



Mark Boidman

 MarkBoidman

 @Mboidman

solomonpartners.com

2024 MEDIA OUTLOOK

FEBRUARY 2024



Out of Home Advertising Association of America

TABLE OF CONTENTS

I	SOLOMON PARTNERS OVERVIEW	2
II	ECONOMIC OUTLOOK	5
III	CURRENT MEDIA TRENDS	7
IV	RETAIL MEDIA OVERVIEW AND TRENDS	12
V	SHOPPER MARKETING BUDGETS	17
VI	PRO AV INDUSTRY UPDATE	20
VII	FUTURE OPPORTUNITIES WITHIN MEDIA	22
VIII	VALUATION UPDATE	25

SOLOMON PARTNERS OVERVIEW

SOLOMON PARTNERS GLOBAL MEDIA GROUP UPDATE

OVER \$50B IN COMPLETED TRANSACTIONS

ADVISING CLIENTS GLOBALLY IN THE FOLLOWING AREAS:

Advertising / Marketing Services

Professional Audiovisual

Global Retail Tech

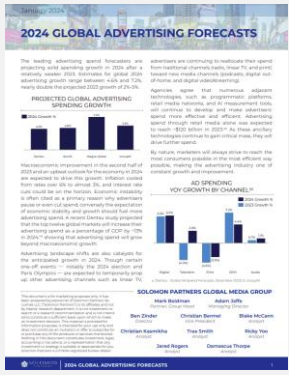
On-Premise & Connected Media Solutions

AUTHORITY IN MEDIA AND TECH SERVICES

Industry Updates



Trend Reports



GLOBAL MEDIA GROUP



Mark Boidman
Partner

Global Media Group Head



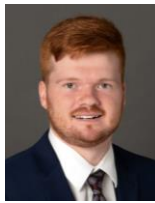
Adam Jaffe
Managing Director



Ben Zinder
Director



Christian Bermel
Vice President



Blake McCann
Senior Analyst



Christian Kasmikha
Analyst



Trae Smith
Analyst



Ricky Yoo
Analyst



Jared Rogers
Analyst



Damascus Thorpe
Analyst

SELECTED SOLOMON PARTNERS MANDATES IN GLOBAL MEDIA

OVER 30 COMPLETED OUTDOOR / OOH TRANSACTIONS SINCE 2013

<p>PENDING \$28,000,000,000</p> <p>SiriusXM Merger with Liberty SiriusXM</p> <p>Following its redemptive split-off from</p>  <p>Serving as advisor to the Special Committee of SiriusXM's Board of Directors</p>	<p>PENDING C\$410,000,000</p> <p>OUTFRONT</p> <p>Has agreed to sell its Canadian business to</p> <p>Bell Media</p> <p>Serving as financial advisor to OUTFRONT Media</p>	<p>2023</p> <p>valpak</p> <p>Has been sold to</p> <p>AmatoMartin</p> <p>Served as financial advisor to Valpak</p>	<p>2023</p> <p>THE GRAND THEATRE / AmStar</p> <p>Sale to</p>  <p>SANTIKOS ENTERTAINMENT</p> <p>Served as financial advisor to VSS-Southern Theatres (The Grand Theatres and Amstar Cinemas)</p>	<p>2023</p> <p>NEWTRADITION</p> <p>Received a majority investment from</p> <p>Blackstone</p> <p>Served as financial advisor to New Tradition</p>	<p>2023</p> <p>Scene</p> <p>Has been sold to</p> <p>FIVE STAR</p> <p>PARKS & ATTRACTIONS</p> <p>Served as financial advisor to Scene75</p>
<p>2023</p> <p><i>Swingers</i></p> <p>Has raised growth equity led by</p>  <p>Cain International</p> <p>Served as financial advisor to Swingers</p>	<p>2023</p> <p>UBG</p> <p>Has sold a multi-decade lease of Times Square signage to</p>  <p>PROVIDENCE EQUITY PARTNERS</p> <p>In partnership with</p> <p>OUTFRONT</p> <p>Served as financial advisor to Universal Branding Group</p>	<p>2022</p> <p>ami</p> <p>Has been sold to</p>  <p>Coral Tree Partners</p> <p>Served as financial advisor to AMI Entertainment Network</p>	<p>2022</p> <p>Interstate Chicago, a JV between</p>  <p>INTERSTATE and FOSTER INTERSTATE</p> <p>Has sold its majority stake in</p> <p>INTERSTATEJCDecaux to</p> <p>JCDecaux</p> <p>Served as financial advisor to Interstate Chicago</p>	<p>2022</p> <p>H. I. G. CAPITAL</p> <p>Has acquired</p> <p>watchfire</p> <p>Served as financial advisor to HIG</p>	<p>2022</p> <p>ONERA</p> <p>Has been sold to</p> <p>toolsgroup</p> <p>Served as financial advisor to Onera</p>
<p>2022</p> <p>PACIFIC OUTDOOR ADVERTISING</p> <p>Has sold its Portland portfolio and other assets aggregating ~1000 displays to</p> <p>OUTFRONT</p> <p>Served as financial advisor to Pacific Outdoor Advertising</p>	<p>2022</p> <p>HGB HOLLYWOOD BOWL GROUP</p> <p>Has acquired</p> <p>splitsville</p> <p>Served as financial advisor to Hollywood Bowl Group</p>	<p>2022</p> <p>BOW-TIE CINEMAS</p> <p>Has sold theatres to</p> <p>amc</p> <p>Served as financial advisor to Bow Tie Cinemas</p>	<p>2021</p> <p>panalgo</p> <p>Sold to</p>  <p>Evaluate</p> <p>Served as financial advisor to Panalgo</p>	<p>2021</p> <p>adams</p> <p>Strategic Investment by</p>  <p>SEARCHLIGHT BCi</p> <p>Served as financial advisor to Adams Outdoor</p>	<p>2021</p> <p>\$200,000,000+</p> <p>City Bridge / Intersection JMC</p> <p>Has raised capital led from</p> <p>ZenFi</p> <p>To fund and expand</p> <p>LinkNYC</p> <p>Served as financial advisor to CityBridge</p>
<p>2021</p> <p>foris</p> <p>Has been sold to</p>  <p>Alight</p> <p>Served as financial advisor to Foris Outdoor</p>	<p>2021</p> <p>Puttshack</p> <p>Has raised growth capital led by</p> <p>PROMETHEAN INVESTMENTS</p> <p>Served as financial advisor to Puttshack</p>	<p>2020</p> <p>MOOD:MEDIA</p> <p>Has agreed to be sold to</p>  <p>VECTOR CAPITAL</p> <p>Served as financial advisor to Mood Media</p>	<p>2020</p> <p>\$400,000,000</p> <p>ARES / PROVIDENCE EQUITY PARTNERS</p> <p>Invested in newly issued convertible preferred stock in</p> <p>OUTFRONT</p> <p>Served as financial advisor to Ares</p>	<p>2020</p> <p>~\$2,200,000,000</p> <p>Banijay Group</p> <p>Has acquired</p> <p>EndemolShine Group</p> <p>Served as strategic and financial advisor to Banijay</p>	<p>2020</p> <p>\$3,360,000,000</p> <p>vivendi</p> <p>Has sold a 10% stake in</p>  <p>UNIVERSAL MUSIC GROUP</p> <p>To a consortium led by</p> <p>Tencent 腾讯</p> <p>Served as financial advisor to Vivendi</p>

