

OUT OF HOME IS THE NEW CHAMPIONS LEAGUE*

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June 7, 2018



*The UEFA Champions League is an annual continental club football competition organized by the Union of European Football Associations and contested by top-division European clubs; the final draws >180M viewers annually.



WHO IS PJ SOLOMON?

- Founded in 1989
- We advise on mergers, acquisitions, sales, restructurings, recapitalizations, capital markets solutions and activism defense across a range of industries.
- As an independently-run affiliate of NATIXIS, we offer unmatched industry knowledge going deep into our sectors to provide comprehensive strategic solutions, tailored to generate long-term shareholder value.

85+
EMPLOYEES

20+
MANAGING
DIRECTORS

60+
INVESTMENT
BANKERS

8
SENIOR
ADVISORS

OVERVIEW OF NATIXIS

- Natixis is the international corporate and investment banking, asset management, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France
- As of March 29, 2018, Natixis had a market capitalization of \$27 billion and \$1 trillion in AUM
- Natixis' broad expertise spans capital markets transactions including sales and trading, strategic equity, leveraged finance, sponsor coverage and, with PJ SOLOMON, strategic advisory services

(a) As of December 31, 2017.

4 core businesses to support clients and the Groupe BPCE networks

CORPORATE & INVESTMENT BANKING

ASSET & WEALTH MANAGEMENT

INSURANCE

SPECIALIZED FINANCIAL SERVICES

NET REVENUES (a)	NET PROFIT (a)	TOTAL ASSETS (a)
+ €9.5 billion	+ €1.7 billion	+ €520 billion
EMPLOYEES (a)	COUNTRIES (a)	LONG TERM RATINGS (ALL STABLE) (a)
+ 17,000	+ 38	S&P: A MOODY'S: A2 FITC: A

MEDIA SERVICES

Overview and areas of focus

We advise clients in the following areas:

Global Out of Home Media

Background Music	Smart Cities / Urban Infrastructure
Classic Out of Home Advertising	Sports / Stadium Marketing
Digital Out of Home	Transit Media
Point of Care Media	

Global Retail Tech / In-Store Media

Back-Office Software	In-Store Media and Tech
Digital Menu Boards	Kiosk Solutions
Digital Signage and Interactive Displays	Payments
E-Commerce Platforms	Retail Analytics

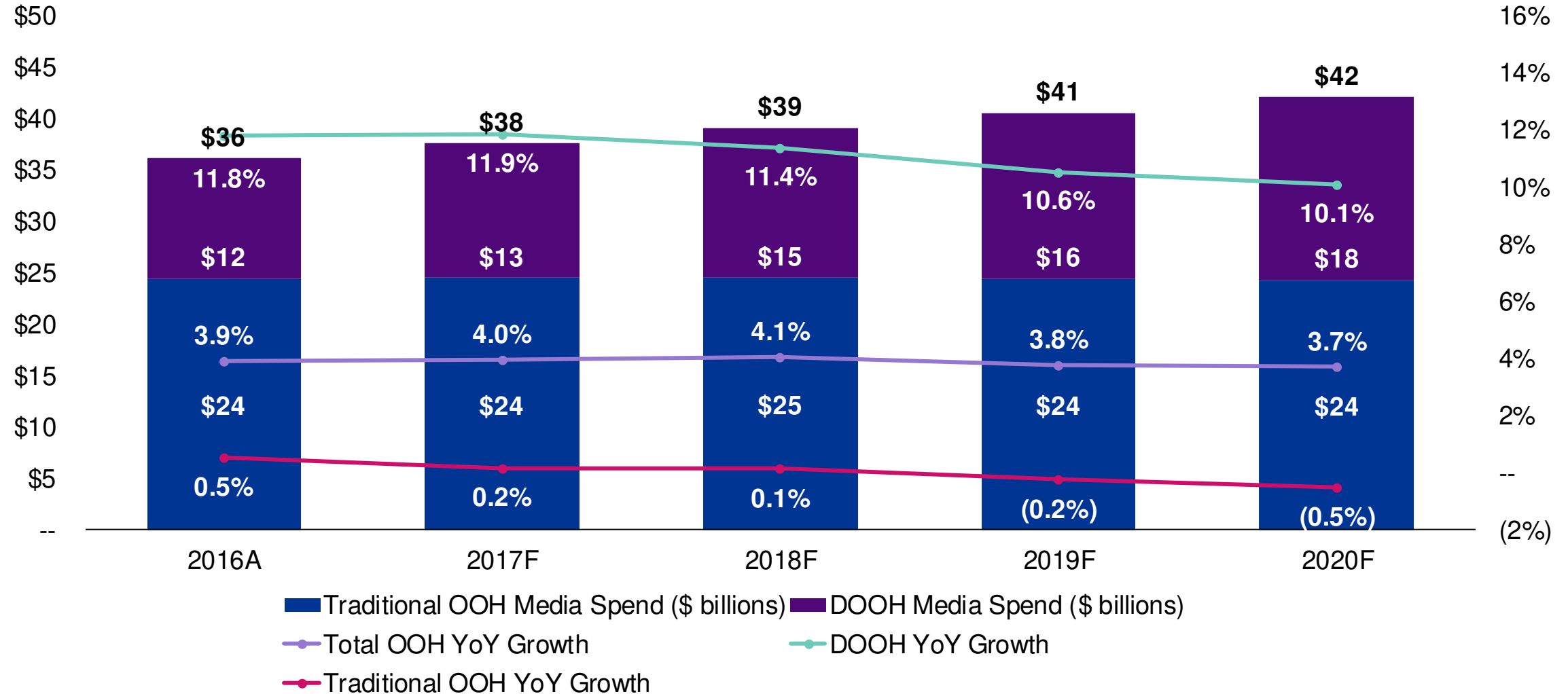
TRADITIONAL MEDIA HAS SUFFERED AS OF LATE...

