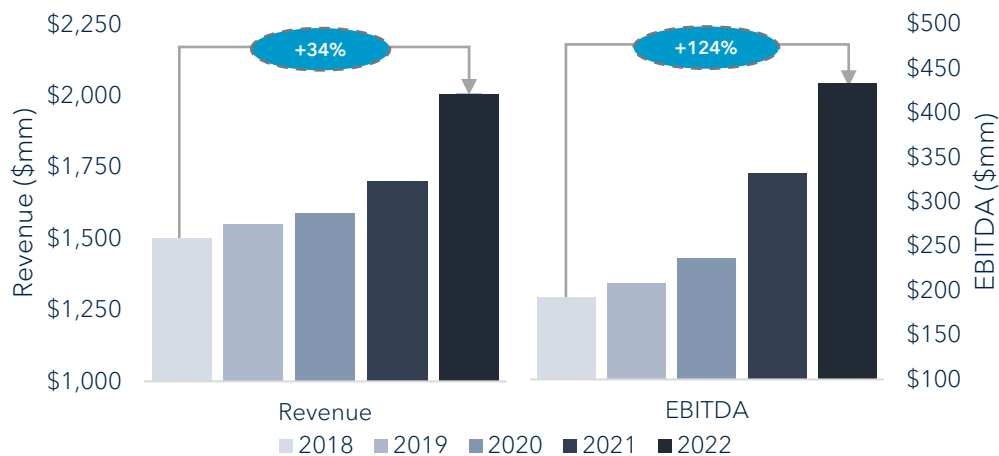
Note: Supporting assumptions and additional financial data provided on further pages and contained within appendix

# News Corp is growing and stronger than ever

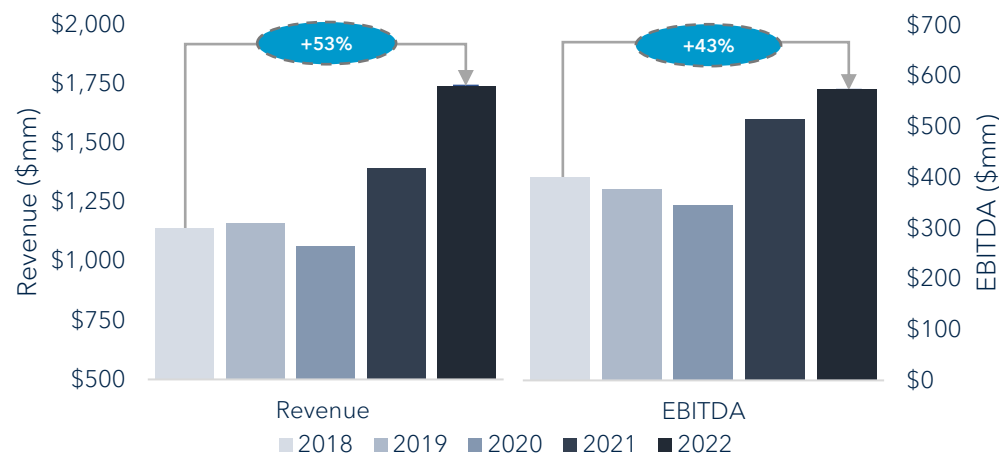
“The News Corporation of 9 years ago is not the News Corporation of now. The provenance and the principle endure, but the business is fundamentally transformed. **It is vastly more profitable and with the potential for even greater growth...** Almost a decade after our reincarnation, thanks to the efforts of our employees and the faith of our investors, **News Corp is set fair for the future.**”

– Robert Thomson, Chief Executive Officer, Q4 FY 2022 Earnings Call (08 August 2022)

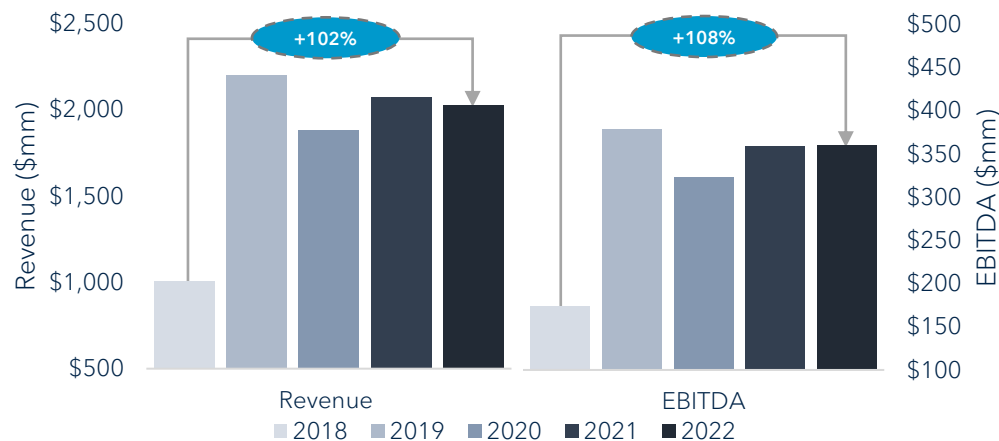
## Dow Jones



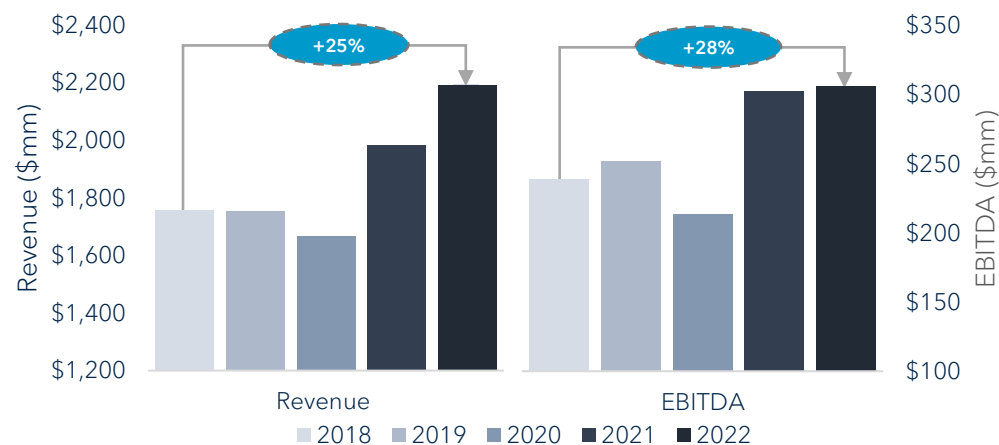
## Digital Real Estate Services



## Subscription Video



## Book Publishing



Source: Company filings

## Investment research analysts do not see strategic merit for the recombination of Fox & News Corp

“...the history of separating, and later recombining assets highlights that the company remains a family business, and not necessarily run for the benefit of public shareholders...**Over the long term, the challenge for NWSA holders would be the same as it is currently, namely complexity.** News Corp management has done a good job in recent years of increasing disclosure and focusing investors heavily around Dow Jones, HarperCollins, and Realtor, while improving the financial performance of legacy segments (News, Australia television/streaming). **A tie up with Fox complicates what had been emerging as a cleaner story.**”

–JP Morgan (18 October 2022)

J.P.Morgan

“**We believe neither HarperCollins publishing nor News Corp’s digital real estate assets have an obvious corresponding partner at the Fox business.** We believe that a lack of upfront strategic asset alignment detail has been detrimental to investor perception and market valuation in the combinations of CBS/Viacom and Discovery/Warner Bros. **It is not clear that operational flexibility would be enhanced by combining the companies, in our view...Similarly, we believe the areas that do have apparent strategic alignment, most specifically the news-gathering and reporting assets, do not have obvious activities or responsibilities that can be consolidated or jointly pursued...**We see reducing the conglomerate discount as the most significant hurdle to the success of a re-combination.”

– Guggenheim (17 October 2022)

GUGGENHEIM

“...as we have written in the past, **the main opportunity we see for NWSA shareholder value un-lock (i.e. a reduction in SOTP discount) would come as a result of further simplification of NWSA's asset portfolio (e.g. REA and FOXTEL investments)...and we think the most upside for existing NWSA shareholders likely comes if such asset sales/spins are executed by NWSA itself, before any potential merger with FOXA is undertaken...** News Corp currently trades at a ~50% discount to our SOTP. It has averaged a ~20% discount since its de-merger to become a separate company in 2013. Our view is further meaningful asset sales/spins-offs, subject to attractive valuation/ terms of course, will simplify the NWSA story and thereafter reduce the SOTP discount.”

– Morgan Stanley (17 October 2022)

Morgan Stanley

“**Combining Fox with News Corp’s assortment of assets likely won’t lead to any reset [in] valuation and will even more likely complicate the narrative for investors.** In fact, both stocks have traded at discounts to net asset value, which seems to suggest that a bigger combination of assets would unlikely reverse this situation...**So, we question the decision to announce a potential combination of Fox and News Corp now?** And probably even more importantly, where do we go from here?”

– MoffettNathanson (16 October 2022)

 MOFFETT NATHANSON  
— A DIVISION OF SVB SECURITIES LLC —



## Investment research analysts do not see strategic merit for the recombination of Fox & News Corp (Cont'd)

"...we would expect a return of the historical Fox/News Corp conglomerate discount (especially in this unforgiving market)...**Given the strategic rationale for the merger is uninspiring in our view** (from a Fox standpoint), an important question for investors is "Why now?"...It's true that both companies have strong balance sheets and both are trading at healthy discounts to asset value...Still, an irony not likely to be lost on investors is that these two companies were actually separated to create value just over 9 years ago...Complex stocks and stories have underperformed markedly this year."

CREDIT SUISSE 

– Credit Suisse (16 October 2022)

"We do not see material synergy in combining both companies. Nor do we believe the larger scale will move the needle for either company. News Corp shareholders largely own the stock because it trades at a deep discount to its sum-of-the-parts valuation which theoretically should benefit from continued simplification of the News Corp story. Fox shareholders own an under-levered media company trading at about 4x EBITDA that is strategically well-positioned with a news and sports focus and is not in the high-cost streaming business...To the degree the combined entity uses its larger scale for acquisitions, that adds a layer of uncertainty in the investment...**We were looking for continued simplification of News Corp and a growing exposure to digital real estate, a secularly high-growth business that we estimate will now represent only 10% of the combined company's EBITDA.**"

 LOOP CAPITAL

– Loop Capital (17 October 2022)

"At some level, the announcement is surprising since News Corp was separated from Fox in 2013 to eliminate the conglomerate discount and enable both entities to trade close to their intrinsic valuations. Since then, of course both companies have changed quite a bit, but what hasn't changed is the fact that both **News Corp and Fox continue to trade a significant discounts to their respective peers. Therefore, a recombination in itself is unlikely to solve this valuation problem for either company. Strategically, there is also very little business overlap between the two companies to rationalize the announcement on synergies...**While there could be some long-term benefits that could arise from reconfiguring this portfolio of these assets, **there is no obvious immediate synergies (outside of some corporate expense savings) that are likely to be available...**In some ways, the recombination may also force unfavorable comparisons to the Viacom/CBS merger forced by the Redstone family's succession struggles and to try and buy time for two structurally challenged businesses which in hindsight did not really help much."

 BARCLAYS

– Barclays (16 October 2022)

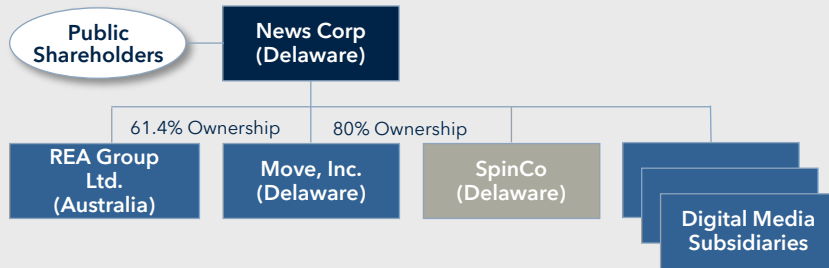
# Multiple paths to maximize value, including tax-free separation of Digital Real Estate

Given the 80% ownership of Move and recent Australian restructure, possible for News Corp to Spin REA Group + Move, Inc. tax-free

SIMPLIFIED TRANSACTION STRUCTURE

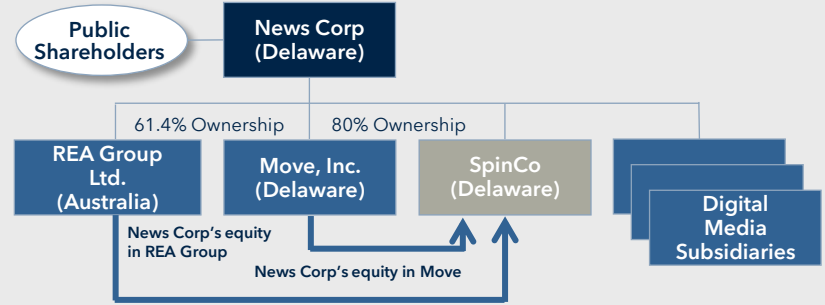
## 1 Formation of SpinCo

**STEP 1** / SpinCo is formed as a wholly owned corporate subsidiary of News Corp

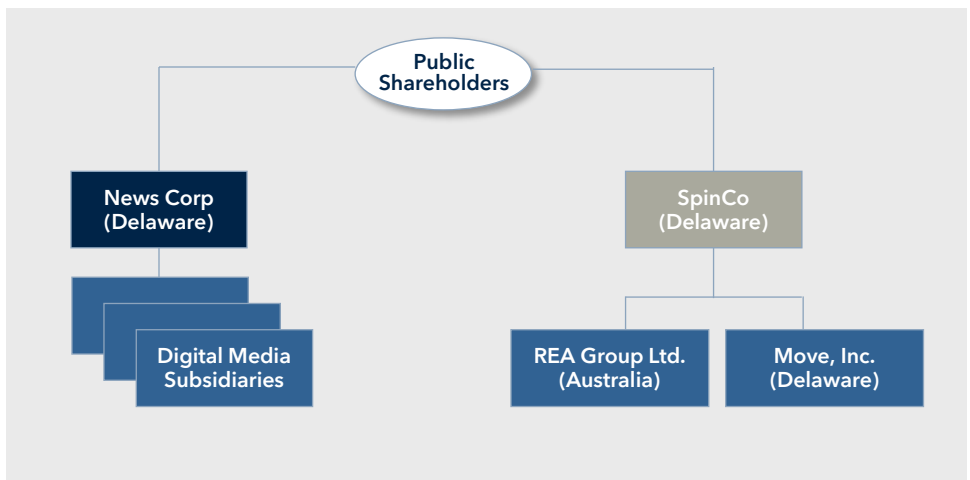


## 2 Contribution of Assets to SpinCo

**STEP 2** / News Corp contributes 100% of its equity in Move & REA Group to SpinCo

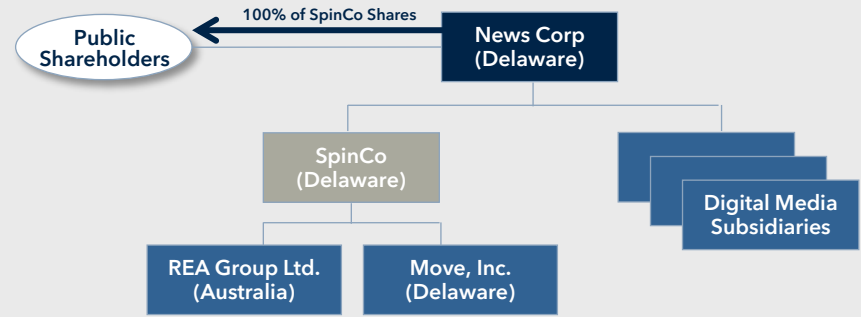


## 4 Final Structure



## 3 Distribution of SpinCo Shares to News Corp Shareholders

**STEP 3** / News Corp distributes 100% of SpinCo's shares to public shareholders of News Corp on a pro rata basis



## Standalone, Dow Jones is a well-scaled preeminent financial news and information business

Dow Jones alone is worth \$9 billion+, 2.1x the implied value of News Corp after backing out its interest in REA

### I. Dow Jones has a full C-Suite and can be run independently

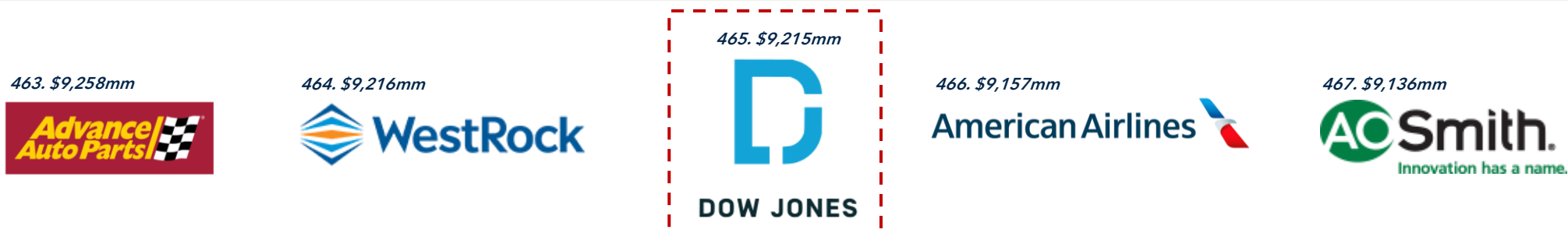
- Dow Jones has its own Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Revenue Officer, Regional & Segment Presidents
- CEO Almar Latour's experience (Editor-in-Chief Asia, Managing Editor of WSJ Online) is well-suited to Dow Jones' goals - international expansion and growth of "business-to-professional" digital bundles

### II. Standalone growth profile and scale is comparable to listed financial news and information peers

- Standalone Dow Jones would be expected to produce \$2 billion+ in revenue and \$500 million+ in EBITDA
  - The New York Times: \$2.4bn in sales / \$342mm in EBITDA / \$5.4bn enterprise value
  - Morningstar: \$2.1bn in sales / \$472mm in EBITDA / \$11.1bn enterprise value
  - **Dow Jones: \$2.3bn in sales / \$529mm in EBITDA / ??? bn enterprise value** ←
  - CoStar Group: \$2.5bn in sales / \$755mm in EBITDA / \$29.2bn enterprise value
  - MSCI: \$2.4bn in sales / \$1.4bn in EBITDA / \$43.0bn enterprise value

### III. At a \$9.2 billion market capitalization, Dow Jones would rank higher in market cap than 35 members of the S&P 500

