

Digital Signage in a Changing Media Marketplace

Mark Boidman  @MBoidman



November 9, 2021



AN AFFILIATE OF
 **NATIXIS**
CORPORATE & INVESTMENT BANKING

Solomon Partners Update

We changed our name, not our strategy

- Founded in 1989 and legacy as one of the first independent investment banks
- Unmatched industry knowledge in the sectors we cover
- We offer the “best of both worlds”: the experience of a boutique, as well as global reach and capabilities

160+	8
Employees	Verticals
26	9
Managing Directors	Senior Advisors
	115
	Investment Bankers

Our principal shareholder, Natixis, is part of Groupe BPCE, a top European and global bank



€7.4B+
Net Revenues ^(a)

\$1.4T+
AUM ^(b)

16,000
Employees

350+
M&A Professionals


36+
Countries

A+
S&P

A1
Moody's

A+
Fitch

Long Term Ratings (All Stable)

51% Owned by NATIXIS

49% Owned by partners



a) As of Fiscal Year 2020.

b) Assets under management ("AUM") as of June 30, 2021. AUM, as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of non-regulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

>\$15 Billion Solomon TMT Transactions Since 2014

>\$7 Billion Solomon On-Premise / OOH Media Transactions

<p>PENDING \$2,666,000,000</p>  <p>Has agreed to merge with VPC Impact, a SPAC sponsored by VICTORY PARK CAPITAL</p> <p>Serving as sole financial advisor to Bakkt</p>	<p>NOVEMBER 2021 \$1,500,000,000+</p>  <p>Strategic Investment by SEARCHLIGHT and BCI</p> <p>Serving as exclusive financial advisor to Adams Outdoor Advertising</p>	<p>SEPTEMBER 2021 \$1,500,000,000+</p>  <p>Formation of \$1.5B+ data center investment platform</p>  <p>Served as financial advisor and placement agent to Strategic Capital</p>	<p>JUNE 2021 \$200,000,000+</p>   <p>Has raised capital led by ZenFi</p> <p>To fund and expand LinkNYC</p> <p>Served as exclusive financial advisor to CityBridge</p>	<p>MAY 2021</p>  <p>Has been sold to Alight</p> <p>Served as exclusive financial advisor to Foris Outdoor</p>	<p>DECEMBER 2020</p> <p>MOOD:MEDIA</p> <p>Has agreed to be sold to VECTOR CAPITAL</p> <p>Served as exclusive financial advisor to Mood Media</p>	<p>DECEMBER 2020</p>  <p>Has sold TrueCommerce to WCAS</p> <p>Served as financial advisor to Accel-KKR and TrueCommerce</p>
<p>OCTOBER 2020</p>  <p>Sale of myfitnesspal to FP</p> <p>Served as financial advisor to Under Armour</p>	<p>JULY 2020 ~\$2,200,000,000</p>  <p>Has acquired EndemolShine Group</p> <p>Served as strategic and financial advisor to Banijay</p>	<p>APRIL 2020 \$400,000,000</p>   <p>Invested in newly issued convertible preferred stock in OUTFRONT</p> <p>Served as exclusive financial advisor to Ares</p>	<p>MARCH 2020 \$3,360,000,000</p>  <p>Has sold a 10% stake in UNIVERSAL MUSIC GROUP</p> <p>To a consortium led by Tencent</p> <p>Served as financial advisor to Vivendi</p>	<p>2019</p>  <p>Sold advertising assets to AMERICAN TOWER, NEW TRADITION, OUTFRONT, and PACIFIC Outdoor Advertising</p> <p>Served as exclusive strategic and financial advisor to Total Outdoor</p>	<p>JUNE 2019 \$689,000,000</p>  <p>Acquired by ELLIOTT</p> <p>Owner of Waterstones</p> <p>Served as financial advisor to Len Riggio, Founder, Chairman and 19% shareholder of Barnes & Noble</p>	<p>APRIL 2019</p>  <p>Acquired AYUDA</p> <p>Served as exclusive strategic and financial advisor to Broadsign</p>
<p>FEBRUARY 2019</p>  <p>Sold to MARCUS THEATRES</p> <p>Served as financial advisor to VSS-Southern Theatres / Movie Tavern</p>	<p>JANUARY 2019 \$157,000,000</p>    <p>Acquired INTERSECTIONS INC.</p> <p>Served as financial advisor to the Consortium</p>	<p>NOVEMBER 2018</p>  <p>Sold to global</p> <p>Served as strategic and financial advisor to Exterion Media and Platinum Equity</p>	<p>AUGUST 2018</p>  <p>Acquired out of home media assets of REGENCY</p> <p>Served as exclusive strategic and financial advisor to Netflix</p>	<p>SEPTEMBER 2017</p>  <p>Has been awarded a 10-year contract with MTA</p> <p>Served as exclusive financial advisor to OUTFRONT Media</p>	<p>JULY 2017</p>  <p>Sold to TGG</p> <p>Served as financial advisor to AMI Entertainment</p>	<p>JUNE 2017 \$140,000,000</p>  <p>Received capital from SILVER POINT and SEARCHLIGHT</p> <p>Served as financial advisor to PatientPoint</p>
<p>APRIL 2017</p>  <p>Formed a JV with Verifone (Pump Media)</p> <p>Served as financial advisor to Gas Station TV and Rockridge Growth Equity</p>	<p>MARCH 2017</p>   <p>Served as financial advisor to the Special Committee of the Board of NCM in connection with NCM's agreement with AMC to enable AMC to comply with the DOJ Final Order for Carmike transaction</p>	<p>FEBRUARY 2017 \$174,200,000</p>  <p>Sold to BARNES & NOBLE education</p> <p>Served as financial advisor to MBS Textbook Exchange and owner Leonard Riggio</p>	<p>JANUARY 2017</p>  <p>Sold to Bell</p> <p>Served as exclusive financial advisor to Cieslok Media</p>	<p>AUGUST 2016 \$196,600,000</p>  <p>Sold to MILL ROAD</p> <p>Served as financial advisor to Skullcandy</p>	<p>APRIL 2015</p>  <p>TouchTunes</p> <p>Served as financial advisor to Searchlight Capital Partners on its acquisition of TouchTunes</p>	<p>OCTOBER 2014 \$690,000,000</p>  <p>Acquired the major market outdoor advertising portfolio of Van Wagner</p> <p>Served as financial advisor to CBS Outdoor</p>