- Television: No more “appointment programming” due to Netflix and other OTT options
 - Time spent with television continues to decrease annually
- Cable: Consumers are cutting the cord
 - Household penetration of cable TV in the U.S. fell below 80% in November 2017, the lowest figure in 15 years
- Newspapers: Consumers are moving nearly entirely to digital formats
 - Weekday circulation has fallen below 40mm in the U.S. from highs of 60+mm in the '80s and '90s
- Radio: Traditional consumption has held up despite the proliferation of Spotify, Pandora, iTunes, and Amazon
 - Growth in terrestrial radio is gone and should start declining

...AND GLOBAL OOH GROWTH HAS ALSO BEEN SLOW...

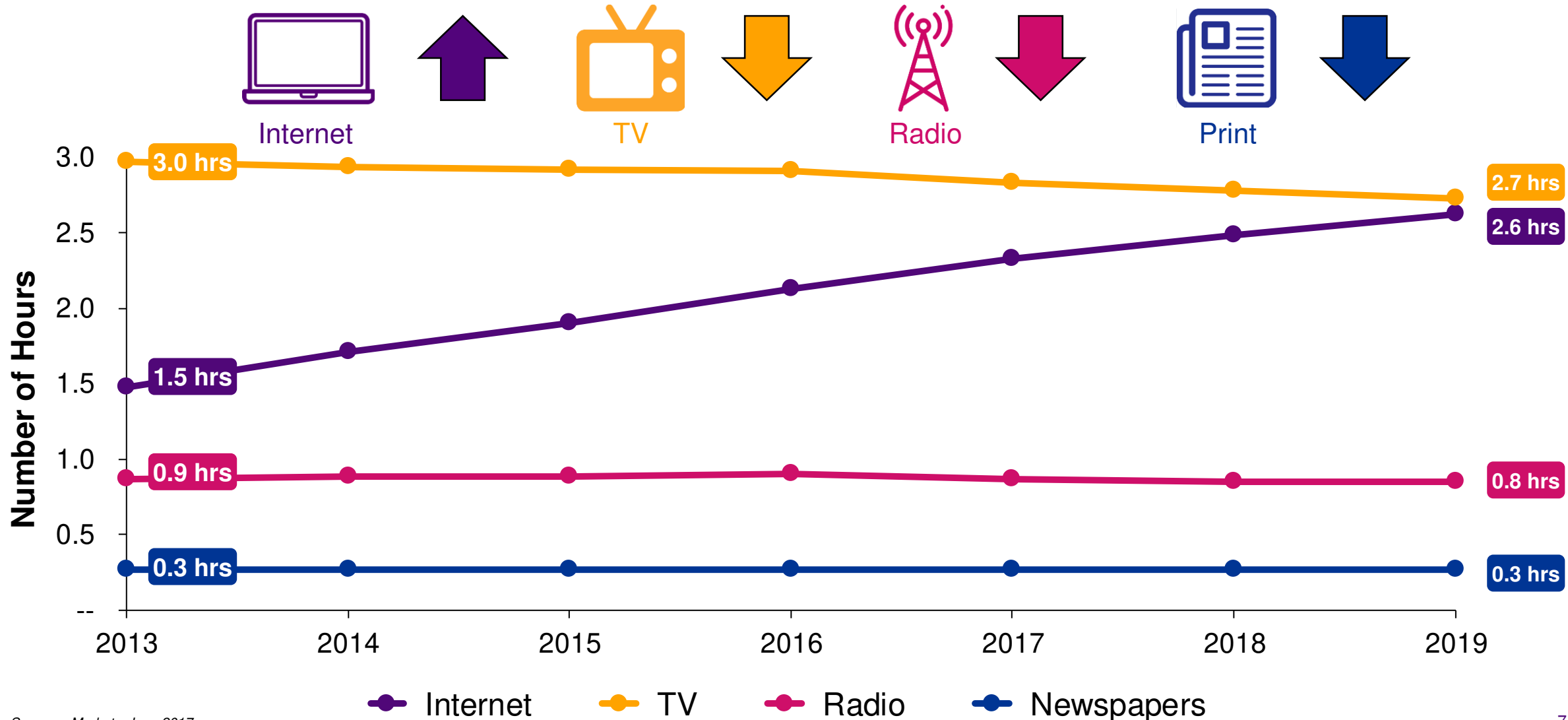
DOOH driving global industry growth

(Amounts in \$ Billions)



...BUT IS STILL BETTER GLOBALLY THAN MOST OTHER CLASSIC MEDIA CHANNELS...

