



Mark Boidman

 MarkBoidman

 @Mboidman

mark.boidman@  
solomonpartners.com

# IN-STORE RMNS: EXPECT THE UNEXPECTED

## 2025 MARKET AND M&A ANALYSIS

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**NRF**'25  
RETAIL'S  
BIG SHOW

**STRATACACHE**

# SOLOMON PARTNERS OVERVIEW

INVESTMENT BANK FOUNDED IN 1989

## Solomon continues to grow

**200+**  
Investment Bankers

**35+**  
Partners & Managing Directors

### INDUSTRY EXPERTS

- Business Services
- Consumer Retail
- Distribution
- Financial Institutions
- FinTech
- Grocery, Pharmacy & Restaurants
- Healthcare
- Industrials
- Infrastructure, Power & Renewables
- Media
- Technology

### PRODUCT CAPABILITIES

- Cross Border
- Capital Advisory
- Leveraged Finance
- Mergers & Acquisitions
- Project / Asset Finance
- Special Committee & Fairness Opinion



# MEDIA AND MEDIA TECH SERVICES GROUP

OVER \$75B IN COMPLETED TRANSACTIONS

## SELECT COVERAGE SECTORS

### MARKETING & MEDIA

Advertising / Marketing Services

Music & Audio

On-Premise and Connected Media Solutions

Professional AV

Commerce / Retail Media

### MEDIA & ENTERTAINMENT

Content Creation, Distribution & Exhibition

Event Technology / Live Event Services



**Mark Boidman**  
Partner  
Head of Media



**Ben Zinder**  
Director



**Christian Bermel**  
Vice President



**Blake McCann**  
Associate



**Trae Smith**  
Analyst



**Jared Rogers**  
Analyst



**Damascus Thorpe**  
Analyst



**Caroline Horn**  
Analyst



**Thomas Doyle**  
Analyst

# SELECTED RECENT MEDIA TRANSACTIONS

**PENDING**



Has agreed to be acquired by



Serving as financial advisor to the Transaction Committee of VOXX's Board of Directors

**2024**



Recapitalization financed by new term loan facility

Served as financial advisor to Trailhead Media

**2024**



Merger with



Served as financial advisor to the special committee of independent directors of the board of SiriusXM on the split-off and special merger of SiriusXM

**2024**



Has agreed to sell its Canadian business to



Served as financial advisor to OUTFRONT Media

**2024**



Has acquired



Served as financial advisor to Broadsign

**2024**



Provided a senior secured credit facility to an out of home media business

Served as financial advisor to Ares

**2024**



Served as pre-petition investment banker

**2023**



Sold to

**AmatoMartin**

Served as financial advisor to Valpak

# SELECTED RECENT RETAIL TRANSACTIONS

PENDING

**VERAWANG**

Sale of intellectual property to

**WHP GLOBAL**

Serving as financial advisor to VERA WANG

2024

**SAKS GLOBAL**

Acquired

**NMG**  
NEIMAN MARCUS  
BERGDORF GOODMAN

Served as financial advisor to Saks Global

2024

**F9 BRANDS INC.**

has acquired certain assets of

 **LL Flooring**

through a \$363 transaction

Served as financial advisor to F9 Brands

2024



Sale to



Served as financial advisor to FATTY Smoked Meat Sticks

2024

**HIBBETT, INC.**

Sale to



Served as financial advisor to Hibbett

2024



Served as investment banker to Shoes For Crews in its Chapter 11 bankruptcy proceedings

2024

**rag & bone**  
NEW YORK

Sale to

**WHP GLOBAL** and **GUESS**

Served as financial advisor to Rag & Bone

2024

**chico's FAS**<sup>NO</sup>

Acquired by



Served as financial advisor to Chico's FAS

# WHAT FUELS IN-STORE RETAIL MEDIA NETWORKS?

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MEDIA FRAGMENTATION  
AND TECH



