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# OUT OF HOME (OOH) ADVERTISING

## Q2 2024 PERFORMANCE UPDATE & REVIEW

AUGUST 2024

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THE SEA

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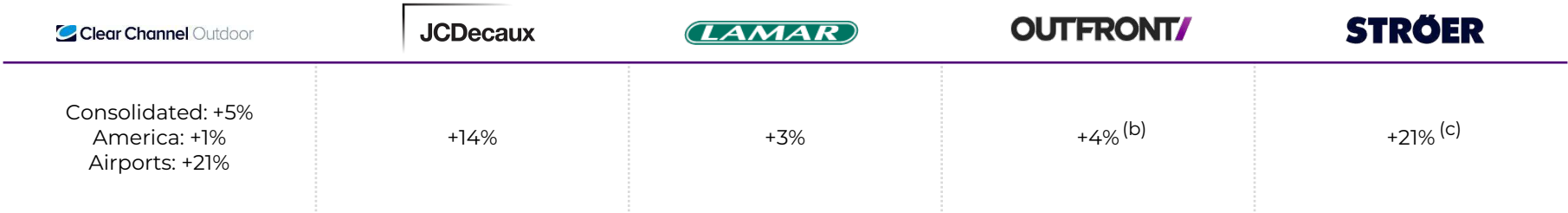
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# OOH CONTINUES STRONG GROWTH IN Q2 2024

CLEAR CHANNEL OUTDOOR, JCDECAUX, LAMAR, OUTFRONT MEDIA, AND STRÖER RELEASED Q2 2024 EARNINGS IN JULY / AUGUST 2024

- Revenue growth continued for OOH operators, with all the above posting revenue growth<sup>(a)</sup>



- FY 2024 revenue guidance was generally conservative:
  - Clear Channel Outdoor expects FY 2024 consolidated revenue to be \$2.2–\$2.3 billion, representing growth of 4%–7%
    - Expects FY 2024 America revenue to be \$1.1–\$1.2 billion, representing growth of 3%–6%
    - Expects FY 2024 Airports revenue to be \$350–\$365 million, representing growth of 12%–17%
    - Q3 2024 Europe-North revenue expected to grow by 5%–12%
    - FY 2024 Europe-North revenue expected to grow by 5%–8%
  - JCDecaux anticipates Q3 2024 adjusted organic revenue growth of ~10%
  - OUTFRONT expects Q3 total revenue growth to be comfortably in the mid-single-digit range
  - Lamar’s pacing for the rest of 2024 is up mid-single digits, with Q4 pacing slightly stronger than Q3
  - Ströer expects its OOH segment to grow ~10% on an organic basis in Q3 2024

Source: Company filings and publicly available information.  
 a) Adjusted for acquisitions, divestitures and foreign exchange effects.  
 b) Organic growth represents reported revenues, excluding revenues associated with acquisitions and foreign currency exchange rates.  
 c) Pertains only to OOH media segment.

# CLEAR CHANNEL OUTDOOR

## Q2 2024 PERFORMANCE UPDATE

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q2 2024 include:
  - Q2 total revenue increased 5%, to \$560 million
    - Missed consensus Street estimates of \$563 million by (1%)
    - America revenue increased 1%, driven by increased demand and digital deployments
      - Digital revenue up 4%
    - Airports revenue increased 21%, driven by strong demand across portfolio and growth in new advertising customers
    - Europe-North revenue increased by 10%
      - Digital revenue up 18%
    - Other<sup>(b)</sup> revenue decreased (19%)
  - Q2 adjusted EBITDA decreased (0.1%) to \$143 million
    - Missed consensus Street estimates of \$148 million by (3%)
    - America EBITDA decreased (2%)
    - Airports EBITDA increased 17%
    - Europe-North EBITDA increased 25%
    - Other<sup>(b)</sup> EBITDA down (103%)
  - Net Debt-to-EBITDA of 9.6x<sup>(c)</sup>

### FINANCIAL PERFORMANCE<sup>(a)</sup>

(\$ in Millions)

	Three Months Ended			Estimates	
	Jun-24	Jun-23	% Change	Consensus	Surprise
<b>Revenue</b>					
America	\$290	\$288	1%		
Airports	86	71	21%		
Europe-North	165	150	10%		
Other <sup>(b)</sup>	18	22	(19%)		
<b>Total</b>	<b>\$560</b>	<b>\$531</b>	<b>5%</b>	<b>\$563</b>	<b>(1%)</b>
<b>Adjusted EBITDA</b>					
America	\$127	\$130	(2%)		
Airports	19	16	17%		
Europe-North	33	26	25%		
Other <sup>(b)</sup>	(0.1)	4	(103%)		
Adj. Corporate Expenses	(36)	(33)	10%		
<b>Total</b>	<b>\$143</b>	<b>\$143</b>	<b>(0.1%)</b>	<b>\$148</b>	<b>(3%)</b>