How consumers spend their time



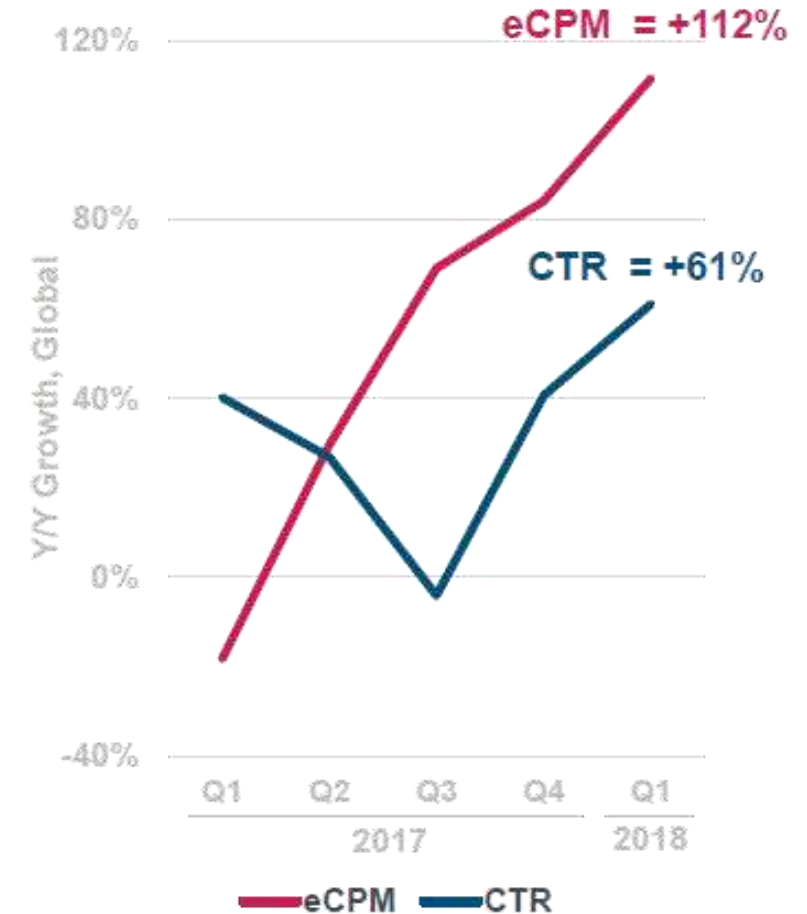
... PARTICULARLY AS COSTS FOR DIGITAL GROW

Digital continues to take share, but price accelerating faster than impact

Facebook E-Commerce eCPM vs. CTR YoY Growth

In performance-based [digital advertising] channels, competition for top placement has reduced ROIs over the years and been a source of margin pressure...

-Glenn D. Fogel, CEO & President, Booking Holdings
Q3 2017 Earnings Call (11/17)



Source: Kleiner Perkins 2018 Internet Trends, Booking Holdings, Inc, Nanigans Quarterly Facebook Benchmarking Data.

Note: eCPMS are defined as the effective (blended across ad formats) costs per thousand ad impressions. Click-Through Rate (CTR) is defined as the percentage of people visiting a web page who access a hyperlink text from a particular advertisement. CTR figures based on \$600MM+ of ad spending through Nanigans' platform. In 2017, Booking Holdings spent \$4.1B on online performance advertising which is primarily focused on search engine marketing (SEM) channels. The quote on the left relates to historical long-term ad ROI trends as competition across performance channels intensified.

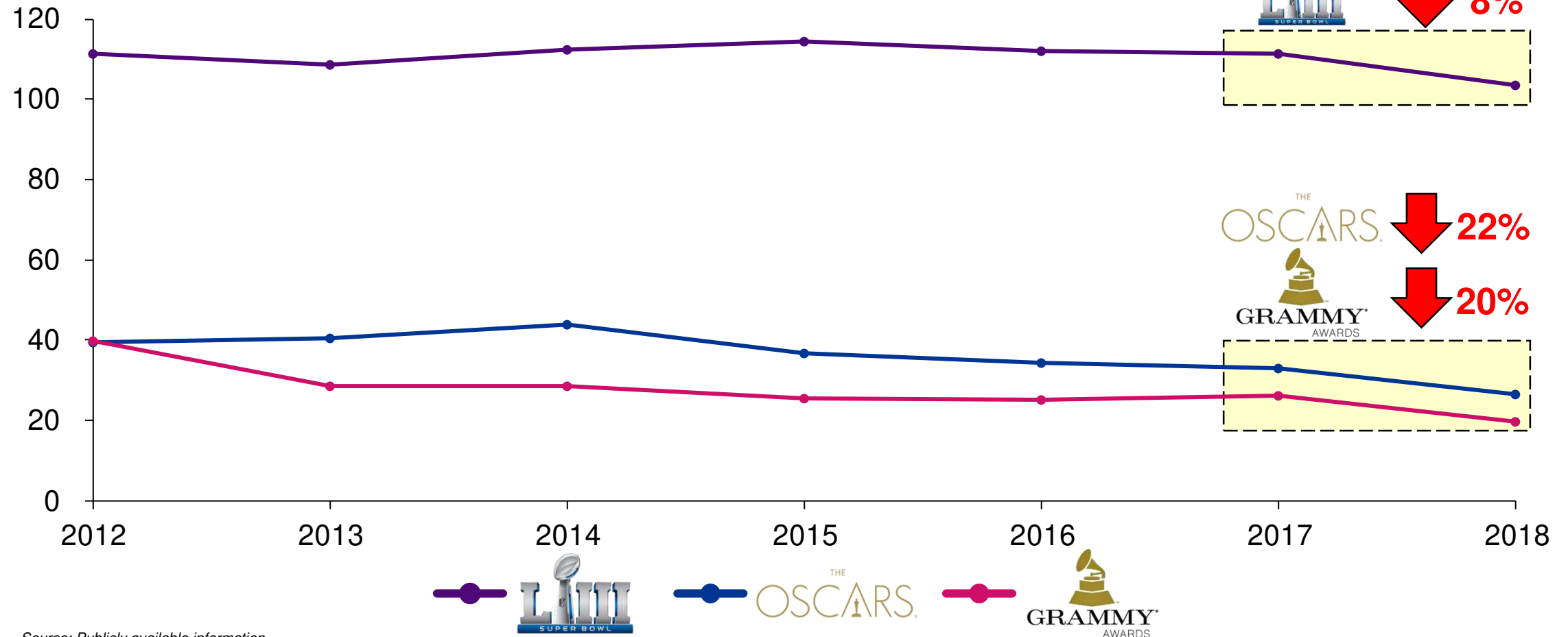
MAJOR TV EVENT AUDIENCES STAGNATING OR FALLING IN THE U.S....