TV



Radio



Print



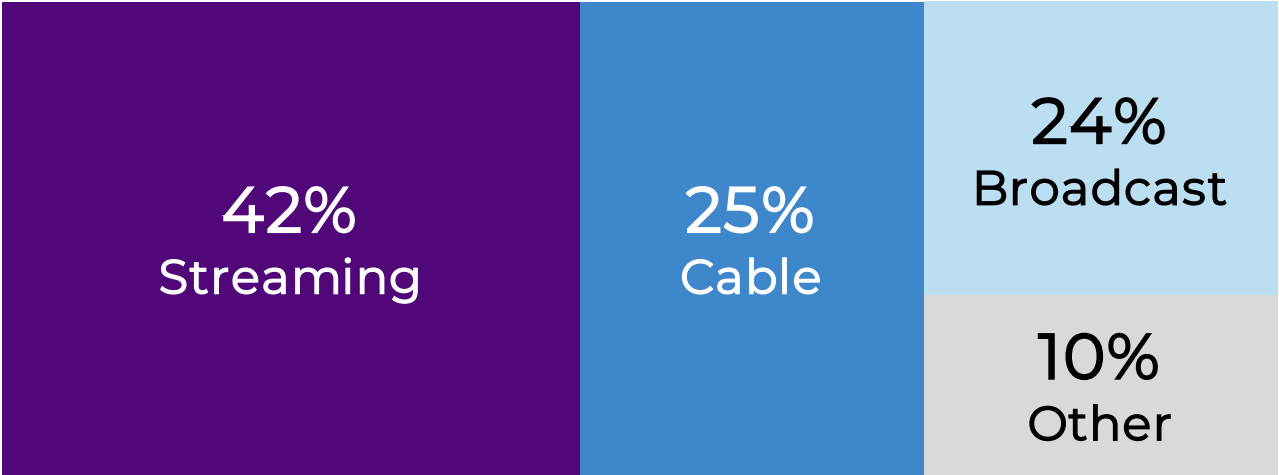
Digital /  
Mobile Media

# FRAGMENTATION OF MEDIA – CREATING CHAOS

INCREASINGLY DIFFICULT FOR ADVERTISERS TO REACH A MASS AUDIENCE

## AUDIENCES SHIFTING FROM LINEAR TV

Share of Total Television Usage in the U.S. in June 2024, by Type



2024 Streaming Hit 40% of U.S. TV Usage

### SOCIAL MEDIA AND SHORT-FORM CONTENT CAPTURING CONSUMERS' ATTENTION

Average Time Spent on Mobile Devices (Non-Voice)