#### S&P 500 Ranking by Market Capitalization (hypothetical)



Source: Bloomberg, FactSet, S&P CapitalIQ; revenue and EBITDA figures represent NTM estimates, market capitalization per shares outstanding prior to dilution from options  
Note: News Corp Enterprise Value of \$11.0bn (\$10.4bn market cap + \$652mm net debt) less REA stake of \$6.7bn results in value \$4.4bn  
Market values of 16 November 2022 per Bloomberg

I. Executive Summary

II. News Corp Owns High Quality Businesses

III. Why Irenic Believes News Corp is Worth \$34/share

IV. Recombination with Fox Fails to Maximize Value - Compelling Alternatives Exist

V. Appendix

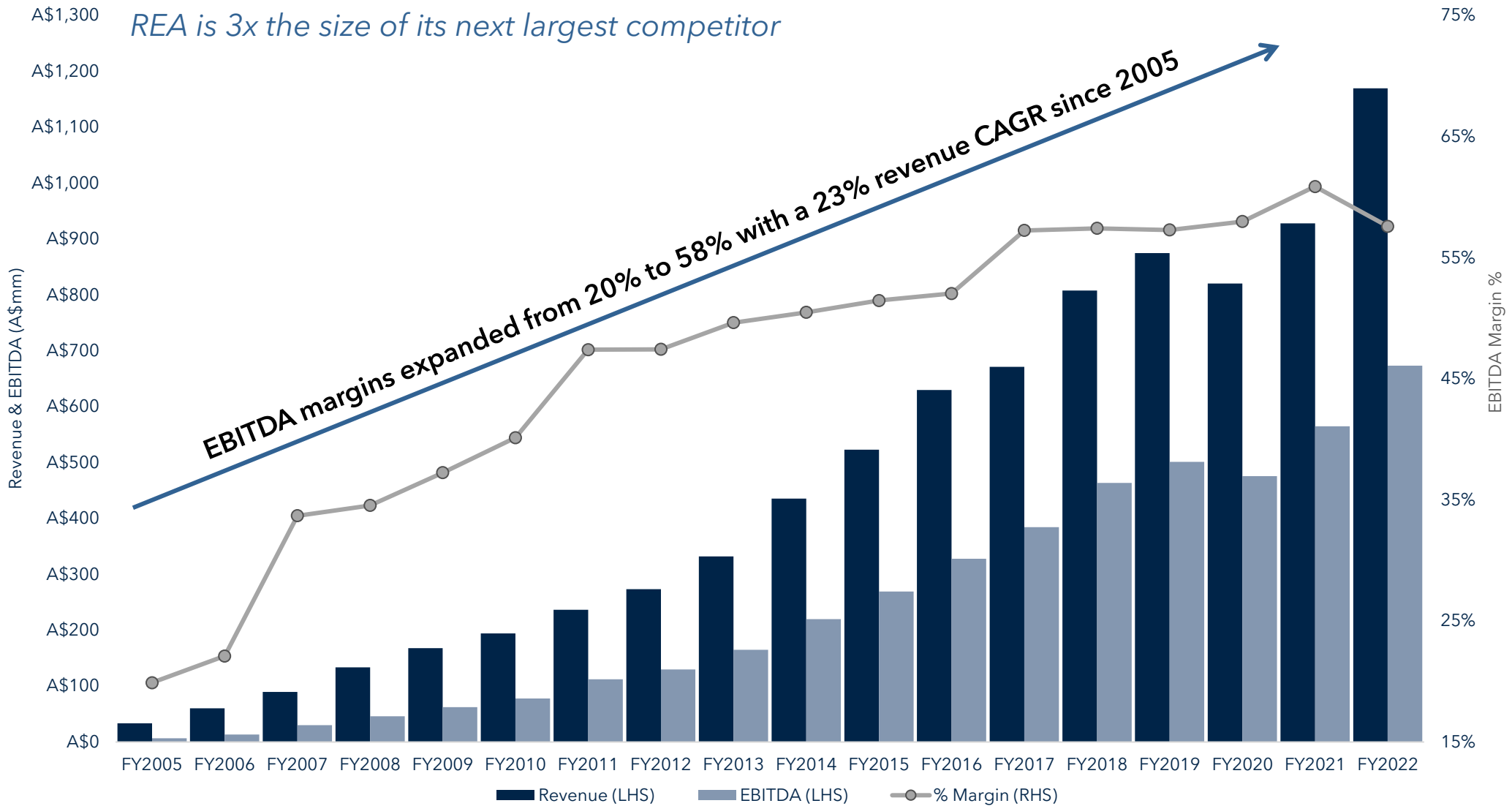


## News Corp owns high quality, extremely valuable businesses

		Value	Value/Share
<b>REA Group</b> <i>61.4% Stake</i>	<ul style="list-style-type: none"> <li>• Preeminent global real estate listings platform, dominant in Australia</li> <li>• News Corp owns 61.4% of REA, which is listed on the Australian Securities Exchange</li> </ul>	\$6.7B	\$11.56
<b>Dow Jones</b>	<ul style="list-style-type: none"> <li>• Flagship <i>The Wall Street Journal</i> and other publications have 4.9mm subscribers (83% digital-only)</li> <li>• \$700mm+ run-rate high-margin Professional Information business w/ consistent double-digit % growth</li> </ul>	\$9.2B	\$16.01
<b>Book Publishing</b> (HarperCollins)	<ul style="list-style-type: none"> <li>• 2nd largest of the five major consumer book publishers globally</li> <li>• Book publishing is a concentrated industry with steady growth and consistent cash flow</li> </ul>	\$3.5B	\$6.00
<b>News Media</b>	<ul style="list-style-type: none"> <li>• \$2.4bn+ business: the <i>New York Post</i>, <i>The Australian</i>, <i>The Sun</i> and <i>The Times of London</i></li> <li>• Collectively, more paid digital subscribers than <i>The Economist</i> and <i>The Financial Times</i></li> <li>• Receives high margin licensing payments from Google, Facebook and Apple</li> </ul>	\$1.0B	\$1.70
<b>Subscription Video Services</b> (FOXTEL)	<ul style="list-style-type: none"> <li>• The leading local Australian Pay-TV provider with 4.6mm subscribers</li> <li>• Successfully transitioned to a profitable live sports &amp; news-focused streaming business</li> </ul>	\$0.7B	\$1.27
<b>Move, Inc.</b> (Realtor.com) <i>80.0% Stake</i>	<ul style="list-style-type: none"> <li>• Operator of Realtor.com, the 2nd largest digital real estate listings platform in the U.S</li> <li>• Since News Corp's \$950mm (80% owned by News Corp and 20% owned by REA Group) acquisition of Move, Inc. in 2014, it has grown revenue from \$227mm to \$700mm+ in FY2022</li> </ul>	\$1.4B	\$2.47
		—	—
<b>Net Debt &amp; Corporate Adjustments</b>	<ul style="list-style-type: none"> <li>• Capitalized overhead, net debt and listed investments</li> </ul>	(\$2.9B)	(\$5.07)
		=	=
<b>News Corp</b>	<ul style="list-style-type: none"> <li>• News Corp Fair Market Value</li> </ul>	\$19.5B	\$33.95

Note: Supporting assumptions and additional financial data provided on further pages and contained within appendix

# REA is the dominant real estate listings business in Australia



Source: Company filings

**“REA Group has been the dominant online platform for real estate classifieds ever since its launch more than twenty years ago. Its first mover advantage combined with prudent management and continued reinvestment in the business has allowed it to build an almost unassailable network effect.”**

– JP Morgan (11 August 2019)

## Dow Jones is more profitable business compared to The New York Times

Dow Jones generates ~1.6x the EBITDA of *The New York Times* on virtually equal revenue – *The New York Times* has an Enterprise Value of \$5.4 billion



“...what we believe are two incontrovertible facts; the substantial and growing value of [Dow Jones] and its superior profit profile and prospects to those in *The New York Times*.”

–Robert Thomson, Q4 FY 2020 Earnings Call (06 August 2020)

Notes:

- (1) Dow Jones FY2022 Revenue and EBITDA is Pro Forma for the acquisition of OPIS and Base Chemicals, which closed on 02/28/2022 and 06/01/2022 respectively
- (2) *The New York Times* Revenue and *The New York Times* EBITDA is adjusted to be consistent with News Corp’s June fiscal year-end

## Management has consistently highlighted Dow Jones' superiority to The New York Times...

"And so, **the Dow Jones results certainly rise above those of *The New York Times***, both in circulation now in the news segment and in digital advertising, which was almost double that of *The New York Times*. And so it is, in essence, the enduring quality of *the Journal* that gives us momentum. **And those are very positive wins that we're seeing now and are confident that we'll see in the future.**"

– Robert Thomson, Q3 FY 2021 Earnings Call (06 May 2021)

"...I say, without being too hubristic about it, any fight [with *The New York Times*] over statistics or metrics with *The Wall Street Journal* tends to be an unfair fight...And we see growth potential, not just in the U.S., but globally. **International subs at the moment at Dow Jones are a mere 15% of the total current. The team is very much focused on that. And look, as you know, we have a thriving professional information business there.**"

– Robert Thomson, Morgan Stanley TMT Conference (04 March 2021)

"Well, **it's a bit of an unfair comparison [to *The New York Times*] because obviously Dow Jones is a much more successful business.** The reason for putting it out was precisely that that we believed it was an underappreciated asset...you didn't get a full picture of the potential of or the trajectory of Dow Jones. And clearly that was a priority for us, and quite frankly we thought that have affected our share price...the great story about Dow Jones is the ongoing subscriber growth at WSJ.com, for Barron's and now for MarketWatch. **And there are 2 priorities really that are, obviously, to reach as many people as possible with most trusted news brand in America, but also to be the leading provider of business news in the world.**"

– Robert Thomson, UBS TMT Virtual Conference (09 December 2020)

"And in the quest for transparency, beginning this quarter, we are presenting Dow Jones as a separate segment. This will highlight what we believe are two incontrovertible facts; **the substantial and growing value of that company [Dow Jones] and its superior profit profile and prospects to those in *The New York Times*.**"

– Robert Thomson, Q4 FY 2020 Earnings Call (06 August 2020)

"...Dow Jones, which we believe is the best business news and analysis brand in the world. We are working towards making that company's potential more obvious and highlighting its various strengths [relative] to other business brands, and for example, to *The New York Times*."

– Robert Thomson, Q3 FY 2020 Earnings Call (07 May 2020)



"Dow Jones is a true comp (and in some ways superior) to *The New York Times* with an equally impressive growth trajectory: Put simply, **Dow Jones not only has a healthy growth outlook, but is more profitable, more digital, and more subscription oriented than *The New York Times* – we strongly argue it should be valued accordingly."**

"Dow Jones is a leading news and information business that has successfully transitioned to a digital-first and subscription-first model. The secular head-winds facing print journalism are well known, and in our opinion, **Dow Jones, led by its *Wall Street Journal* masthead, is one of two legacy print businesses that has successfully navigated the transition to a digital world** (the other being *The New York Times* Company)."

"Bottom Line: we believe that Dow Jones has a similarly optimistic growth outlook as *The [New York] Times*. While we forecast slightly faster subscriber additions at *The [New York] Times*, **it is important to point out that Dow Jones is more profitable, more digital, and more subscription oriented than *The [New York] Times*."**

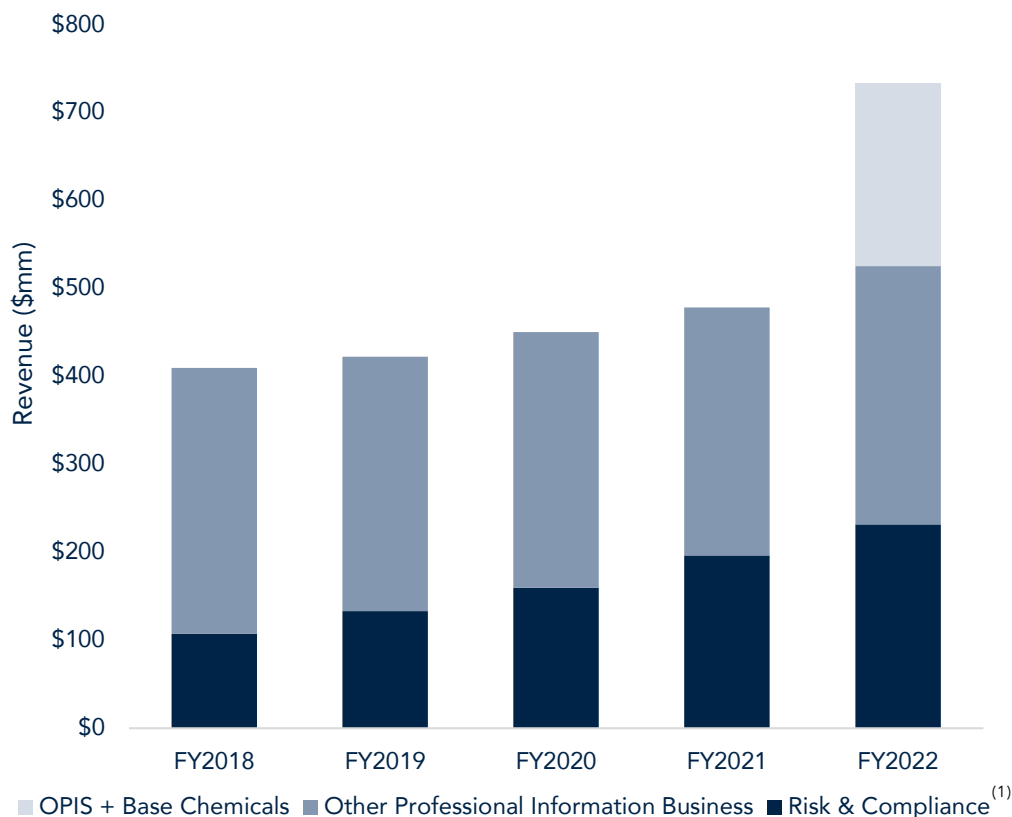
GUGGENHEIM

(18 March 2021)

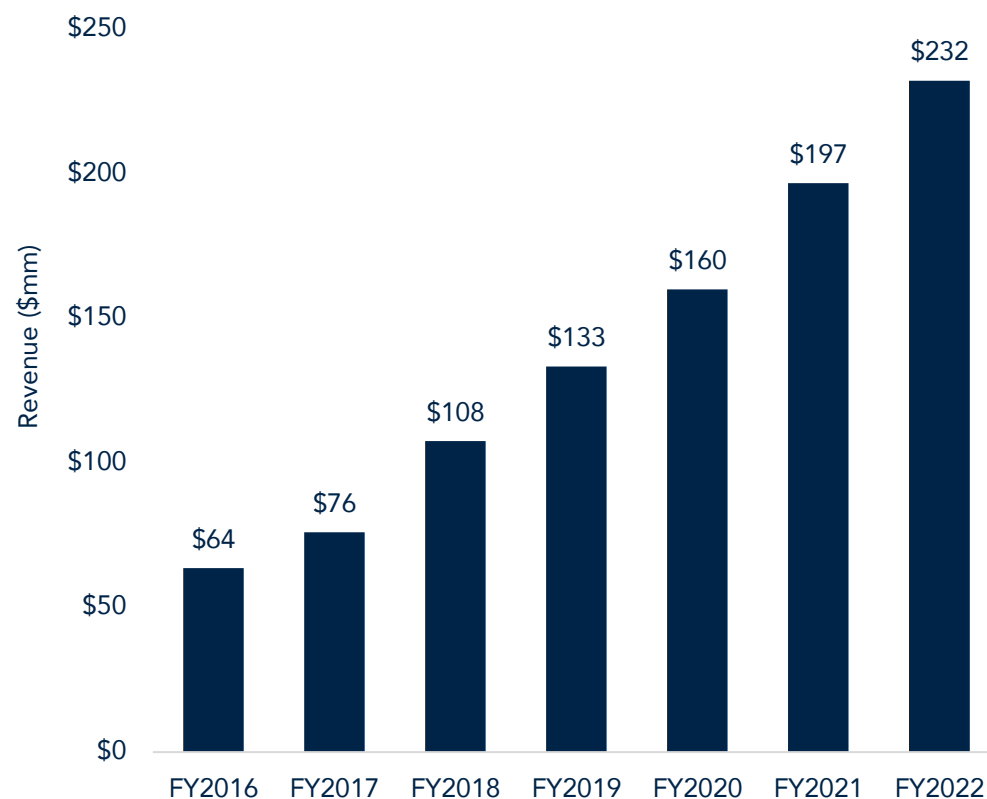
# Dow Jones' Professional Information (PI) sub-segment is a secularly growing enterprise business

Dow Jones PI compares to high value business information competition such as Thomson Reuters, S&P Global, FactSet and others

## Professional Information Business



## Risk & Compliance Business<sup>(2)</sup>



Source: Company filings, earnings transcripts

**"We believe that the Professional Information business will continue to expand at a strong rate, and that OPIS will be the cornerstone for commodities, energy and renewables digital business that will have a long-term positive impact on our earnings..."**

