






2019 Q3 OOH PERFORMANCE UPDATE

NOVEMBER 2019



OOH'S MOMENTUM CONTINUES THROUGH Q3

- In November, Clear Channel Outdoor, JCDecaux, Lamar, National Cinemedia, and OUTFRONT Media released Q3 2019 earnings
- Revenue growth continued for OOH operators, with OUTFRONT posting strong organic revenue growth and double-digit sales growth for a fourth consecutive quarter

	 Clear Channel Outdoor	 JCDecaux	 LAMAR	 NCM NATIONAL CINEMEDIA	 OUTFRONT
Reported	Consolidated: (1.6)% Americas: +8.2%	+6.7%	+9.4%	0.4%	+11.7%
Adjusted (a)	Consolidated: +0.6% Americas: +8.2%	+0.1%	+3.4%	N/A	+11.7%

- In addition, Q4 revenue guidance was generally strong
 - OUTFRONT expects total Q4 revenue growth to reach mid-to-high single digit range
 - Clear Channel Outdoor expects Americas H2 2019 revenue and OIBDAN growth to be mid-to-high single digits with seasonal strength coming in Q4
 - JCDecaux did not provide Q4 guidance
 - Lamar stated that strong Q4 pacing gives confidence that AFFO will reach upper end of per share guidance (\$5.83/share)
 - NCM adjusted its FY 2019 revenue growth projections down to a range between (1.5%) and +1% year-over-year

Source: Company filings and earnings call transcripts.

(a) Adjusted for acquisitions, divestitures and foreign exchange effects.

Q3 2019 Performance Update – November 4, 2019

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q3 2019 include:
 - Consolidated revenue increased \$48.3 million, or 11.7%, in part because of strong growth in billboard and transit
 - Digital revenue grew 28% in the second quarter driven by transit
 - Billboard revenues of \$312 million increased \$21.7 million, or 7.5%
 - Transit and other revenues of \$150.5 million increased \$26.9 million, or 21.8%, led by performance from digital
 - Adjusted OIBDA increased \$11 million, or a 8.5% increase driven by revenues
 - AFFO increased \$6.2 million, or 7.2%, driven by the growth in OIBDA
- Operational highlights for Q3 2018 include:
 - The overall business mix for advertisers for the quarter was 54% local and 46% national, in line with historical trends
 - National revenue was up 10%
 - Local revenue was up 12%
 - The total billboard yield was up 9%
 - As of the end of Q3, total leverage was 4.6x

Source: Company filings.

(a) Organic revenues exclude revenues associated with a significant acquisition, the impact of a new accounting standard and the impact of foreign currency exchange rates ("non-organic revenues").

(b) Non-organic revenues primarily relate to an acquisition and the impact of a new accounting standard on our Sports Marketing operating segment.

(c) Adjusted to exclude restructuring charges, impairment charges, net loss on dispositions and stock-based compensation.

FINANCIAL PERFORMANCE

(\$ in Millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Revenues:						
Billboard	312.0	290.3	7.5%	868.8	808.8	7.4%
Transit and Other	150.5	123.6	21.8%	425.3	343.2	23.9%
Total Organic Revenues^(a)	\$462.5	\$413.9	11.7%	\$1,294.1	\$1,152.0	12.3%
Billboard	--	0.3	NM	--	1.5	NM
Transit and Other	--	--	NA	--	0.3	NA
Total Non-Organic Revenues^(b)	--	\$0.3	NM	--	\$1.8	NM
Total Revenue	\$462.5	\$414.2	11.7%	\$1,294.1	\$1,153.8	12.2%
Expenses	377.0	335.3	12.4%	1,083.0	1,010.3	7.2%
Operating Income	85.5	78.9	8.4%	211.1	143.5	47.1%
Adjusted OIBDA^(c)	\$140.3	\$129.3	8.5%	\$370.7	\$335.7	10.4%
AFFO	92.6	86.4	7.2%	228.1	201.7	13.1%
AFFO Per Share	\$0.64	\$0.61	5.2%	\$1.58	\$1.43	11.0%