**1.5 hrs** 2012 → **4.5 hrs** 2024

IN AN INCREASINGLY MOBILE SOCIETY, MEDIA IN THE PHYSICAL WORLD WINS

# EVEN STREAMING'S MOMENTUM IS SLOWING

NOW THE LARGEST TV FORM, BUT MOST STREAMING COMPANIES ARE BARELY PROFITABLE

## STREAMING & ADVERTISING SLOWDOWN

Increased Cost

Combined cost of 9 Major Streaming Services<sup>(a)(b)</sup>  
**\$120**

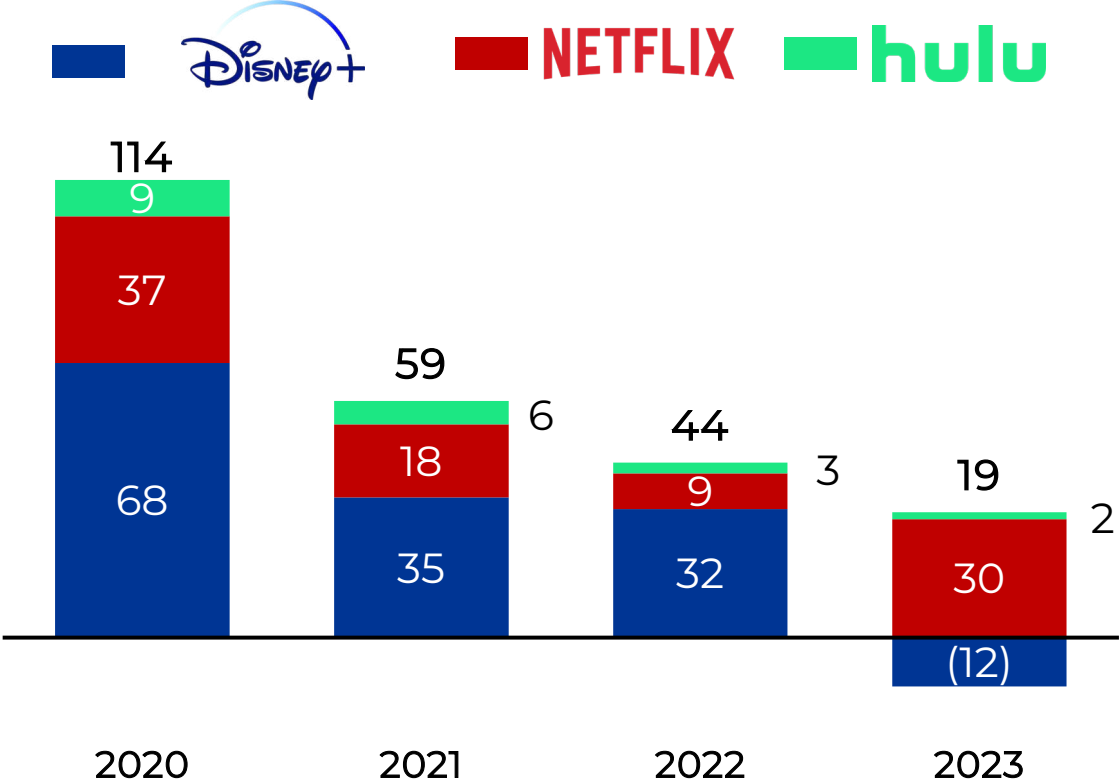
Cost of Cable<sup>(b)</sup>  
**\$83**

Losing Subscribers

**25%** of U.S. subscribers have canceled at least three of the top 8 streaming platforms

## STREAMING SERVICES ARE ADDING FEWER NEW SUBSCRIBERS EVERY YEAR

(millions of subscribers)  
 Annual Increase (Decrease) in Global Paid Subscribers



Source: Company filings and Reuters.  
 a) Apple TV+, Amazon Prime Video, Max, Peacock, Paramount and Showtime, Netflix, Hulu and Disney+.  
 b) Filmtake.

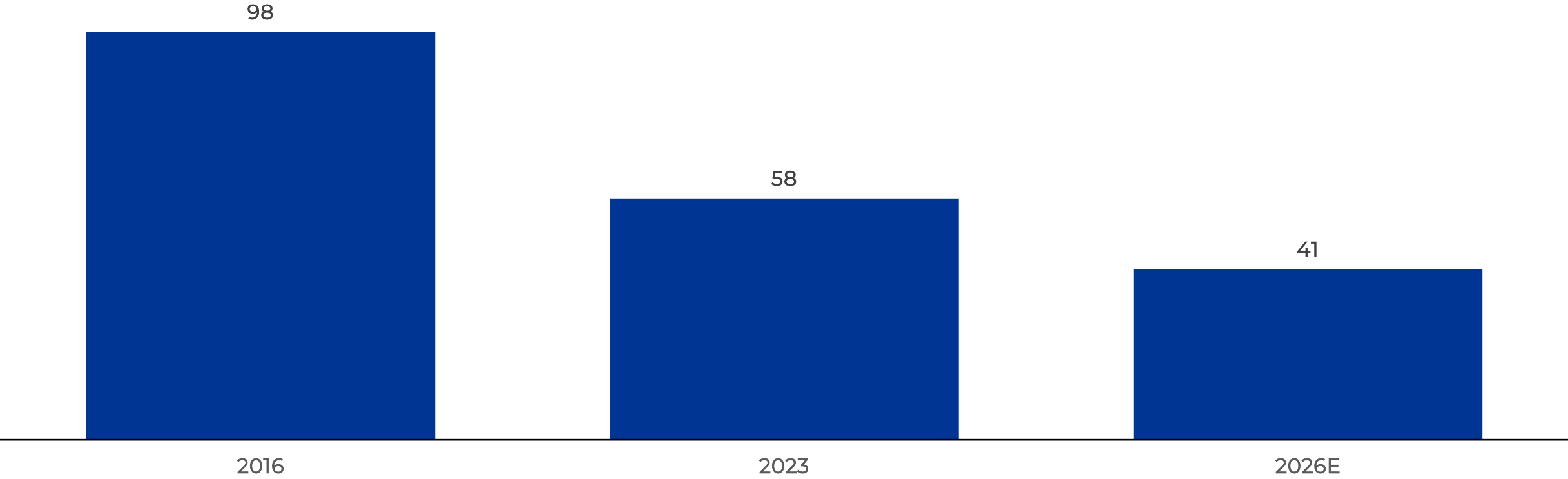


# TRADITIONAL MEDIA COMPANIES FUTURE UNCLEAR

## TV NETWORKS LOSING VIEWERS AND ADVERTISERS

(millions)