25 million viewers lost in media fragmentation and changing tastes for content

2010 Total: 174 million

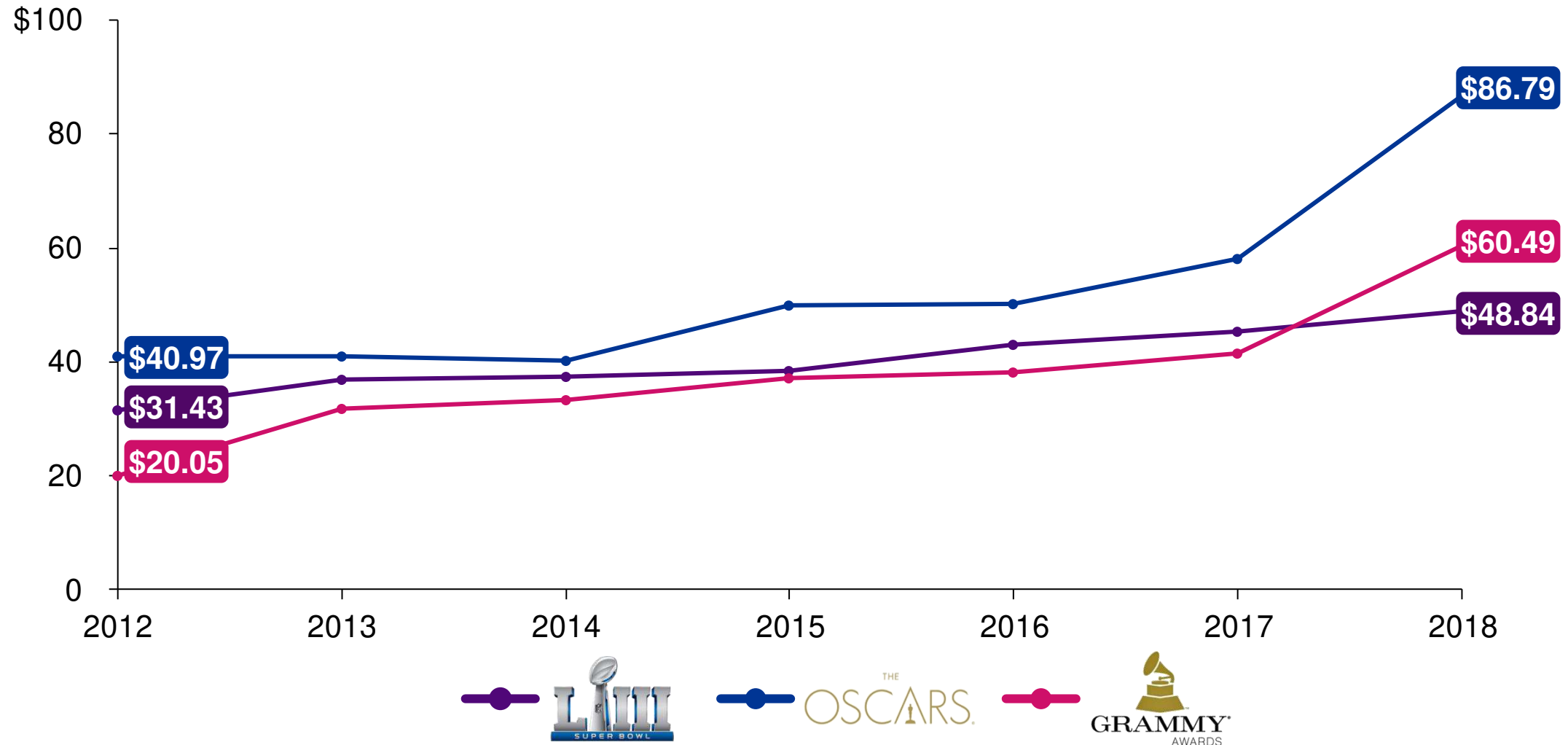
2018 Total: 149 million

(Amounts in Millions of TV Viewers)



Source: Publicly available information.

...AND RISING CPMs FOR MAJOR TV EVENTS



RADIO HAS FALLEN FROM PRE-CRISIS LEVELS BUT STABILIZED...