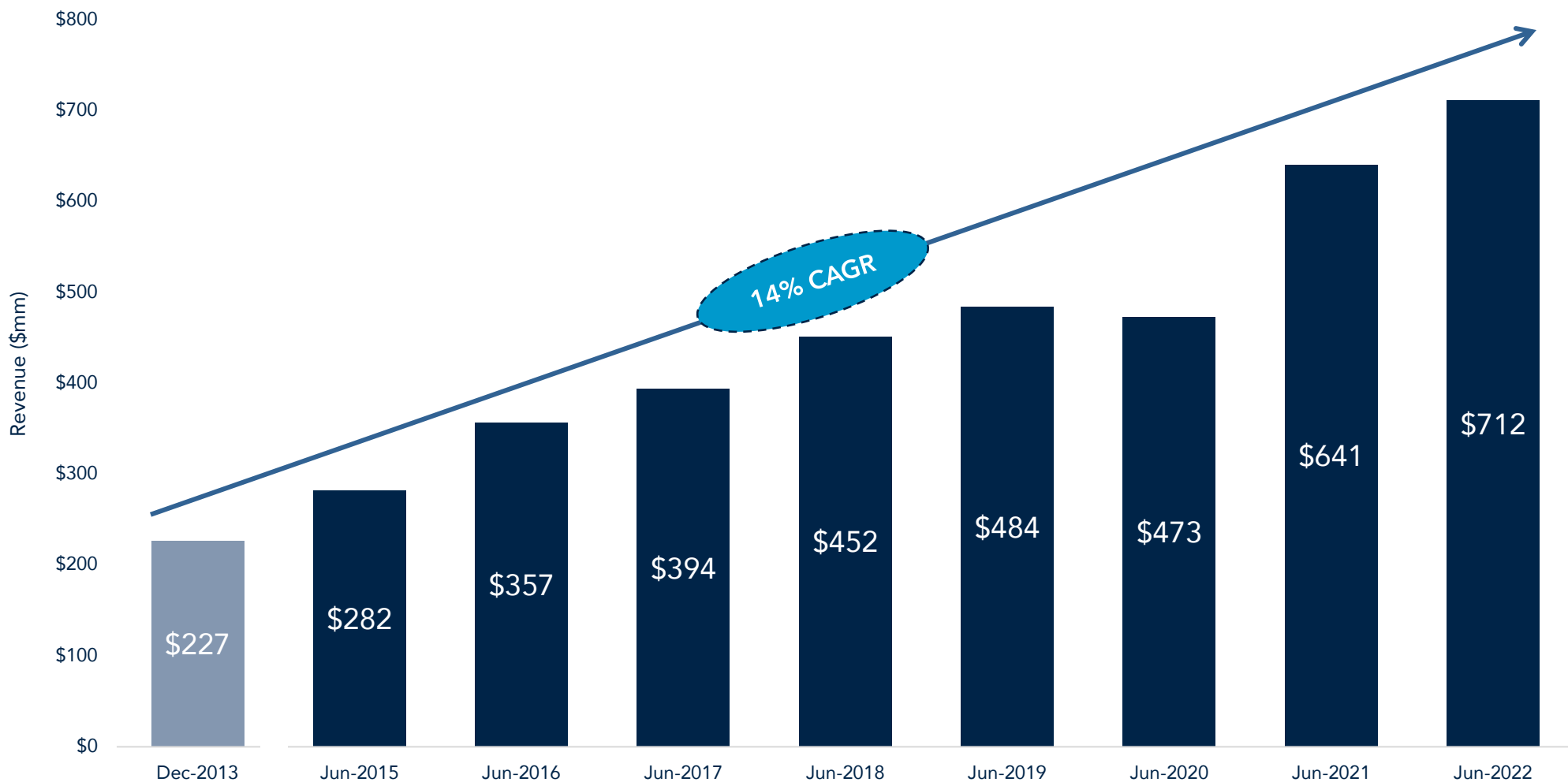
– Robert Thomson, FY 2021 Annual Report

**"Within that Professional Information business outside of the consumer business, we've got this gem in there called Risk & Compliance, which has been growing double digits for quite some time now."**

– Susan Panuccio, Deutsche Bank TMT Conference (14 March 2022)

## Move, Inc. value has grown materially since News Corp's acquisition

News Corp acquired Move, Inc. in November 2014 for \$950 million<sup>(1)</sup> - it has grown sales from \$227 million to \$712 million since the acquisition



Source: Company filings, News Corp To Acquire Move, Inc. Presentation (30 September 2014)

Note: (1) Move, Inc. was acquired for \$950mm by News Corp and is 80% owned by News Corp and 20% by REA Group

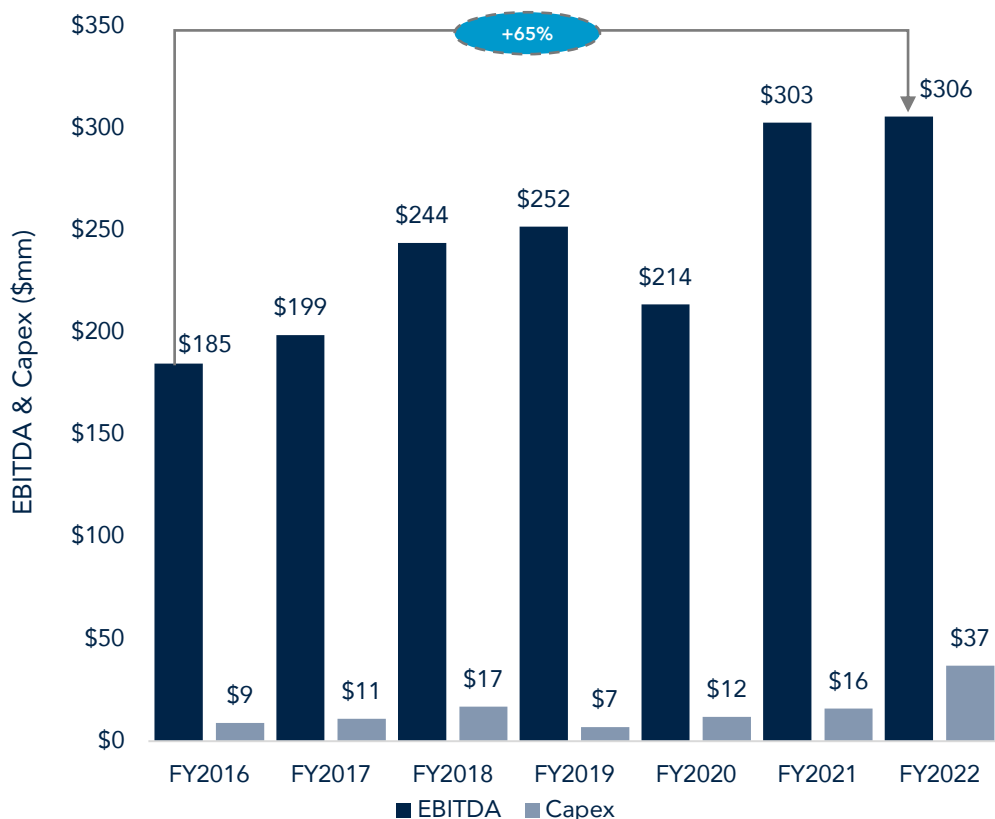
**“What’s [Move, Inc.] worth now? \$6 billion? \$7 billion? What will it be worth in 5 years as the inevitable digital march continues? \$15 billion? \$20 billion? More?”**

– Robert Thomson, Q1 FY 2022 Earnings Call (04 November 2021)

## HarperCollins is a consistent cash flow generator benefiting from shift to e-commerce

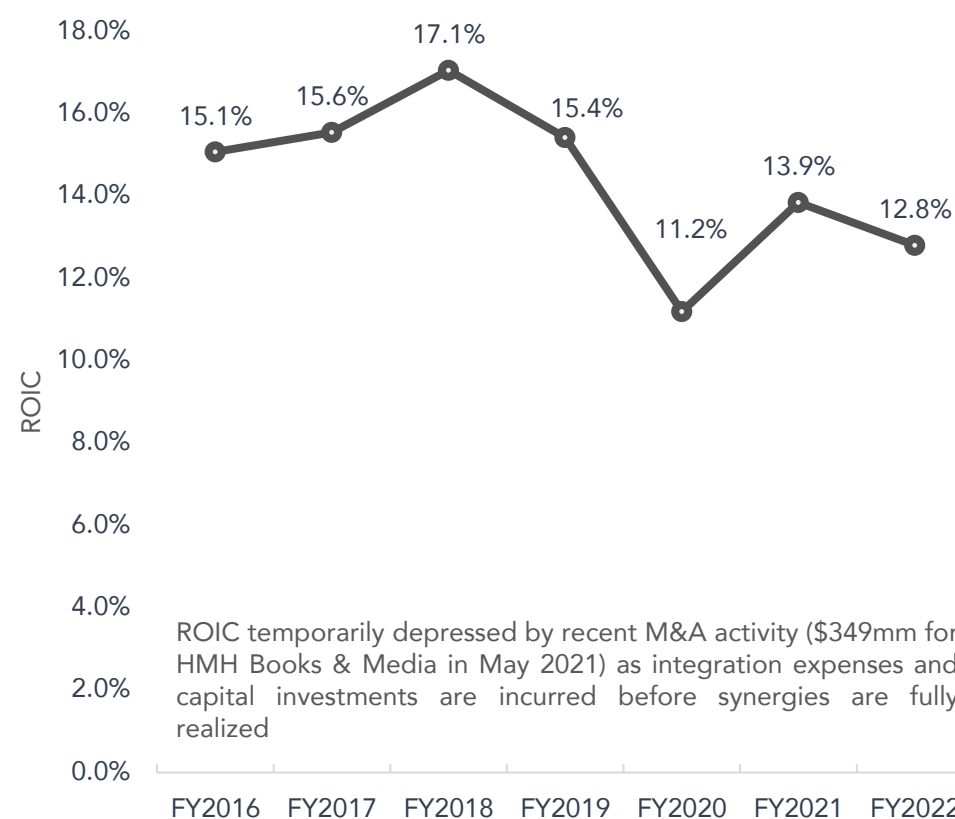
HarperCollins is the second largest book publisher in the world. It produces strong FCF conversion and consistently high ROIC

### HarperCollins: EBITDA & CapEx



Source: Company filings

### HarperCollins: ROIC <sup>(1)</sup>



**"...the margins should continue to expand in the business because of some good long-term trends. So, one is the digital trend. As the business shifts to digital, the business becomes more efficient and the margins do go up...even on the print business, as that business moves online, the online sales channel is more efficient...that efficiency leads itself to expanding margins...we have much better decision-making around forecasting how many books we need to print. That used to be a big inefficiency... And our industry just gets consistently more and more efficient, and we see the working capital required to run our business continues to go down."**

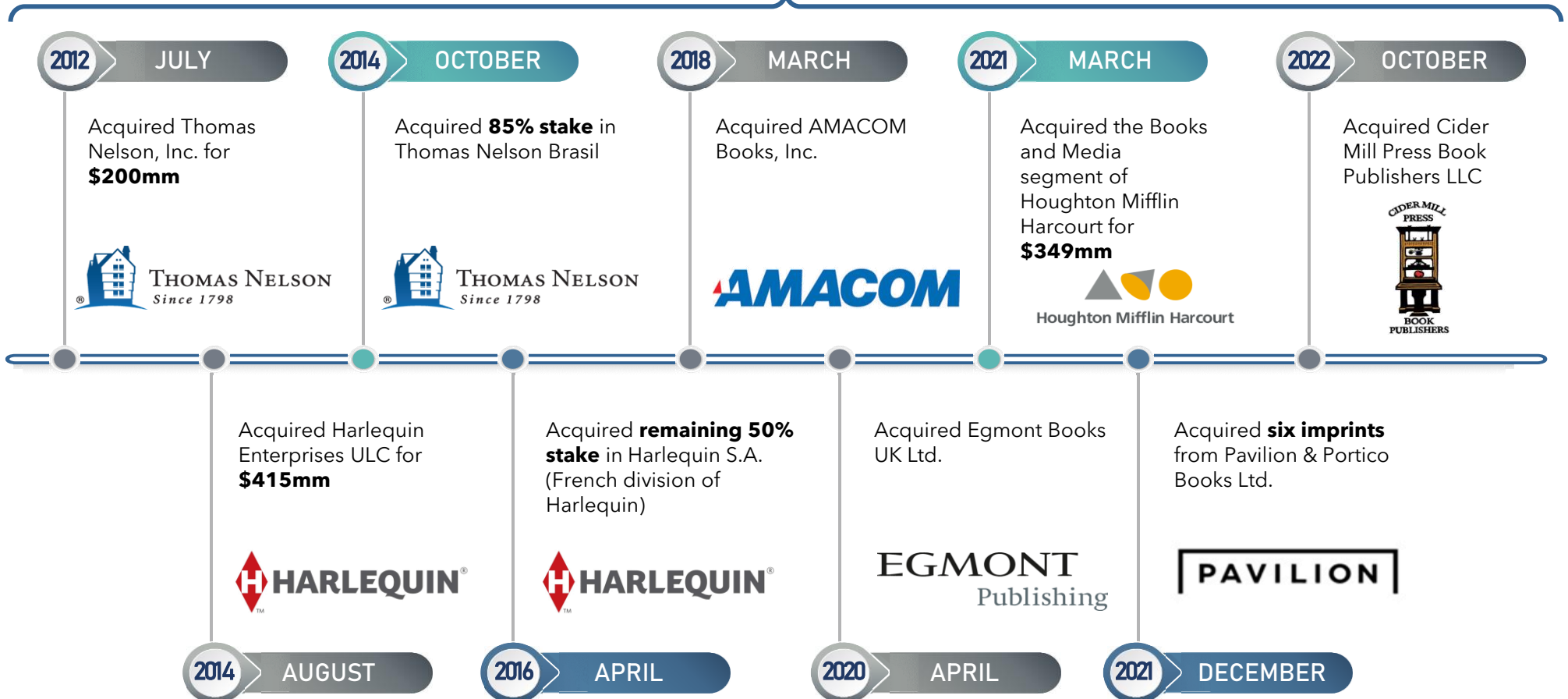
– Brian Murray, HarperCollins CEO, Credit Suisse Communications Conference (15 June 2021)

(1) ROIC defined as Cash NOPAT / (Total Assets – Goodwill & Intangibles); based upon segment level disclosures provided by News Corp. Cash NOPAT defined as tax affected EBIT at 21% U.S. corporate tax rate, plus D&A, less Capex



# Tuck-in acquisitions have bolstered HarperCollins - the 2<sup>nd</sup> largest book publisher in the U.S.

HarperCollins continues to identify opportunities for acquisitions, enabling it to leverage its scale advantages to create value

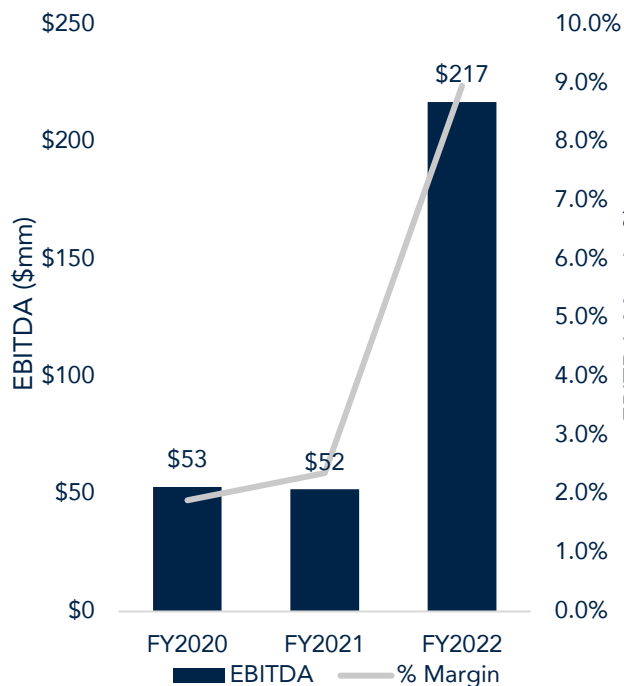


Source: Company filings, FactSet Research Systems, S&P Capital IQ, and publicly available information

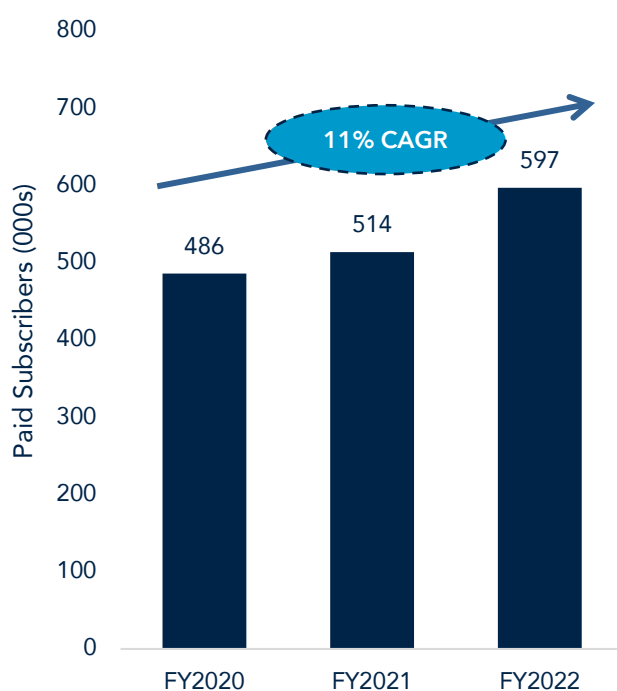
## News Media is fundamentally transformed by “digital retrans” and has made the digital transition

After selling non-core assets (News America Marketing + Unruly), News Corp shifted focus towards acquiring digital subscribers and audience, while rightsizing the News Media businesses to be digital-first, resulting in significant cost reductions. **Executive Chairman Rupert Murdoch, Co-Chairman Lachlan Murdoch and CEO Robert Thomson deserve enormous credit for ending ‘First Click Free’ and pushing for a more appropriate relationship between tech platforms and content producers.** News Media is a significant beneficiary of their efforts, particularly in Australia with the new Australian Digital Platforms Mandatory Bargaining Code (passed in 2021). **Deals struck with Google, Facebook and other publishers add significant high margin licensing revenue “clearly into the nine figures” and mean News Media will not only survive but grow in the years ahead.**