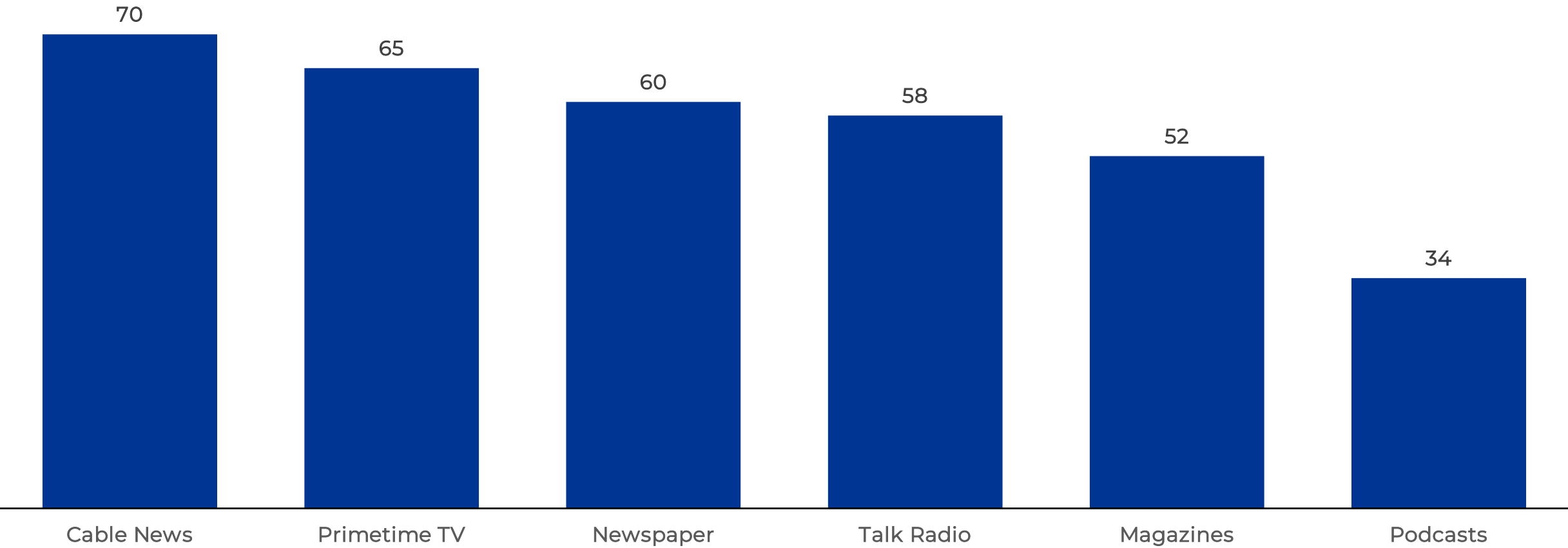
Number of Pay TV Households in the U.S.



# TO REACH YOUNG PEOPLE YOU NEED RETAIL MEDIA NETWORKS

## AGING MEDIA LANDSCAPE

Median Age of U.S. Users



# IN-STORE RETAIL MEDIA NETWORKS OFFER VALUE IN A CHANGING ADVERTISING WORLD

# TRENDS GOING INTO 2025

NETWORKS ENABLE BRANDS TO TAILOR ADS TO AN AUDIENCE, DRIVING SALES AND ENHANCING CUSTOMER RELATIONSHIPS

## 1 Shoppable video Content

41% of shoppable video content viewers make purchases

## 2 Artificial intelligence

52% of marketers predict AI will enable highly personalized shopper experiences

## 3 Omnichannel audience tracking

73% of consumers use multiple channels to shop (omnichannel) and companies with strong omnichannel strategies retain up to 89% of their customers