### COMMENTARY

- Q2 national / local sales decreased (3%) / grew 3% with split of 35% / 65%, respectively, in line with prior year
- Negotiations with potential buyer for Europe-North segment ongoing, with pockets of interest spiking over time
  - Segment is performing well, with strong operating leverage, revenue growth of 9%, and adjusted EBITDA growth of 21% for trailing 12 months
  - Sale process taking longer than expected due to size and complexity of business
- Q3 2024 Europe-North revenue expected to grow by 5%–12%
- FY 2024 Europe-North revenue expected to grow by 5%–8%
- Q3 2024 consolidated revenue expected to grow by 3%–8%
- FY 2024 consolidated revenue expected to reach \$2.2–\$2.3 billion, representing growth of 4%–7%

Source: Company filings and publicly available information.

a) Figures exclude movements in FX.

b) Represents Latin America and Singapore.

c) Calculated as net debt of \$5.5 billion to LTM adjusted EBITDA of \$569 million.

## H1 2024 PERFORMANCE UPDATE

FINANCIAL AND OPERATIONAL HIGHLIGHTS<sup>(a)(b)</sup>

- Financial highlights for H1 2024 include:
  - Total adjusted revenue increased 14% to €1,808 million; adjusted organic revenue increased 13%
    - Beat consensus Street estimates of €1,766 million by 2%
    - Street Furniture adjusted revenue increased 12% to €918 million
    - Transport adjusted revenue increased 18% to €634 million
    - Billboard adjusted revenue increased 13% to €256 million
- Operational highlights for H1 2024 include:
  - Organic growth of 13% beat expectations, driven by continued strong digital revenue growth across segments
  - Digital OOH grew by 28%, reaching 37% of group revenue
    - Strong programmatic growth of 62% attributable to the increased adoption by advertisers of VIOOH SSP and Displayce DSP
  - Adjusted organic revenue growth is expected to be ~10% in Q3 2024
    - Driven by continued strong demand from advertisers, particularly for digital advertising; the impact of major sporting events, including the Olympics and the Euro Cup; and the addition of the Shenzhen Airport contract

## FINANCIAL PERFORMANCE

(\$ in Millions)	Six Months Ended			Estimates	
	Jun-24	Jun-23	% Change	Consensus	Surprise
Street Furniture	€918	€823	12%		
Transport	634	537	18%		
Billboard	256	226	13%		
<b>Total Adj. Revenue<sup>(b)</sup></b>	<b>€1,808</b>	<b>€1,585</b>	<b>14%</b>	€1,766	2%
<b>Operating Margin</b>	<b>€203</b>	<b>€184</b>	<b>11%</b>		
% Margin	11%	12%	40 bps		
Total Adj. Organic Revenue	€1,797	€1,585	13%		

## COMMENTARY

- All revenue segments grew by double digits organically
  - Street Furniture maintained strong momentum
  - Transport exhibited solid growth in both airports and public transport systems
  - Billboard growth was driven by digitized markets
- All geographies experienced positive organic growth
  - Asia-Pacific, UK, Rest of Europe and Rest of World experienced double-digit growth
  - Asia is now the only region remaining well below pre-COVID levels, due to the slow recovery in China
- Sold shares in APG SGA, reducing stake from 30% to 16%
  - Plans to reallocate capital towards growth opportunities trading at lower multiples (targeting 6-7x EBITDA)

## Q2 2024 PERFORMANCE UPDATE

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q2 2024 include:
  - Net revenue increased 4% to \$565 million
    - In line with consensus Street estimates of \$565 million
    - Acquisition-adjusted net revenue increased 3% over Q2 2023
  - Adjusted EBITDA increased 7% to \$272 million
    - Beat consensus Street estimates of \$268 million by 1%
  - Diluted AFFO per share increased 10% to \$2.08 / share
    - Beat consensus Street estimates of \$2.07 / share by 1%
- Operational highlights for Q2 2024 include:
  - Local and regional sales grew for the 13th consecutive quarter, increasing 5%, while national sales declined 3%
    - Local and regional sales accounted for 79% of billboard revenue, up from 78% in Q2 2023
    - Digital accounted for 31% of billboard revenue in Q2, with Digital same-board revenue growth of 3%
    - Programmatic grew 73% in Q2 2024 compared with Q2 2023
  - Ended the quarter with total leverage of 2.9x net debt-to-EBITDA, near the lowest level in the company's history
  - Total liquidity of \$744 million, including \$78 million of cash and \$666 million from the revolving credit facility
  - CapEx spend for the quarter was ~\$23 million, including \$14 million of maintenance CapEx
  - Closed a handful of M&A deals for a total of \$10 million in Q2
  - Quarterly dividend was \$1.30 / share
    - Recommending an increase to \$1.40 /share in Q3