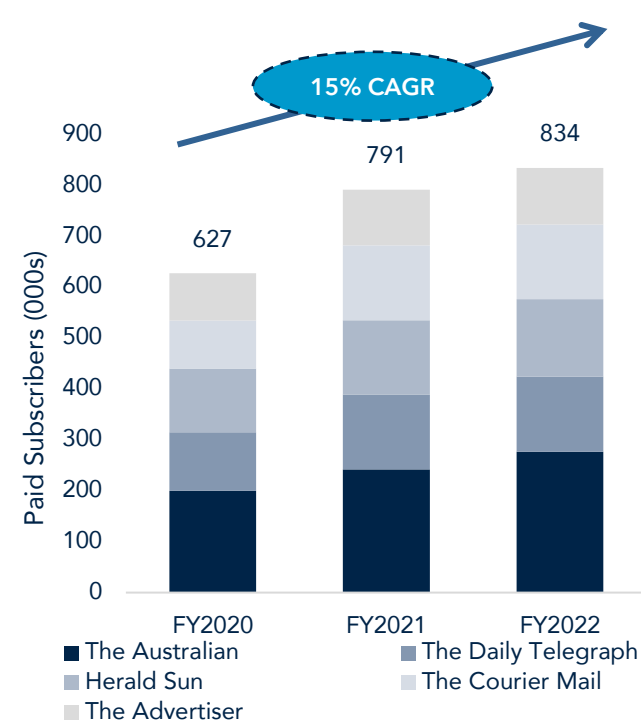
### News Media EBITDA



### Times of London Paid Subscribers



### News Australia Paid Subscribers



Source: Company filings

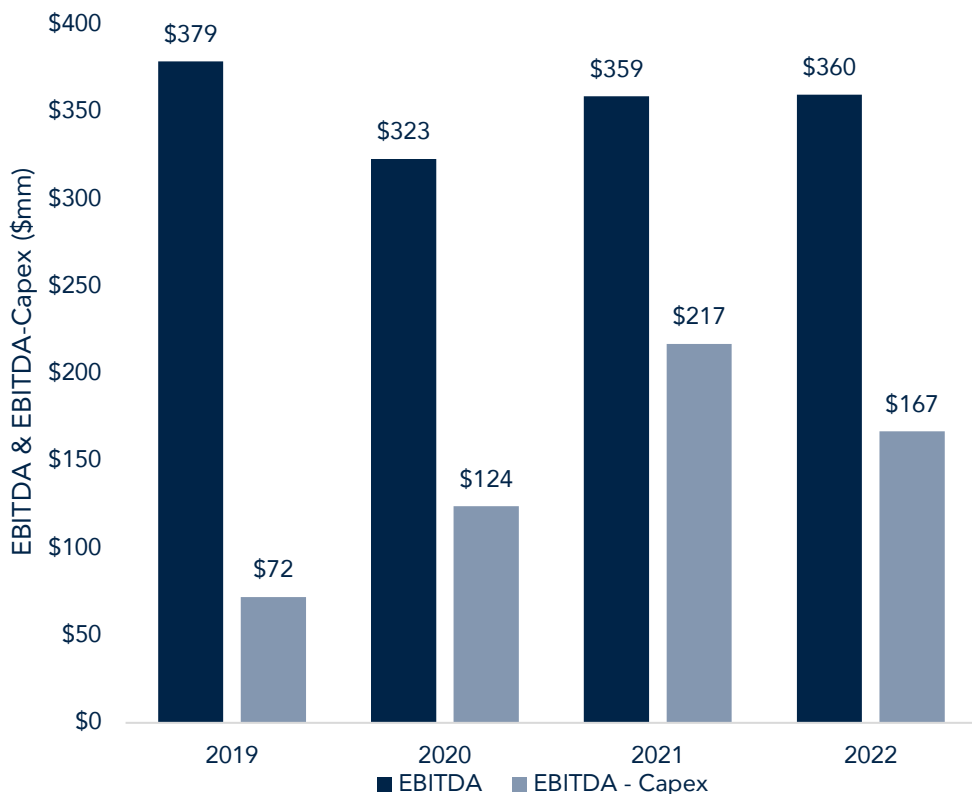
“...[News Media] segment has been going through an intense transformation for the last 10 years...**those businesses have made great inroads into the digital transformation...we converted a lot of the print mastheads, community mastheads into digital mastheads...** And we've also been **seeing really strong growth within that business from core subscribers** within their main metro mastheads...And they've been doing a huge amount of cost work...digital advertising overtook print advertising for the first time...that's a real inflection point for that business...**the New York Post, which has been loss making for a long, long time, is now making a profit, and that's largely as a consequence of digital advertising...**And then wrapping around all of that within News Media are obviously these content deals that we've done...**Google and Facebook and Apple are working with us...**and we're helping them understand our content in ways that they didn't understand, which is the beauty of those arrangements.”

– Susan Panuccio, Deutsche Bank Media, Internet & Telcom Conference (14 March 2022)

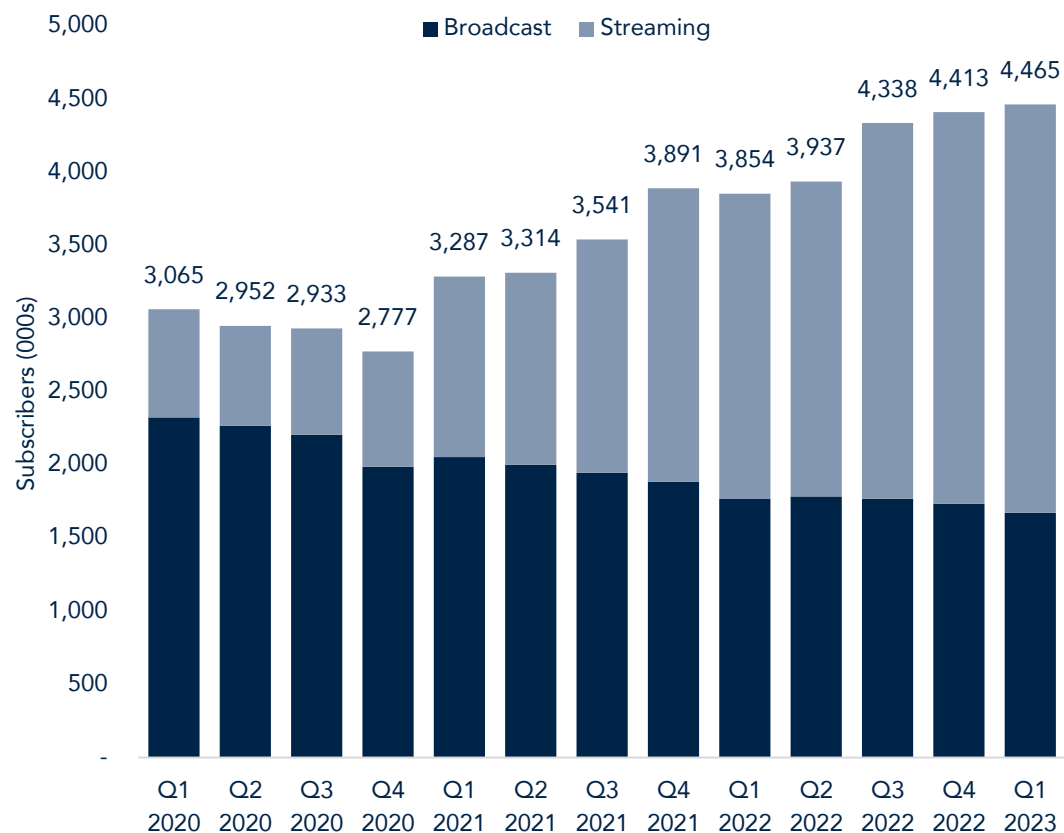
# FOXTEL is profitable and has significant value - A\$700mm loan from News Corp is well covered

FOXTEL has transitioned into a profitable sports and news-focused streaming business

## Subscription Video Services Financials



## FOXTEL Paid Subscribers



Source: Company filings

**“Our emphasis on growth through streaming, through improved compelling interfaces, and on securing long-term valuable sports and entertainment rights has put the company on a distinctly upward trajectory. The business is burgeoning. The surge in streaming is successfully repurposing and monetizing existing rights...We have decisively debunked the myth that only a small proportion of the Australian population will pay for programming...There is a new narrative at Foxtel: It is a story of rejuvenation, of resurgence and of renaissance...We've got a clear strategy to grow through streaming strength at Foxtel, and to win through world-class content and technology.”**

– Robert Thomson, Foxtel Group Strategy Day (29 September 2021)

I. Executive Summary

II. News Corp Owns High Quality Businesses

III. Why Irenic Believes News Corp is Worth \$34/share

IV. Recombination with Fox Fails to Maximize Value - Compelling Alternatives Exist

V. Appendix



News Corp is worth well in excess of its current ~\$18 per share trading price

News Corp's collection of highly differentiated assets is worth \$34 when valued in-line with peers

I. Irenic values News Corp at \$34/share

- REA Group's known market value is ~\$12 per share
- Conservatively valuing News Corp's other businesses supports an additional ~\$22 per share (including overhead and net debt)

II. Management has consistently highlighted how the market undervalues News Corp

***"These ongoing simplification efforts shine a brighter light on the intrinsic and increasing value of our core assets, which have been patently unappreciated and under-appreciated for too long."***

– Robert Thomson, Q2 FY 2020 Earnings Call (06 February 2020)

III. Investment research analysts have also consistently highlighted News Corp's valuation gap

IV. Investment research Sum-of-the-Parts analysis averages \$29 per share *(despite extremely conservative multiples relative to News Corp's actual peers)*

## News Corp is worth at least ~\$34 per share

### PUBLICLY LISTED INTEREST:

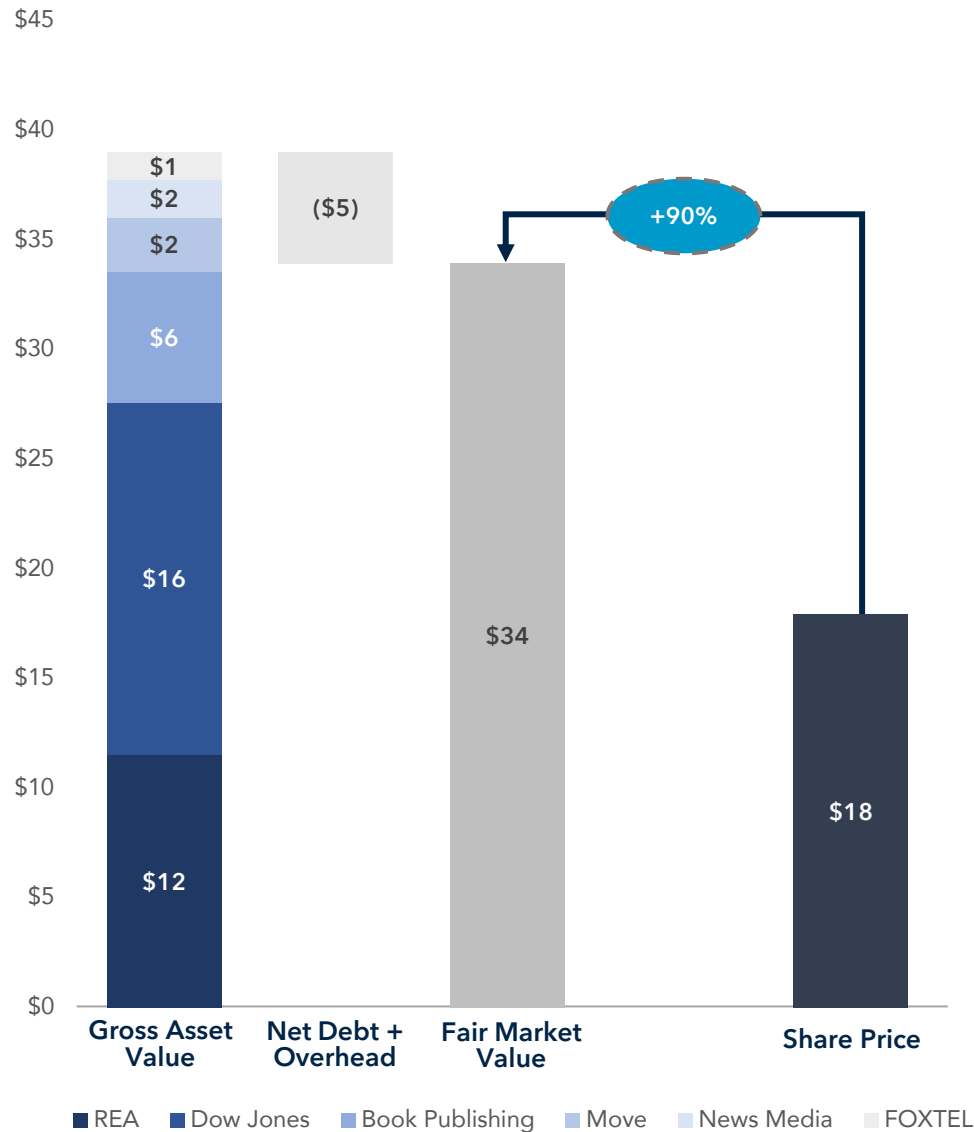
		Mark-to-Market	Exchange Rate	Value (\$)	Value/Share
		Value (\$)	Value/Share	Value (\$)	Value/Share
<b>REA Group</b> <i>61.4% Stake</i>	<ul style="list-style-type: none"> <li>61.4% of REA - listed on the ASX</li> <li>REA has a market value of A\$15.9 billion</li> </ul>	A\$16.1 billion X 61.4%	X \$0.67 per A\$1.00	= \$6.7 billion	\$11.56/Share
<b>Dow Jones</b>	<ul style="list-style-type: none"> <li>Est. earnings mix: 60% consumer and 40% professional info</li> <li>Blended peer multiple of The New York Times (16.2x NTM) and Thomson Reuters (19.4x NTM)</li> <li>Comps + DCF support even higher value</li> </ul>	NTM Financials <sup>(1)</sup> \$529 million EBITDA	X 17.4x EBITDA	= \$9.2 billion	\$16.01 / Share
<b>Book Publishing</b> <i>(HarperCollins)</i>	<ul style="list-style-type: none"> <li>Penguin Random House agreed to acquire Simon &amp; Schuster for 14.6x EBITDA - deal blocked by the Department of Justice in November 2022</li> <li>Comps + DCF support even higher value</li> </ul>	\$314 million EBITDA	X 11.0x EBITDA	= \$3.5 billion	\$6.00 / Share
<b>News Media</b>	<ul style="list-style-type: none"> <li>Newspaper peers trade from 5.1x-6.4x EBITDA</li> <li>More sustainable revenue base (Australian Code). Premium to peers is deserved, but conservatively valued in-line</li> <li>DCF supports substantially higher value</li> </ul>	\$169 million EBITDA	X 5.8x EBITDA	= \$978 million	\$1.70 / Share
<b>Subscription Video Services</b> <i>(FOXTEL)</i>	<ul style="list-style-type: none"> <li>65% equity interest in FOXTEL</li> <li>FOXTEL owes A\$700mm to News Corp via loan</li> <li>Valuing in-line with legacy media peers despite successful streaming transition</li> </ul>	\$347 million EBITDA	X 4.5x EBITDA	= \$472 million (debt) + \$260 million (equity)	\$1.27 / Share
<b>Move, Inc.</b> <i>(Realtor.com)</i> <i>80.0% Stake</i>	<ul style="list-style-type: none"> <li>News Corp owns 80% of Move, Inc. ("Move")</li> <li>Zillow trades at 4.1x NTM revenue, took 30% discount</li> <li>80% of Move acquired for \$760mm; sales grown 3x since</li> </ul>	\$619 million Sales	X 2.9x Sales	= \$1.4 billion	\$2.47 / Share
<b>Net Debt &amp; Corporate Adjustments</b>	<ul style="list-style-type: none"> <li>\$190mm of overhead capitalized at 13.5x, \$298mm balance sheet investments, \$652mm of net debt at News Corp (\$2bn of debt and \$1.3bn of cash attributed to News Corp)</li> </ul>			(\$2.9) billion	(\$5.07) / Share

### News Corp Fair Market Value:

**\$19.5 billion      \$33.95 / Share**

# News Corp is worth substantially more than its trading price

## News Corp: Fair Market Value Versus Share Price



“We still see a significant discount in the sum-of-the-parts, and we still believe that the assets across our portfolio are undervalued, not withstanding all the work we've done...”

*Susan Panuccio*

Deutsche Bank Conference

03 March 2022

## News Corp is worth substantially more than its trading price - management commentary

### Management has consistently highlighted News Corp's significant undervaluation

**"We still see a significant discount in the sum-of-the-parts, and we still believe that the assets across our portfolio are undervalued, not withstanding all the work we've done..."**

*– Susan Panuccio, Deutsche Bank Media, Internet & Telecom Conference (03 March 2022)*

**"...And equally we are firmly of the view that the full value of that digital property assets and their potential is not yet entirely recognized in our share price."**

*– Robert Thomson, Q3 FY2021 Earnings Call (06 May 2021)*

**"Now more than ever, we believe it is evident that News Corp has value above and beyond the sum of our parts. So that mathematical fact is yet to be fully realized for our investors...**We plan to continue simplifying the business and are open to making structural changes to maximize value** and will continue to address the cost base."**

*– Robert Thomson, Q1 FY2021 Earnings Call (05 November 2020)*

**"And we obviously believe the full value of our Digital Real Estate properties is not reflected in our share price...But, at heart, we are very conscious of that value gap because there's so much value in the company that's not at this stage reflected in the share price."**

*– Robert Thomson, Goldman Sachs Communacopia Conference (17 September 2020)*

**"These ongoing simplification efforts shine a brighter light on the intrinsic and increasing value of our core assets, which have been patently unappreciated and under-appreciated for too long."**

*– Robert Thomson, Q2 FY 2020 Earnings Call (06 February 2020)*

**"..simplification is indeed an ongoing process and it doesn't stop at News America Marketing and Unruly. We're very cognizant that the company trades at a discount to [a] sum of the parts and we are seeking to rectify that situation and maximize value for all shareholders. So it's fair to say that the institutional introspection will continue apace."**

*– Robert Thomson, Q1 FY 2020 Earnings Call (07 November 2019)*

## News Corp is worth substantially more than its trading price - investment research commentary

Investment research analysts all agree that News Corp is worth substantially more than the market price

**"As we've noted several times previously, we believe the \$3.4b of market value attributable to non-REA assets (as of 10/14 close) grossly understates their true value...our updated SOTP highlights that Dow Jones alone could be worth ~\$7b - even at multiples below comps like NYT or SPGI - with further implied upside from Book Publishing, Realtor.com, subscription video, and legacy news."**

*(18 October 2022)*

**"Shares continue to trade at a substantial discount to the company's SOTP value... only about \$2b of market cap is currently being attributed to News Corp's assets excluding REA...we believe HarperCollins alone should be worth nearly \$2b using just a 7x EBITDA multiple on our CY22 estimates. This would mean Dow Jones, which includes The Wall Street Journal, is essentially being assigned zero value.** There will likely always be a degree of conglomerate discount for News Corp shares, but we do think the current disconnect is too significant in light of management's continued efforts to improve disclosure and streamline the business...However, we do believe management can continue to increase disclosure."