NETWORKS LEVERAGE THEIR OWN FIRST-PARTY DATA AND ARE LESS VULNERABLE TO PRIVACY-BASED LIMITATIONS



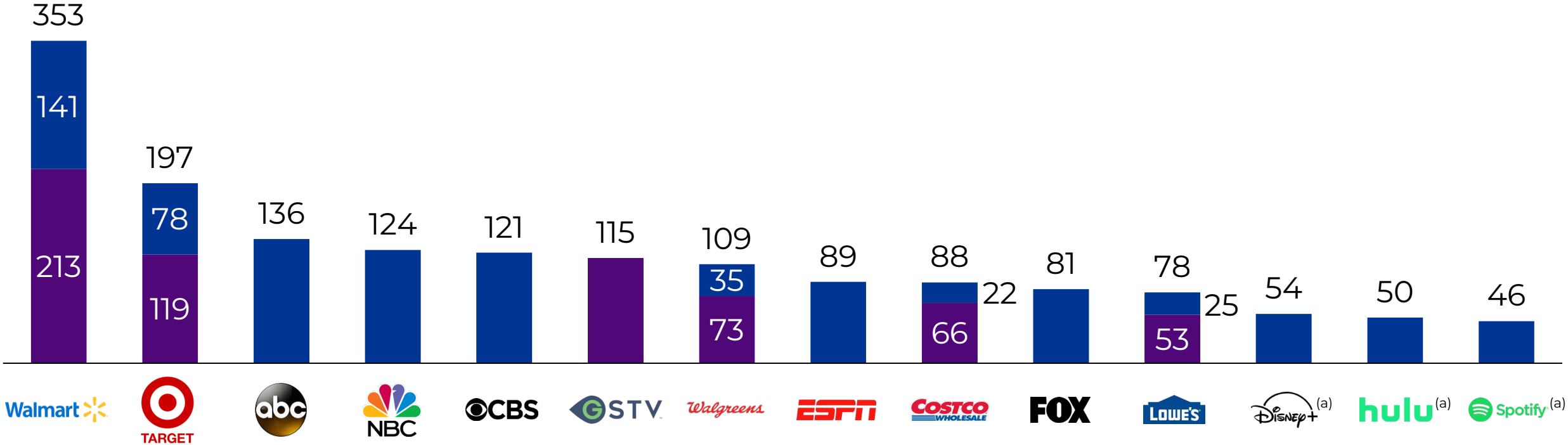
# UNTAPPED POTENTIAL: CAPTURING ON-PREMISE AUDIENCES

ON-PREMISE AUDIENCES ARE GENERALLY FAR LARGER THAN DIGITAL AUDIENCES, WITH ~85% OF CPG PURCHASES STILL MADE IN-STORE

## U.S. MONTHLY AUDIENCE REACH

(millions)

■ On-Premise Audience    ■ Digital Audience



# ALL RETAIL MEDIA IS COMMERCE MEDIA BUT NOT ALL COMMERCE MEDIA IS RETAIL MEDIA

ANOTHER 2025 TREND: COMMERCE MEDIA UTILIZING DIGITAL SIGNAGE

## COMMERCE MEDIA VS. RETAIL MEDIA

**Key Difference:** Commerce media uses shopper data from multiple retailers while retail media uses first-party data from a single retailer's website

### WHILE COMMERCE MEDIA INCLUDES RETAIL, IT ALSO INCLUDES:

-  AIRLINES
-  HOTELS
-  RIDESHARE COMPANIES

## DIGITIZATION OF COMMERCE MEDIA

**55%** of travelers indicated they would be more likely to visit a hotel that offered self check-in kiosks

- Digital media also helps minimize wait time or helps consumers perceive a shorter wait time

**46%** of travelers recall seeing advertising displayed on digital signage within transportation hubs

- **72%** of travelers find digital signage in airports help navigate their journey

# GLOBAL RETAILERS ADOPTING IN-STORE DIGITAL SIGNAGE

J O M A L O N E  
L O N D O N

Aided Jo Malone in achieving **25% higher product lift and 16x ROI**



Interactive kiosks allow customers to browse products and add to cart **providing consumers additional touchpoints for purchase**

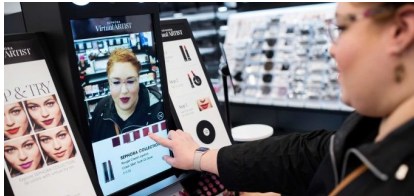


Digital menu boards create a seamless checkout experience and suggest add on items at checkout leading to a **20% sales increase post installation**



S E P H O R A

AR makeup try-on kiosks provide consumers the comfort to purchase makeup they are unable to test in-store leading to a **35% increase in sales**