While the 2018 iHeart Media bankruptcy raised concerns over the future of broadcasting, radio still reaches ~93% of the 18+ US population and remains the primary source for music discovery

- Levels of indebtedness pressured iHeart's financial performance prior to filing

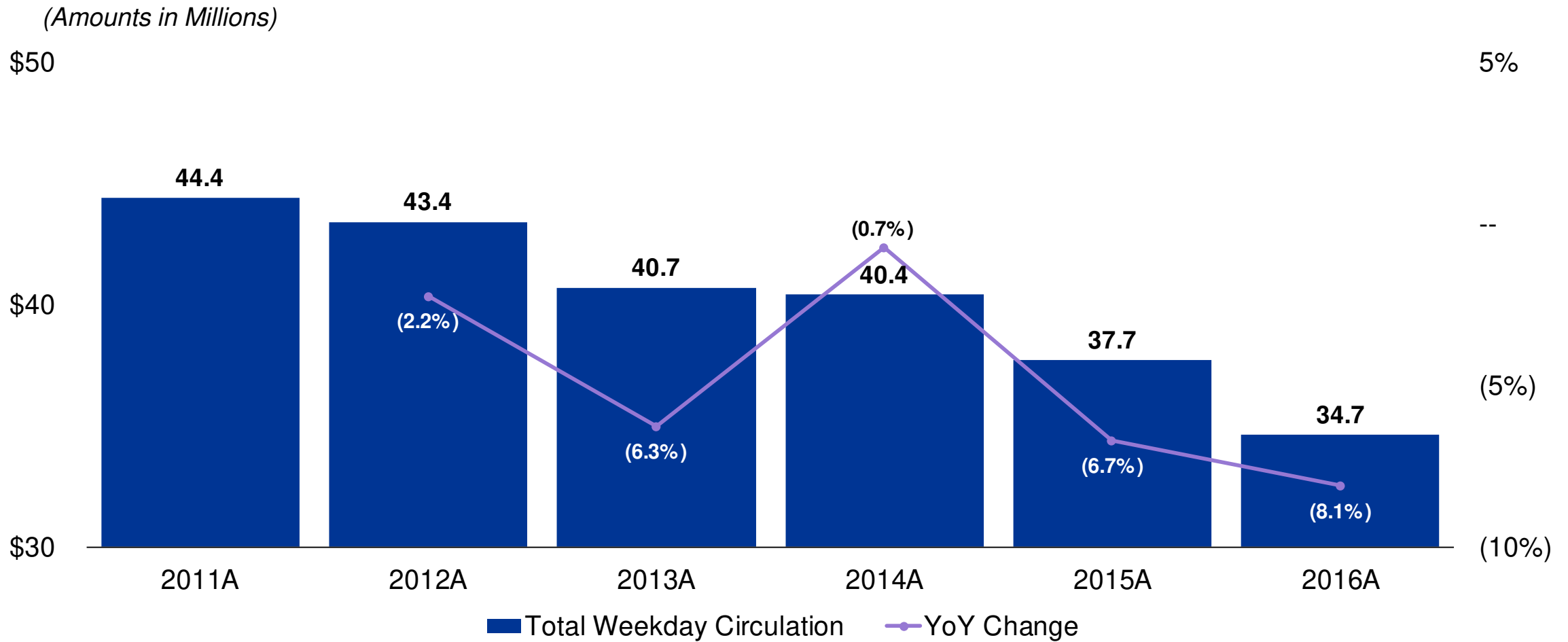
US radio advertising revenue is predicted to grow at a sluggish 0% -1% through 2021

- Total channel spend effectively flat for previous 3 years at \$14B and down from pre-crisis levels of \$17B+

Generation Z radio adoption represents looming headwind

- Reports suggest teen (13+) AM/FM radio listening declined nearly 50% between 2005 and 2016

US WEEKLY NEWSPAPER CIRCULATION DECLINING RAPIDLY...



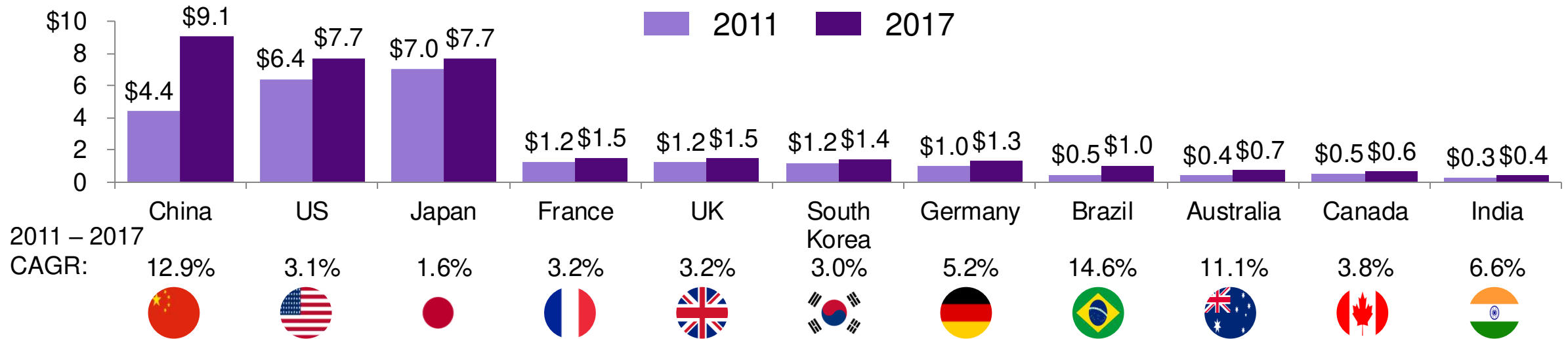
“Out of home is becoming more versatile... It's growing share in 2018, 6.3% of measured advertising, we think, the highest it's been since 1993 and the only medium growing share other than digital.”

