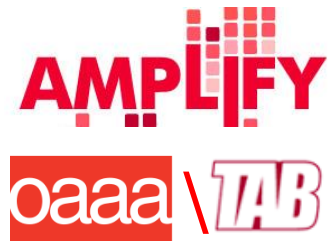


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Mark Boidman

Managing Director, Peter J. Solomon Company

 @MBoidman



Providing Advice to Clients for Over 25 Years

- Practice divided between buyside and sellside M&A advisory

Advisor on Industry Shaping Strategic Transactions

<p>February 2015 (Pending) \$6,300,000,000</p> <p>Office DEPOT Max</p> <p>Has been sold to</p> <p>STAPLES</p> <p>The undersigned is serving as advisor to Office Depot</p> <p>PETER J. SOLOMON COMPANY</p>	<p>December 2014 \$2,700,000,000</p> <p>London Stock Exchange Group</p> <p>Has agreed to acquire</p> <p>Russell Investments</p> <p>The undersigned served as advisor to London Stock Exchange Group</p> <p>PETER J. SOLOMON COMPANY</p>	<p>December 2013 \$2,200,000,000</p> <p>THE JONES GROUP</p> <p>Has been acquired by</p> <p>SYCAMORE PARTNERS</p> <p>The undersigned served as advisor to the Board of Directors of The Jones Group</p> <p>PETER J. SOLOMON COMPANY</p>	<p>February 2013 \$1,148,000,000</p> <p>Office DEPOT</p> <p>Has merged with</p> <p>OfficeMax</p> <p>The undersigned served as advisor to Office Depot</p> <p>PETER J. SOLOMON COMPANY</p>
<p>October 2012 \$2,900,000,000</p> <p>PVH</p> <p>Has acquired</p> <p>WARNACO</p> <p>The undersigned served as advisor to PVH</p> <p>PETER J. SOLOMON COMPANY</p>	<p>October 2012 \$2,100,000,000</p> <p>MCKESSON</p> <p>Has acquired</p> <p>PSS WORLD MEDICAL</p> <p>The undersigned served as advisor to McKesson</p> <p>PETER J. SOLOMON COMPANY</p>	<p>November 2011 \$2,200,000,000</p> <p>An investor group including</p> <p>SONY</p> <p>Has acquired</p> <p>EMI MUSIC PUBLISHING</p> <p>The undersigned served as advisor to Sony</p> <p>PETER J. SOLOMON COMPANY</p>	<p>March 2011 \$2,400,000,000</p> <p>eBay</p> <p>Has acquired</p> <p>gsi commerce®</p> <p>The undersigned served as advisor to eBay</p> <p>PETER J. SOLOMON COMPANY</p>

Leading Media and Technology Advisor

- Bankers at the forefront of media and tech
 - 19 buyside and sellside assignments in OOH / DOOH / Digital Signage in the last 5 years^(a)

(a) By professionals currently working at PJSC.

What We Cover in OOH / DOOH / Digital Signage / POS

Billboard National



Airport / Aerial / Water



Point of Care



Restaurant



Bar / Club



Health / Personal Care



Office / Elevator



Hotel



Gas Station



Grocery



Content



Background Music



Shopping Mall



Solutions / Kiosk / Other



POS



Other



Local



Retail



Executive Summary

Robust OOH Industry Outlook Driven By

- Stability in macro fundamentals (U.S.)
- Technology as a friend and penetration of digital
- Ubiquity of mobile

OOH Industry Challenges

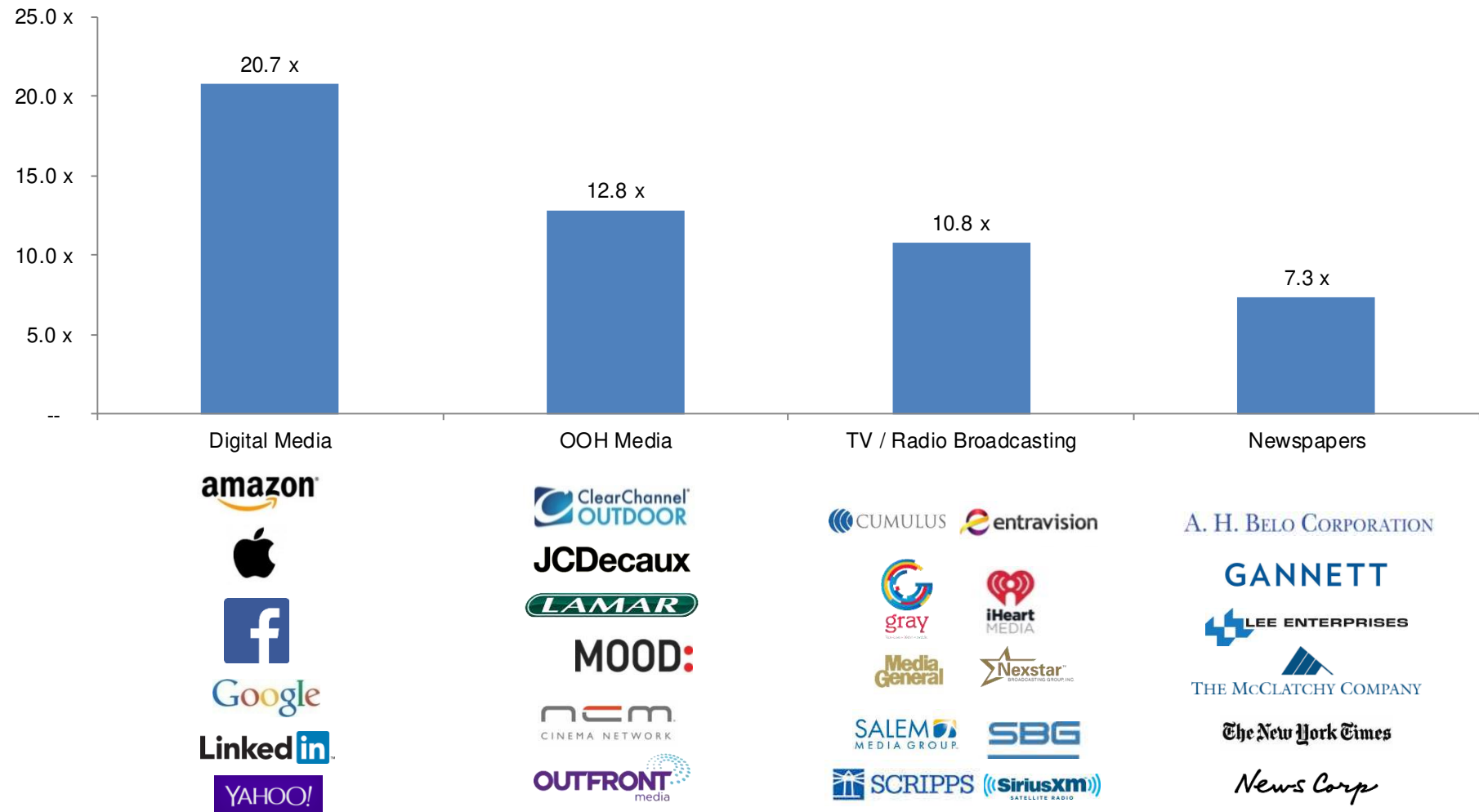
- Defending / taking share of U.S. advertising spend
- Measurability and demonstrating clear ROI for advertising clients
- Ease of buying - buyers and sellers resisting change