COMMENTARY

- Total Q4 revenue growth is expected to reach mid- to high single digit range
- Company is now confident that 2019 AFFO will exceed the higher end of guidance range and reach double-digit territory
- Revenue and OIBDA were generally in line with Wall Street consensus estimates
- Key driver of momentum is digital, which is expected to grow to 40% by 2023
- MTA deployment accelerated again this quarter, with ~3,700 displays now deployed
- Programmatic is currently "a handful of dollars but it's starting to grow"
- Local up 12% (vs 3% for Lamar), attributed by Jeremy Male to "going out with a message that's really resonating with local advertisers"

SELECTED FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q3 2019 include:
 - Consolidated revenue increased 0.6% ^(a)
 - Americas revenues increased 8.2% ^(a), primarily as a result of 17.6% growth in digital and 19.3% growth in billboard and street furniture
 - International revenue decreased 5.8% ^(a), driven by a decrease in China revenue due to weakening economic conditions
 - Revenues decreased in China (\$21.7 million decline), Spain and Italy while they increased in the United Kingdom
 - OIBDAN decreased 5.8% ^(a) due to a 39.7% decrease in the international segment
- Operational highlights for Q3 2019 include:
 - Installed 18 digital billboards in the U.S. for a total of more than 1,300 and 1,000 new digital displays in International markets for a total of more than 15,000
 - Won the contract to serve the Toulouse Subway, one of France's largest metropolitan areas
 - Launching in January, the 6-year contract includes a broad digitization initiative, which will increase subway digital screen footprint from 30 to 95 while decreasing print size from 415 to 332

COMMENTARY

- For 2H 2019, management expects Americas revenue and OIBDAN to increase mid-to-high single digit and for International revenue and OIBDAN to be up low single digits, excluding China
- Management plans to achieve a net leverage level of 6.5x by the end of 2021
- Since the beginning of Q4 2018, China Clear Media has experienced flat to declining revenue due to weakness in the Chinese consumer economy
 - CEO William Eccleshare noted that “we’re looking closely at our investments in China and looking at every option”

Source: Company filings.

(a) Adjusted for foreign exchange rates and results from markets and assets sold.

(b) Pro forma for partial redemption of notes using proceeds from equity issuance.

FINANCIAL PERFORMANCE ^(a)

(\$ in Millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Revenue ^(a)						
Americas	\$328.2	\$303.4	8.2%	\$928.1	\$859.2	8.0%
International	339.6	360.3	(5.8%)	1,071.2	1,114.9	(3.9%)
Total	\$667.8	\$663.7	0.6%	\$1,999.3	\$1,974.1	1.3%
SG&A Expenses ^(a)						
Americas	\$192.5	\$180.5	6.6%	\$566.1	\$532.4	6.3%
International	307.9	310.0	(0.7%)	943.9	945.0	(0.1%)
Total	\$500.3	\$490.5	2.0%	\$1,510.0	\$1,477.4	2.2%
OIBDAN ^(a)						
Americas	\$135.8	\$122.9	10.5%	\$362.0	\$326.7	10.8%
International	30.3	50.3	(39.7%)	120.7	170.0	(29.0%)
Corporate / Other	(35.5)	(34.6)	NM	(92.6)	(104.3)	NM
Total	\$130.6	\$138.7	(5.8%)	\$390.1	\$392.4	(0.6%)
Capital Expenditures						
Americas	\$19.1	\$25.8	(25.9%)	\$46.5	\$50.2	(7.4%)
International	39.2	21.9	78.8%	82.7	57.5	43.8%
Corporate / Other	2.0	1.1	NM	10.5	2.4	NM
Total	\$60.4	\$48.8	23.7%	\$139.7	\$110.1	26.8%
Liquidity / Leverage			%			
Cash & Equivalents	\$341.8	\$182.5	87.3%			
Total Debt	5,087.1	5,277.3 ^(b)	(3.6%)			

