SOLOMON PARTNERS

Mark Boidman
MarkBoidman
@Mboidman
mark.boidman@solomonpartners.com

MAXIMIZING REVENUE WITH STRATEGIC DIGITAL MEDIA ADVERTISING

JANUARY 27, 2025

PRESENTATION:

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 GROUP

OVER $75B IN COMPLETED TRANSACTIONS

SELECT MEDIA COVERAGE SECTORS

MARKETING & TECH SERVICES

Advertising / Marketing Services

On-Premise and Connected Media Solutions

Professional AV

Commerce / Retail Media

ENTERTAINMENT

Distribution & Exhibition

Content Creation

Event Technology / Live Event Services

Music & Audio

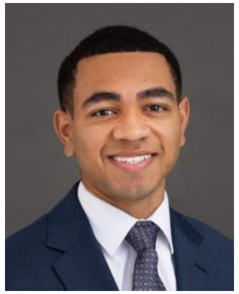
Mark Boidman
Partner
Group Head

Richard Brail
Partner
M&A Chairman

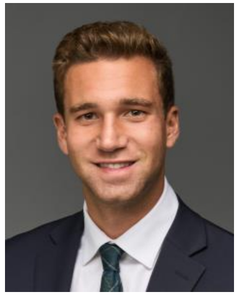
Ben Zinder
Director

Christian Bermel
Vice President

Blake McCann
Associate



Trae Smith
Analyst



Jared Rogers
Analyst

Damascus Thorpe
Analyst

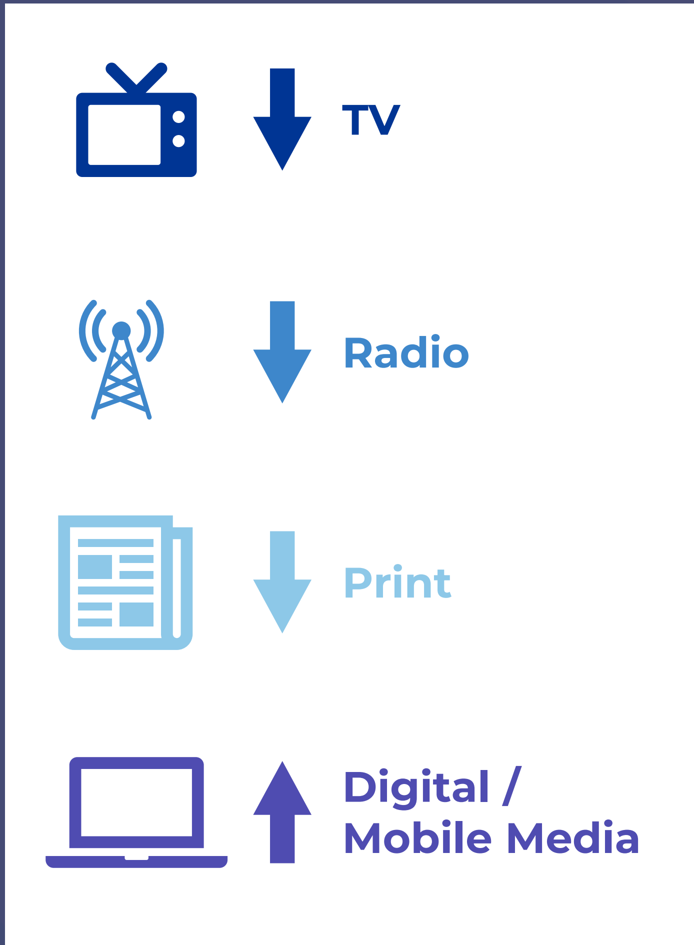
Caroline Horn
Analyst

Thomas Doyle
Analyst

SOLOMON PARTNERS

WHAT FUELS DIGITAL MEDIA ADVERTISING?