U.S. OOH Valuation Primer

Select Media Channels Trading Performance

Over last 5 years OOH has traded at an average multiple of ~11.4x forward EBITDA

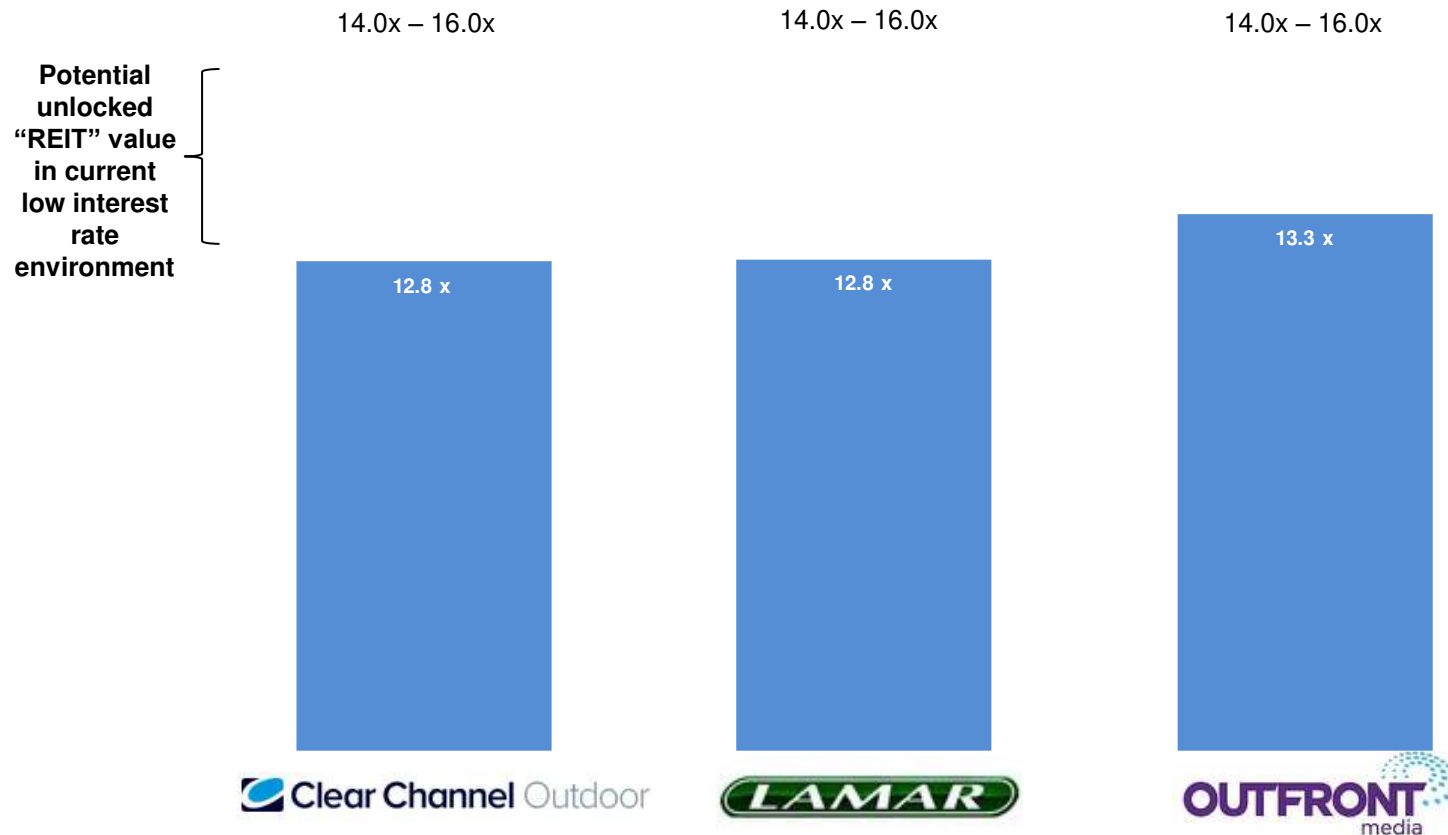
EV / 2015E EBITDA



Source: Capital IQ as of May 6, 2015.

Out of Home Comparable Companies

EV / 2015E EBITDA



Source: Capital IQ as of May 6, 2015.

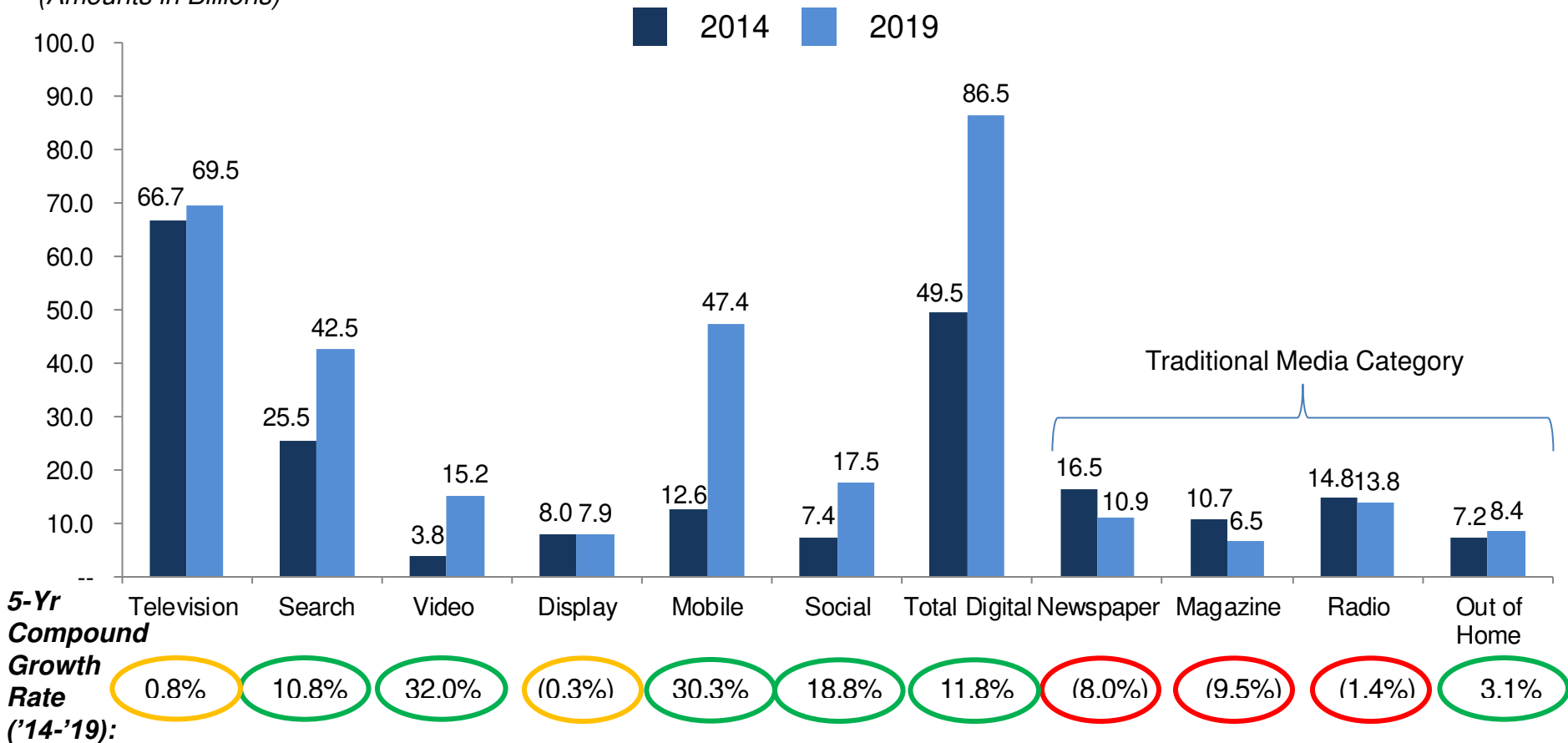
Note: Dotted box reflects PJSC estimated valuation multiple that market may assign.