OOH Transactions

ECONOMIC OUTLOOK

ECONOMIC OUTLOOK

FORECAST INCLUDES MODERATE GROWTH, LOWER INFLATION AND STABLE UNEMPLOYMENT

2024 KEY ECONOMIC STATS

ECONOMIC GROWTH

1.5% Predicted GDP Growth

Consumer spending may rise at slower pace

2.5% Projected Inflation Rate

MONETARY POLICY

As inflation has remained elevated, Fed is waiting longer to cut interest rates

~11% Global Online Growth

RETAIL SPEND

6.5% Projected U.S. Retail Growth

Reduced savings and increased food prices may dampen retail spend

Expectations for a “soft landing” for the 2024 U.S. Economy

CURRENT MEDIA TRENDS

2024 CURRENT EVENTS DRIVING AD SPEND

OLYMPICS AND 2024 ELECTION WILL DRIVE AD DEMAND AND PUSH INVENTORY TO LOWS

PARIS SUMMER OLYMPICS



Ad sales are pacing ahead of the previous Tokyo 2020 Olympic Games affected by COVID

+3B

Expected global viewers to watch the Olympics

0%

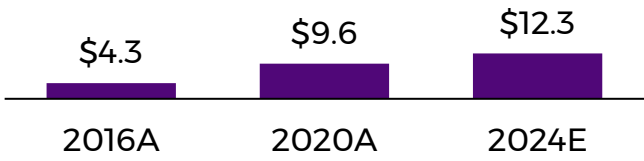
TV Ad Availability on NBC for the opening ceremony of Olympics

U.S. PRESIDENTIAL ELECTION

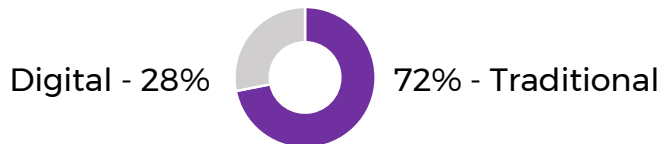


U.S. Total Political Ad Spend per Election Cycle^(a)

(Amounts in billions)



U.S. Political Ad Spend in 2024 by Media Type^(a)