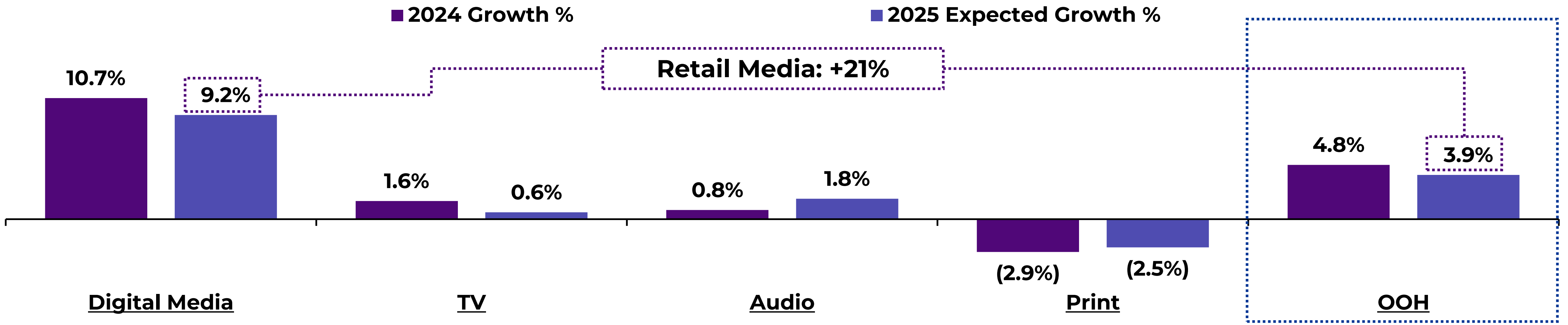
MEDIA FRAGMENTATION AND TECH



ADVERTISING MARKET IS SHIFTING

RETAIL MEDIA SHOULD TAKE SHARE FROM OTHER CHANNELS AND BOOST DIGITAL AND OUT OF HOME

GLOBAL ADVERTISING MARKET – GROWTH BY CHANNEL



Digital Media

- Continued mass use and adoption of digital channels
- Data privacy regulations and 3rd party cookie degradation
- Consumers becoming desensitized to many digital ad forms

TV

- Viewership declining rapidly as consumers increasingly “cord cut”

Audio

- Traditional radio has diminished as a form of mass media
- The rise of popularity in podcasts

Print

- Rise of digital media amid global technological change
- High-cost relative to brand impact

OOH

- National reach and brand awareness
- Cost-effective and flexible
- Rapidly digitizing and developing technologically
- Trusted and unaffected by digital privacy regulations

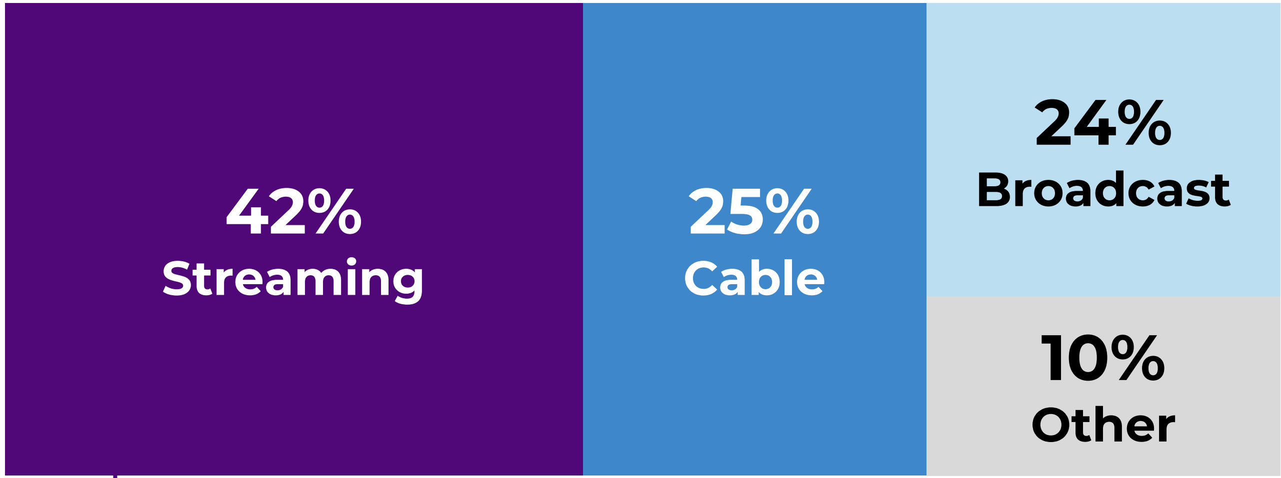
Source: Dentsu, Statista and WOO Global Expenditure Survey.