Q3 2019 Performance Update – November 5, 2019

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q3 2019 include:
 - Net revenues increased by 9.4% from \$418.5 million to \$457.8 million
 - Acquisition-adjusted revenue increased 3.4% from \$442.9 million to \$457.8 million
 - Adjusted EBITDA increased by 11.8% from \$192.5 million to \$215.2 million
 - Acquisition-adjusted EBITDA increased 5.6% from \$203.7 million to \$215.2 million
 - Adjusted Funds From Operations (“AFFO”) and diluted AFFO per share increased 8.6% and 7.2%, respectively
- Operational and other highlights include:
 - Digital platform continued to show strong same-board growth, increasing 6.9% in Q3
 - Finished quarter with 3,485 digital units and remain on track to add a little more than 200 units in FY 2019
 - Local and national advertising were up 3.1% and 6.9% in Q3, respectively
 - Local / national mix was 74% local and 26% national
 - Programmatic revenue was around \$3.9 million in Q3
 - CapEx spend totaled \$37 million in Q3 (\$24 million growth and \$13 million maintenance)
 - As of the end of Q3 2019, leverage was 3.7x

FINANCIAL PERFORMANCE (a)

(\$ in Millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Net Revenues	\$457.8	\$418.5	9.4%	\$1,291.0	\$1,199.3	7.6%
Acquisition-Adjusted Revenue	\$457.8	\$442.9	3.4%	\$1,291.0	\$1,257.3	2.7%
Operating Expenses	\$316.3	\$290.1	9.0%	\$914.7	\$869.4	5.2%
Adjusted EBITDA (a)	\$215.2	\$192.5	11.8%	\$569.2	\$527.2	8.0%
% Margin	47.0%	46.0%		44.1%	44.0%	
Acquisition-Adjusted EBITDA	\$ 215.2	\$ 203.7	5.6%	\$ 569.2	\$ 546.3	4.2%
AFFO	\$163.0	\$150.1	8.6%	\$416.0	\$397.0	4.8%

COMMENTARY

- Strong quarter with top line growth and profitability above street estimates
 - Management expects Q4 acquisition-adjusted growth to come in similarly to Q3
 - Expense growth for the year is expected to be at or below 2%, in line with previous guidance
- Strong Q4 pacing gives confidence to upper end of AFFO per share guidance (\$5.83/share)
- CEO Sean Reilly noted that all industry verticals (service, hospitals, financial and insurance) were up double-digits with the exception of gaming (down 5%)
- Have closed \$215 million in acquisitions with another \$20 to \$25 million expected in Q4

Source: Company filings and earnings call transcripts.

(a) Adjusted for stock-based-compensation, loss / gain on disposal of assets and impact of ASC 842 adoption (lease accounting standard).

Q3 2019 Performance Update – November 7, 2019

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q3 2019 include:
 - Consolidated revenue grew to €925.6 million, up 6.7% compared to Q3 2018
 - Street Furniture
 - Third quarter adjusted revenue increased by +7.0% to €390.4 million (+5.2% on an organic basis)
 - Revenue increased in all geographies
 - Transport
 - Third quarter adjusted revenue increased by +4.1% to €400.7 million (-4.2% on an organic basis)
 - Revenue decreased in Europe and Asia while North America and Rest of the world were up single and double-digits, respectively
 - Billboard
 - Third quarter adjusted revenue increased by +14.5% to €134.8 million (-1.6% on an organic basis)
 - Revenue was up double-digits in Europe and North America but was down in the Rest of the World

COMMENTARY

- **Note: JCDecaux only releases revenue numbers in Q3**
- Strong overall growth in inorganic growth while organic growth declined in transport and billboard
- Europe was down in Transport, impacted by the non-renewal of the AENA Spanish national airport loss-making contract while France was up double-digit and UK recorded a good performance
- Asia showed negative growth in Transport, partially impacted by the metro business in China, specifically Hong Kong
- Asia-Pacific and the Rest of the World were up in Street Furniture with double-digit growth while North America was up mid-single-digits

Source: Company filings.