Digital media total spend expected to increase **156%** from 2020

Record-breaking ad spend driven by cyclical events that aggregate audiences

OOH AND GAMIFICATION IN ACTION

INCORPORATING GAMIFICATION WITHIN AD CAMPAIGNS, PRIMARILY ENGAGING GEN Z AUDIENCE

**Mobile + OOH =
Active Ad
Engagement**

- An augmented reality (AR) and DOOH campaign to change the 3D screen in real time using mobile



**Gamification =
More Frequent
Campaign
Interaction**

- Helps advertisers collect customer data
- E.g., Gamify OOH campaign by challenging people to obtain free product sample



**Gen Z
Engagement**

TV time declined **21% for Gen Z since 2020** with shifting preferences for gaming over TV

74% of Gen Z is interested in personalized messaging which gamification has enabled through direct interaction with OOH campaigns

MRC PROVIDES CREDIBILITY TO DOOH MEDIA WITHIN HEALTHCARE

POINT OF CARE DOOH PUBLISHER EARNS MRC ACCREDITATION FOR ITS “DIGITAL CAMPAIGN REPORT”

ACCREDITED MONTHLY PROOF-OF-PERFORMANCE

- Provides advertisers with accredited ad and reach metrics in waiting rooms, examination rooms and back-office of doctor’s offices and healthcare facilities

NATION’S LARGEST DIGITAL POINT OF CARE NETWORK



Connected digital devices & screens in +40,000 physician offices and impacting +750 million patient visits per year

“Receiving accreditation from the most respected media measurement authority should give sponsors full confidence in our business metrics and delivery guarantees”

- Mike Collette, CEO of PatientPoint

PatientPoint gains credibility as reliable provider of media measurement data

PROJECTED MEDIA TRENDS IN 2024

INCREASED USE OF ENHANCING TECHNOLOGY

1 Focus on Consumer Retention Through Product Bundling

- Expect bundling to further increase in 2024, as companies bundle content / services



Bundle of Streaming Service Platforms

3 3rd Party Data Depreciation and Privacy Enhancing Tech

- As privacy regulations tighten and 3rd party data is phased out, emphasis is being placed on first-party data and Privacy Enhancing Technologies



Use of first-party data for rewards loyalty program

2 Use of Generative AI to Create Content

- AI used to generate images, create ad copies and plan marketing campaigns



“Create Real Magic” Campaign collaboration with OpenAI to create ad campaigns

4 Importance of Appealing to Gen Z Audiences

- Companies will need to ensure that message and content demonstrate focus on social causes



Ad featuring a visually-impaired man using AI to capture pictures

RETAIL MEDIA OVERVIEW AND TRENDS

RETAIL MEDIA IS PLAYING LARGER ROLE IN THE DIGITAL AD MARKET

- Amazon generates substantial majority of the current U.S. market
- Keyword search advertising is estimated to represent over half of current ad spend

U.S. DIGITAL RETAIL MEDIA AD SPEND

(Amounts in billions)

2020 - 2027 CAGR: 27%



\$60B projected in 2024 and the fastest growing ad channel across media through 2027

SELECT RETAIL MEDIA NETWORKS

RETAIL MEDIA NETWORKS EVALUATED ON KEY METRICS

LARGEST RETAIL MEDIA NETWORKS



TARGETING

- How retail media networks engage with their shoppers
 - Audience scale and growth, purchase-based and demographic targeting

MEASUREMENT & REPORTING

- Transparency and sophistication of results
 - Impressions and percentage of new buyers

MEDIA OPPORTUNITIES

- Ability to connect with the shopper along the entire path to purchase
 - Mobile app integration, social influencers, CTV and streaming audio

Networks can leverage their own first-party data and are less vulnerable to privacy-based limitations on data usage and targeting

CHANGING INDUSTRY DYNAMICS

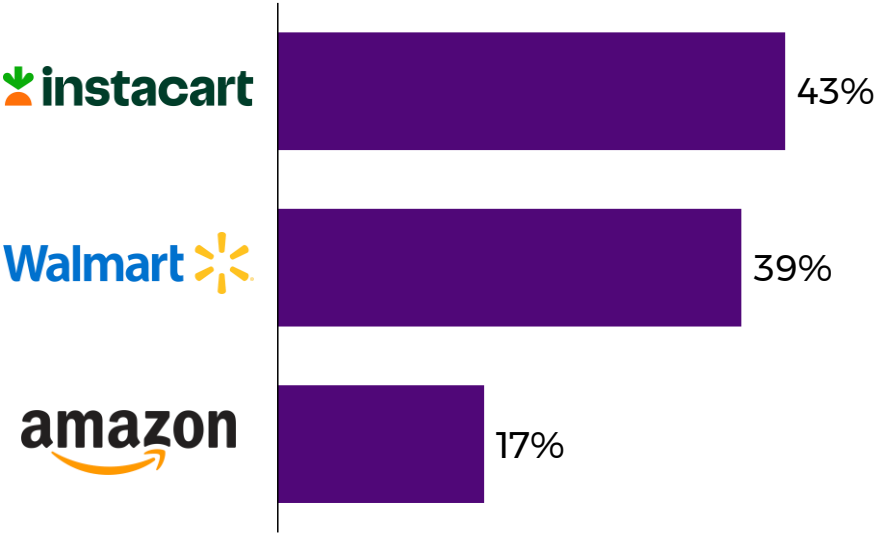
SHARE FROM EXISTING BUDGETS

- Much of the increase in retail media spend is coming from existing trade and shopper budgets