*(27 January 2021)*

J.P.Morgan

**"In our view, News Corp has continued to trade in the public market at a valuation well below the value of its individual components (our \$34 SOTP target is well above the current \$15.60 share price). We view Digital Real Estate, Dow Jones, and Foxtel all as candidates that if spun-out from NWSA could create shareholder value (currently, NWSA shares trade at a significant discount to our SOTP valuation)."**

GUGGENHEIM

*(17 October 2022)*

**"As we have written in the past, the main opportunity we see for NWSA shareholder value un-lock (i.e. a reduction in SOTP discount) would come as a result of further simplification of NWSA's asset portfolio (e.g. REA and FOXTEL investments)...and we think the most upside for existing NWSA shareholders likely comes if such asset sales/spins are executed by NWSA itself."**

*(17 October 2022)*

Morgan Stanley

**"Once we strip out News Corp's REA holding, the stock is now trading on a 12-month forward EV/EBITDA multiple of only 2.0x, which in our view illustrates the value on offer, especially when we consider the strong recent operating performance from Dow Jones, Move and HarperCollins and an improving trajectory at FOXTEL."**

*(22 September 2021)*

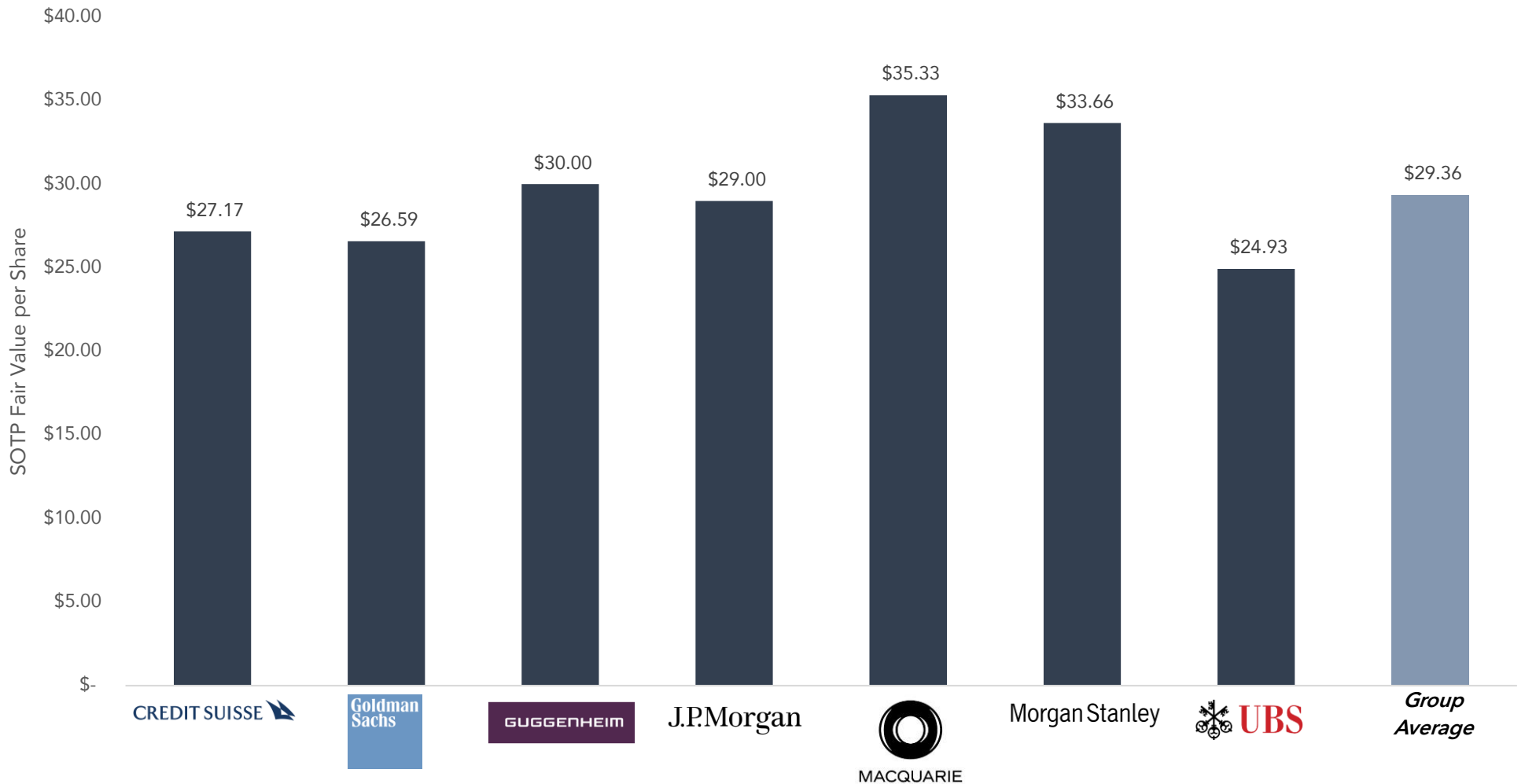
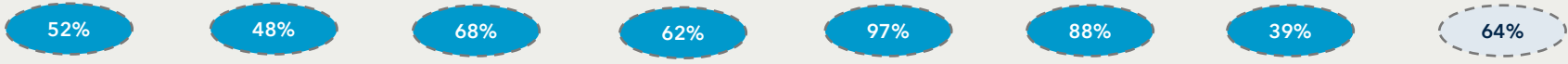
CREDIT SUISSE 



# Investment research SOTP analysis supports significant upside to the current trading price

Investment research analyst SOTP analysis exhibits clear upside to the market price despite using overly conservative multiples

**Upside from \$17.91:**  
Closing price 11/16/2022



Source: Investment bank research reports

I. Executive Summary

II. News Corp Owns High Quality Businesses

III. Why Irenic Believes News Corp is Worth \$34/share

IV. Recombination with Fox Fails to Maximize Value - Compelling Alternatives Exist

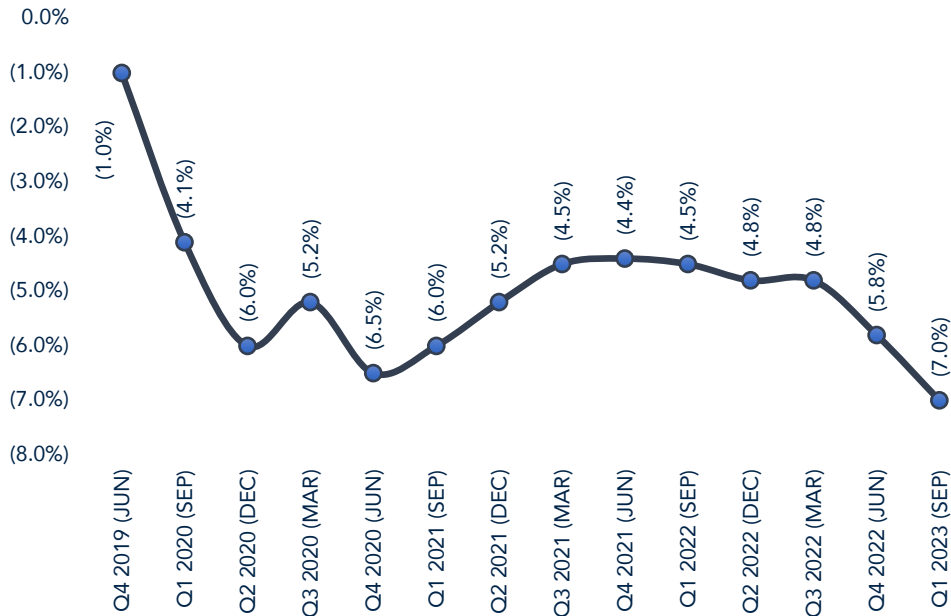
V. Appendix

## Fox business is deeply interwoven with the declining cable bundle

Despite strong execution, Fox is subject to the inexorable decline in the pay television ecosystem

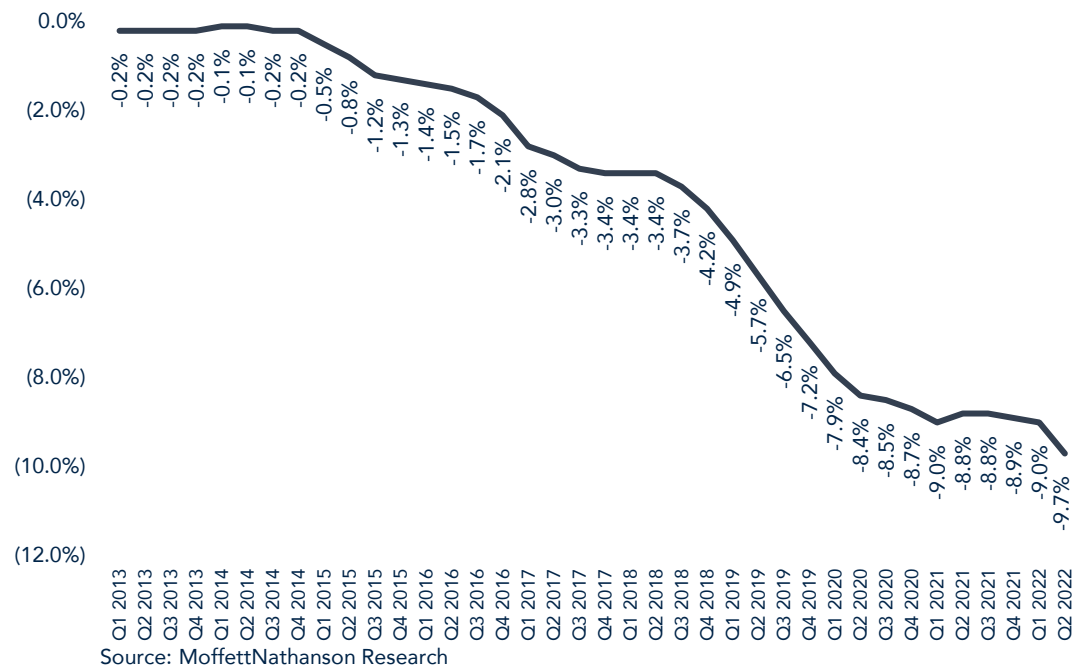
“But of course, we recognize that the trends in the paid subscriber universe has an impact on our business. As you know, we are dependent on our traditional and digital distribution partners and their business plans for our inclusion in their pay television retail offerings. And while I'm not going to predict where a normalized pay TV subscriber base ends up in the near to medium-term, I know that this ecosystem will still be the largest component of our revenues for some time.” – Lachlan Murdoch, Fox Corporation CEO, Fox Q2 FY2020 Earnings Call (05 2020 February)

### Fox Subscribers are Declining



Source: Fox Corporation earnings calls

### Industry Pay-TV Cord Cutting Continues Apace



Source: MoffettNathanson Research

“In our opinion, the 200bp increase in the pace of cord cutting seen over the last year is likely to accelerate next year due to cable companies trying to optimize their businesses for price in the absence of unit growth, which may end up driving more price increases in video. Fox is also among the most exposed to legacy TV advertising (~40% of revenues) across legacy media peers and while the impact of macro should be offset to some extent by its news and sports exposure (2/3<sup>rd</sup> of ad revenue), Fox is unlikely to be immune to these pressures.”

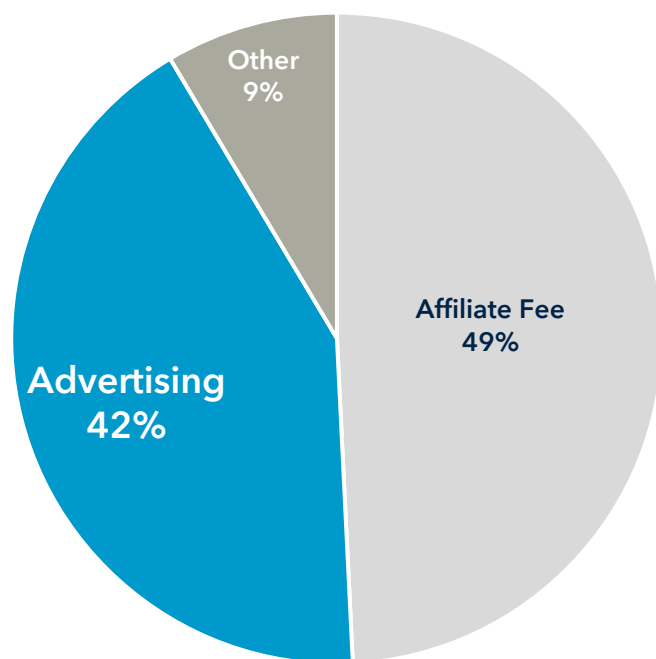
– Barclays (01 November 2022)

## Fox is more dependent on advertising than News Corp

"While FOX's portfolio of news, sports, and broadcast assets should insulate it better than peers with greater general entertainment exposure, we are wary of the accelerating pace of linear subscriber losses and weakening advertising backdrop - which may challenge medium-term performance..."

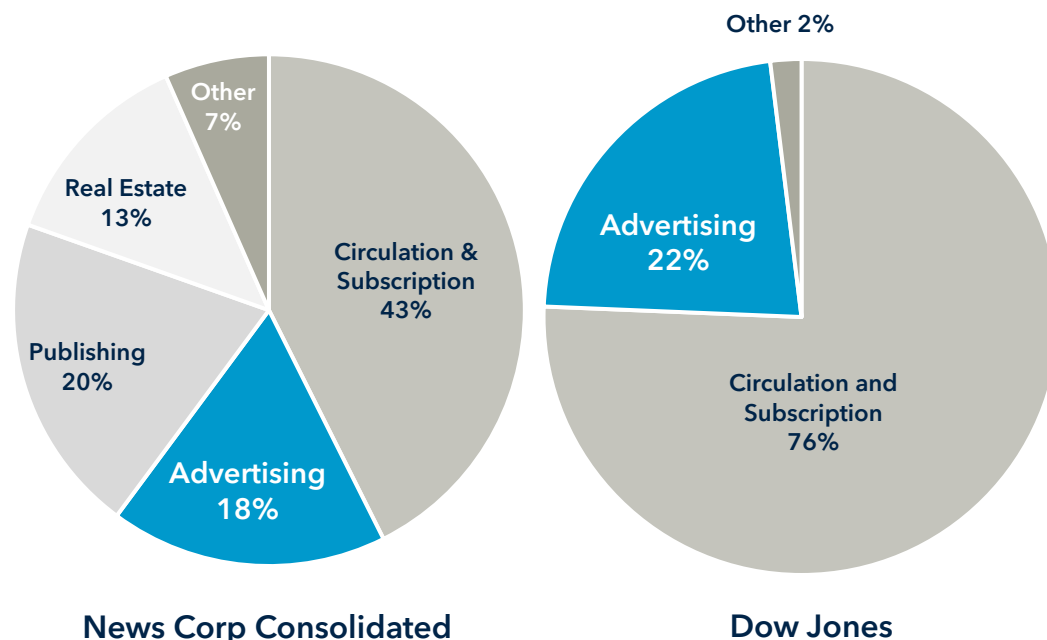
– JP Morgan (01 November 2022)

### Fox Revenue %



### News Corp Revenue %

*Even on a standalone basis, Dow Jones is significantly less dependent on advertising than Fox Corp*



Source: Company filings

"In our opinion, the 200bp increase in the pace of cord cutting seen over the last year is likely to accelerate next year due to cable companies trying to optimize their businesses for price in the absence of unit growth which may end up driving more price increases in video. **Fox is also among the most exposed to legacy TV advertising (~40% of revenues) across legacy media peers** and while the impact of macro should be offset to some extent by its news and sports exposure (2/3<sup>rd</sup> of ad revenue), **Fox is unlikely to be immune to these pressures.**"

– Barclays (01 November 2022)

## Fox has material legal liability risks that must be considered in the context of any deal

Dominion and Smartmatic are requesting relief *in excess of \$4 billion* from Fox - each case has survived the motion to dismiss

### What is the potential legal liability?

- Dominion and Smartmatic generally allege that Fox attempted to boost its ratings by fabricating the narrative that their voting machines or voting software caused the election to be stolen from former President Trump
- Dominion is seeking over \$1.6 billion in damages for defamation, and Smartmatic is seeking over \$2.7 billion in damages for defamation and disparagement
- In both cases, Fox argues it was merely reporting newsworthy events protected by the First Amendment, and it did not act with actual malice. They believe the heightened malice standard applies because both Dominion and Smartmatic are “public figures”
- In both cases, the court has denied Fox’s motion to dismiss. In the case of Dominion, a trial is scheduled for April 2023 and in the case of Smartmatic a trial date has not yet been set

**Irenic has no opinion on the merits of these claims**, but believes that the Special Committee must incorporate a risk-weighted calculation of these liabilities in assessing Fox’s value, as well as consider the potential broader risks to the business from an adverse judgment. **It may be more prudent for the special committee to await an outcome of these cases before proceeding with any Fox transaction.**

## Investment research analysts do not see strategic merit for the recombination of Fox and News Corp

“...the history of separating, and later recombining assets highlights that the company remains a family business, and not necessarily run for the benefit of public shareholders...**Over the long term, the challenge for NWSA holders would be the same as it is currently, namely complexity.** News Corp management has done a good job in recent years of increasing disclosure and focusing investors heavily around Dow Jones, HarperCollins, and Realtor, while improving the financial performance of legacy segments (News, Australia television/streaming). **A tie up with Fox complicates what had been emerging as a cleaner story.**”

–JP Morgan (18 October 2022)

J.P.Morgan

“**We believe neither HarperCollins publishing nor News Corp’s digital real estate assets have an obvious corresponding partner at the Fox business.** We believe that a lack of upfront strategic asset alignment detail has been detrimental to investor perception and market valuation in the combinations of CBS/Viacom and Discovery/Warner Bros. **It is not clear that operational flexibility would be enhanced by combining the companies, in our view...Similarly, we believe the areas that do have apparent strategic alignment, most specifically the news-gathering and reporting assets, do not have obvious activities or responsibilities that can be consolidated or jointly pursued...**We see reducing the conglomerate discount as the most significant hurdle to the success of a re-combination.”

– Guggenheim (17 October 2022)

GUGGENHEIM

“...as we have written in the past, **the main opportunity we see for NWSA shareholder value un-lock (i.e. a reduction in SOTP discount) would come as a result of further simplification of NWSA's asset portfolio (e.g. REA and FOXTEL investments)...and we think the most upside for existing NWSA shareholders likely comes if such asset sales/spins are executed by NWSA itself, before any potential merger with FOXA is undertaken...**News Corp currently trades at a ~50% discount to our SOTP. It has averaged a ~20% discount since its de-merger to become a separate company in 2013. Our view is further meaningful asset sales/spins-offs, subject to attractive valuation/ terms of course, will simplify the NWSA story and thereafter reduce the SoTP discount.”