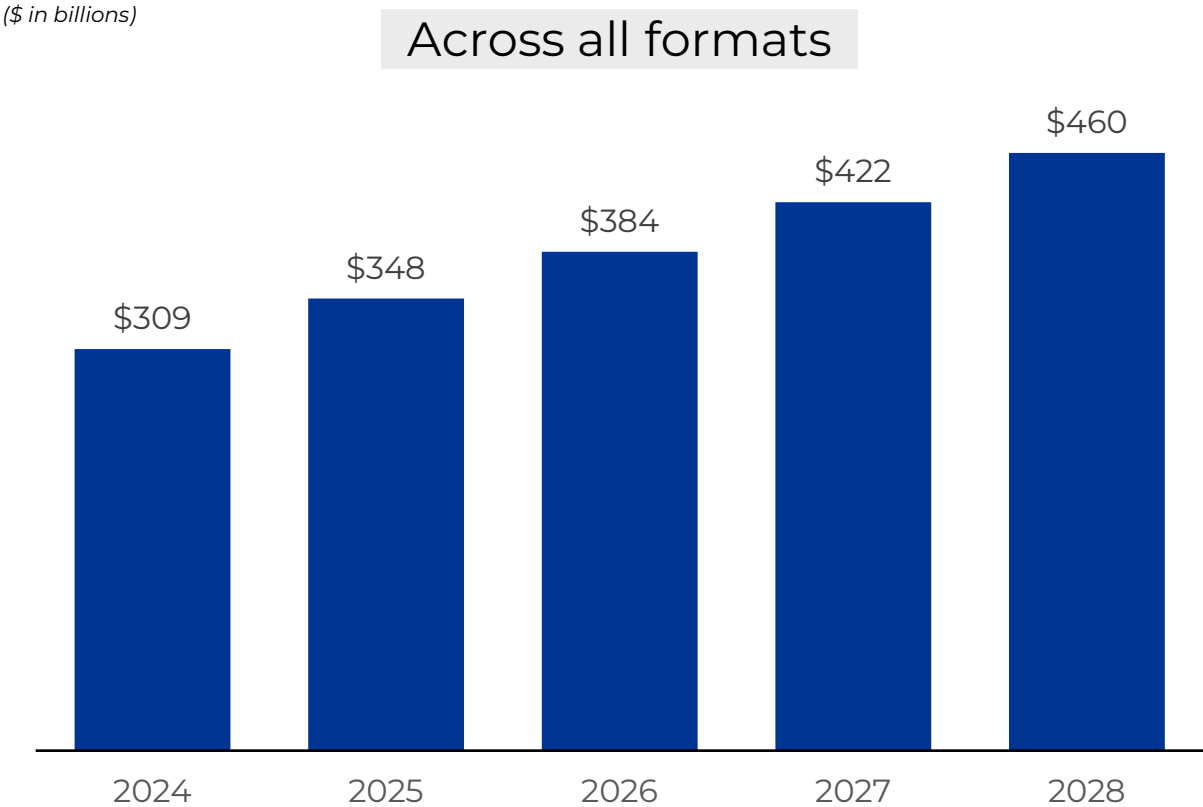


# CHANGING INDUSTRY DYNAMICS

## IN-STORE DIGITIZATION

- **75%** of consumers have **encountered digital screens in-store** with **62%** having **purchased an item** showed on screen
- **6% increase in sales** when displaying sales and promotions on digital signage
- **40%** of shoppers say that **digital signage can change what they buy** due to the relevance and close proximity to the point of purchase

## U.S. DIGITAL AD SPEND GROWTH



**CONTINUED GROWTH IN DIGITAL AD SPEND FOCUSED ON PHONES AND LAPTOPS SPURS DIGITIZATION IN-STORE WITH SIMILAR CONSUMER EXPERIENCES**



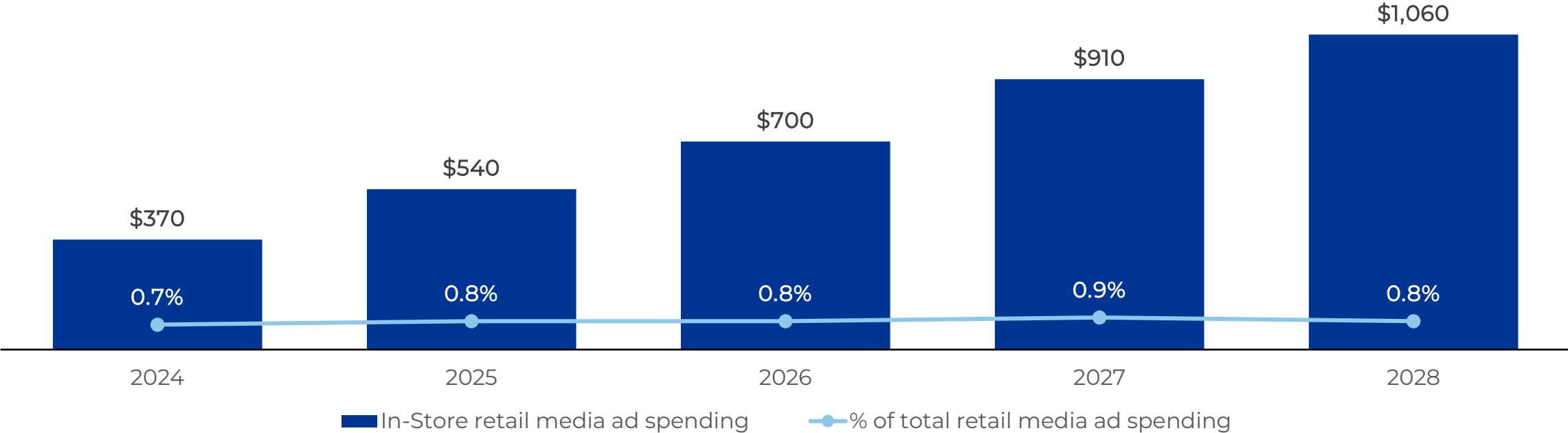
# IN-STORE RETAIL MEDIA HAS ROOM FOR CONTINUED GROWTH