(a) Adjusted to exclude unusual and extraordinary items and for IFRS 11.

FINANCIAL PERFORMANCE (a)

(€ in Millions, Except Asset Count)

	Three Months Ended September 30,			
	2019	2018	% Change	Organic % Change
Adjusted Revenue:				
Street Furniture	€390.4	€365.0	7.0%	5.2%
Transport	400.7	384.9	4.1%	(4.2%)
Billboard	134.8	117.8	14.4%	(1.6%)
Total	€925.9	€867.7	6.7%	0.1%

Revenue Contribution:

Street Furniture	42.2%	42.1%	0.1%
Transport	43.3%	44.4%	(1.1%)
Billboard	14.6%	13.6%	1.0%

	Nine Months Ended September 30,			
	2019	2018	% Change	Organic % Change
Adjusted Revenue:				
Street Furniture	€1,180.9	€1,107.7	6.6%	5.5%
Transport	1,177.7	1,044.3	12.8%	3.6%
Billboard	409.5	359.0	14.1%	(3.1%)
Total	€2,768.1	€2,511.0	10.2%	3.5%

Revenue Contribution:

Street Furniture	42.7%	44.1%	(1.5%)
Transport	42.5%	41.6%	1.0%
Billboard	14.8%	14.3%	0.5%

Q3 2019 Performance Update – November 4, 2019

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q3 2019 include:
 - Varying results across most operating metrics
 - Revenue up 0.4% to \$110.5mm from \$110.1mm a year ago; 6.9% below analyst estimates of \$118.5mm
 - Adjusted OIBDA down 3.5% to \$51.7mm from \$53.6mm a year ago; 11.3% below analyst estimates of \$57.5mm
 - Margins declined slightly compared to the prior year period
- Full-year 2019 revenue and Adjusted OIBDA estimates were lowered to \$435 – \$445 million and \$195 – \$205 million, respectively
 - Management had previously expected revenue and Adjusted OIBDA in the ranges of \$450 - \$465mm and \$207 - \$217mm, respectively

COMMENTARY

- Stock decreased 29.3% after hours on the news
- Management notes that they expect a year-end make-good balance assumption of \$8 million
- Regional revenue declined 8.9% compared to Q3 2018, driven by several large clients that shifted from regional revenue and made larger national buys
 - Local revenue declined 3.5% and national revenue increased 1.9%
- While network attendance has decreased 7.2% over the first nine months of 2019 when compared to 2018, it decreased only 0.8% in Q3
- Donna Special was added to the board of directors in Q3 2019 after most recently serving as the President of Advertising Sales at Warner Media

Source: Company filings.

(a) Adjusted to exclude unusual and extraordinary items.

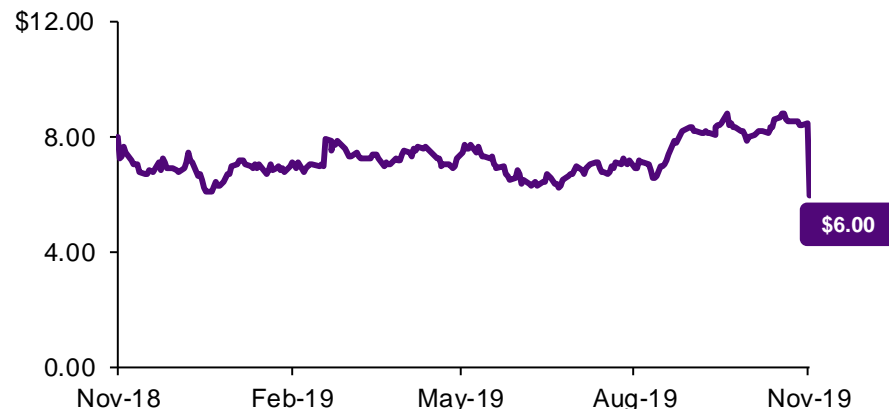
(b) Consolidated net income before net income attributable to noncontrolling interests.