EXPANDING FORMATS

- Bringing ads to self-checkout screens and in-store audio, while rolling out shoppable brand pages
- Continued push by Walmart with the acquisition of Vizio

2023 U.S. DIGITAL ADVERTISING GROWTH



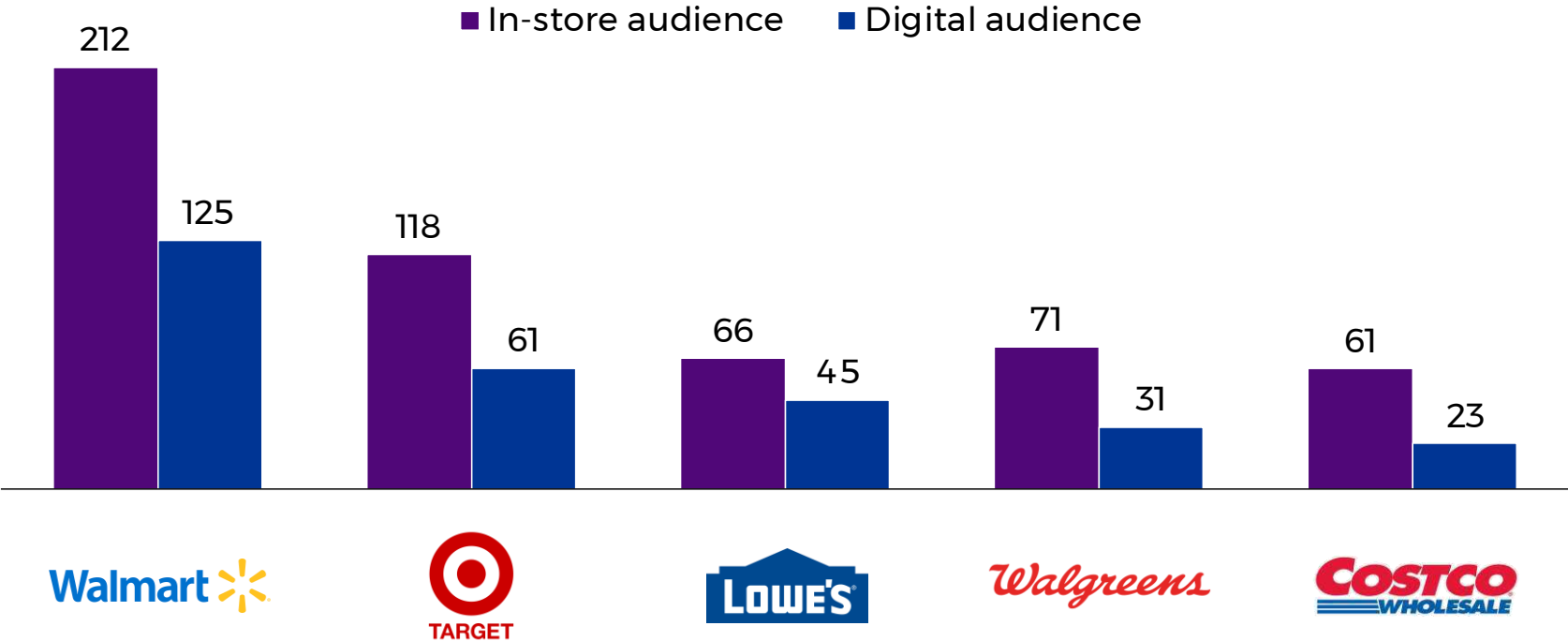
Instacart and Walmart are projected to be the two fastest-growing operators in all of U.S. digital advertising in 2023, ahead of all non-retail media companies

UNTAPPED POTENTIAL: CAPTURING IN-STORE AUDIENCES

IN-STORE AUDIENCES ARE GENERALLY FAR LARGER THAN ONLINE AUDIENCES, WITH 90% OF CPG PURCHASES STILL MADE IN-STORE

U.S. MONTHLY AUDIENCE REACH

(Amounts in millions)