– Morgan Stanley (17 October 2022)

Morgan Stanley

“**Combining Fox with News Corp’s assortment of assets likely won’t lead to any reset [in] valuation and will even more likely complicate the narrative for investors.** In fact, both stocks have traded at discounts to net asset value, which seems to suggest that a bigger combination of assets would unlikely reverse this situation... So, **we question the decision to announce a potential combination of Fox and News Corp now?** And probably even more importantly, where do we go from here?”

– MoffettNathanson (16 October 2022)

 MOFFETT NATHANSON  
— A DIVISION OF SVB SECURITIES LLC —


## Investment research analysts do not see strategic merit for the recombination of Fox and News Corp (Cont'd)

"...we would expect a return of the historical Fox/News Corp conglomerate discount (especially in this unforgiving market)...**Given the strategic rationale for the merger is uninspiring in our view** (from a Fox standpoint), an important question for investors is "Why now?"... It's true that both companies have strong balance sheets and both are trading at healthy discounts to asset value...Still, an irony not likely to be lost on investors is that these two companies were actually separated to create value just over 9 years ago...Complex stocks and stories have underperformed markedly this year."

CREDIT SUISSE 

– Credit Suisse (16 October 2022)

"We do not see material synergy in combining both companies. Nor do we believe the larger scale will move the needle for either company. News Corp shareholders largely own the stock because it trades at a deep discount to its sum-of-the-parts valuation which theoretically should benefit from continued simplification of the News Corp story. Fox shareholders own an under-levered media company trading at about 4x EBITDA that is strategically well-positioned with a news and sports focus and is not in the high-cost streaming business...To the degree the combined entity uses its larger scale for acquisitions, that adds a layer of uncertainty in the investment...Our thesis has changed. **We were looking for continued simplification of News Corp and a growing exposure to digital real estate, a secularly high-growth business that we estimate will now represent only 10% of the combined company's EBITDA.**"

 LOOP CAPITAL

– Loop Capital (17 October 2022)

"At some level, the announcement is surprising since News Corp was separated from Fox in 2013 to eliminate the conglomerate discount and enable both entities to trade close to their intrinsic valuations. Since then, of course both companies have changed quite a bit, but what hasn't changed is the fact that both **News Corp and Fox continue to trade a significant discounts to their respective peers. Therefore, a recombination in itself is unlikely to solve this valuation problem for either company. Strategically, there is also very little business overlap between the two companies to rationalize the announcement on synergies...**While there could be some long-term benefits that could arise from reconfiguring this portfolio of these assets, **there is no obvious immediate synergies (outside of some corporate expense savings) that are likely to be available...**In some ways, the recombination may also force unfavorable comparisons to the Viacom/CBS merger forced by the Redstone family's succession struggles and to try and buy time for two structurally challenged businesses, which in hindsight did not really help much."

 BARCLAYS

– Barclays (16 October 2022)



## Management at both companies (Fox and News Corp) have historically seen “no obvious synergies”

“...Fox is a focused company and we don’t get distracted by ideas that are not correlated to our core businesses or strategic direction. **Our 2013 spin out of News Corporation was about achieving better focus on complementary businesses as both 21st Century Fox and News Corporation.** Our Fox spin has refined that focus even further. **I can see no logic in reversing the benefits of those defining actions.** That is one reason we chose not reacquire our regional sports networks from Disney. **It is also the reason why we will not reunite with News Corporation.”**

– Lachlan Murdoch, Fox Corporation Investor Day (19 May 2019)

Q: “One last question from me. I cover Fox here in the U.S. and I'm always asked about the possibility of a combination between News Corp and Fox. What are your sort of general thoughts on that?”






A: “Look, I think Lachlan may have spoken about this and said **there are no obvious synergies** or no obvious plans to do that in the short term. I think that business is obviously focusing on establishing itself and working through what those plans are. And we clearly have our own set of plans here. So for us, there is no talk of that as we speak.”

– Susan Panuccio, UBS Media and Communications Conference (4 December 2018)

# REA's strategic priorities have little overlap with Fox assets

REA is focused on expanding its adjacent services in Australia and growing its digital real estate business in India and Southeast Asia

## Our strategic priorities are clear

<p><b>Consumer Experience</b></p> <p>Engage Australia's largest audience of property seekers, driving more leads to our customers.</p> 	<p><b>Customer Value</b></p> <p>Deliver superior customer value "under one roof" across property advertising, agent marketplace and agency services.</p> 	<p><b>Property Data</b></p> <p>Build Australia's leading property data, valuations and insights provider. Power REA with data.</p> 	<p><b>Financial Services</b></p> <p>Be Australia's #1 retail broker business and develop an online home loan marketplace in Australia. Provide choice and make it easy for consumers to find and finance property.</p> 	<p><b>Global</b></p> <p>Be India's undisputed #1 portal, demonstrating strong audience and market share growth. Gain exposure to large and growing markets through Global investments.</p> 
---	--	--	--	--

REA Group 8

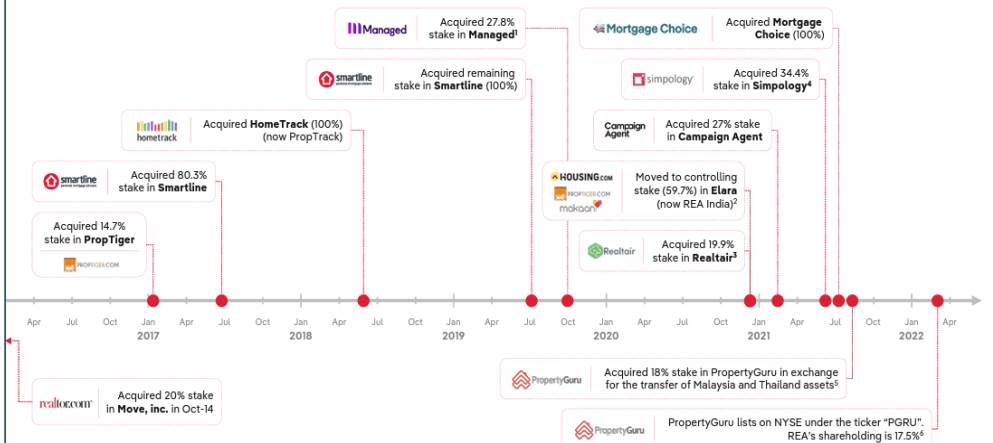
"We have three core objectives... continuing to deliver Australia's largest, most engaged consumer audience, driving more leads to our customers. Providing our customers with superior value across property advertising, our agent marketplace and agency services. And becoming Australia's leading property, data, valuations and insights provider."

– Owen Wilson, REA Group CEO, REA Investor Day (02 June 2022)

"...Two key points, the first is that our core residential business continues to present a significant growth opportunity backed by the scale and audience that are unique to REA, we are laser focused on that. Secondly, our adjacent business we've built; they are exciting and meaningful platforms for future growth, these businesses are clearly diverse but strategically aligned and ultimately, they are property centric."

– Owen Wilson, REA Group CEO, REA Investor Day (02 June 2022)

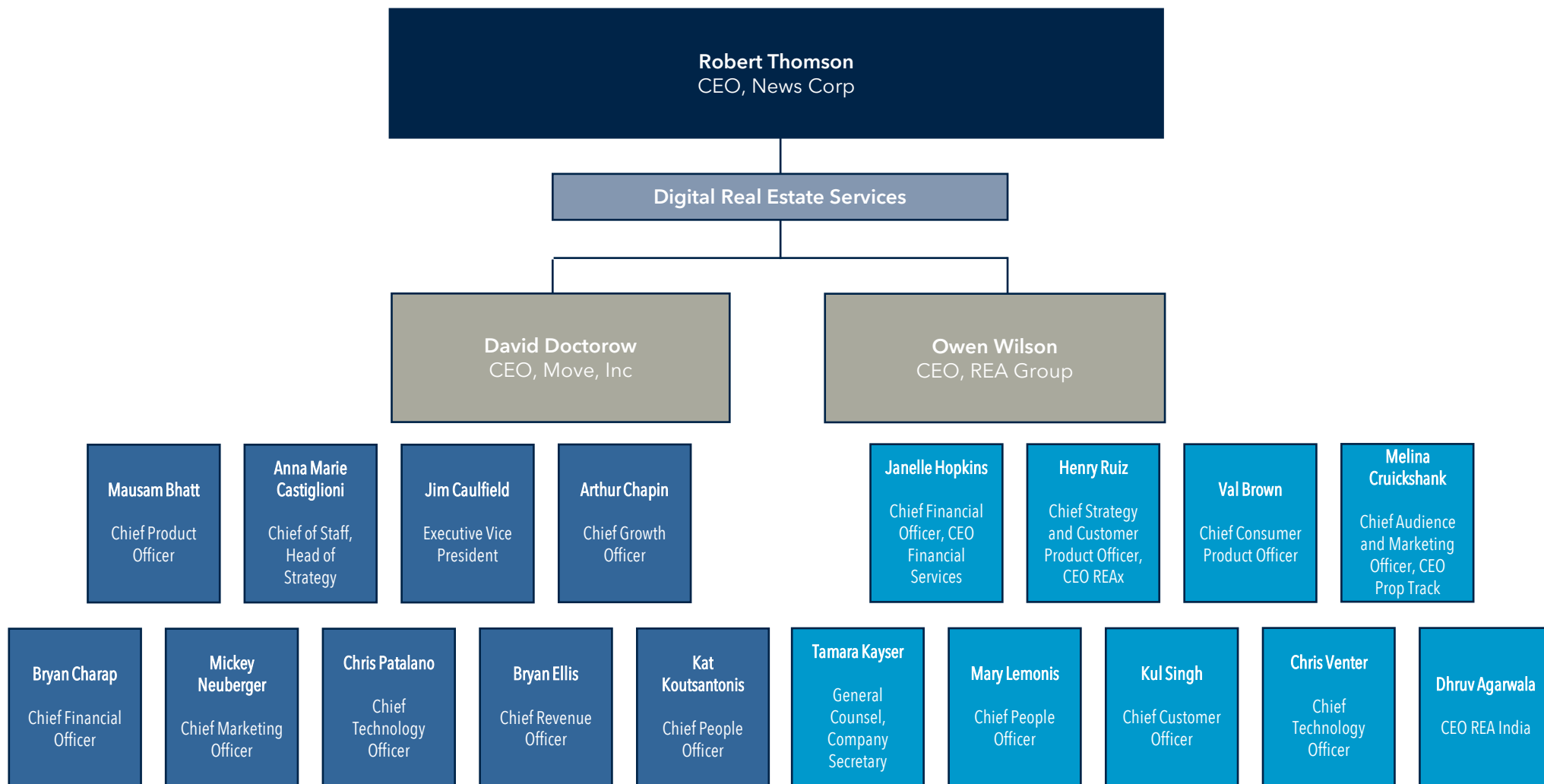
## We have accelerated REA's strategy through pivotal investments



(1) Managed shareholding now 27.8%. (2) The Group held a 59.65% shareholding in Elara (now REA India) on acquisition and subsequently increased its holding to 60.65% as at 30 Jun 21. Shareholding increased to 65.49% in Jul 21. (3) In Dec 20, the Group acquired a 17.9% share in RealTair and in Jan 21 increased its holding to 19.9%. In Dec 21, REA invested an additional US\$5m to take our holding to 31.7% fully diluted. (4) Simpology shareholding now 35.8%. (5) 18% undiluted, 16.6% on a fully diluted basis if all warrants and ESOPs are exercised. (6) REA invested an additional US\$50m as part of the listing process. Holding is 17.5% undiluted, 15.3% on a fully diluted basis if all warrants and ESOPs are exercised.

## REA & Move are well positioned to operate independently

Both REA and Move, Inc. have a full C-Suite with ability to execute independently



Source: Company websites, REA Investor Day Presentation (06 June 2022)

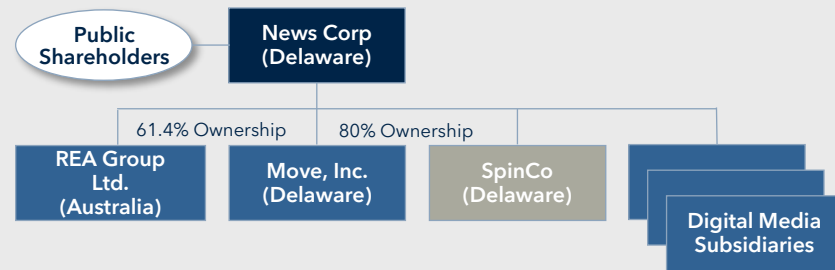
# Multiple paths to maximize value, including tax-free separation of Digital Real Estate

Given the 80% ownership of Move and recent Australian restructure, possible for News Corp to Spin REA Group + Move, Inc. tax-free

SIMPLIFIED TRANSACTION STRUCTURE

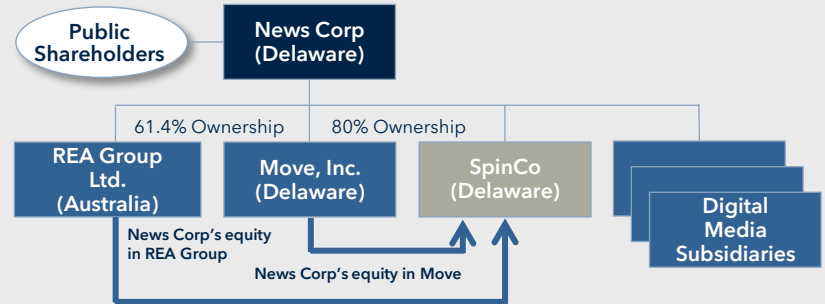
## 1 Formation of SpinCo

**STEP 1** / SpinCo is formed as a wholly owned corporate subsidiary of News Corp

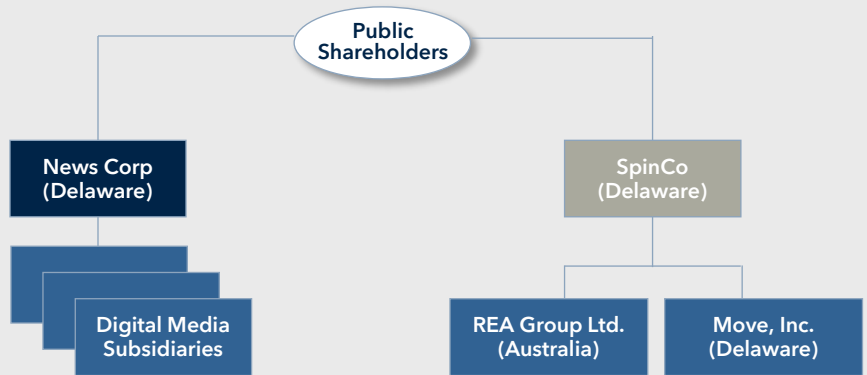


## 2 Contribution of Assets to SpinCo

**STEP 2** / News Corp contributes 100% of its equity in Move & REA Group to SpinCo

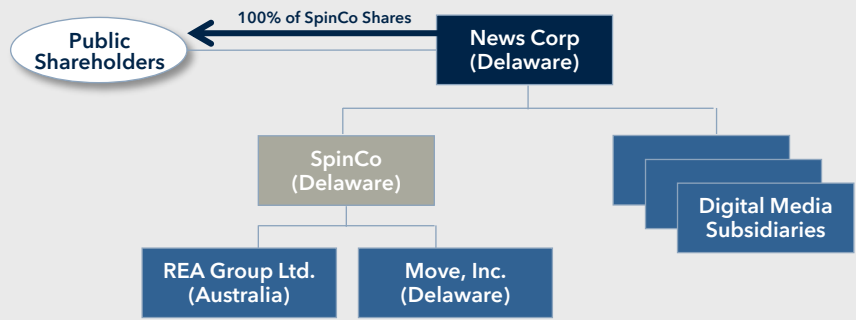


## 4 Final Structure



## 3 Distribution of SpinCo Shares to News Corp Shareholders

**STEP 3** / News Corp distributes 100% of SpinCo's shares to public shareholders of News Corp on a pro rata basis



## Standalone, Dow Jones is a well-scaled preeminent financial news and information business

Dow Jones alone is worth \$9 billion+, 2.1x the implied value of News Corp after backing out its interest in REA

### I. Dow Jones has a full C-Suite and can be run independently

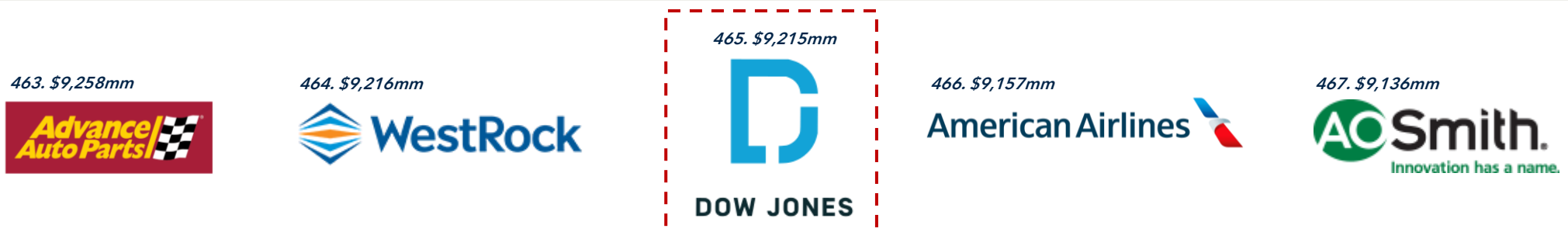
- Dow Jones has its own Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Revenue Officer, Regional & Segment Presidents
- CEO Almar Latour's experience (Editor-in-Chief Asia, Managing Editor of WSJ Online) is well-suited to Dow Jones' goals - international expansion and growth of "business-to-professional" digital bundles

### II. Standalone growth profile and scale is comparable to listed financial news and information peers

- Standalone Dow Jones would be expected to produce \$2 billion+ in revenue and \$500 million+ in EBITDA
  - The New York Times: \$2.4bn in sales / \$342mm in EBITDA / \$5.4bn enterprise value
  - Morningstar: \$2.1bn in sales / \$472mm in EBITDA / \$11.1bn enterprise value
  - **Dow Jones: \$2.3bn in sales / \$529mm in EBITDA / ??? bn enterprise value** ←
  - CoStar Group: \$2.5bn in sales / \$755mm in EBITDA / \$29.2bn enterprise value
  - MSCI: \$2.4bn in sales / \$1.4bn in EBITDA / \$43.0bn enterprise value

### III. At a \$9.2 billion market capitalization, Dow Jones would rank higher in market cap than 35 members of the S&P 500