Forces Driving M&A

OOH CONTINUES TO BE “OVER-ALLOCATED” BY TOP BRANDS

Successful brands allocate 13% of their media budgets to out of home advertising, vs. 6% average share of total global ad spend

AUDIENCE MEASUREMENT

New audience measurement techniques in development will be key in growing share of ad spend

EXPANDING INTEREST IN OOH

More telecom / infrastructure companies are seeing the benefit of owning specialized portfolios of OOH assets

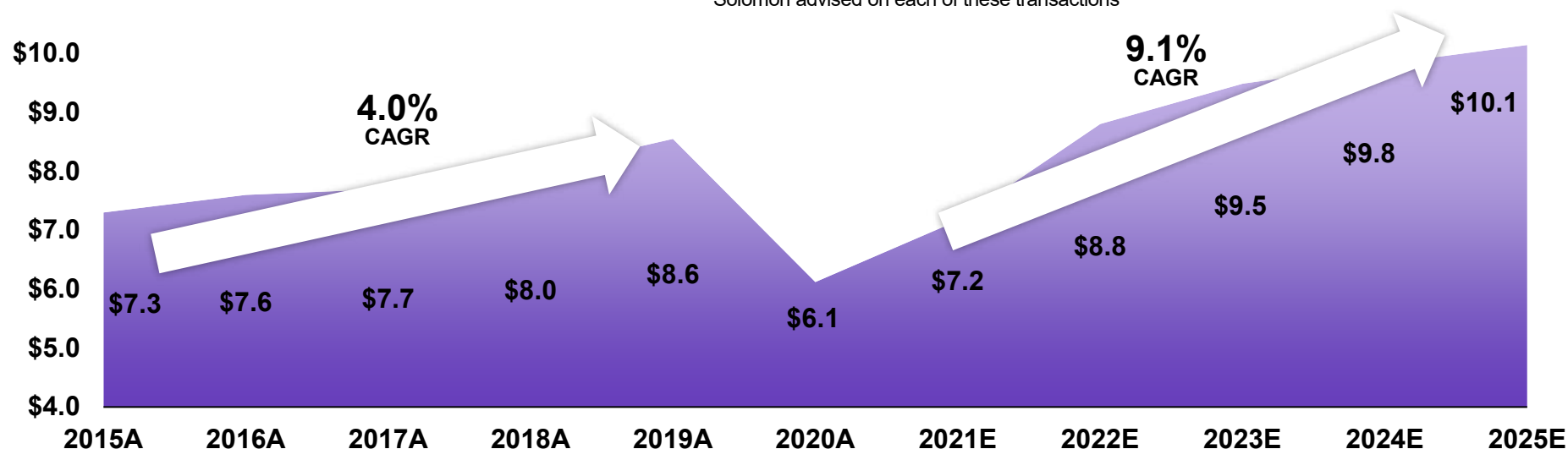
Media companies, including Netflix* and Global*, and telecom companies, including American Tower*, Digital Colony, Rogers and ZenFi* recently acquired or invested in OOH assets

PROGRAMMATIC ...

Ad exchanges and programmatic buying driving additional dollars to OOH by removing the barriers to entry that currently exist in buying OOH

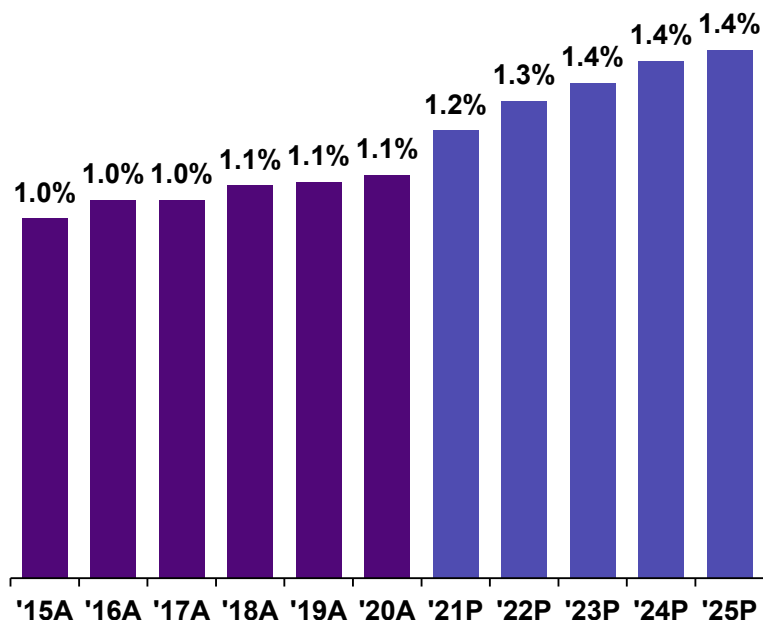
The transformation to programmatic provides a key opportunity for OOH to increase its share of media spend