BILLION DOLLAR MARKET SPEND BY 2028

## U.S. IN-STORE RETAIL MEDIA AD SPEND

(\$ in millions)

2024-2028 CAGR: 30%



**IN-STORE RETAIL MEDIA SPEND IS LESS THAN 1% OF TOTAL U.S. RETAIL MEDIA SPEND, SHOWING A LONG RUNWAY FOR GROWTH**

# REACHING CUSTOMERS THROUGH IN-STORE DIGITAL ADS

IN-STORE DIGITAL MARKETING ENHANCES OVERALL SHOPPING EXPERIENCE LEADING TO MORE PURCHASES

## SMART SENSORS

Provide insight into which ads are most effective by monitoring foot traffic and gathering data on how shoppers move through the store

## POS DATA INTEGRATION

Correlates ad exposure with purchases to help close the attribution loop

## SUCCESS OF IN-STORE DIGITAL ADS

~66%

of customers say the availability of digital in-store retail media formats boosts how much they spend

~63%

of customers say the availability of in-store digital formats impacted their decision on where to shop

~62%

of customers say they have purchased an item showcased in an in-store retail media format, e.g., digital screens on cooler doors

IN-STORE DIGITAL ADS ARE AN EFFECTIVE STRATEGY TO TARGET CONSUMERS THROUGHOUT THEIR SHOPPING JOURNEY

# FUTURE OPPORTUNITIES

NEW IN-STORE RETAIL MEDIA TECHNOLOGY OFFERS GROWTH OPPORTUNITIES FOR SAVVY NETWORKS

## 3D ADVERTISING

Marketers are now able to seamlessly deliver an immersive experience on in-store screens without the need of glasses or a headset



## HOLOGRAPHIC DISPLAYS

Holographic displays are revolutionizing the in-store customer experience by bringing images, advertisements and products to life

