

MEREDITH CORP  
Form 10-K  
August 29, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K  
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended June 30, 2017 Commission file number 1-5128  
MEREDITH CORPORATION  
(Exact name of registrant as specified in its charter)

Iowa 42-0410230  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1716 Locust Street, Des Moines, Iowa 50309-3023  
(Address of principal executive offices) (ZIP Code)

Registrant's telephone number, including area code: (515) 284-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1	New York Stock Exchange

Securities  
registered  
pursuant to  
Section 12(g) of  
the Act:

Title  
of  
class  
Class B  
Common Stock,  
par value \$1

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and emerging growth company in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if a smaller reporting company)  
Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The registrant estimates that the aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant at December 31, 2016, was approximately \$2.2 billion based upon the closing price on the New York Stock Exchange at that date.

Shares of stock outstanding at July 31, 2017

Common shares 39,475,889

Class B shares 5,119,163

Total common and Class B shares 44,595,052

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## DOCUMENT INCORPORATED BY REFERENCE

Certain portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on

November 8, 2017, are incorporated by reference in Part III to the extent described therein.

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Meredith Corporation and its consolidated subsidiaries are referred to in this Annual Report on Form 10-K (Form 10-K) as Meredith, the Company, we, our, and us.

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## PART I

### ITEM 1. BUSINESS

#### GENERAL

Meredith Corporation has been committed to service journalism for 115 years. Meredith began in 1902 as an agricultural publisher. In 1924, the Company published the first issue of Better Homes & Gardens. The Company entered the television broadcasting business in 1948. Today, Meredith uses multiple media platforms—including broadcast television, print, digital, mobile, and video—to provide consumers with content they desire and to deliver the messages of our advertising and marketing partners. The Company is incorporated under the laws of the State of Iowa. Our common stock is listed on the New York Stock Exchange under the ticker symbol MDP.

The Company operates two business segments: local media and national media. Our local media segment consists of 17 television stations located across the United States (U.S.) concentrated in fast growing markets with related digital and mobile media assets. The television stations include seven CBS affiliates, five FOX affiliates, two MyNetworkTV affiliates, one NBC affiliate, one ABC affiliate, and two independent stations. Local media's digital presence includes 12 websites, 12 mobile-optimized websites, and approximately 30 applications (apps) focused on news, sports, and weather-related information.

Our national media segment includes leading national consumer media brands delivered via multiple media platforms including print magazines and digital and mobile media, brand licensing activities, database-related activities, and business-to-business marketing products and services. It focuses on the food, home, parenting, and lifestyle markets and is a leading publisher of magazines serving women. In fiscal 2017, we published in print more than 20 subscription magazines, including Better Homes & Gardens, Shape, Parents, Family Circle, Martha Stewart Living, Rachael Ray Every Day, FamilyFun, and Allrecipes, and nearly 140 special interest publications. Most of our brands are also available as digital editions on one or more of the major digital newsstands and on major tablet devices. The national media segment's extensive digital presence consists of more than 50 websites, nearly 50 mobile-optimized websites, and nearly 20 apps. The national media segment also includes digital and customer relationship marketing, which provides specialized marketing products and services to some of America's leading companies; a large consumer database; brand licensing activities; and other related operations.

Financial information about industry segments can be found in Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations and in Item 8-Financial Statements and Supplementary Data under Note 15.

The Company's largest revenue source is advertising. National and local economic conditions affect the magnitude of our advertising revenues. Both local media and national media revenues and operating results can be affected by changes in the demand for advertising and consumer demand for our products. Television advertising is seasonal and cyclical to some extent, traditionally generating higher revenues in the second and fourth fiscal quarters and during key political contests and major sporting events. Magazine circulation revenues are generally affected by national and regional economic conditions and competition from other forms of media.



## BUSINESS DEVELOPMENTS

During fiscal 2017, Meredith renewed its licensing program with Wal-Mart Stores, Inc. (Walmart). This program features more than 3,000 SKUs of Better Homes & Gardens branded products at 5,000 Walmart stores and on walmart.com. In addition, in September 2016, EatingWell-branded frozen entrées were launched through a variety of regional and national grocers. Due to the strong consumer demand for these products, additional distribution will be added in the second half of calendar 2017.

During fiscal 2017, Meredith continued to expand our reach to the consumer through magazine brand launches. In July 2016, Meredith announced a partnership with Joanna and Chip Gaines, owners of the successful Magnolia brand, to launch the Magnolia Journal, a quarterly lifestyle magazine. Due to strong demand, two weeks after its newsstand debut in October 2016, Meredith went back to press to increase the distribution from 400 thousand to 600 thousand. The title quickly became Meredith's strongest-selling launch in recent history, and is on track to become the most profitable title in the first year of operation in Meredith history. The title is now selling more than 900,000 copies each issue through both paid subscriptions and at newsstand. In addition to the Magnolia Journal launch, Meredith released a bookazine based on the House & Garden brand and a newsstand magazine based on the Forks Over Knives brand.

In fiscal 2017, Meredith debuted redesigns of our two largest subscription magazines. The September 2016 issue of Family Circle introduced a new logo with refreshed layouts, fonts, and bolder photography. This redesign allows easier navigation with more entry points, quick takeaways, and engaging story formats. The January 2017 issue of Better Homes & Gardens revealed a new logo. The new logo provides equal balance to both components and creates a cohesive brand identity across multiple platforms.

In April 2017, Meredith acquired WPCH-TV (Peachtree TV), an independent station in Atlanta, Georgia. Prior to its acquisition, Meredith had managed the day-to-day operations of Peachtree TV, including advertising sales, marketing and promotions, and technical operations. This acquisition created Meredith's fifth owned-and-operated duopoly market, as Meredith also owns WGCL, the CBS affiliate in Atlanta.

In May 2017, Meredith, in partnership with Andrews McMeel Universal, launched the Posh Coloring Studio, the first on-demand, all-access, coloring club for adults. The Posh Coloring Studio is a membership program that provides members with continuously added designs from top coloring creators, exclusive editorial features, and social community connection with other Posh Coloring Studio members.

## DESCRIPTION OF BUSINESS

## Local Media

Local media contributed 37 percent of Meredith's consolidated revenues and 59 percent of the combined operating profit from local media and national media operations in fiscal 2017. Information about the Company's television stations at June 30, 2017, follows:

Station, Market	DMA National Rank <sup>1</sup>	Network Affiliation	Expiration Date of Network Affiliation	Virtual Channel	Expiration Date of FCC License	Average Audience Share <sup>2</sup>
WGCL-TV Atlanta, GA	10	CBS	August 2020	46	April 2021	3.8 %
WPCH-TV Atlanta, GA	10	Independent	n/a	17	April 2021	2.0 %
KPHO-TV Phoenix, AZ	12	CBS	August 2020	5	October 2022	6.3 %
KTVK Phoenix, AZ	12	Independent	n/a	3	October 2022	3.8 %
KMOV St. Louis, MO	21	CBS	June 2020	4	February 2022	10.4 %
KPTV	25					