

IAC's Dotdash readies for cookieless future with \$2.7 billion acquisition of Meredith

Article

The news: InterActiveCorp (IAC)'s Dotdash is buying 119-year-old Meredith Corp. in a deal valued at \$2.7 billion, becoming Dotdash Meredith.

- Dotdash will pay \$42.18 per share for Meredith's **National Media Group**, which includes the entirety of Meredith's digital and print magazine operations. (It was previously announced that **Gray Television** would acquire Meredith's local media business for \$2.8 billion.)
- Meredith's titles include Better Homes and Gardens, Entertainment Weekly, InStyle, and People and will be added to Dotdash's portfolio of digital publishing brands, including The Balance, Byrdie, Investopedia, Serious Eats, and Verywell.
- An IAC spokesperson would not confirm or deny if layoffs were to be expected as a result of the acquisition.
- Dotdash Meredith expects its adjusted EBITDA from its combined digital assets to surpass \$450 million in 2023.

IAC CEO Joey Levin said Dotdash Meredith will be able to “offer uniquely engaged audiences to advertisers and partners—**based not on a reliance on private information or personal history but on relevancy to the content** they're consuming and a deep understanding of their needs.”

Why it could succeed: Levin's comments suggest the new company is well positioned to succeed in the wake of third-party cookie deprecation, and Dotdash's prior publishing strategy bears this out.

- While Dotdash doesn't have the same name recognition as BuzzFeed or Vox Media, its profitability has outperformed most of the market.
- Most Dotdash traffic is from people using search engines for answers to specific questions, and thus, it is less likely to be impeded by future privacy laws that could impact other major ad players.
- With this acquisition, it's clear that strategy remains the same. Dotdash rebranded from **About.com** in 2017 after finding that vertical-focused sites perform better in organic search than “all things to all people” sites.
- While Meredith is historically known as a print publishing company, Dotdash may be more interested in its digital properties, which go deep in particular subject matter areas. Meredith's digital advertising revenues surpassed print revenues for the first time in 2021.

Sidenote: According to Digiday research, publishers are less worried about the impending cookie changes than agencies or brands, and deals like these seem to support that relative ease.

How we got here: Dotdash parent company IAC has been refocusing its acquisition strategy in recent years, and Meredith has gone through its own turbulent times.

- IAC spun off **Match Group** (Tinder and Hinge's parent company) in 2020 and **Vimeo** this year, slanting its portfolio toward content rather than tech.
- Meredith acquired some of its best-known publications in 2018 with its purchase of **Time Inc.** for \$1.8 billion—it soon sold off Fortune, Time magazine, and Sports Illustrated, focusing more on female-oriented publications.

Dive into the numbers:

- Dotdash properties currently reach 100 million users on a monthly basis, according to the company. After the transaction closes, the company should reach 175 million consumers monthly and 95% of US women, according to internal numbers.
- According to analyst estimates, prior to the acquisition, Dotdash had a value of approximately \$1.9 billion, eclipsing that of BuzzFeed.