Advertising Market Update

Total US Ad Spending to See Largest Increase Since 2004

- Mobile and online video = the leading advertising categories over next few years
 - OOH only traditional medium expected to show any growth
- Mobile accounted for 21% of total ad dollars in 2014 growing to ~50% in 2019

(Amounts in Billions)

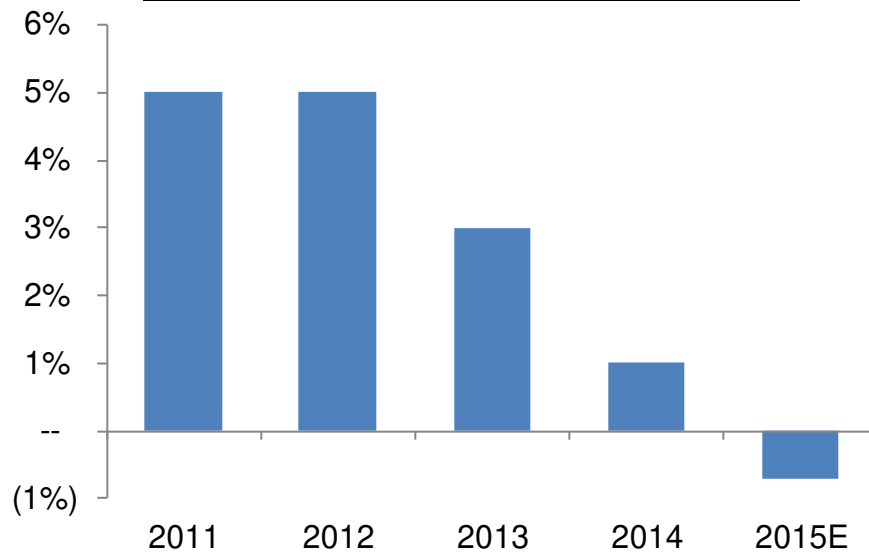


Source: Wall Street Research

Advance Purchases of TV Forecast to Fall 7%

- Total ad dollars expected to fall 10% for broadcast networks; 5% for cable networks
- TV networks gearing up for weak “upfronts” for the 2015 – 2016 season
 - Declines in ratings + viewership + movement of dollars to new media as marketers target hard-to-reach younger viewers

National TV Ad Revenue is in Decline

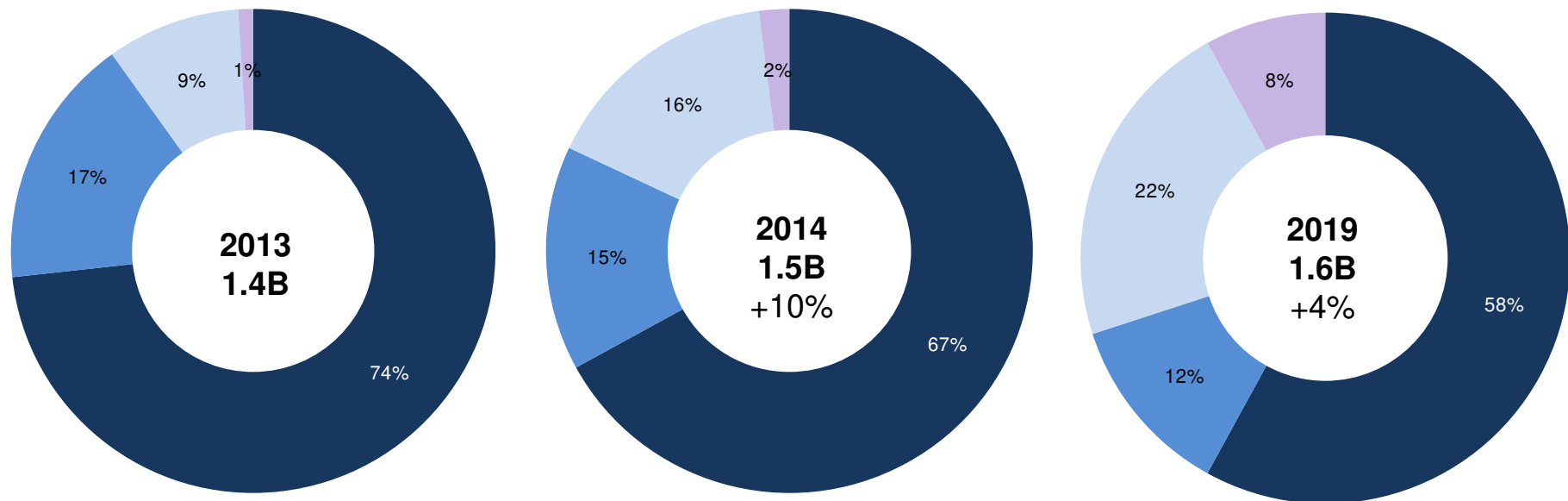


- 40% of TV ratings declines 2H 2014 due to viewers migrating from traditional TV to services like Netflix

Media Shifts Due to Tech

- Magazine average monthly audience viewership shifting to mobile and video

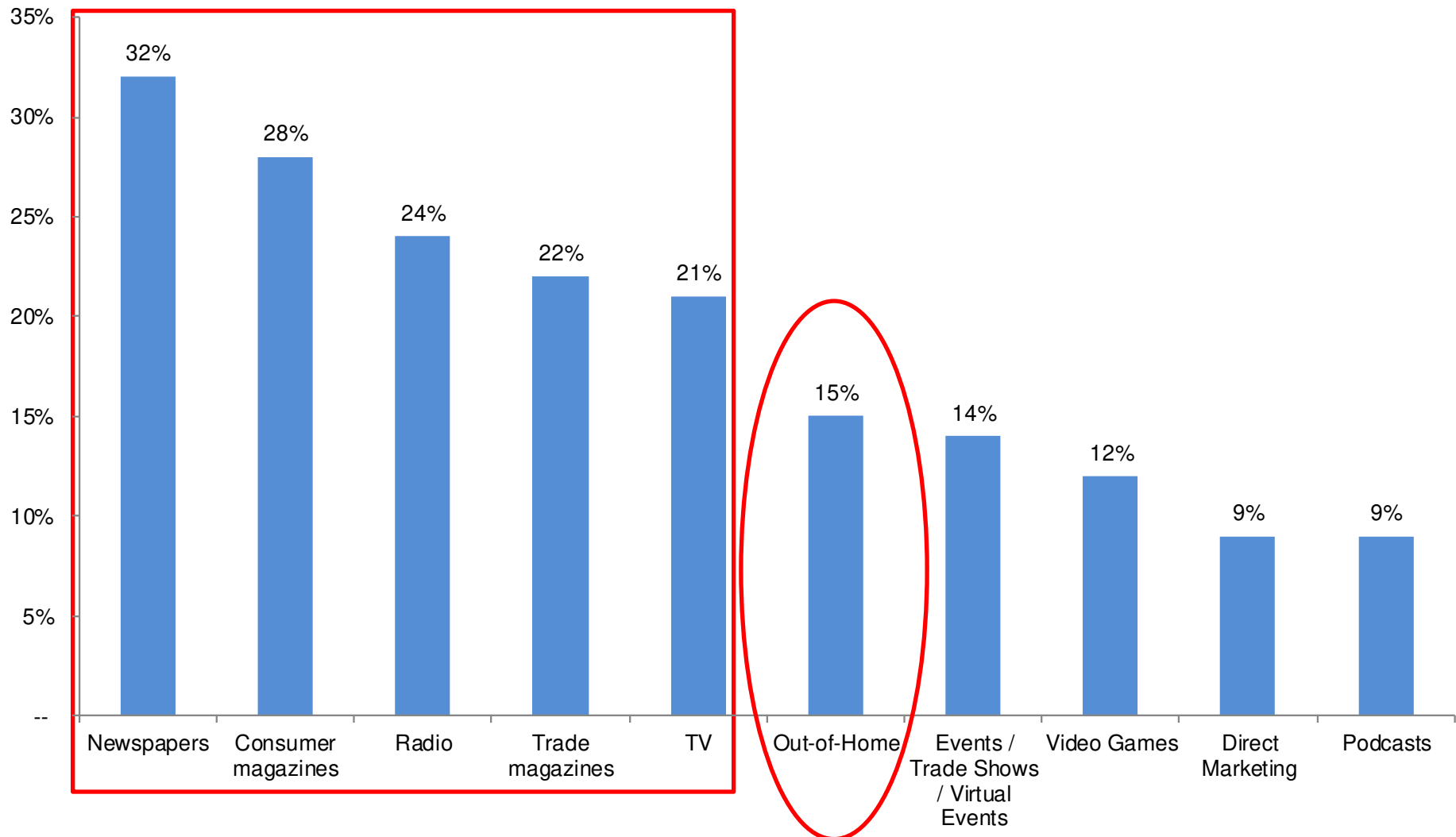
■ Print and Digital Editions ■ Web (Desktop / Laptop) ■ Mobile ■ Online Video