*Solomon advised on each of these transactions

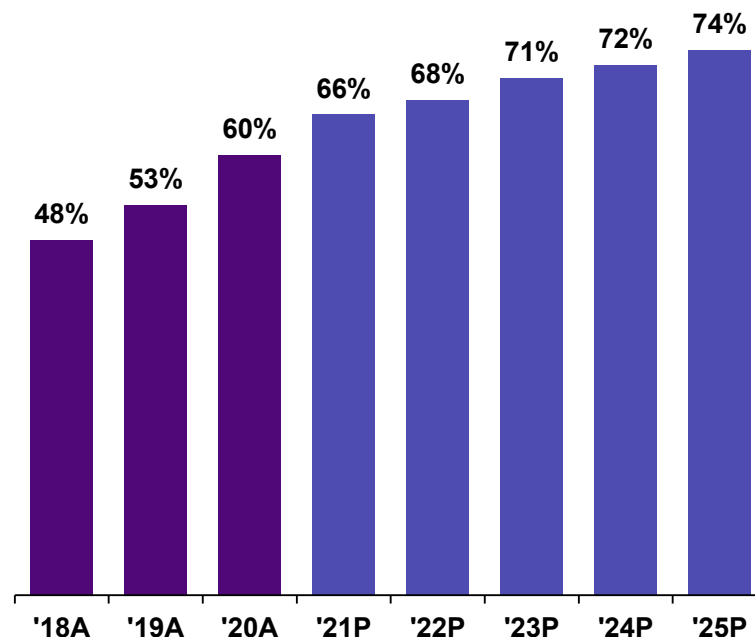


Overall Growth in U.S. Advertising Driven by Digital

U.S. Advertising as % of GDP



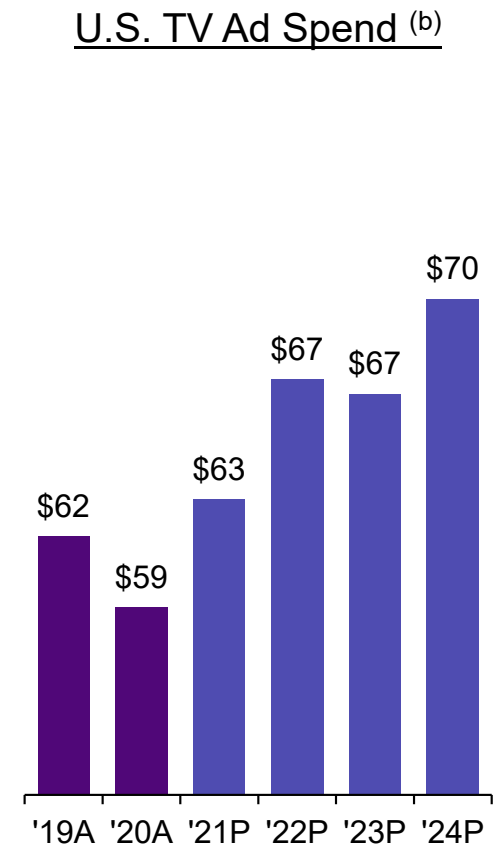
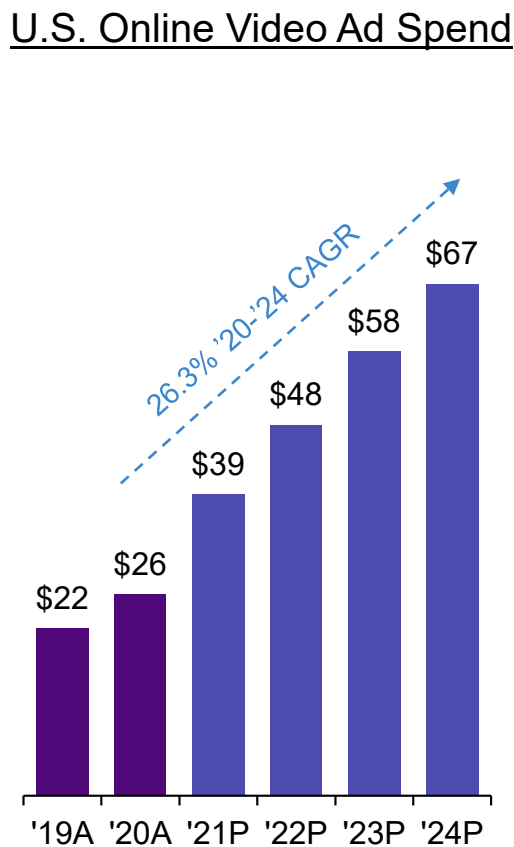
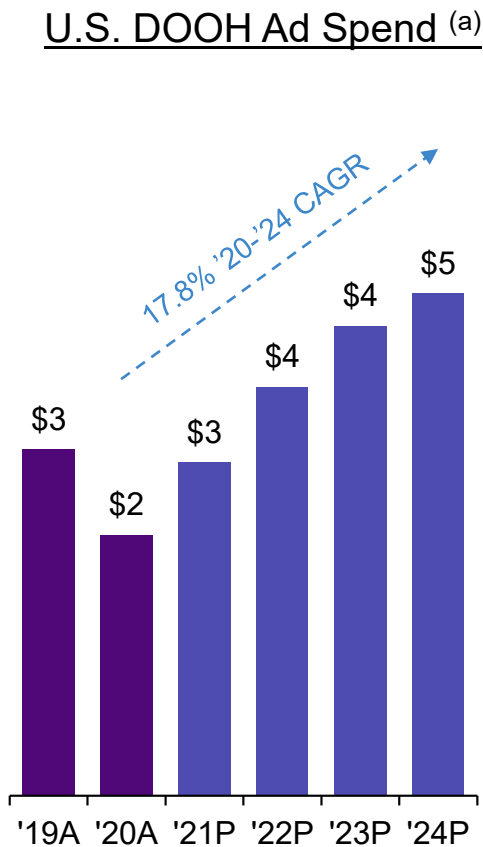
Digital as % of U.S. Total Advertising Spend