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 → **4.5 hrs**

2012 → 2024

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

SOLOMON PARTNERS

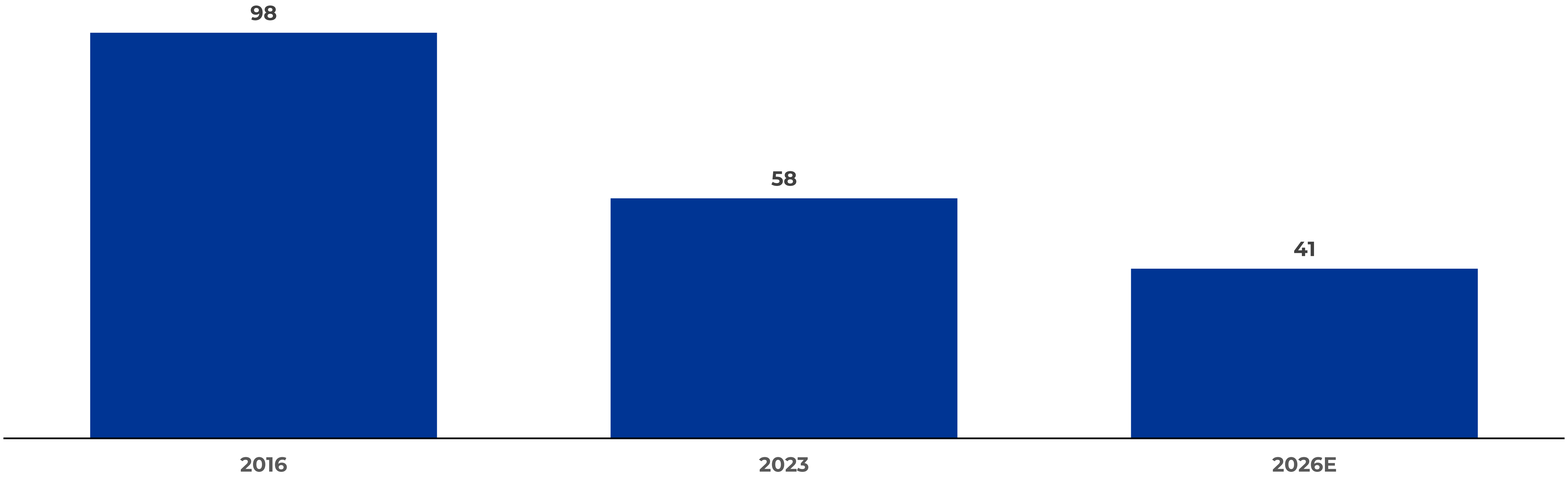
Source: eMarketer, GroupM and Nielsen.

TRADITIONAL MEDIA COMPANIES FUTURE UNCLEAR

TV NETWORKS LOSING VIEWERS AND ADVERTISERS

(millions)