Mobile 9% in 2013, 22% in 2019
Online Video 1% in 2013, 8% in 2019

Marketing Strategies Survey

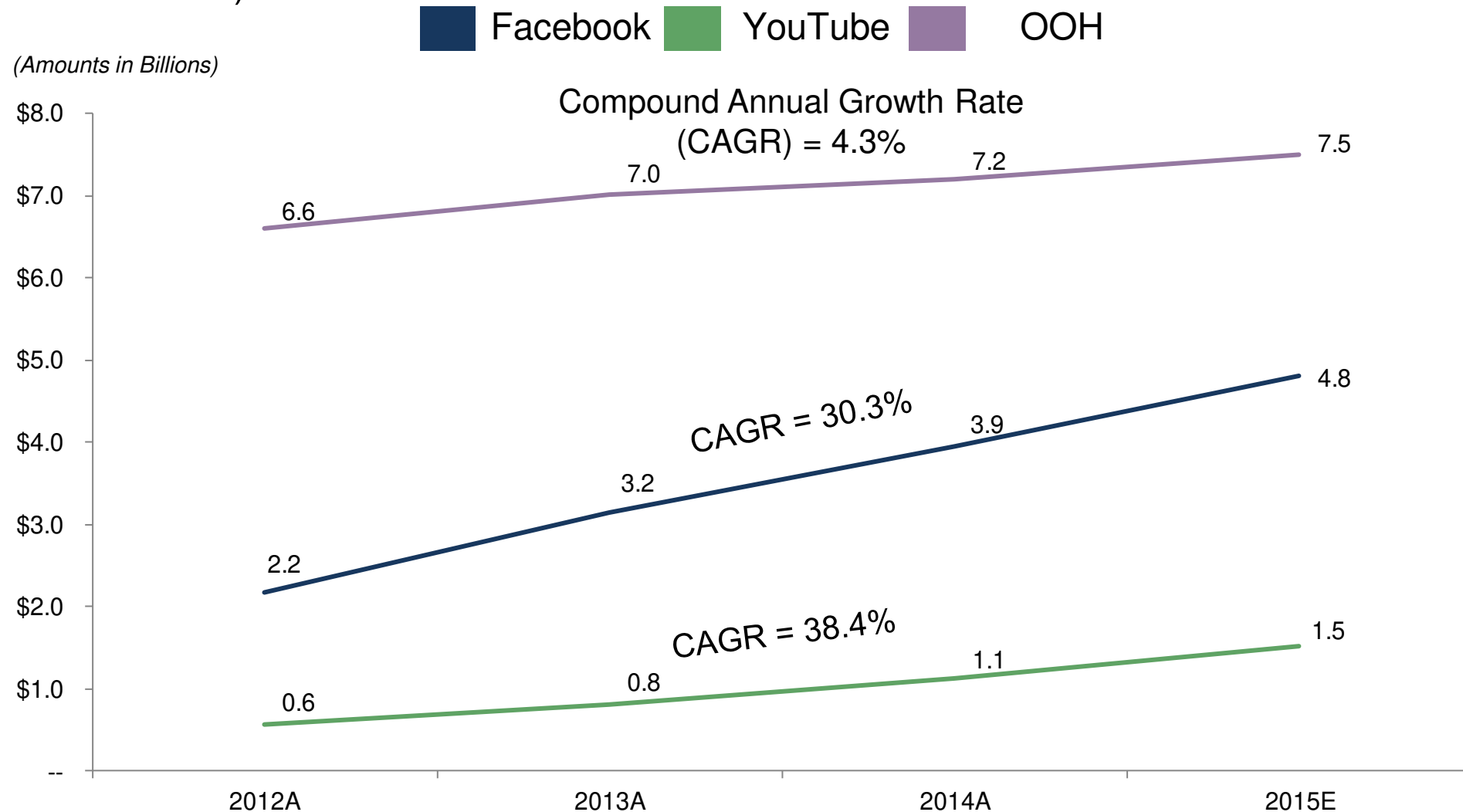
Marketing Strategies U.S. Professionals Expect to Deemphasize



Source: Wall Street Research.

U.S. OOH Ad Revenue vs. U.S. Facebook and YouTube

Facebook and YouTube ad revenue growth outpaces that of OOH (30% and 38% vs. 4%)



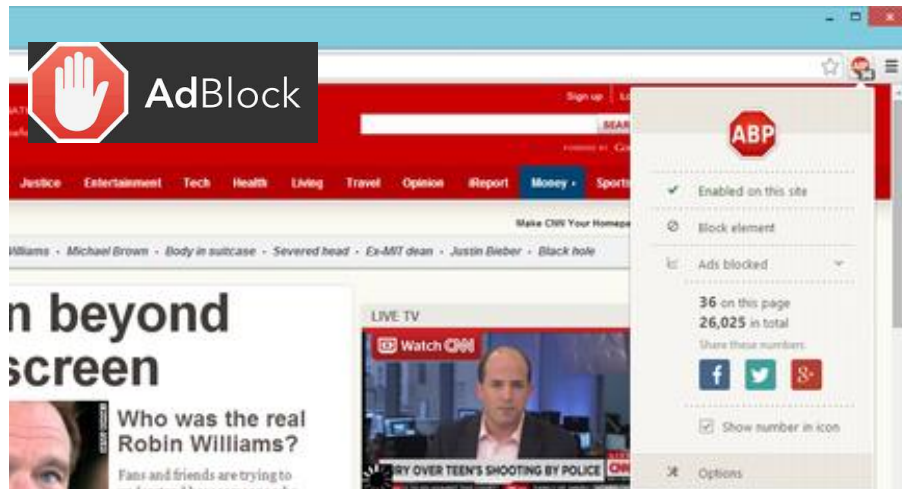
Source: Wall Street Research.