More money is being spent on advertising, especially digital
Digital advertising is the new rent

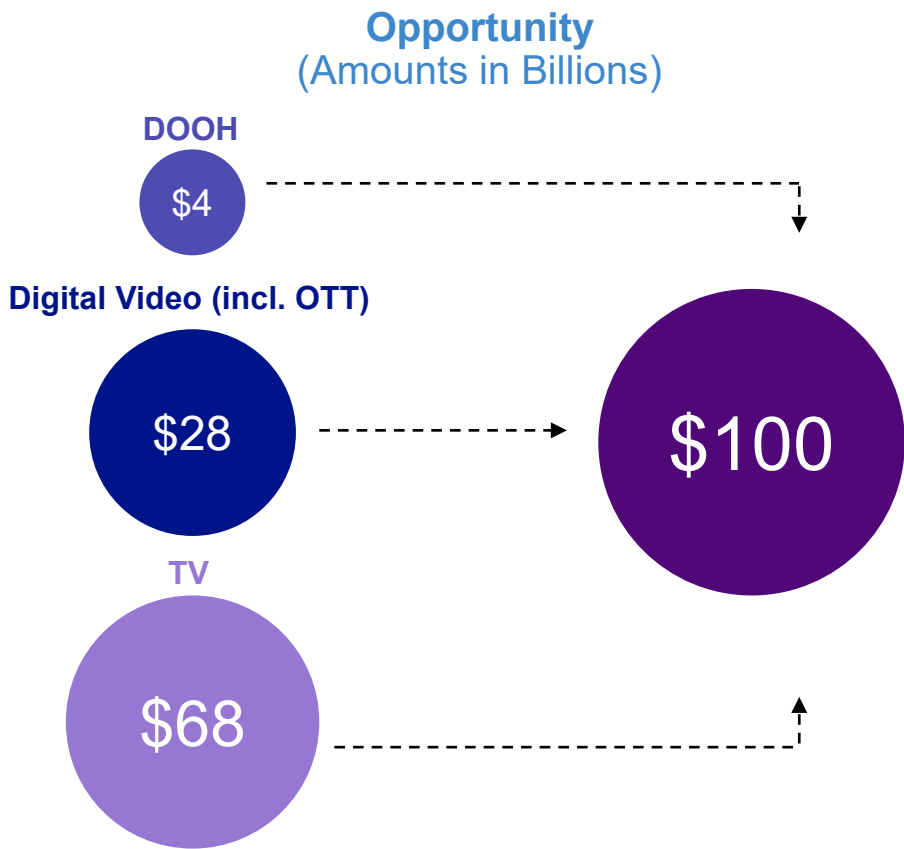
Historical and Projected U.S. Total DOOH, Digital Video and TV Media Spend

(\$ in Billions)




a) Source: PwC.
b) Source includes digital extensions of certain broadcasters (e.g., Peacock) in TV ad spend numbers. Excluding these extensions, TV ad spend would be declining.