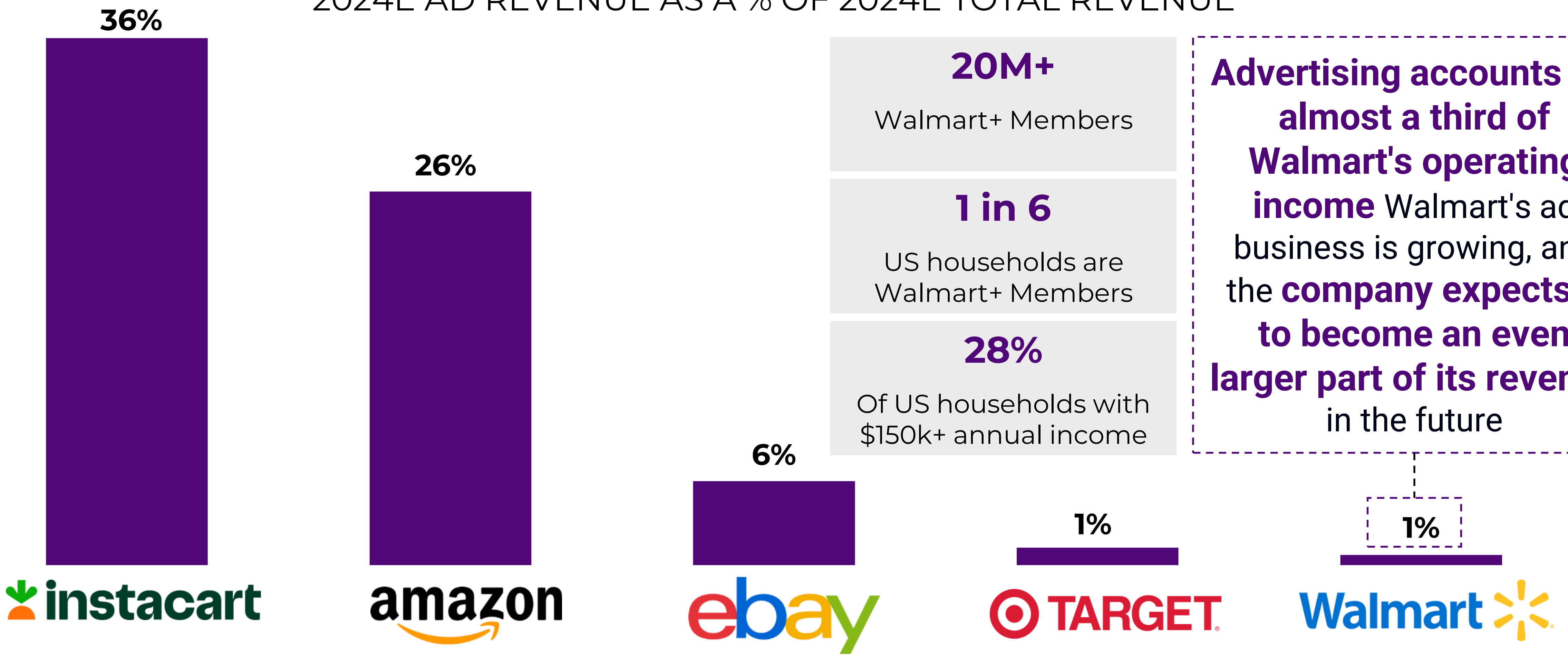
Number of Pay TV Households in the U.S.