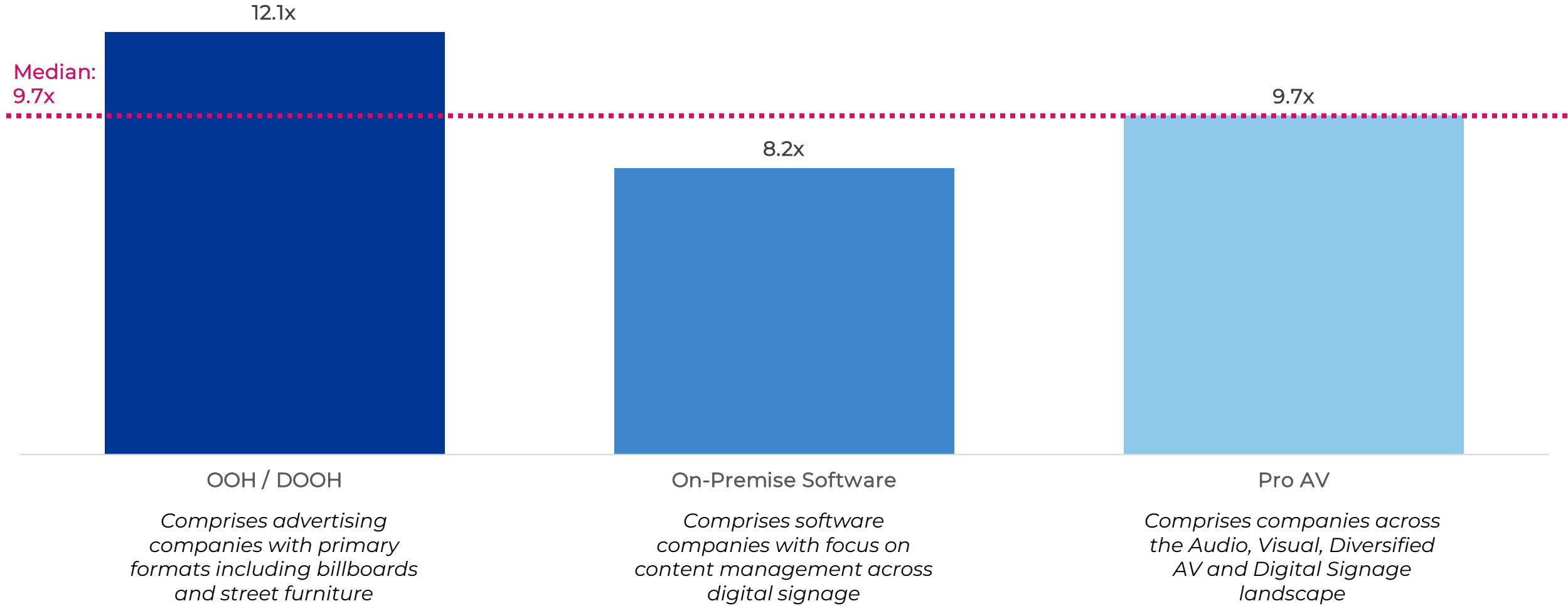


# HOW WE THINK ABOUT VALUATION FOR IN-STORE RETAIL MEDIA NETWORKS



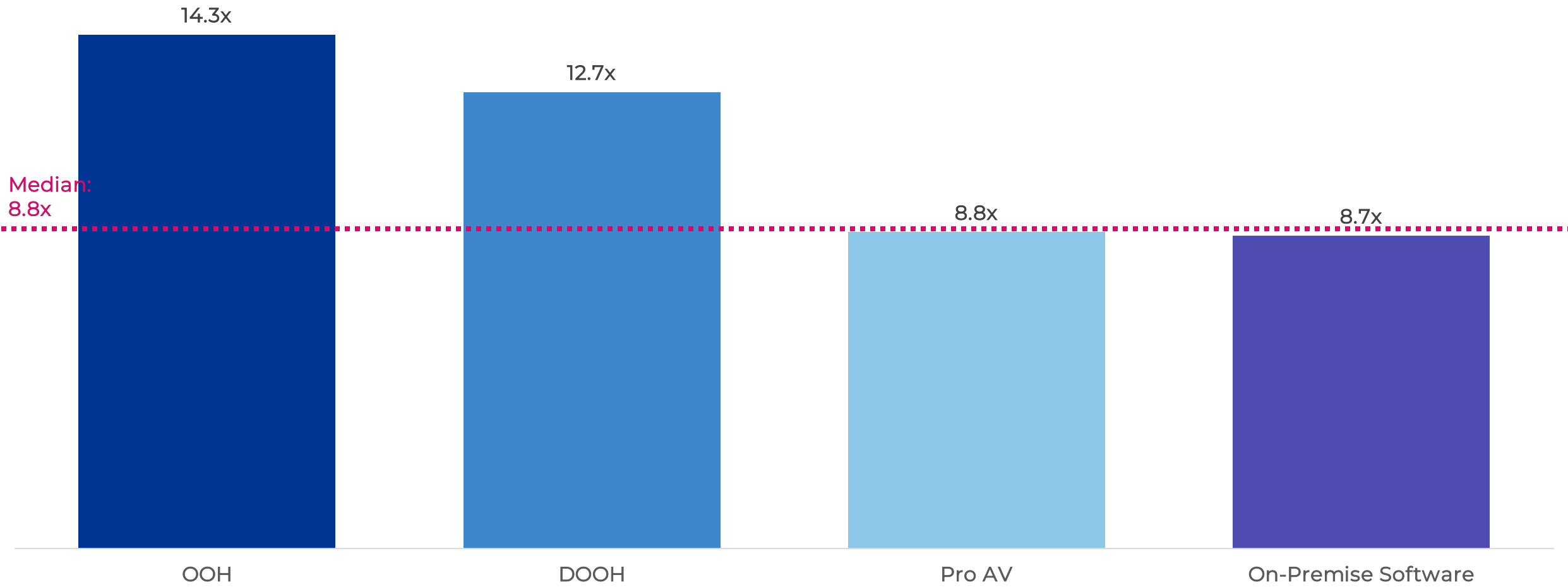
# IN-STORE RMN VALUATION: MEDIAN PUBLIC COMPANY TRADING MULTIPLES BY INDUSTRY

AS OF JANUARY 6, 2025



# IN-STORE RMN VALUATION: MEDIAN PUBLIC AND PRIVATE TRANSACTION MULTIPLES BY INDUSTRY

REPRESENTS MEDIAN EV / EBITDA TRANSACTION MULTIPLES BY INDUSTRY BASED ON SOLOMON PROPRIETARY DATA AND RESEARCH





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Mark Boidman

 MarkBoidman

 @Mboidman @Solomonptners

 mark.boidman@solomonpartners.com

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