Opportunity for DOOH Assets to Tap into Digital Video Advertising Budgets




Other Advantages




Exposure




Non-Invasive Targeting



Mobile Integration



ROI



No Ad-Blocking

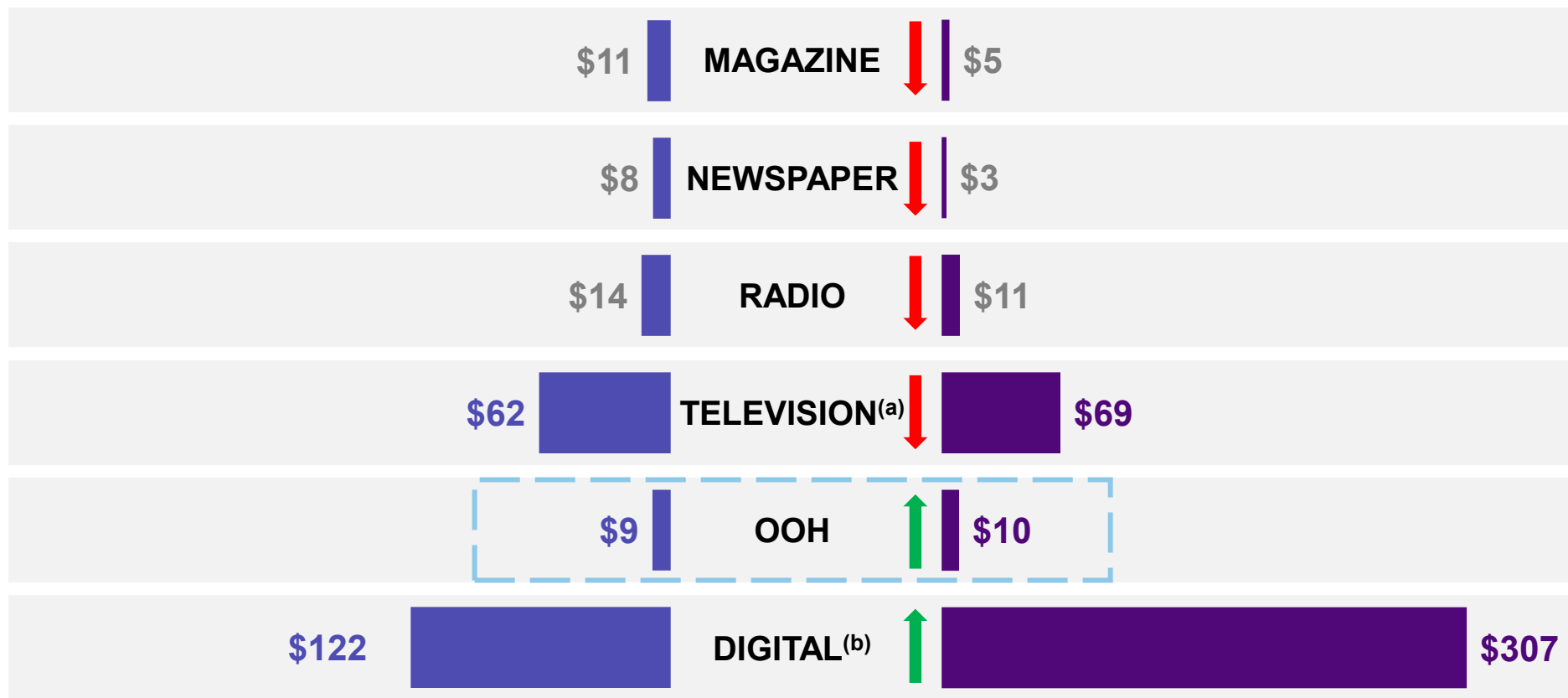
Digital video ad dollars to migrate to DOOH assets with a total opportunity of \$100 billion

Digital and OOH are the Only Growing Media Channels

Digital and OOH are the only ad channels expected to grow

2019A U.S. Ad Spend

2025E U.S. Ad Spend

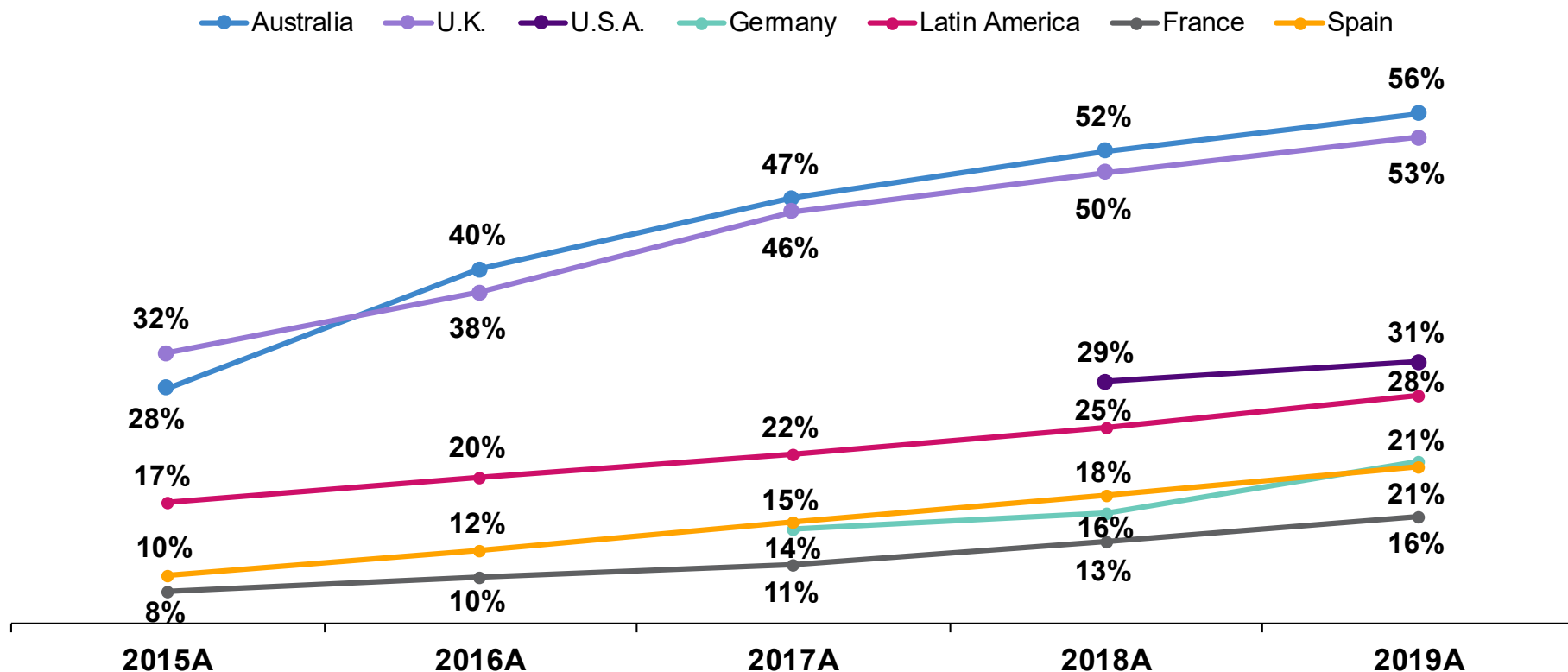


Source: Wall Street research. Amounts in billions.

a) Source includes digital extensions of certain broadcasters (e.g., Peacock) in TV ad spend numbers. Excluding these extensions, TV ad spend would be declining.

b) Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms.