RETAIL MEDIA NETWORKS GAINING TRACTION

MAJOR BRANDS GROWING AD REVENUES

2024E AD REVENUE AS A % OF 2024E TOTAL REVENUE



20M+

Walmart+ Members

1 in 6

US households are Walmart+ Members

28%

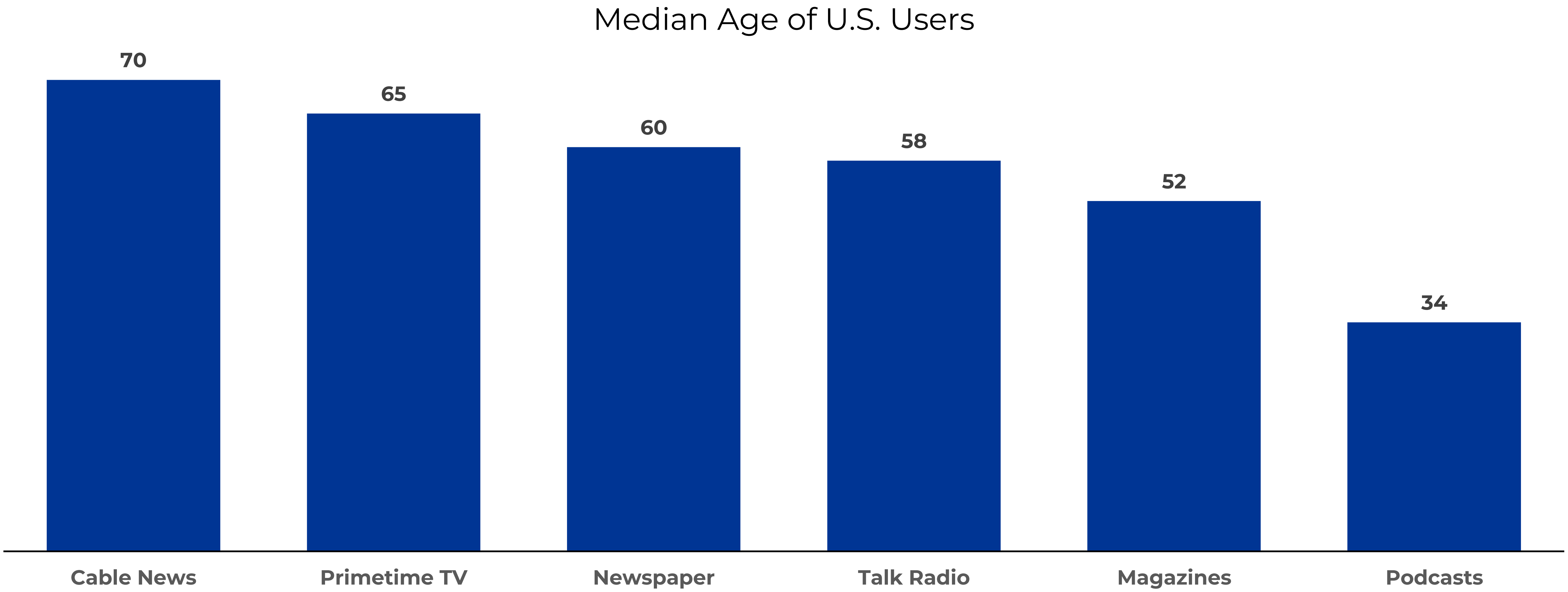
Of US households with $150k+ annual income

Advertising accounts for almost a third of Walmart's operating income Walmart's ad business is growing, and the **company expects it to become an even larger part of its revenue** in the future

Source: Barron's based on Factset revenue estimates for fiscal 2024, Insider Intelligence, Bloomberg and publicly available information.

TO REACH YOUNG PEOPLE YOU NEED DIGITAL MEDIA

AGING MEDIA LANDSCAPE



Source: amplify, Nielsen, MRI, Edison Research and Signal Hill.