- WPP, Q4 2017 Earnings Call

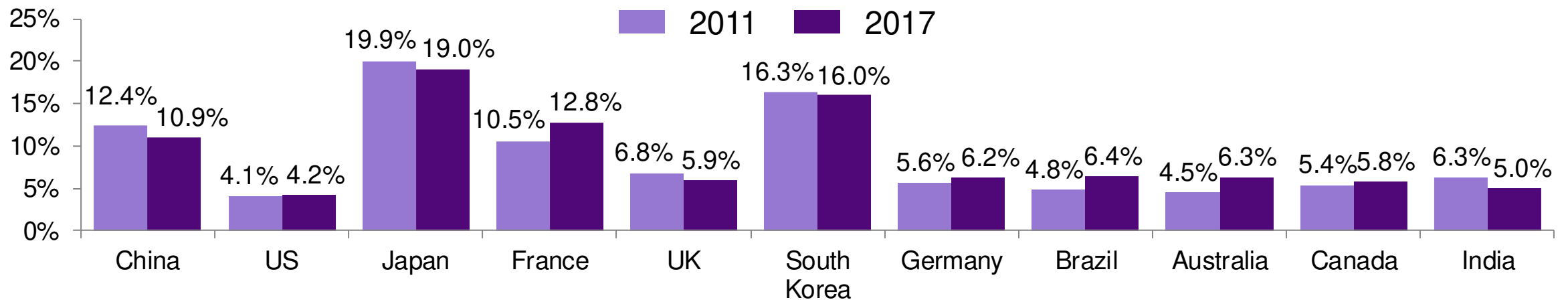
.... BUT STILL RELATIVELY SMALL, AS % OF MEDIA MIX...

Global OOH media spending

OOH MAIN MARKETS SPENDING



OOH MAIN MARKETS SPENDING



Source: Wall Street Research.

.... WITH A REAL OPPORTUNITY TO GROW SHARE THROUGH COORDINATED INNOVATION...

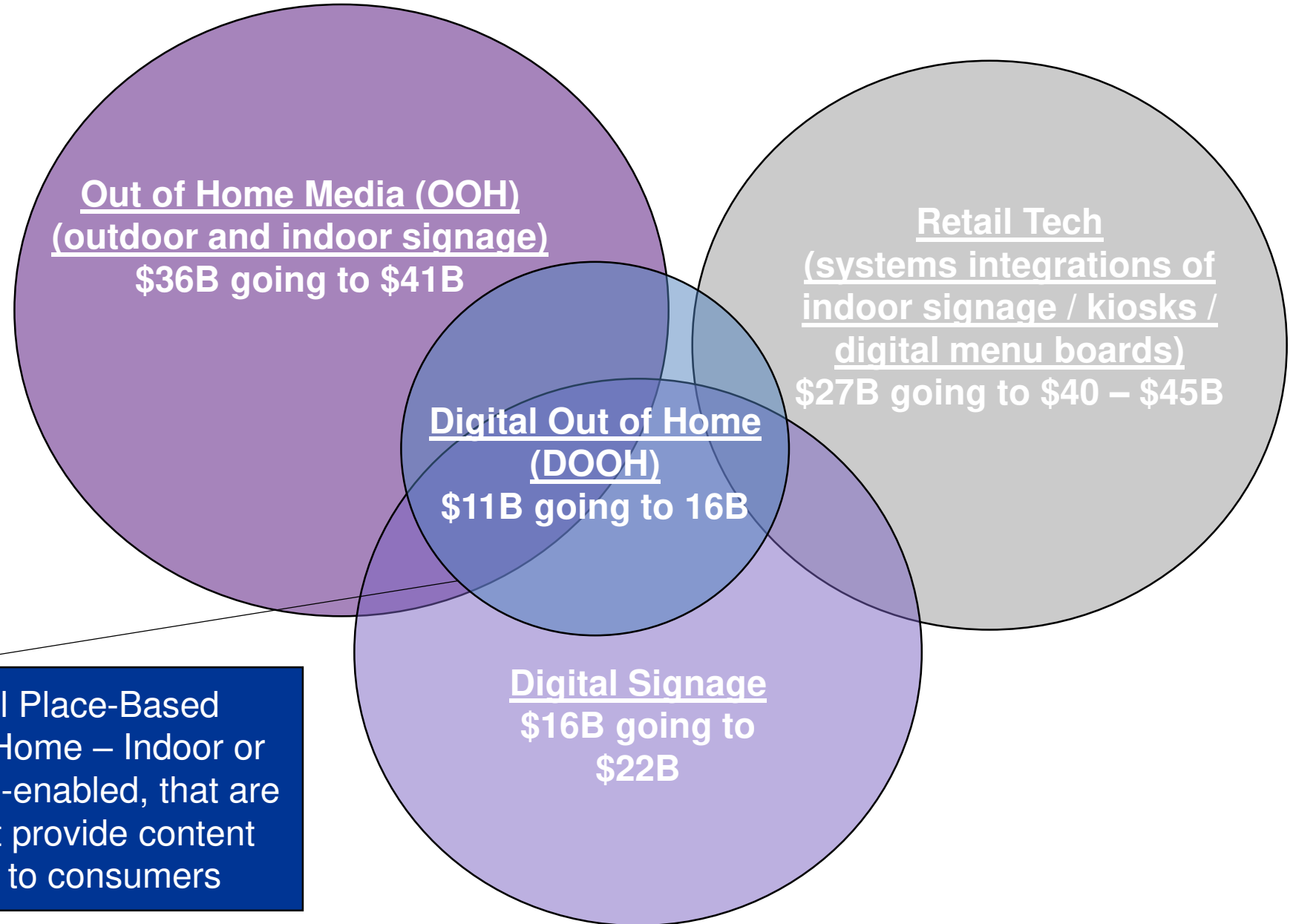
- Interoperability
 - Standards for content management, purchasing and measurement increase channel attractiveness