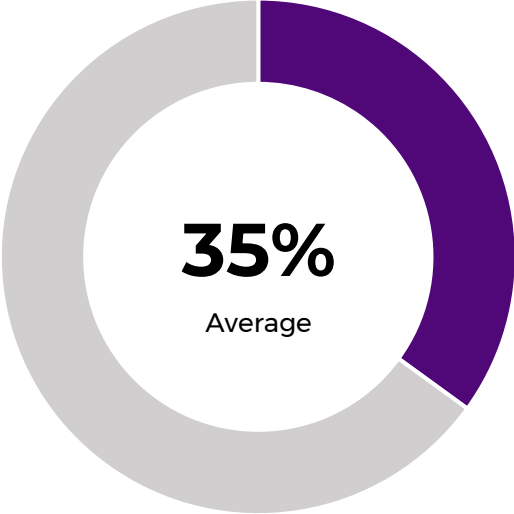
SHOPPER MARKETING BUDGETS

RETAIL MEDIA AND CPG CLIENTS BUDGET ALLOCATION

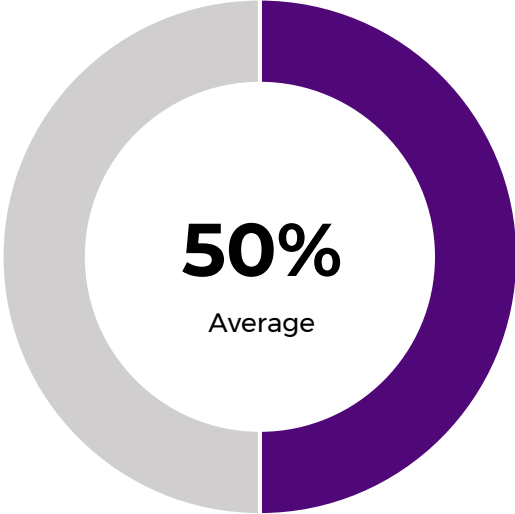
SHOPPER MARKETING TEAMS IN CPG ARE ALLOCATING MORE BUDGET TO RETAIL MEDIA

PROPORTION OF CPG ALLOCATED TO RETAIL MEDIA

PROPORTION
ALLOCATED TO
RETAIL MEDIA **TODAY**



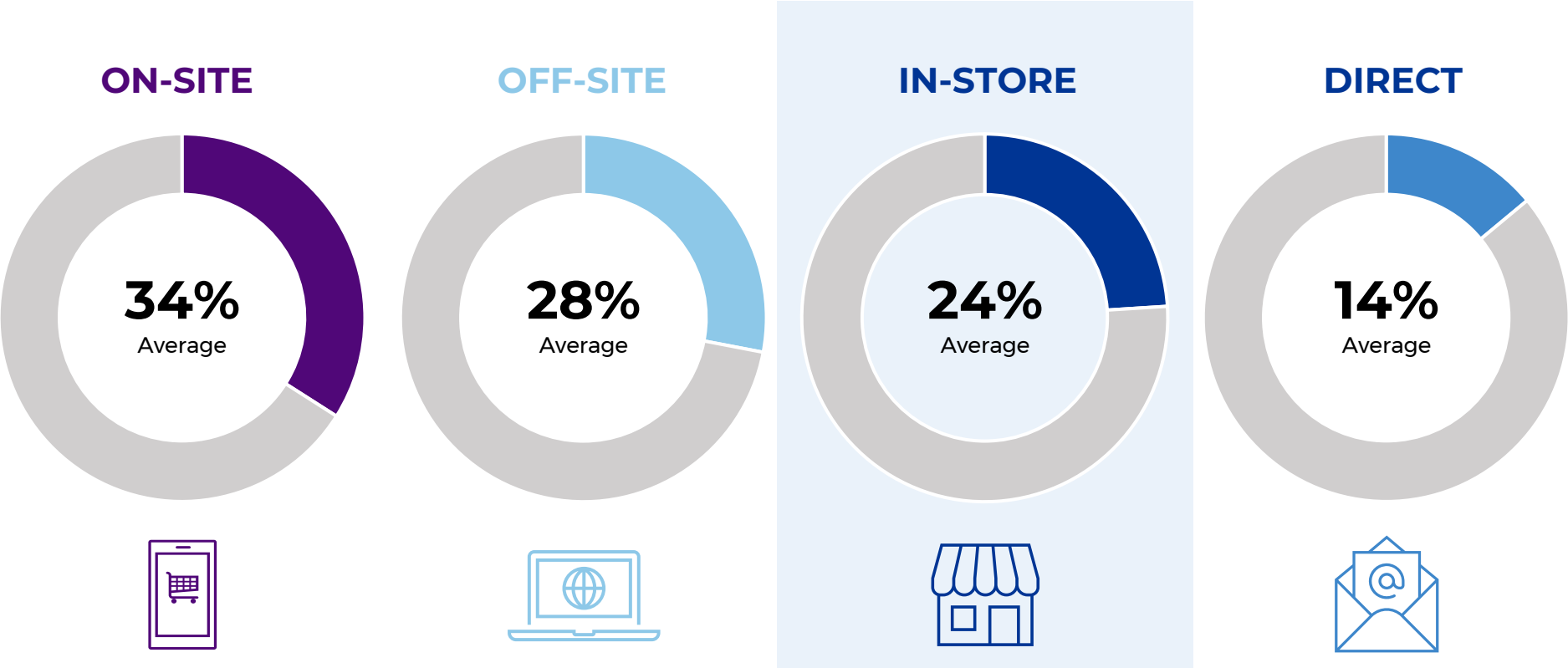
PROPORTION ALLOCATED
TO RETAIL MEDIA **WITHIN**
THE NEXT YEAR