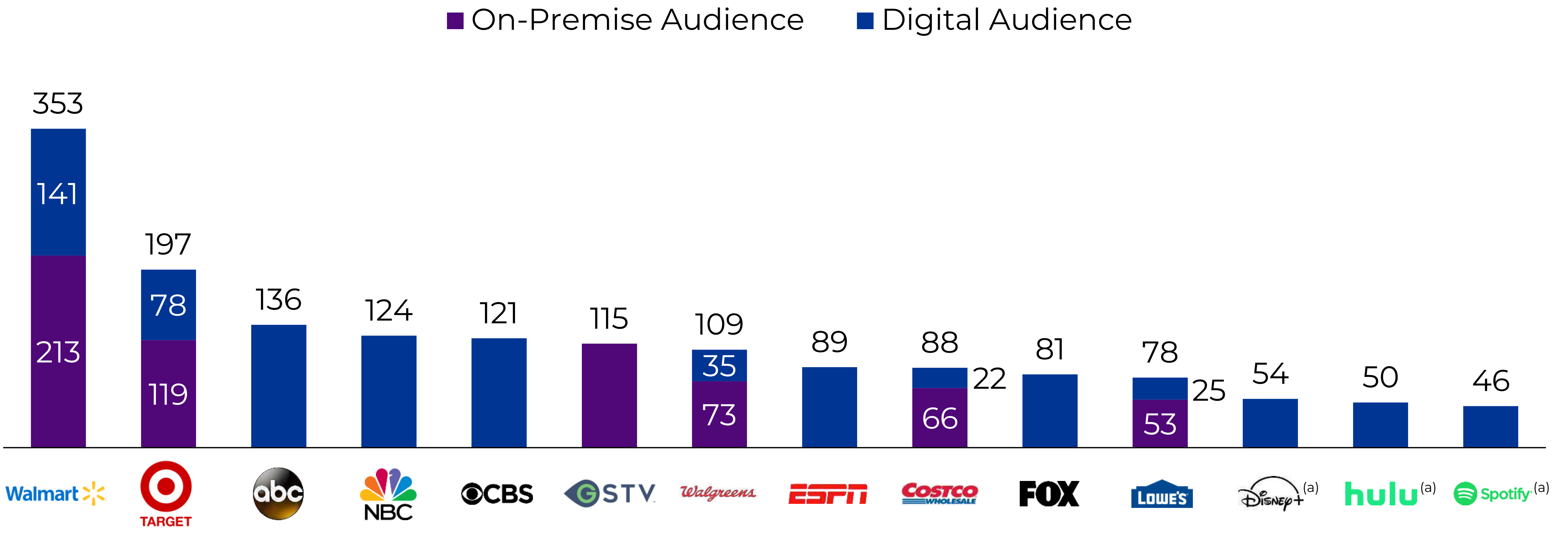
MAXIMIZING REVENUE WITH STRATEGIC DIGITAL MEDIA ADVERTISING

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)



Source: Comscore, Nielsen Media Impact, MRI / Simmons and Placer.ai.
a) Represents paid subscribers.

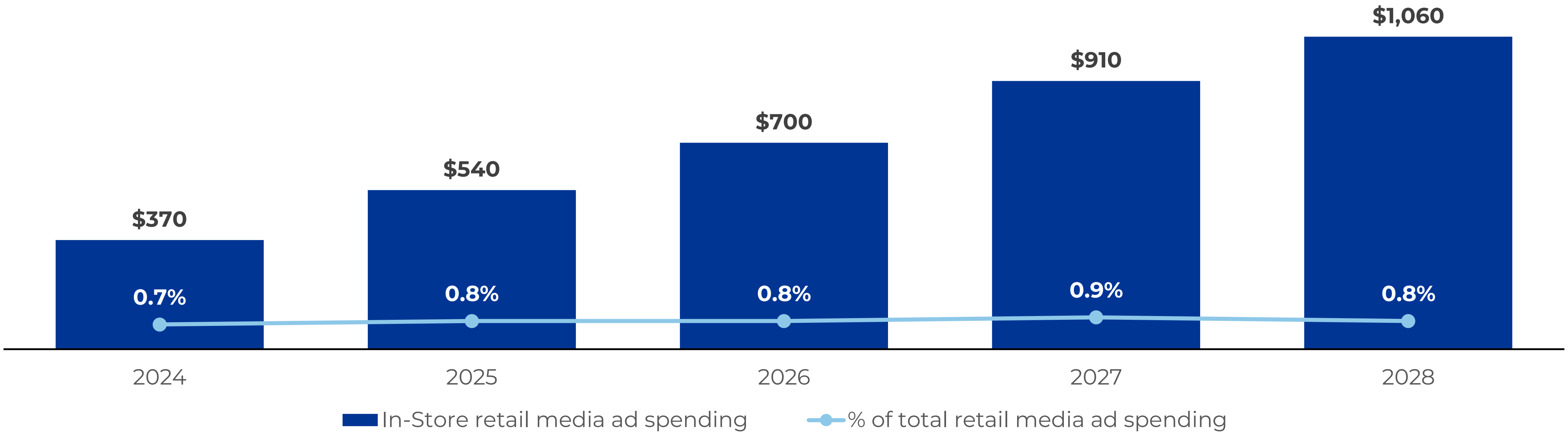
IN-STORE RETAIL MEDIA HAS ROOM FOR CONTINUED GROWTH

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

Source: Wall Street research March 2024.