- Demonstrated OOH ROI, particularly as digital costs grow
 - Leverage technology to demonstrate proximity, viewability and ultimately, sales attribution through transactional data

- Collaboration
 - Dialogue, cooperation and sharing of best practices (and successes!) elevates entire OOH channel in crowded media environment
 - Compete to take share from other media channels

DEFINING THE OOH MEDIA AND RETAIL TECH INDUSTRIES

2015 – 2019



DOOH defined as Digital Place-Based Networks or Digital Out of Home – Indoor or outdoor video, often internet-enabled, that are seen in major markets that provide content and targeted advertising to consumers

GLOBAL M&A HIGHLIGHTS

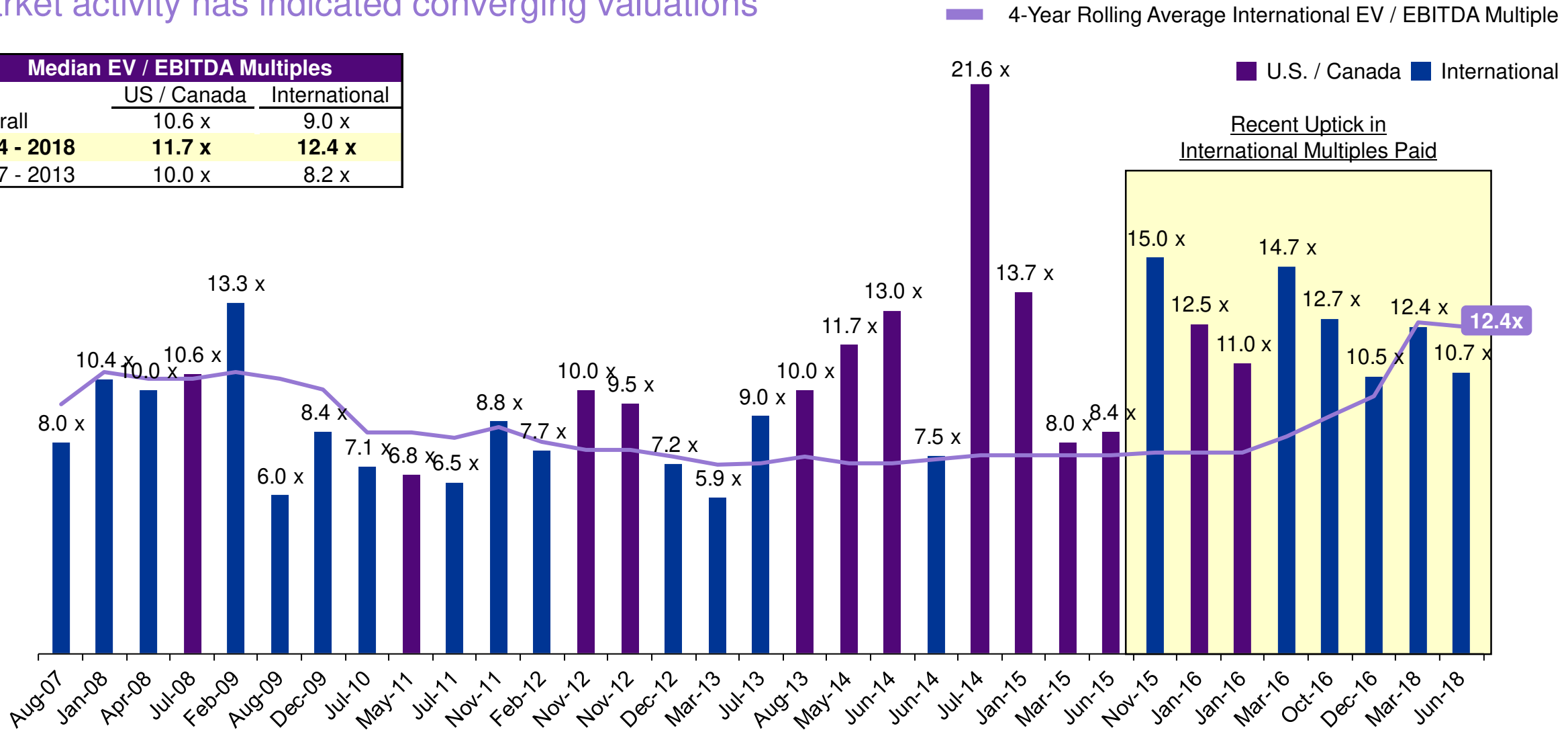


- Increasing appetite for spectacular OOH
 - Ocean Outdoor / Ocelot, Branded Cities / Shamrock
- Continued interest in transit
 - Direct Media / Vector Media, Adshel / ???, Intersection capital raise
- UK market ripe for consolidation...
 - Forrest / Ocean Outdoor
- Clear Channel Outdoor...