RETAIL MEDIA AND CPG CLIENTS BY CHANNEL

CURRENT RETAIL MIX HAS HEAVIER FOCUS ON ON-SITE, WITH INCREASING IN-STORE OPPORTUNITY

CURRENT CPG RETAIL MEDIA MIX



PRO AV INDUSTRY UPDATE

PRO AV TRENDS TO WATCH IN 2024

USE OF TECH TO DRIVE A/V PRODUCT INNOVATION

ARTIFICIAL INTELLIGENCE

- Verify that content is playing correctly, create situation-specific images and dynamic playlists and utilize chatbots to buy and sell ad inventory



MULTI-FACETED PRODUCTS

- Cameras with auto-tracking features to follow the subject and AVoIP solutions that allow for users to connect with multiple pieces of hardware at once



USER-GENERATED CONTENT

- Incorporating social media into digital signage and allowing consumers to interact with the environment, AV providers offer augmented content tailored to the current audience



HOLOGRAPHIC ADVERTISING

- Holographic advertising, particularly in indoor venues to create 3D digital advertising displays



TARGETED AUDIO EVERYWHERE

- Higher demand for speakers designed for sound isolation

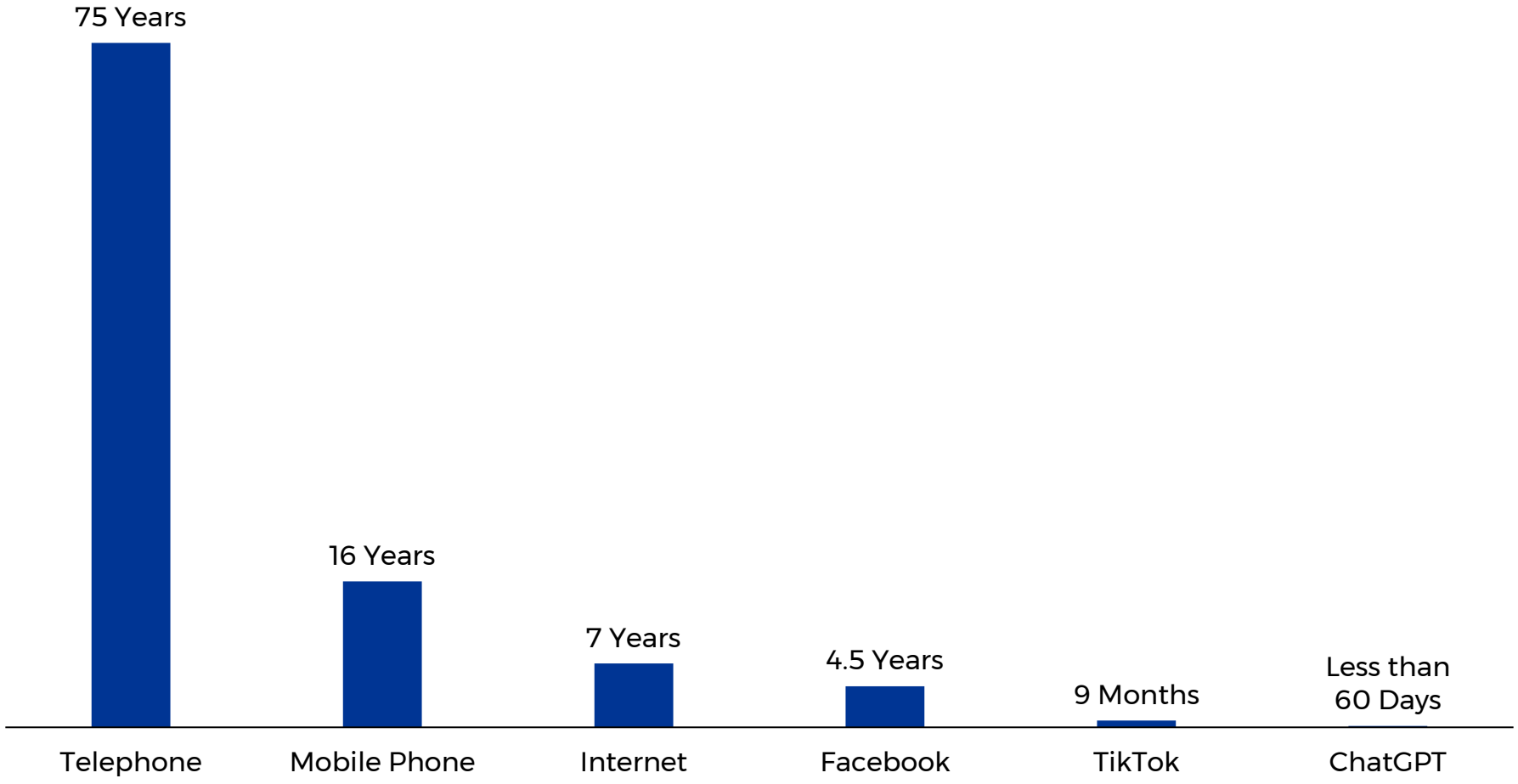


FUTURE OPPORTUNITIES WITHIN MEDIA

THE PACE OF CHANGE IS ONLY ACCELERATING

CHATGPT, THE POPULAR CHATBOT FROM OPENAI, IS THE FASTEST-GROWING CONSUMER APPLICATION IN HISTORY

TIME REQUIRED TO REACH 100 MILLION USERS



WITH AI CONTINUING TO SHAPE THE ADVERTISING WORLD...

AI WILL DRIVE EFFICIENCY AND PRODUCTIVITY IN EXISTING WORKFLOWS AND PROCESSES WITH THE ABILITY TO CREATE ENTIRE NEW PRODUCTS AND SERVICES



Advertisers use AI to measure ad effectiveness with **more detailed measurement data** vs. traditional methods



78% of companies already using targeted advertising. AI will amplify this usage through increased personalization and dynamic advertising (e.g., AI-powered billboard messaging)

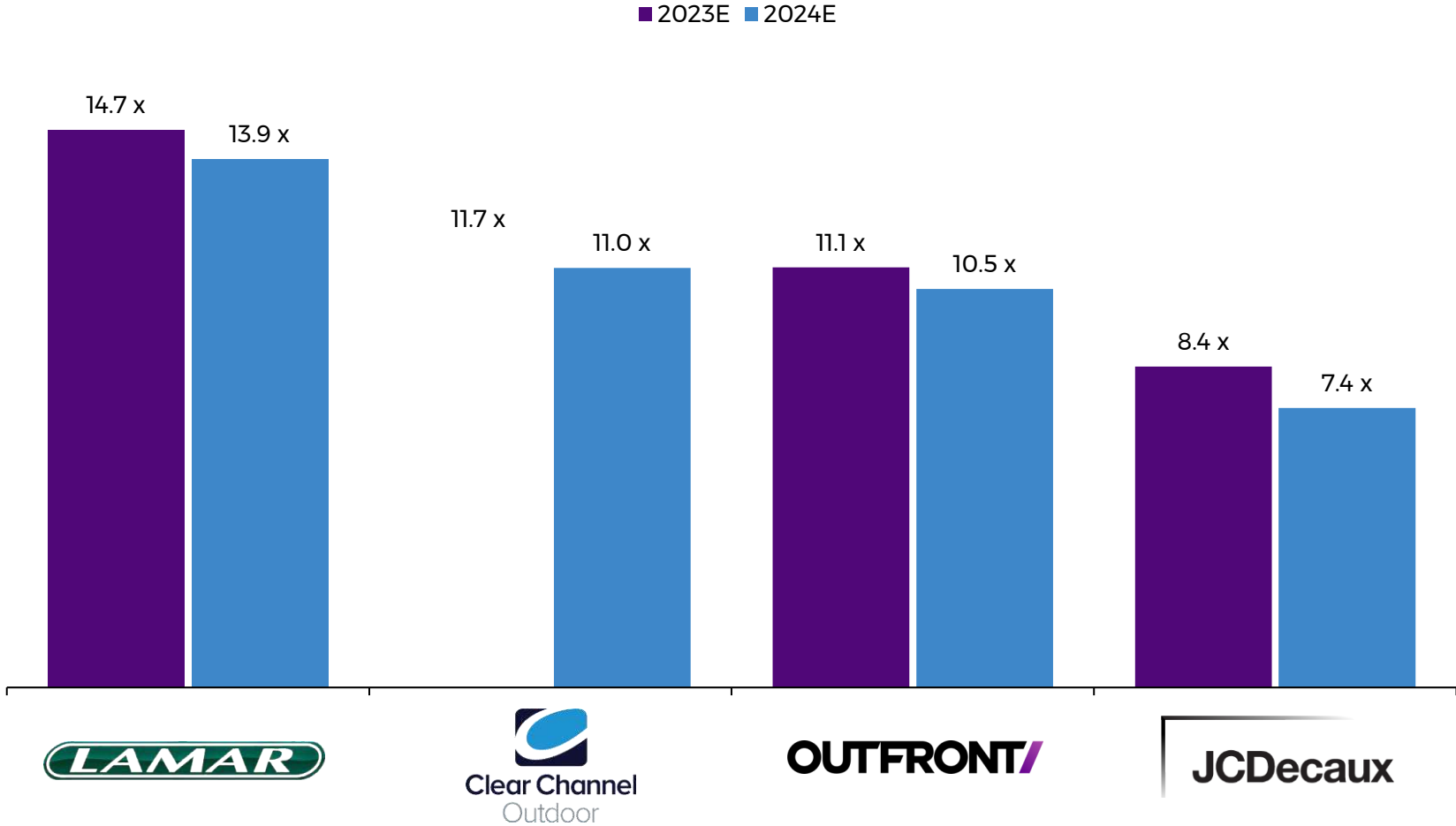


Deepfakes will influence the next generation of AI-powered advertising, with **nearly half of consumers** reportedly unable to detect a deepfake video