#### S&P 500 Ranking by Market Capitalization (hypothetical)



Source: Bloomberg, FactSet, S&P CapitalIQ; revenue and EBITDA figures represent NTM estimates, market capitalization per shares outstanding prior to dilution from options  
Note: News Corp Enterprise Value of \$11.0bn (\$10.4bn market cap + \$652mm net debt) less REA stake of \$6.7bn results in value \$4.4bn  
Market values of 16 November 2022 per Bloomberg

**I. Executive Summary**

**II. News Corp Owns High Quality Businesses**

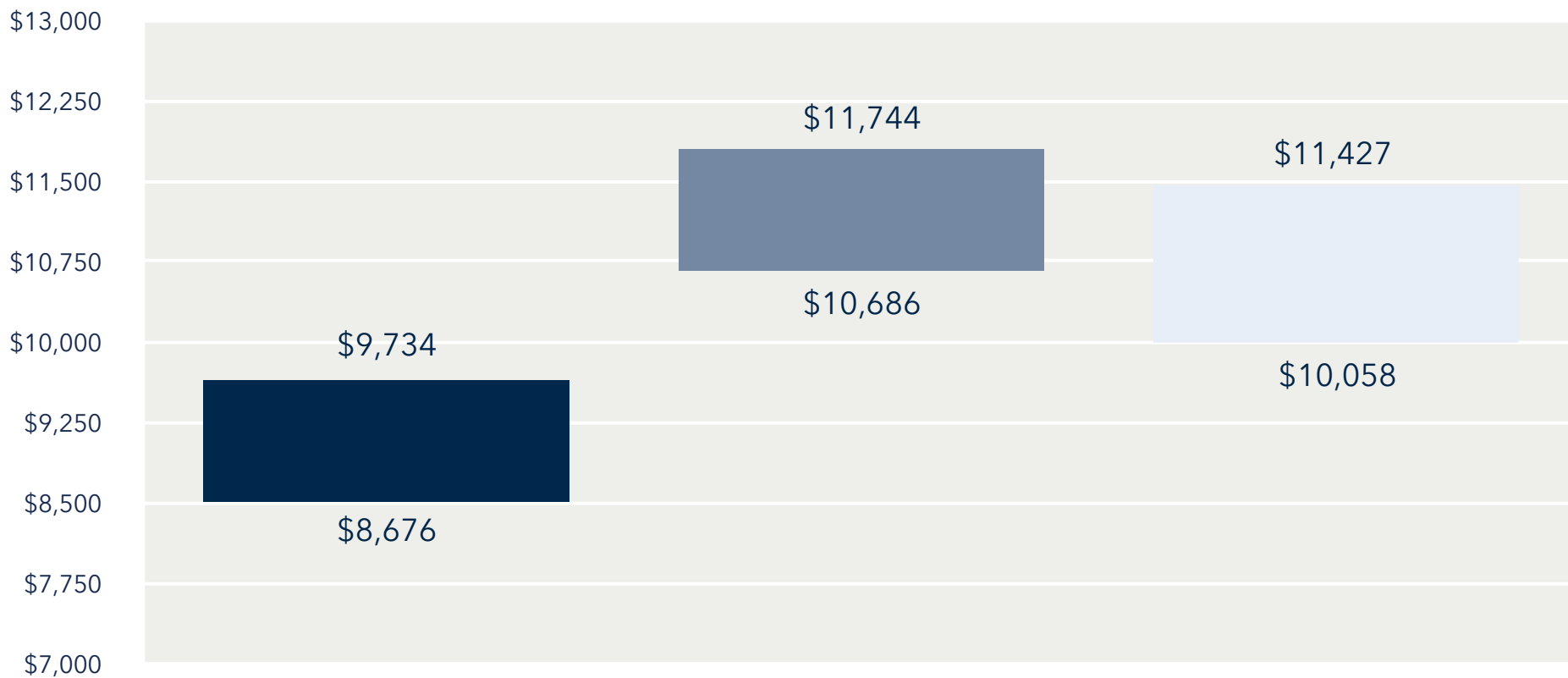
**III. Why Irenic Believes News Corp is Worth \$34/share**

**IV. Recombination with Fox Fails to Maximize Value - Compelling Alternatives Exist**

**V. Appendix**

## Dow Jones - Supplemental Valuation Analysis

(\$ IN MILLIONS)



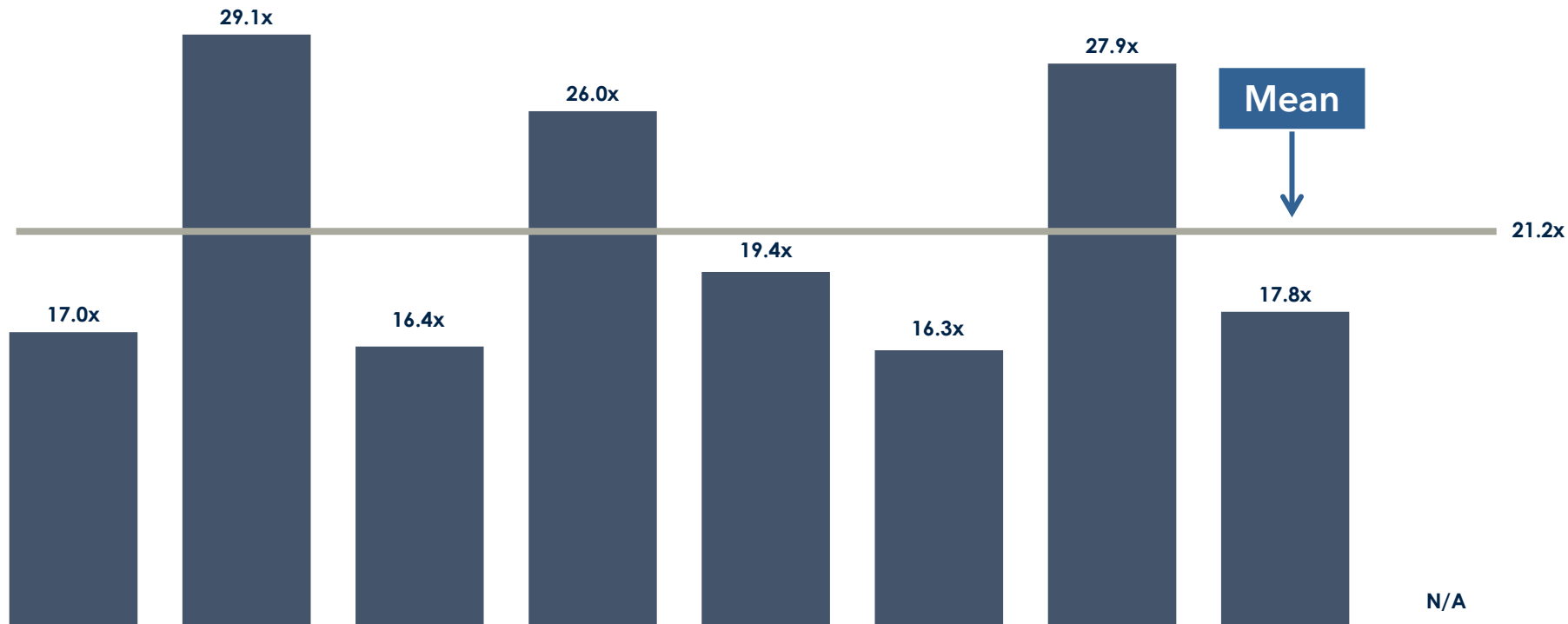
Trading Comparables	Transaction Comparables	Discounted Cash Flow
NTM EBITDA of \$529 and multiples between 16.4x - 18.4x	NTM EBITDA of \$529 and multiples between 20.2x - 22.2x	Discounted at 7.8% - 9.8% with a Terminal Multiple of 20.7x - 21.7x

Note: Analysis prepared by 3<sup>rd</sup>-party investment bank  
 Trading comps at 1.0x range from 60%/40% wtd. Average of NYT/TRI NTM of 17.4x. DCF exit multiple sensitized 0.5x on transaction comp average



# Dow Jones Select Transaction Comps

(\$ IN MILLIONS)



Target	The Washington Post	FT FINANCIAL TIMES	THOMSON REUTERS (Financial Risk & US Holdings) (55% Stake)	REIS	DBRS	REFINITIV	IHS Markit	OPIS By IHS Markit	S&P Global (Base Chemicals)
Acquirer		NIKKEI	The Blackstone Group	Moody's	MORNINGSTAR	LSEG	S&P Global	News Corp	News Corp
Enterprise Value	\$250	\$1,220	\$31,455	\$251	\$669	\$26,592	\$43,831	\$1,150	\$295
EBITDA	\$15	\$42	\$1,916	\$10	\$34	\$1,635	\$1,570	\$65	N/A
Announced Date	08/13	07/15	01/18	08/18	05/19	08/19	11/20	08/21	12/21

Source: FactSet Research Systems, S&P Capital IQ, Bloomberg and Company Press Releases  
 Note: Analysis prepared by 3<sup>rd</sup>-party investment bank

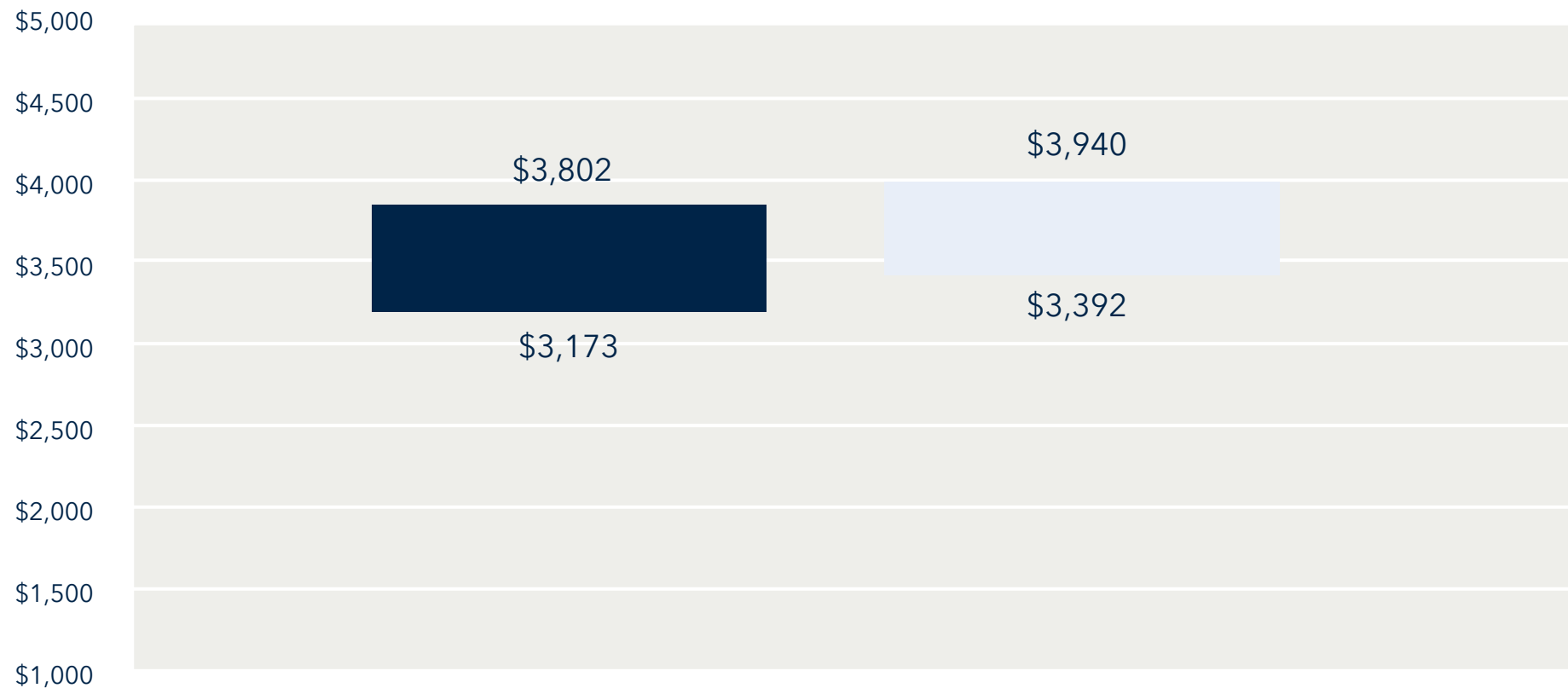
*Dow Jones Investor Day Slide - 21 September 2020*

**A highly undervalued part of a highly undervalued company**

News Corp closed at \$15.64 on the last trading day before the Dow Jones Investor Day. The S&P 500 was 3,319. On Friday (14 October 2022) News Corp closed at \$15.60. The S&P 500 was 3,583

# HarperCollins - Supplemental Valuation Analysis

(\$ IN MILLIONS)



## Transaction Comparables

NTM EBITDA of  
\$314 and  
multiples between  
10.1x - 12.1x

## Discounted Cash Flow

Discounted at  
8.1% - 10.1% with a  
Terminal Multiple of  
10.6x - 11.6x

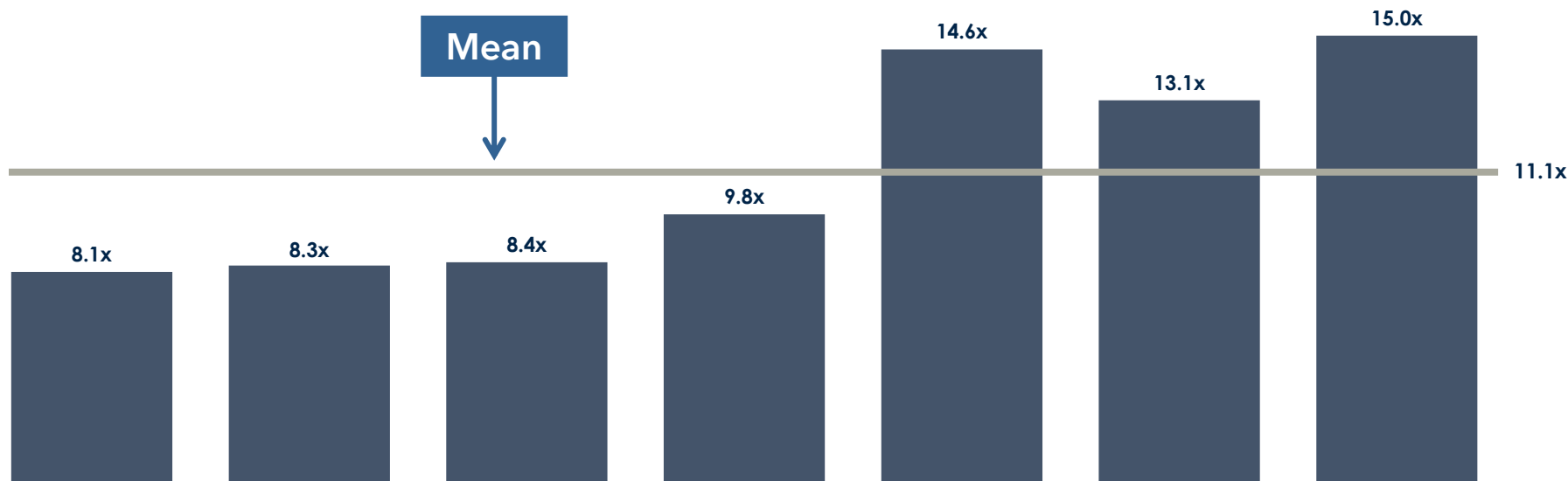
**Notes:**

Analysis prepared by 3<sup>rd</sup>-party investment bank

Trading comparables not included as there are no appropriate direct comparables. None of the other 4 of the 5 largest book publishers (Simon & Schuster, Penguin Random House, Hachette Book Group, and Macmillan) are independently listed

# HarperCollins Select Transaction Comps

(\$ IN MILLIONS)

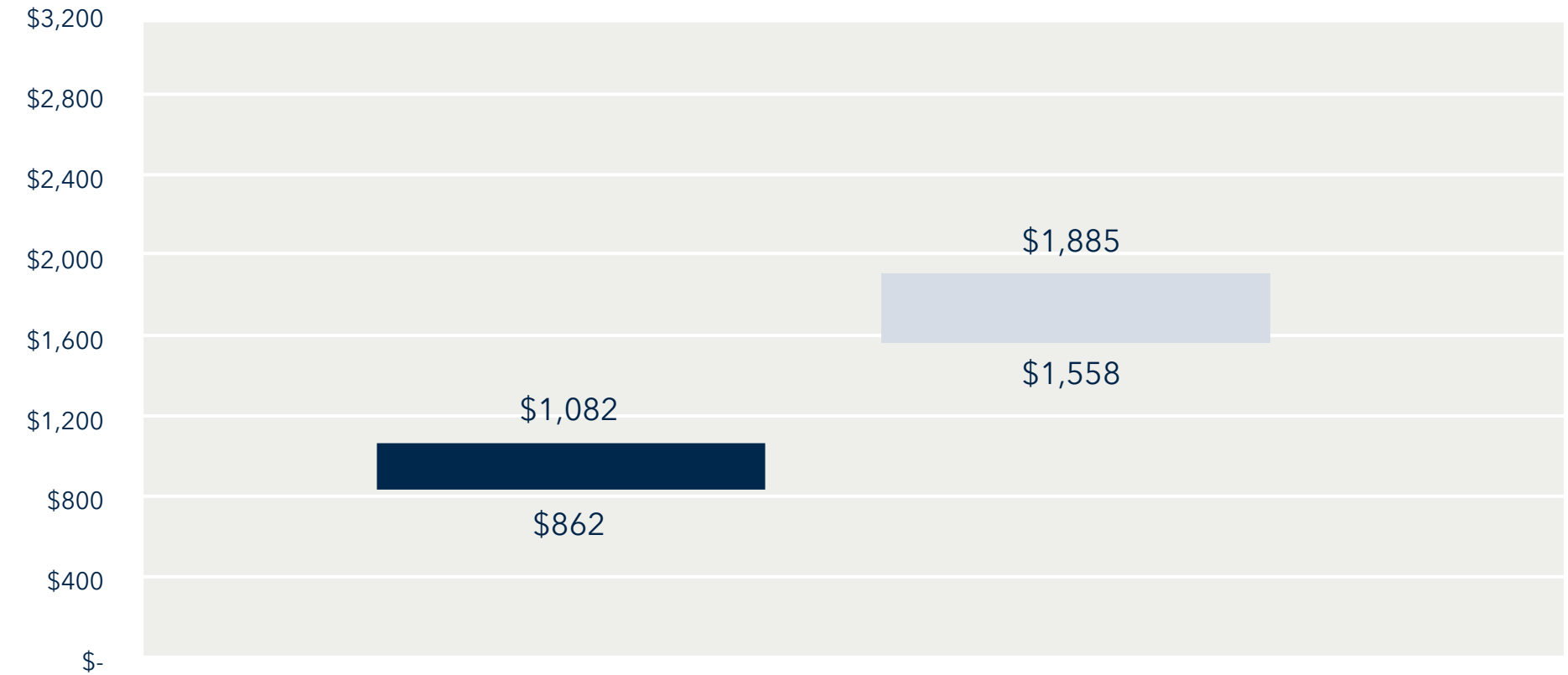


Target	Acquirer	Enterprise Value	EBITDA	Announced Date
HARLEQUIN	HarperCollins Publishers	\$415	\$51	05/14
COURIER COMMUNICATIONS <small>The Nation of Denmark's Independent Group 2018</small>	rrd	\$305	\$37	10/14
Penguin Random House <small>(22% Stake)</small>	BERTELSMANN	\$4,466	\$531	07/17
Pearson <small>(US K12 Courseware Division)</small>	NEXUS	\$250	\$26	02/19
SIMON & SCHUSTER	Penguin Random House	\$2,175	\$149	11/20
Houghton Mifflin Harcourt	HarperCollins Publishers	\$349	\$27	03/21
Dennis	FUTURE PLC	\$416	\$28	08/21