Digitization Over Time in Select OOH Markets



There is significant room for digital penetration growth in the US

DOOH Continues to Experience Strong Growth

As OOH’s share of media budgets increases, DOOH is poised to benefit with programmatic opportunities, mobile tie-ins, attribution studies and earlier penetration in the planning process

Over 50% of planners have recommended media plans using DOOH and mobile *together*

77% of planners reported that DOOH is entering *earlier stages* of the planning process

DOOH continues to become an **integral part** of overall strategy, with its share of media budgets continuing to increase

Top Reasons for Recommending DOOH

	2018	2016 (Rank)	Difference
Geo-Target by DMA	81%	67% (1)	14%
Connect with Customer on Path to Purchase	64%	55% (2)	9%
Part of Omni-Channel Strategy ^(a)	54%	7% (10)	47%

Source: DPAA Media Planner Survey, released June 24, 2019.
a) Called “video everywhere / video agnostic” in 2016 survey.

Continued Innovation Within Media Landscape

The combination of **digital signage** displays along with **location-based mobile technology** provides advertisers with multiple points of entry to a prospective consumer



Consumers are more likely to go online via mobile device for social media, web searching and shopping within **30 minutes** of seeing an OOH ad



Advertisers are beginning to recognize additional **flexibility** and relevance that digital platforms provide



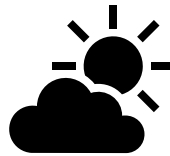
Combining placement and timing has the potential to **amplify** and extend brand engagement to unprecedented levels

Continued Innovation Within Media Landscape

Data-driven content on DOOH screens also provides greater engagement, stronger delivery and **increased retention** to advertising campaigns



Campaigns are transitioning from linear content (simple movie files) to contextual, **interactive and dynamic displays**



Sensors now advanced enough to react to **external stimuli** and evolve on-screen messages; inputs include temperature, views, precipitation and wind speed



DOOH screens are also able to respond to **real-time data**, such as pricing changes, location, audience demographics, weather and time of day

OOH as Primer for Mobile Engagement

Industry is just scratching surface re: Mobile / Digital ad bucket and Mobile OOH integration is an untapped opportunity

- 44% of planners recommended media plans combining DOOH and mobile over the prior 12 months
- Planners would be more likely to recommend DOOH in the future if mobile were used in these ways:

Retargeting ads that have been delivered on DOOH

Measuring DOOH audiences through tracking devices

Enabling interaction with DOOH creative

- Three key reasons emerged as the most important for including DOOH in media plans:

Geotargeting by DMA, ZIP codes or hyperlocally

Connecting with consumers along the path-to-purchase

Reaching a specific audience

“A billboard coupled with a mobile advertising campaign drives direct, immediate consumer action, whether that’s generating likes on Facebook or foot traffic to their establishment”

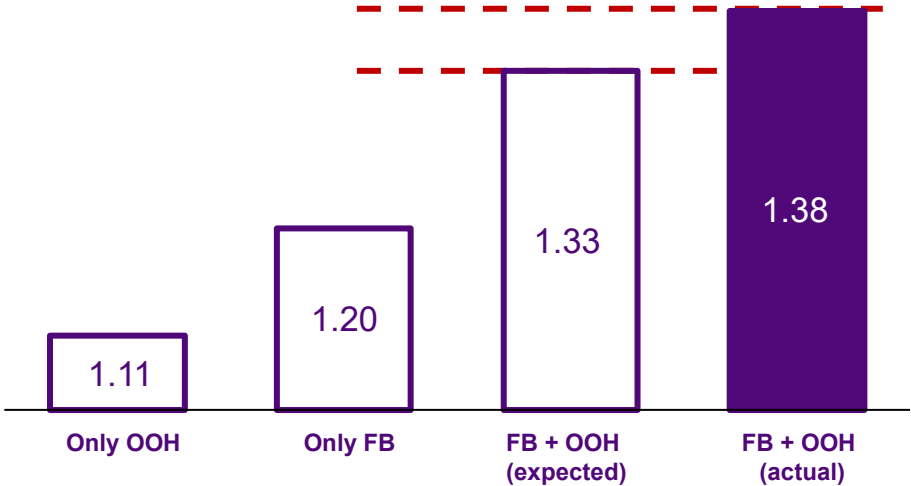
Facebook Publishes Report on Benefits of Facebook + OOH

Facebook and OOH Advertising Helps Brands Reach Younger Consumers

*PARTICIPANTS WERE ASKED:
 “Through which of the following do you hear about new food or beverage products?”*