DIGITAL OUT OF HOME IS BETTER THAN A SUPER BOWL AD

FOUR WEEKS OF ENGAGEMENT ACROSS 25 MARKETS FOR THE COST OF ONE SUPER BOWL AD

MOVING A $7 MILLION SUPER BOWL ADVERTISING BUDGET TO DOOH CAN ACHIEVE

1B
Impressions

across top 25 US markets

$7.49
Average CPM

making it a cost-efficient choice for high-impact-campaigns

80%+
Average Reach

and frequency of 7+ across these markets over 4-week period

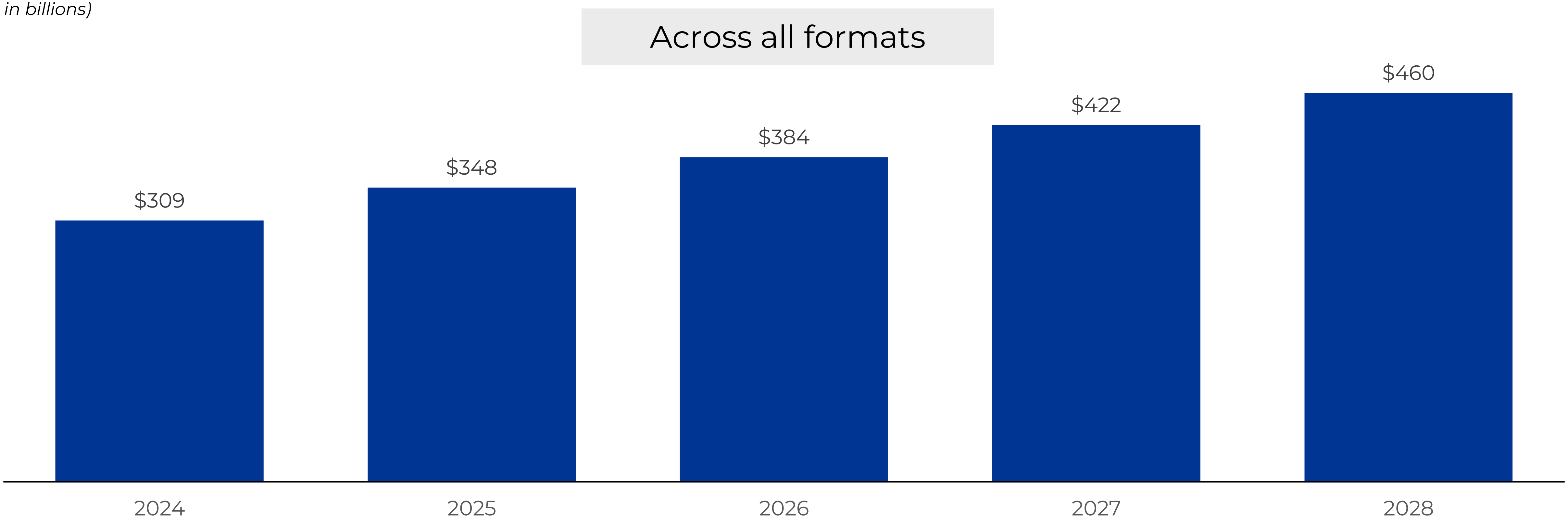
DOOH DELIVERS 7.5X MORE REACH AND 10X MORE CPM VALUE THAN A SUPER BOWL TV AD

Source: OAAA.

GROWTH IN DIGITAL AD SPEND

U.S. DIGITAL AD SPEND GROWTH

($ in billions)



DIGITAL AD SPEND EXPECTED TO CONTINUE TO GROW WELL INTO THE FUTURE

Source: Wall Street research March 2024.