Source: FactSet Research Systems, S&P Capital IQ, Bloomberg and Company Press Releases  
 Note: Analysis prepared by 3<sup>rd</sup>-party investment bank

# News Media - Supplemental Valuation Analysis

(\$ IN MILLIONS)



## Trading Comparables

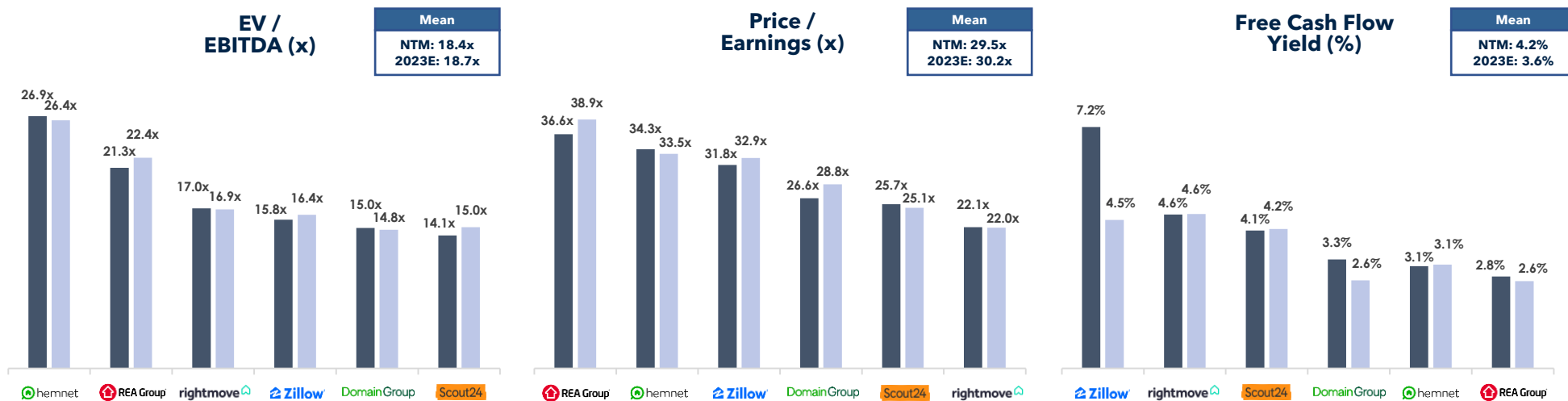
NTM EBITDA of  
\$169 and  
multiples between  
5.1x - 6.4x

## Discounted Cash Flow

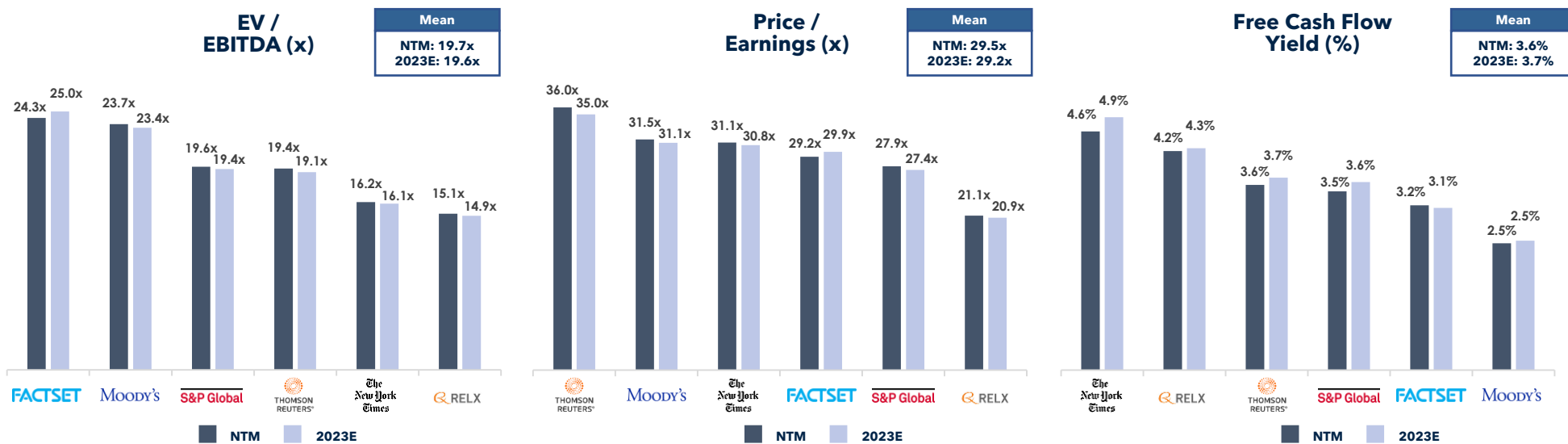
Discounted at  
8.8% - 10.8% with a  
Terminal Multiple of  
5.0x - 6.0x

Note: Analysis prepared by 3<sup>rd</sup>-party investment bank

## Digital Real Estate



## Business and Information Services



Source: FactSet Research Systems, S&P Capital IQ, Bloomberg and Company Press Releases

# Irenic Valuation Assumption Notes - Appendix

## REA Group:

1. REA Group mark-to-market valuation as of 11 November 2022 closing price of A\$121.69 converted into U.S dollars at \$0.6741 per Australian dollar
2. News Corp holds 81,141,397 shares of REA Group per REA Group's Shareholder Information Disclosures

## Dow Jones:

1. NTM EBITDA multiple of 17.4x represents the blended multiple of 60% of *The New York Times* (16.2x NTM EBITDA) and 40% Thomson Reuters (19.4x NTM EBITDA)
2. Note that Thomson Reuters Enterprise Value is adjusted for its \$6.2bn equity method interest in Refinitiv per company filings
3. Mix shift towards Professional Information business likely supports even higher multiple given earnings mix will be increasingly weighted towards higher margin business (e.g., OPIS & Base Chemicals)
4. DCF analysis prepared by 3<sup>rd</sup> party investment bank supports a higher multiple (DCF valuation range supports 19.0x-21.6x NTM) relative to the 17.4x NTM used in our analysis
5. Transaction comparables with an average of 19.7x support a higher multiple relative to the 17.4x NTM used in our analysis

## HarperCollins/Book Publishing:

1. NTM EBITDA multiple of 11.0x, a 3.6x discount to the agreed upon price for Penguin Random House's (owned by Bertelsmann) \$2.175bn acquisition of Simon & Schuster from Paramount
2. Further supported by transaction comparable multiple average of 11.1x EBITDA, would likely command a premium to transaction comparables as the #2 player in a consolidated industry

## News Media:

1. NTM EBITDA multiple of 5.8x in-line with newspaper peer average of Gannett (5.0x) and Lee Enterprises (6.4x)
2. Increasing digital mix, growth in paid-subscribers, shift away from pure advertising model, and the addition of high-margin licensing revenue from Apple, Google, Facebook, etc. likely warrants premium multiple to its peers. Peer average used for the sake of conservatism. If the business exhibits durability of high-margin licensing revenue from large tech platforms and paid digital subscribers, it should support a higher multiple over time
3. DCF analysis prepared by 3<sup>rd</sup> party investment bank supports a higher multiple (DCF valuation range supports 9.2x-11.1x NTM) relative to the 5.8x NTM used in our analysis
4. Consensus 2023E EBITDA is depressed due to investments related to the launch of *TalkTV* (\$20mm incurred in Q1'23 with additional investments announced)

## FOXTEL/Subscription Video Services:

1. NTM EBITDA multiple of 4.5x in-line with Australian pay-tv peer average of Nine Entertainment (5.9x) and Seven West Media (3.1x)
2. The transition to a profitable streaming business with lower capital intensity likely merits a higher multiple than legacy-Pay TV centric businesses but valued at the mid-point of its local peers for the sake of conservatism
3. News Corp extended a A\$700mm intercompany loan to FOXTEL which is an asset to News Corp worth \$472mm (U.S. dollars for sake of clarity)
4. In November 2020, FOXTEL reportedly received an offer from a SPAC led by Leo Hindery (former Chairman and CEO of The YES Network) at a \$2bn valuation; which would imply 6.2x on FYE June 2020 EBITDA of \$323mm

## Move, Inc.:

1. NTM multiple of 2.9x NTM revenue is a 30% discount to Zillow Group's 4.1x NTM revenue multiple as of 16 November 2022
2. Bloomberg does not provide consensus level estimates for Move, Inc. The \$619mm estimate is applying a comparable reduction to FY2022 sales relative to consensus estimates for Zillow Group (-13% versus LTM period; Zillow IMT+Mortgages LTM revenue of \$2,057mm compared to Bloomberg consensus NTM estimates of \$1,789mm)

## Overhead, Corporate Adjustments and other general notes:

1. Net debt reflects \$2.0bn of debt attributable to News Corp less \$1.4bn of cash (excluding \$110mm of cash held by REA Group). News Corp does not disclose cash held at other partially owned consolidated subsidiaries (e.g. FOXTEL and Move, Inc.)
2. Includes balance sheet assets of \$298mm including \$208mm of equity securities (primarily comprised of Tremor, certain investments in China and HT&E limited)
3. Assumed corporate expense of \$190mm in-line with Fiscal Year 2022. Reported \$221mm adjusted by \$11mm for U.K. Newspaper Matters costs and \$20mm of legal costs related to Insignia settlement
4. NTM estimates are per segment level consensus provided by Bloomberg unless otherwise noted
5. Share count of 575.6mm shares per 09 November 2022 10Q ("as of November 4, 2022, 382,351,488 shares of Class A Common Stock and 193,276,309 shares of Class B Common Stock were outstanding")



# Investment Research SOTP Summary

Analyst Coverage Report Date	EBITDA												
	CS		GS		Gugg	JPM		Macq		MS		UBS	
	11/9/22		10/26/22		11/8/22	8/12/22 10/18/22		11/15/22		10/17/22		10/5/22	
	2023E	2024E	2023E	2024E	2023E	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E
Dow Jones	\$ 515	\$ 537	\$ 501	\$ 525	\$ 534	\$ 532	\$ 559	\$ 474	\$ 524	\$ 496	\$ 536	\$ 499	\$ 515
REA Group (61.4%)	504	561	453	517			582						
Move Inc. (80%)	54	101	56	81	94		91	89					
Book Publishing	270	290	221	287	300	301	320	222	244	305	325	\$ 240	\$ 291
Subscription Video Services (65%)	315	312			365	367	404	360	339	350	340		
News Media	153	140	146	148	152	180	168	66	130	222	227	\$ 151	\$ 104
(-) Corporate Overhead	(201)	(201)			(201)	(221)	(230)	(200)	(205)	(209)	(214)	\$ (230)	\$ (221)

Analyst Coverage Report Date	Implied EV / 23E EBITDA Multiple								Valuation							
	CS	GS	Gugg	JPM	Macq	MS	UBS	Avg.	CS	GS	Gugg	JPM	Macq	MS	UBS	Avg.
Dow Jones	9.2x	8.4x	15.0x	13.1x	20.0x	15.0x	9.6x	12.9x	\$ 4,739	\$ 4,199	\$ 8,032	\$ 6,990	\$ 9,475	\$ 7,439	\$ 4,790	\$ 6,523
REA Group (61.4%)	23.9x	29.5x					26.6x	26.7x	7,426	8,217	6,237	5,923	6,736	5,811	7,154	6,786
Move Inc. (80%)	23.0x	43.3x	15.0x	46.0x			24.6x	30.4x	1,688	1,953	1,134	874	3,297	3,800	1,701	2,064
Book Publishing	8.6x	6.5x	9.0x	10.6x	8.0x	10.0x	7.9x	8.7x	2,320	1,437	2,697	3,195	1,950	3,047	1,893	2,363
Subscription Video Services (65%)	6.5x		6.0x	6.1x	7.0x	4.0x	5.3x	5.8x	1,325		1,713	2,221	1,636	301	1,143	1,390
News Media	5.6x	4.1x	5.0x	3.7x	7.0x	5.0x	1.1x	4.5x	860	594	759	671	459	1,109	166	660
(-) Corporate Overhead	8.0x		10.5x	9.4x	12.6x	8.0x	10.3x	9.8x	(1,607)		(2,107)	(2,070)	(2,521)	(1,672)	(2,367)	(2,057)

<b>Gross Asset Value</b>									\$ 16,808	\$ 16,509	\$ 18,465	\$ 17,805	\$ 21,032	\$ 19,834	\$ 14,480	\$ 17,728
(-) Net Debt and Other Corporate Adjustments									(777)	(860)	(1,861)	(500)	(401)	37	(212)	(653)
<b>Net Asset Value</b>									\$ 16,031	\$ 15,649	\$ 16,604	\$ 17,305	\$ 20,631	\$ 19,871	\$ 14,268	\$ 17,075
Shares Outstanding									590	589	557	589	584	590	572	582
<b>Share Price Target</b>									\$ 27.17	\$ 26.59	\$ 30.00	\$ 29.00	\$ 35.33	\$ 33.66	\$ 24.93	\$ 29.36
Upside to Market Price (as of 16 Nov 2022)									52%	48%	68%	62%	97%	88%	39%	64%

## Investment Research SOTP Summary (Cont.)

---

### Credit Suisse:

1. Reference Document: Analyst Report – News Corp 1Q23 Results Report (09 November 2022)
2. SOTP reflects full value of Subscription Video Services with a reduction for external SVS debt and REA net debt reflected below Enterprise Value
3. Valuation of \$1.7bn for 80% interest in Move not consistent with reported multiples. Analyst references DCF for valuation support
4. Applies Dow Jones multiple of 8.8x 2024E and 9.2x on 2023E, an unexplained 7.0x discount to the NTM trading multiple of *The New York Times*
5. Report references 583mm shares, but equity value of \$16,031mm implies 590 shares used for denominator

### Goldman Sachs:

1. Reference Document: Published Model (26 October 2022)
2. Cites FY24E multiples for SOTP analysis, 23E multiples implied based upon analyst's published financials
3. Does not provide Subscription Video Services segment level financials or corporate expenses. Bucketed together as 'Other'
4. References Goldman Sachs REA PT to imply \$8.2bn of value for REA (versus \$6.7bn at mark-to-market)
5. Applies Dow Jones 2024E multiple of 8.0x which implies 8.4x on 2023E, an unexplained 7.8x discount to the NTM trading multiple of *The New York Times*
6. \$16.5bn asset value is implied based upon disclosed equity value and adjusted for net debt and investments of \$923mm and \$63mm respectively

### Guggenheim:

1. Reference Document: Analyst Report – News Corp 1Q23 Results Report (08 November 2022)
2. Values Subscription Video Services at \$2.2bn less Telstra interest of \$476mm and adjusts News Corp stake higher for intercompany loan resulting in \$1.7bn of value to News Corp
3. Share count of 557mm is the low of the group – assume analyst is projecting continued share repurchases, which would imply an additional \$500mm through fiscal year end. Net debt of \$1.3bn (versus \$650mm as of Q1'23 accounts for increased repurchases)

### JP Morgan:

1. Reference Document: Analyst Report – FOXA/NWSA 'Getting the Band Back Together' (18 October 2022)
2. Cites FY24E multiples for SOTP analysis, 23E multiples implied based upon published financials where available
3. 2023E financials sourced from 08 August 2022 report – last date analyst published News Corp financials. 2023E multiples implied based upon 2023E published financials
4. Subscription Video Services value is for 100% of EV and adjusted for non-consolidated interests below gross asset value

### Macquarie:

1. Reference Document: Analyst Report – News Corp 1Q23 Results Report (15 November 2022)
2. Valuing Book Publishing on 2024E EBITDA (presumably due to one-time Amazon impact in Q1'23)
3. Projection for 2023E News Media EBITDA of \$66mm is \$151mm below FY 2022 EBITDA of \$217mm

### Morgan Stanley:

1. Reference Document: Analyst Report – News Corp + Fox Potential Merger (17 October 2022)
2. Analyst tax affects the REA interest by \$1.2bn which is not relevant in the context of a tax-free spin of Digital Real Estate or tax-free separation of Dow Jones
3. Reported Equity Value of \$18.7bn grossed up for adjustment of REA tax affect resulting in \$19.9bn equity value

### UBS:

1. Reference Document: Analyst Report – News Corp Estimate Update (05 October 2022)
2. Analyst does not provide segment level financials. Segment level financials are imputed based upon multiples provided in SOTP
3. Applies Dow Jones 2023E multiple of 9.6x an unexplained 6.6x discount to the NTM trading multiple of *The New York Times*
4. Valuing News Media, which produced EBITDA-Capex of \$136mm in FY 2022, at 1.1x 2023E EBITDA which appears punitively conservative
5. Capitalizing overhead expenses of \$230mm (\$40mm above FY 2022 net of one-time charges) at 10.3x despite the highest fully-owned asset held at 9.6x EBITDA appears punitive

### General Notes:

1. For the purpose of this analysis, we have excluded analyst HoldCo/Conglomerate discounts in order to illustrate the fair value irrespective of any arbitrary discount applied