	Gen Z	Millennials
Facebook	2.2x	1.7x
OOH	1.3x	1.2x
Print	0.7x	0.8x
TV	0.9x	1.0x

Facebook Research Findings: Uplift Factor in Likelihood to Purchase

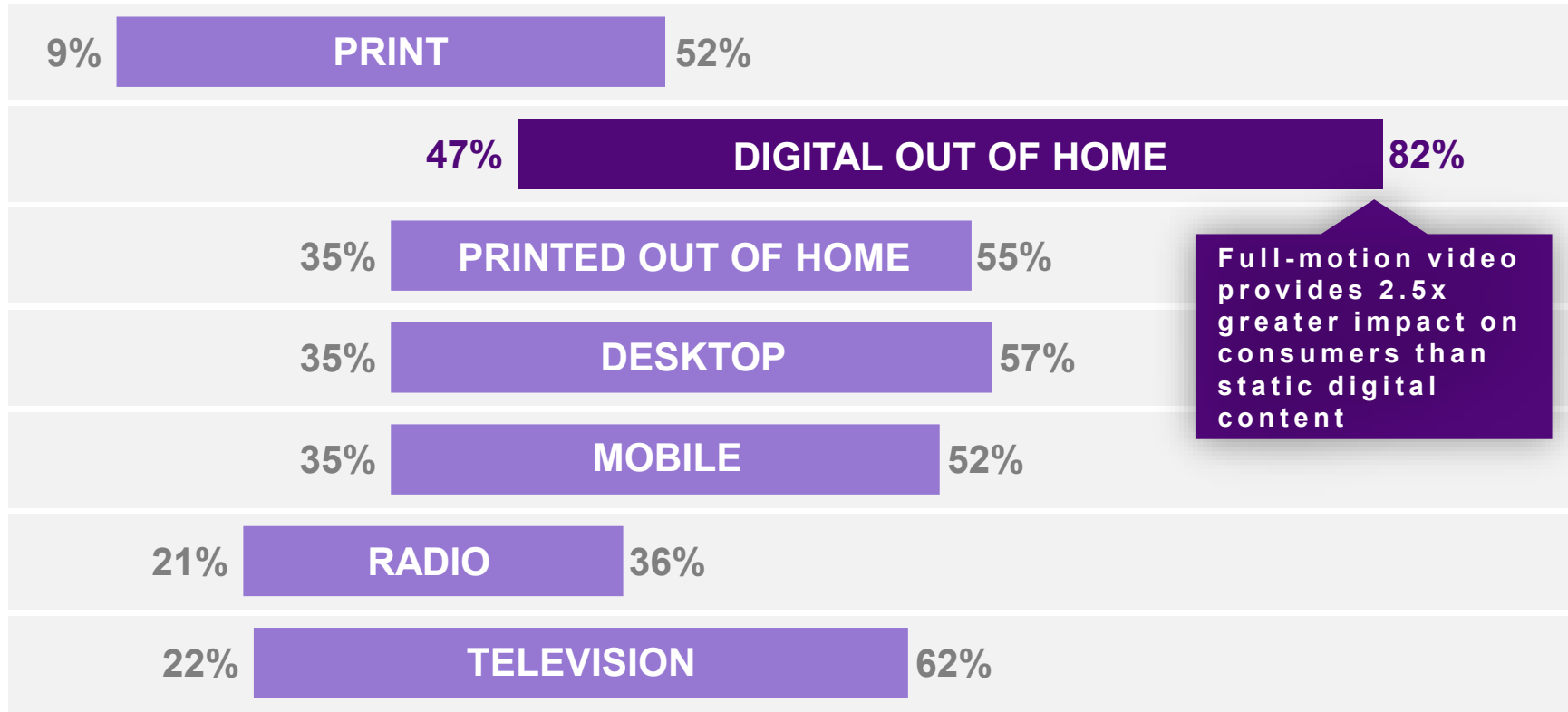


Consumer likelihood-to-purchase is 13% higher than expected when using both FB + OOH channels together

Digital OOH Advertising Drives Greater Recall Than All Other Ad Channels

Based on Solomon Partners independent study of the five primary advertising channels

Advertising Recall



Source: Solomon Partners Study as of March 2017 and Wall Street Research.
Note: Ranges shift depending on aided vs. unaided recall basis, length of time for recall and sample size / nature and scope.
Note: Advertising recall defined as advertising effectiveness in which respondents were exposed to an advertisement and then at a later point in time, respondents were asked if they remembered the advertisement on an aided or unaided basis.