FINANCIAL PERFORMANCE

(Amounts in Millions, Except Screens)

	Three Months Ended September 26,			Nine Months Ended September 26,		
	2019	2018	% Change	2019	2018	% Change
Revenue	\$110.5	\$110.1	0.4%	\$297.6	\$304.0	(2.1%)
Operating Income	40.0	42.3	(5.4%)	88.6	93.5	(5.2%)
Adjusted OIBDA ^(a)	51.7	53.6	(3.5%)	124.0	129.2	(4.0%)
Net Income ^(b)	9.2	11.2	(17.9%)	17.0	13.5	25.9%
Margin						
Operating Income	36%	38%	(2.2%)	30%	31%	(1.0%)
Adjusted OIBDA	47%	49%	(1.9%)	42%	43%	(0.8%)
Net Income	8%	10%	(1.8%)	6%	4%	1.3%
Total Screens	21,072	21,178	(0.5%)	21,072	21,178	(0.5%)
Total Attendance	163.4	164.7	(0.8%)	497.4	535.8	(7.2%)

LAST TWELVE MONTHS STOCK PRICE PERFORMANCE



This document is a marketing presentation. It has been prepared by personnel of PJ SOLOMON or its affiliates and not by Natixis' research department. It is not investment research or a research recommendation and is not intended to constitute a sufficient basis upon which to make an investment decision. This material is provided for information purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. Any pricing information provided is indicative only and does not represent a level at which an actual trade could be executed. Natixis may trade as principal or have proprietary positions in securities or other financial instruments that are the subject of this material. It is intended only to provide observations and views of the said personnel, which may be different from, or inconsistent with, the observations and views of Natixis analysts or other Natixis sales and/or trading personnel, or the proprietary positions of Natixis. Observations and views of the writer may change at any time without notice.

This presentation may contain forward-looking statements and comments relating to the objectives and strategy of PJ SOLOMON. Any such projections inherently depend on assumptions, project considerations, objectives and expectations linked to future events, transactions, products and services as well as on suppositions regarding future performance and synergies.

Certain information in this presentation relating to parties other than PJ SOLOMON or taken from external sources has not been subject to independent verification, and PJ SOLOMON makes no warranty as to the accuracy, fairness or completeness of the information or opinions in this presentation. Neither PJ SOLOMON nor its representatives shall be liable for any errors or omissions or for any harm resulting from the use of this presentation, the content of this presentation, or any document or information referred to in this presentation.

Nothing in this presentation constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances. Each individual or entity who receives this document or participates in any future transaction shall be responsible for obtaining all such advice as it thinks appropriate on such matters and shall be responsible for making its own independent investigation and appraisal of the risks, benefits and suitability of the transactions as to itself. Any discussions of past performance should not be taken as an indication of future results, and no representation, expressed or implied, is made regarding future results. No person shall have any liability whatsoever (in negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document or any other written or oral communications transmitted to the recipient in relation hereto.

PJ SOLOMON and/or its affiliates, officers, directors and employees, including persons involved in the preparation or issuance of this material, may, from time to time, have long or short positions in, and buy or sell, the securities or derivatives mentioned in this material.

The information contained herein may be based in part on hypothetical assumptions and for certain models, past performance. These assumptions have certain inherent limitations, and will be affected by any changes in the structure or assets for this transaction. This material is confidential and any redistribution is prohibited. PJ SOLOMON is not responsible for any unauthorized redistribution.