Growth of Ad Blocking and Web-Ad Fraud are OOH Positives

Ad-blocking software and fraud are growing concerns for advertisers

- 5% of Internet users globally used ad blocking tools Q2 2014
- Desktop ad blocking will be up 50% Q2 2014 through Q2 2015
- 54% of all online ad impressions in Q3 2014 were not viewable
- Wasting \$\$\$ buying online ads that aren't delivered to humans

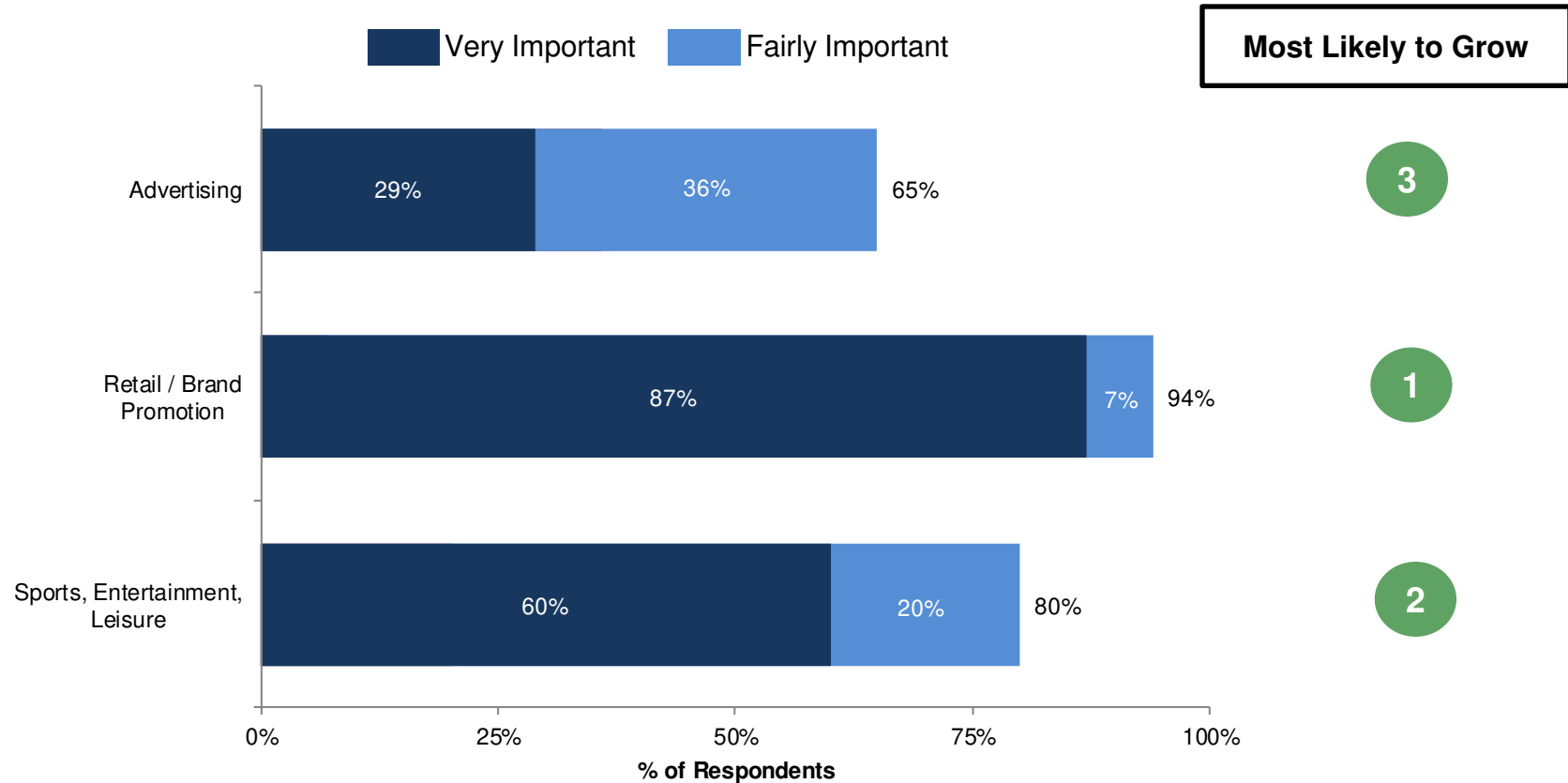
Advertisers increasingly asking publishers to guarantee ads are “viewable”



Source: Wall Street Research.

Most Important OOH Media Markets For Innovation

Solutions providers tend to focus first on innovating in OOH retail / brand sector vs. OOH ad sector



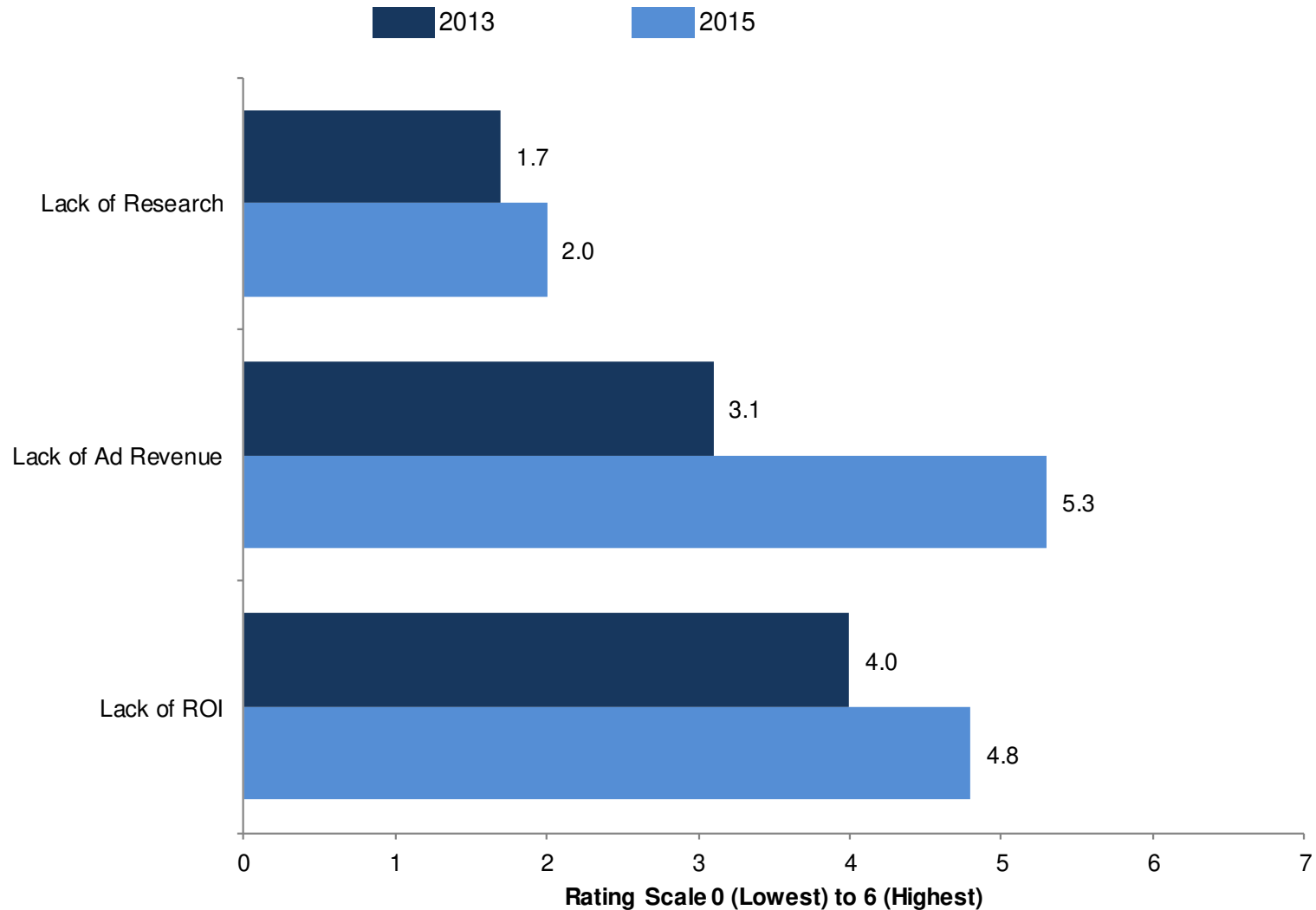
\$12B OOH Media Retail* opportunity vs. \$7B OOH Ad opportunity

Source: Wall Street Research

*Retail defined as box stores, retail financial (banks), QSR and brand dollars.