CASE STUDY: UBER ADVERTISING

Uber

SINCE LAUNCHING UBER ADVERTISING IN 2022

$1 Billion

annual revenue run rate

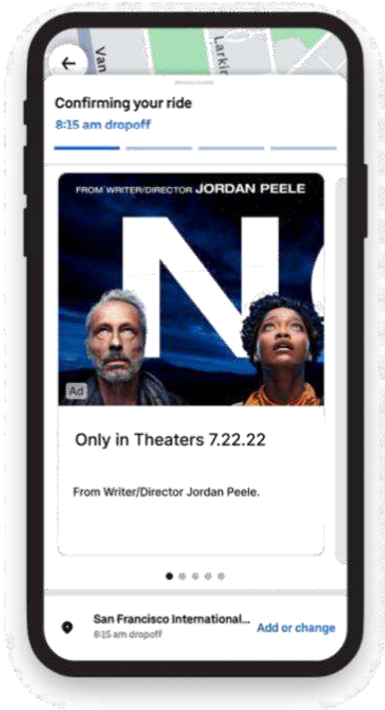
2.5%

click-through rate

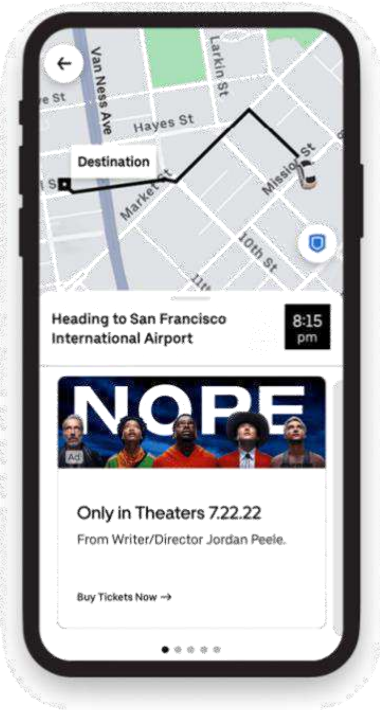
70%

increase in Uber ad sale process

Uber Rides

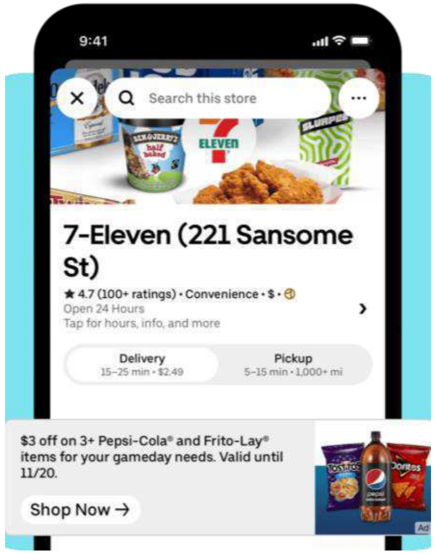


Ad while waiting for pick up

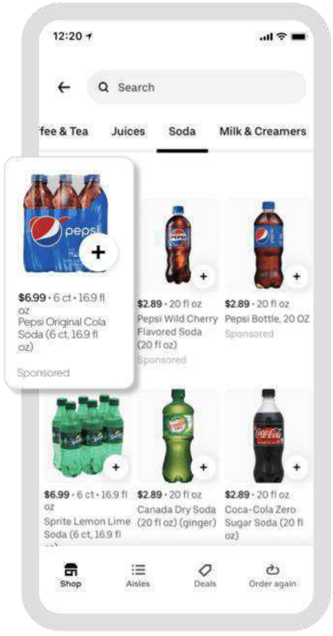


Ad while on trip

Uber Eats



Uber Eats ad while shopping



Checkout page after clicking on ad

a) Source: Accenture and Retail Media Upfronts.

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

a) Source: eMarketer and publicly available information.

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

FOR MORE INFORMATION FOLLOW US

Mark Boidman
MarkBoidman
@Mboidman @Solomonptners
mark.boidman@solomonpartners.com

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.

SOLOMON PARTNERS