Key Value Creation Factors For OOH Owners



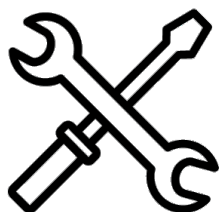
Organic **Revenue Growth**



Proven **ROI**



Ability to **Effectively Execute M&A**



Capex Dynamics



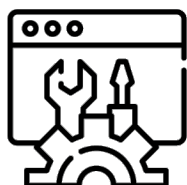
Footprint / Scale



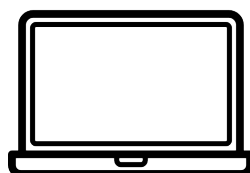
Digital Conversions



Attribution Improvements



New Developments



Programmatic Sales



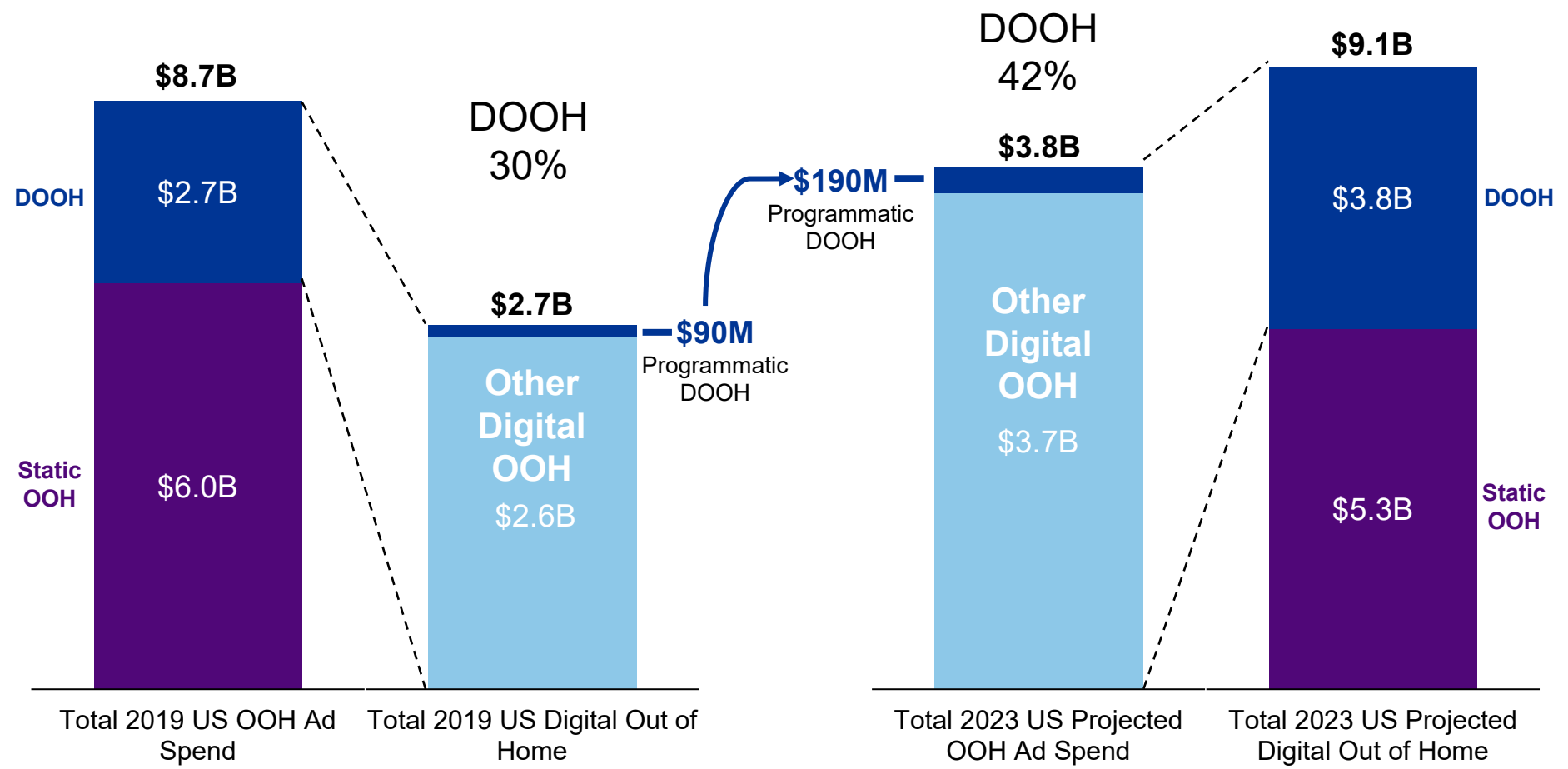
Premium Slots



Local Sales

Programmatic Buying: Key Opportunity to Increase OOH Share of Media Spend

The transformation to digital, especially programmatic, provides a key opportunity for OOH to increase its share of media spend



Engaging with In-Store Tech

Main street's reliance on AV technology continues with customer engagement changing the retail shopping experience

Shaping the Shopping Experience

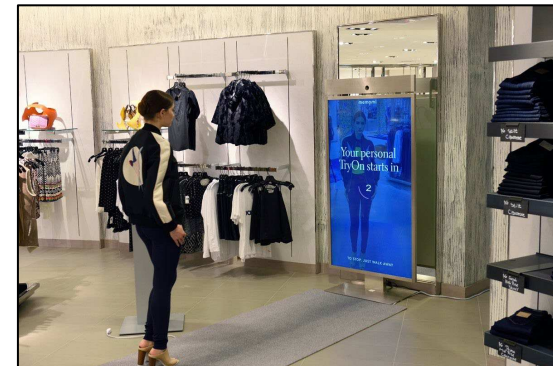
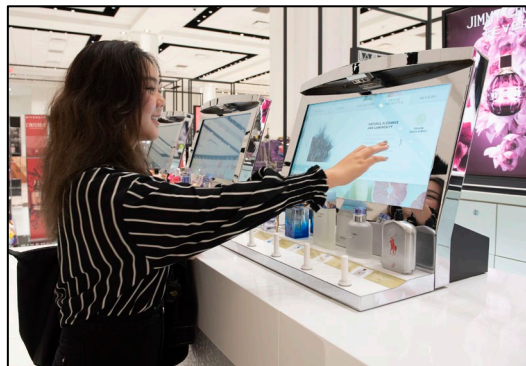
- Lighting, sound and visual displays are being used to make shopping more experiential, together with additional attractions such as cinemas, climbing walls and VR spaces in shopping centers

Experiential is Commonplace

- Large LED displays are becoming ever more prominent and increasingly sophisticated content moving away from the static, still image-based installations of the past

More than a Visual

- Digital displays such as kiosks act as tools to allow retail customers to interact in store and gather relevant information



Mark Boidman

 **@MBoidman**

Disclaimer

This document is a marketing presentation. It has been prepared by personnel of Solomon Partners 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 Solomon Partners. 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 Solomon Partners or taken from external sources has not been subject to independent verification, and Solomon Partners makes no warranty as to the accuracy, fairness or completeness of the information or opinions in this presentation. Neither Solomon Partners 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.

Solomon Partners 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. Solomon Partners is not responsible for any unauthorized redistribution.