Barriers to Digital Signage Growth

Barriers include lack of advertisers and demand for digital – ROI as a solution



Source: Wall Street Research.

Current agency buying structure remains challenge

Buyers resisting changes to planning and buying OOH

- Software platforms to OOH industry are threat to selling proposition of specialists “buying this media is hard and requires years of experience”
 - Importance of data + software that increases access and reduces fragmentation; traditional OOH specialist forced to adapt or become extinct

Sellers have over years invested in these relationships

- The better the relationship = better sales. Hard to get friendly with automated platform
- Sellers looking to increase demand + reduce friction in selling their media (while maintaining primary control)
 - Software as the solution...not specialists

“The industry has to adapt or we will create our own demise or at least stall industry sales.”

Out of Home Media is Shifting Toward Digital and Embracing Mobile

Digital Penetration

- 18 months ago – “1% of faces were digital generating 10% of revenues”
- 6 months ago – “2% of faces were digital generating 20% of revenues”
- 6 months from now...

Mobile as Bridge to Attribution

- Consumers' everyday activities on their phones can be harnessed to turn them into trackable, living cookies
 - Mobile devices and beacons can make time, location, and context all available and serve as drivers of purchase intent for customers in and around store locations

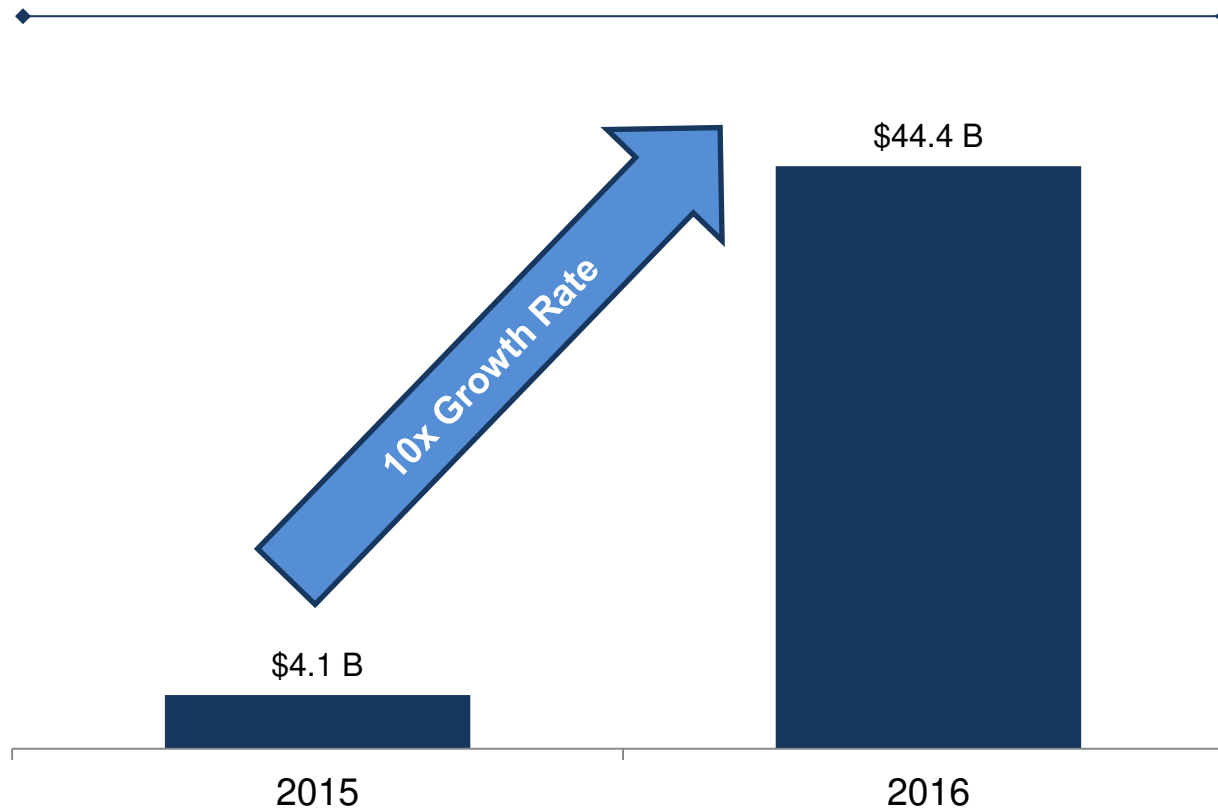
Attribution: Proximity and Frictionless Tech are OOH Value Drivers

Shaping the Next Few Years for Media

- Developments in tracking behavior and user experience = much-needed lift to OOH media
 - Privacy driven by user-controlled data experiences on mobile devices
 - OOH operators need to develop privacy policy
 - Conversion (and attribution) through mobile allowing behavior and device to drive targeting and also prove ROI

Market for Proximity Engagement is Exploding

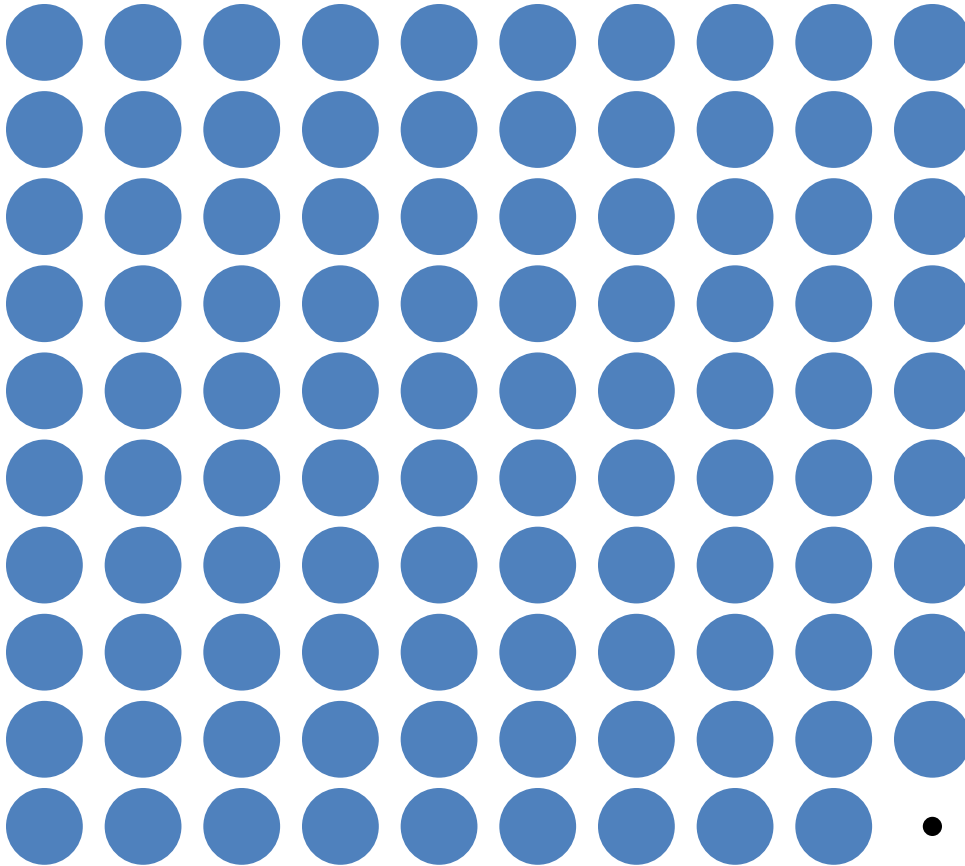
US In-Store Retail Sales Influenced by Beacon-Triggered Messages



Source: Wall Street Research.