OOH PRECEDENT TRANSACTION MULTIPLES OVER TIME

While international OOH multiples have historically trailed multiples in the U.S. / Canada, recent market activity has indicated converging valuations

Median EV / EBITDA Multiples		
	US / Canada	International
Overall	10.6 x	9.0 x
2014 - 2018	11.7 x	12.4 x
2007 - 2013	10.0 x	8.2 x



OCEAN OUTDOOR / OCELOT

March 2018, Ocelot, a publicly-listed acquisition company, agreed to acquire Ocean Outdoor, the UK-based DOOH advertising company, from Searchlight Capital Partners for £200 million



- “Clear, synergistic opportunity for consolidation” as key deal rationale
- Digital, data-driven company with attractive growth platform
- High-quality assets in preeminent locations

FORREST MEDIA / OCEAN

June 2018, Ocean acquired Forrest Media, a leading provider of large format outdoor media solutions in Scotland for an enterprise value of £32 million at an implied multiple of 10.7x EBITDA



- Ocean's strategy focuses on scaling through consolidation
- Acquisition broadens Ocean's footprint in the UK and enhances its strength in large format out-of-home with premium DOOH market leader in Scotland and the North of England
- Forrest generated revenue of £8.4 million and EBITDA of £3 million in 2017
- Transaction was funded with cash on hand and is expected to be immediately accretive and to yield synergies

BRANDED CITIES / SHAMROCK

December 2017, Branded Cities announced a large minority investment from Shamrock

**BRANDED
CITIES**



- Branded Cities is a leader in iconic and spectacular digital OOH in the U.S. and Canada
- Assets located in high-impact destinations
- Growth of premium Branded Cities assets outpacing OOH industry as a whole
- Branded Cities to “aggressively seek signage acquisitions, joint ventures and digital and mobile collaborations”

DIRECT MEDIA / VECTOR MEDIA

February 2018, Vector Media announced the acquisition of Direct Media USA, one of the largest municipal transit advertising companies

Direct Media USA
OUT-OF-HOME ADVERTISING SINCE 1992



- Acquisition increased Vector Media's revenue by approximately 35% to 40%
- Combined company will maintain transit media in 50 markets, including 27 of the 35 largest U.S. DMAs
- Through the acquisition, Vector acquired 12 new offices and markets – nearly doubling the number of employees – and adds more than 25 exclusive partnerships, adding to its current inventory an additional 4,500 vehicles and 2,300 transit shelter panels

ADSHEL / APN OUTDOOR / OOH!MEDIA

Reports from June 2018 suggest that both APN Outdoor and oOh!media continue to pursue acquisition of Adshel from HT&E



Reported initial offer:
A\$500 million



Reported initial offer:
A\$470 million

- Preliminary bids have been made by both parties with revisions expected in ongoing auction process
- Revised bids rumored to include assumption of competitive risks related to ACCC
- Adshel's street furniture business attractive complement to bidders' portfolios

UK MARKET RIPE FOR CONSOLIDATION...

UK OOH will look different in near-term



Ownership

- Investment from Sun Hung Kai & Co., Ltd. (Hong Kong)

- Privately held

- Platinum Equity

- Privately held
- Growth minority investment from Inflexion Private Equity

- GMT Communications

Audience

- 95+ screens
- 50+ D48s and 30+ large format screens
- 11 million viewers every 2 weeks on roadways
- 2.7 million unique viewers every 2 weeks

- 16.9 million viewers every 2 weeks in motorway rest areas
- 1.7 million viewers every 2 weeks in bars
- 60 million annual visitors in rail station washrooms
- 728 Kwik Fit car service centers

- Bus advertisements reach 35 million adults every 2 weeks
- 450 million impacts per 2 weeks on UK national rail
- Digital display network reaches 3.5 million consumers and makes 195 impressions per week

- 30% share of London's roadside DOOH market
- 30 screens in 23 locations
- 25 million+ viewers every 2 weeks

- Reaches 94% of UK adults every 2 weeks
- 35,300+ total sites
- 85 digital billboards, 50+ InLink kiosks, 19,100 phone kiosks, 2,250 6-sheet posters
- Ads in 300+ cinemas
- Leader in UK Airport OOH, reaching 137 million passengers annually

APPETITES DIFFER ON CLEAR CHANNEL OUTDOOR...

...Some have stated publicly that they will take a “wait and see” approach



“On the Clear Channel side, I don't have a crystal ball on that... All of us have got issues in terms of regulatory to be able to buy it... I'm not sure we need to be everywhere. So I think we'll just be a participant.”

- Former CFO Don Shassian



“We have risen to the highest rank in all geographical areas except the United States... If we had to do a structurally important deal, it would probably be in the United States, which has the potential to become our top geographical area.”

- Co-CEO Jean-Charles Decaux



“There's some things we know and lot we don't know about how they're going to emerge... we'll just have to wait and see.”

- CEO Sean Reilly

AS WE WRAP UP...

We do believe it is Times Square Everywhere

- Only media channel where technology is a true friend
- Other media companies taking notice of the power and presence of OOH
- Industry will look very different in the next few years as everything changes...
 - How media is bought and sold
 - Attribution / data
 - Consolidation

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