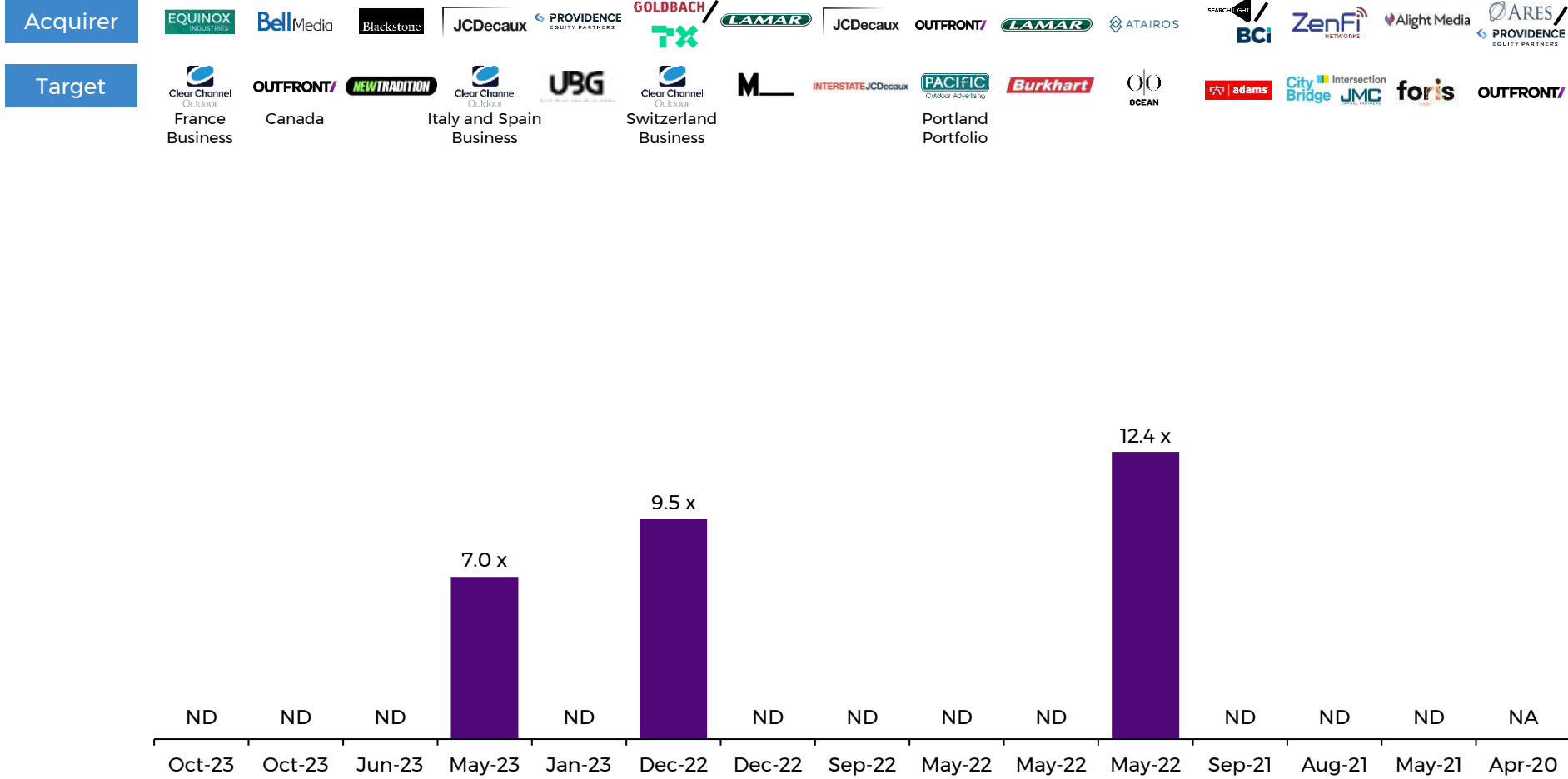
Companies are looking for trusted, secure channels to reach their audiences

VALUATION UPDATE

PUBLIC OOH EV / EBITDA MULTIPLES



SELECT PRECEDENT TRANSACTIONS – OUT OF HOME MEDIA





FOR MORE INFORMATION FOLLOW US

Mark Boidman

 MarkBoidman

 @Mboidman @Solomonptners

Mark.Boidman@solomonpartners.com

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.