Note: Top 100 U.S. retail locations only.

Massive Opportunity for Proximity

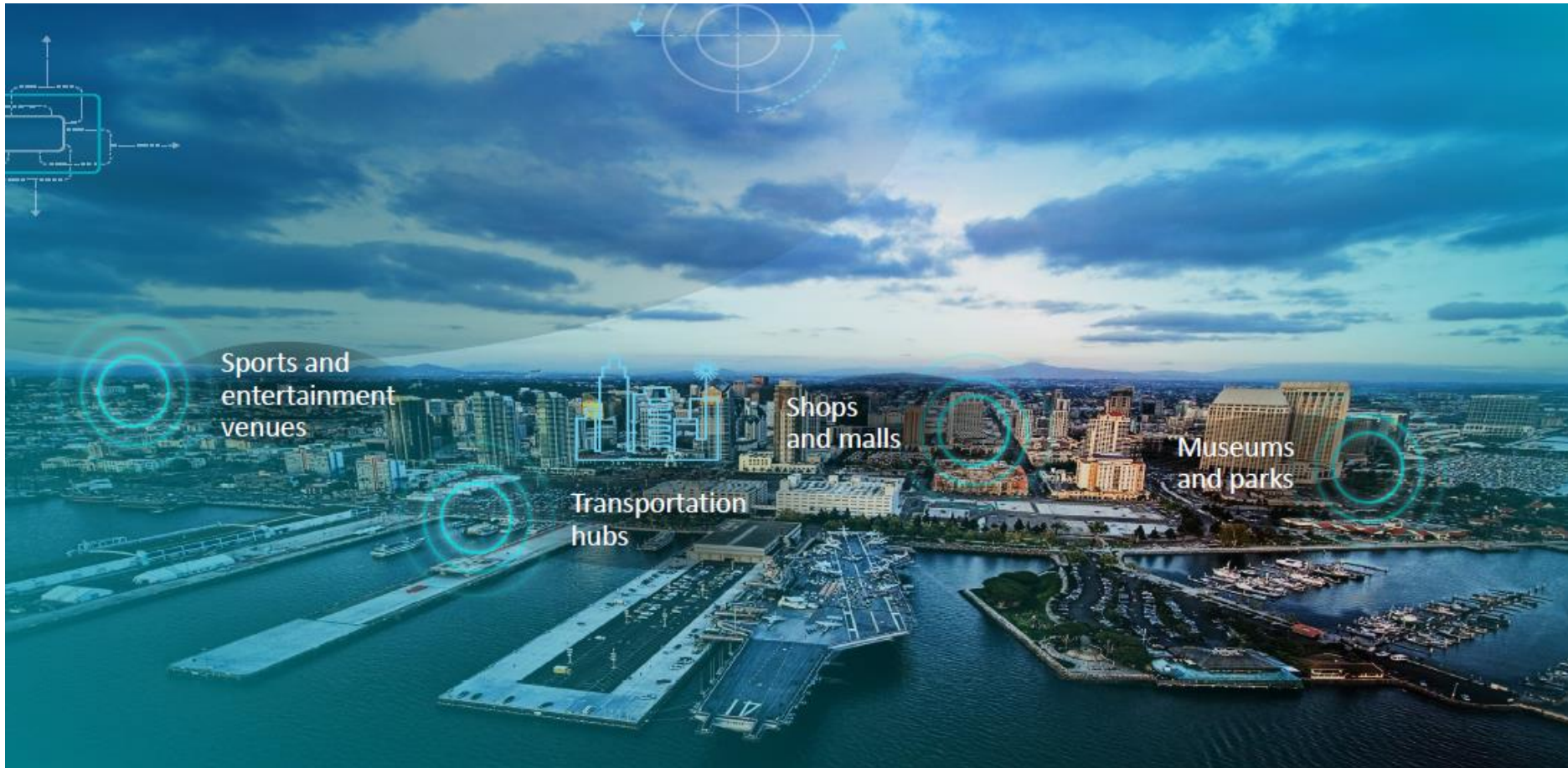


Estimated 60M to 300M
Beacons Deployed Worldwide
By 2018

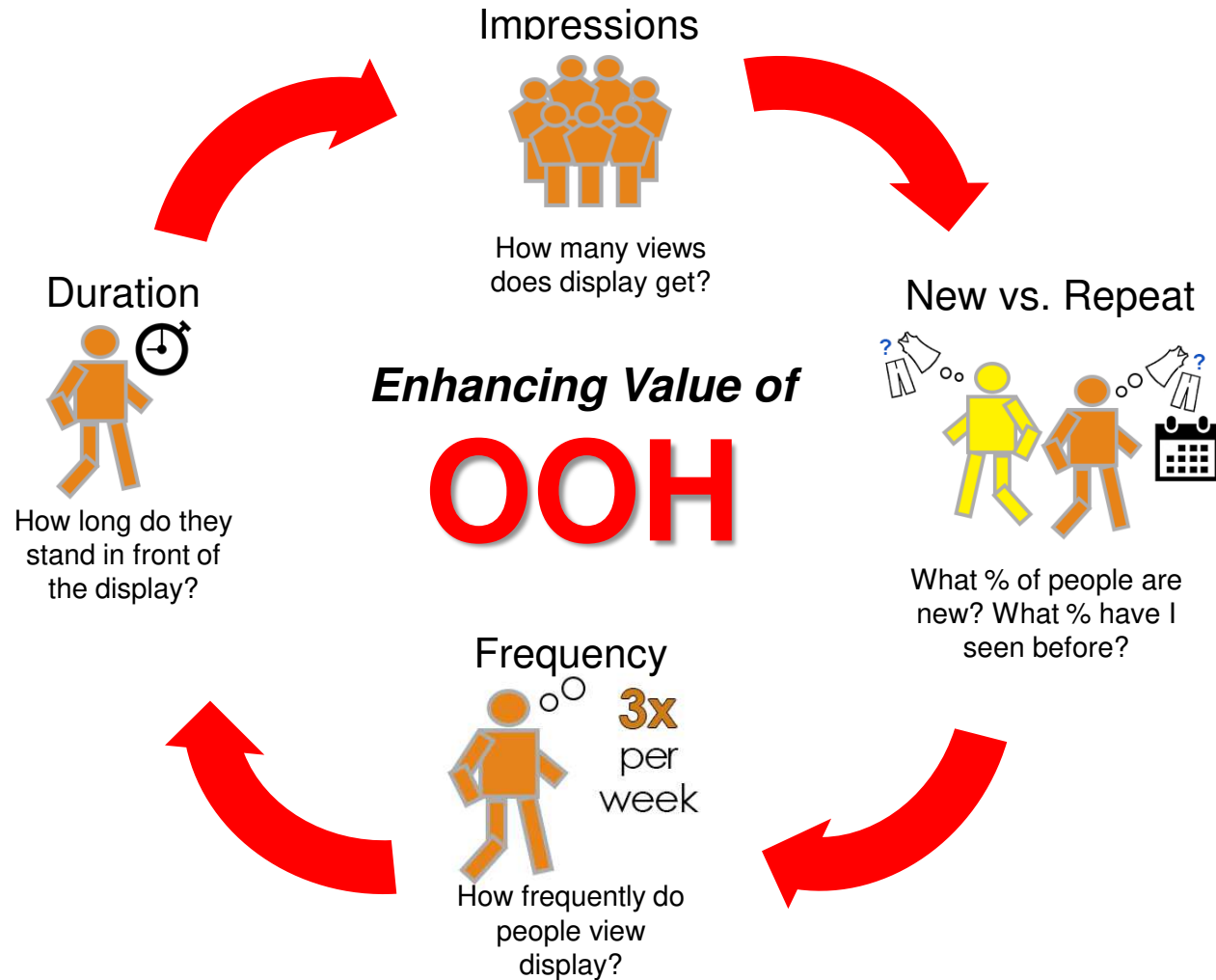


The Market is Here

Beacons...Endless Possible Out of Home Media Use Cases



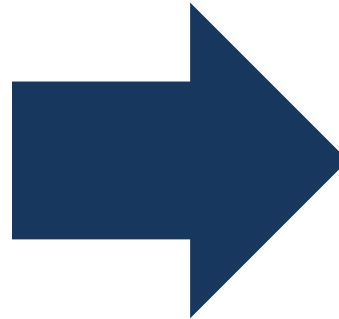
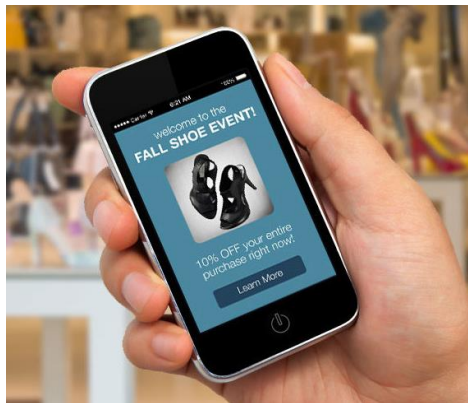
Use Existing Wi-Fi Hardware or Beacon Technology to Measure



Attribution and Engagement

Measure the percentage of people who were exposed to or engaged with the ads and subsequently visited a store and / or made a purchase

Impressions



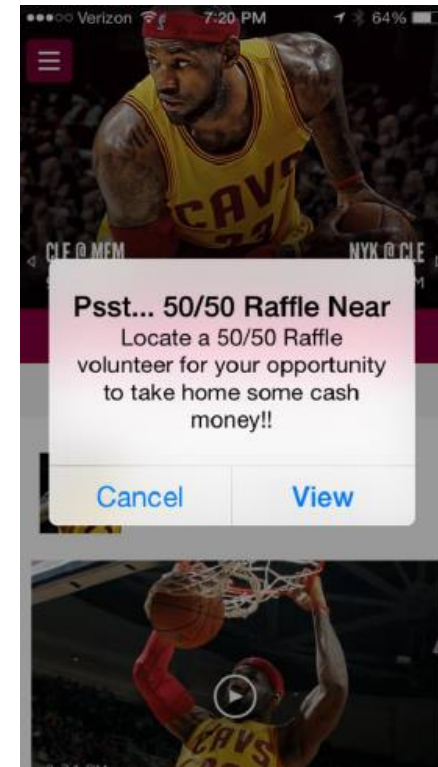
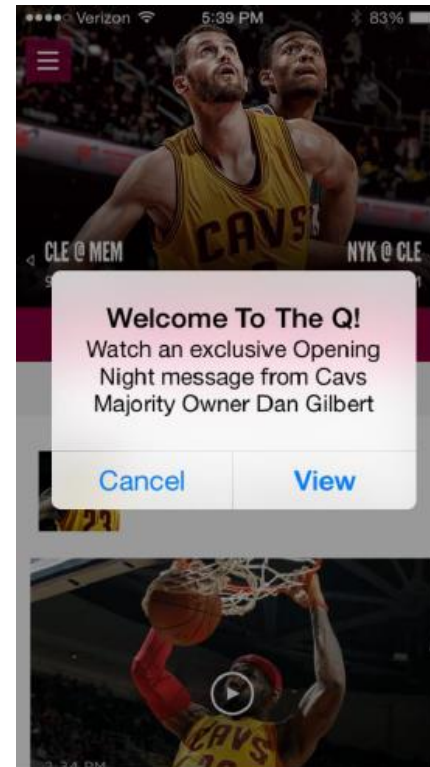
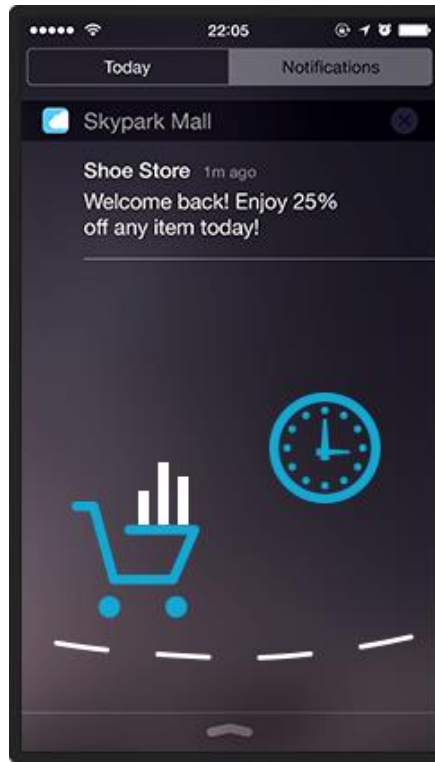
Visit



In-Store Analytics

- Storefront Conversion
 - Visit Duration
 - Visit Frequency
- Interaction / Engagement

Examples of Mobile Engagement Today Using Beacons



Source: Gimbal.

Defending / Taking Share of U.S. Advertising Spend

Potential Problem: \$7B OOH ad bucket may not grow enough to offset supply

- More digital billboards replace non-digital signage, with more faces (debatable)
- More DPB networks getting deployed (most are not making money)
 - Not taking share from other ad buckets, + with more faces in the marketplace, potentially only taking share from each other

Potential Solution: “*Blur the Buckets*” leads to more value and better pricing

- Use technology to be/feel more "digital" so that OOH can attract dollars that today go into other ad buckets
- Approach mobile + OOH as one product to change the face of OOH attribution and put OOH higher up in the planning as marketing mix is being determined

Summary PJSC Recommended Changes to U.S. Industry to Capture Media Market Share



Use Technology for Attribution

- Mobile as infrastructure to enhance OOH value
 - Deploy Beacons and wi-fi technologies
- Evolution to buying ROI a benefit
- Data for better behavioral insights and credibility

Summary PJSC Recommended Changes to U.S. Industry to Capture Media Market Share

**Create Universal
Platform / OOH
Marketplace
(Automated vs.
Programmatic)**

- Open structure / open API marketplace Data Management Platform (DMP) would allow industry participants to plug and play
 - Each agency would have its own intersection point
 - Would need to include avails for immediate buying at any time of day from any location
 - Use DMP to target audiences based on data and measure which campaigns performed to refine media buys and ad creative over time

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