## FINANCIAL PERFORMANCE

(\$ in Millions)	Three Months Ended			Estimates	
	Jun-24	Jun-23	% Change	Consensus	Surprise
Net Revenue	\$565	\$541	4%	\$565	0.1%
Adj. EBITDA	\$272	\$254	7%	\$268	1%
Net Income	\$137	\$131	5%		
Diluted AFFO Per Share	\$2.08	\$1.90	9%	\$2.07	1%
AFFO	\$214	\$194	10%	\$212	

## COMMENTARY

- Transit revenues grew 14% YoY to \$42 million, 7% of revenues
  - Within the transit segment, Airport revenues grew 22%
- Political revenue reached \$15 million, ~10% ahead of Q2 2022
- ~ \$1 billion in dry powder for acquisitions
- Services, building / construction, and automotive were strong categories, while healthcare and financial were relatively weaker
- Raised AFFO per share guidance to a range of \$7.75–\$7.90, representing AFFO growth of 4%–6% over 2023
- Pacing for the rest of 2024 is up mid-single digits, with Q4 pacing slightly stronger than Q3
- On July 31, company paid in full its \$350 million in Term A loans outstanding under its Senior Credit Facility; Term A loans were repaid using a combination of borrowings under the revolving credit facility and cash on hand

## Q2 2024 PERFORMANCE UPDATE

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q2 2024 include:
  - Total revenue increased 2% to \$477 million
    - Revenue growth on an organic basis was 4%<sup>(a)</sup>
    - Missed consensus Street estimates of \$482 million by (1%)
    - Billboard revenues increased 0.5% to \$373 million
    - Transit and Other revenues increased 7% to \$104 million
  - Adjusted OIBDA increased 3% to \$126 million
    - Beat consensus Street estimates of \$123 million by 2%
  - AFFO increased 9% to \$85 million
    - Beat consensus Street estimates of \$74 million by 15%
- Operational highlights for Q2 2024 include:
  - Operating income was \$229 million, up from a loss of (\$438) million in Q2 2023
  - SG&A increased 10% to \$119 million
  - Total liquidity of \$544 million, including \$50 million of cash and \$494 million from the revolving credit facility
  - Q2 2024 net leverage ratio of 5.0x
  - Recorded an impairment charge of \$9 million related to additional MTA equipment deployment cost spending during the quarter
  - Divestiture of Canadian business to Bell Media for C\$410 million in cash closed on June 10, 2024 (Solomon advised on transaction)
    - Intends to use the proceeds to pay down debt, reduce annual interest expense, and increase flexibility for future capital plans and potential M&A opportunities
  - Announced quarterly cash dividend of \$0.30 per share payable on September 27, 2024

## FINANCIAL PERFORMANCE

(\$ in Millions)	Three Months Ended			Estimates	
	Jun-24	Jun-23	% Change	Consensus	Surprise
<b>Revenue</b>					
Billboard	\$373	\$372	0.5%		
Transit and Other	104	97	7%		
<b>Total</b>	<b>\$477</b>	<b>\$469</b>	<b>2%</b>	<b>\$482</b>	<b>(1%)</b>
Adj. OIBDA	\$126	\$122	3%	\$123	2%
AFFO	\$85	\$78	9%	\$74	15%
AFFO Per Share	\$0.49	\$0.47	3%	\$0.42	15%

## COMMENTARY

- Local / national revenue grew 0.3% / 7% with split of 58% / 42%, respectively
  - More skewed towards local than typical 55% / 45%
- For the U.S. media segment, billboard revenues increased 2% and transit and other revenues increased 11% from Q2 2023
- U.S. media digital revenue grew 10% in the quarter, accounting for 34% of total revenue, up from 32% in the previous year
- Spent \$8 million on tuck-in acquisitions during the quarter
  - Expects 2024 deal activity to look similar to 2023
- National segment picking up and local segment continuing to display solid growth
  - Projecting 2024 consolidated AFFO growth in high single-digit range
  - Estimating Q3 2024 revenue growth in mid-single-digit range

Source: Company filings and publicly available information.

Note: Adjusted OIBDA calculated as operating income (loss) before depreciation, amortization, net (gain) loss on dispositions, stock-based compensation and impairment charges.

a) Organic growth represents reported revenues, excluding revenues associated with acquisitions and foreign currency exchange rates.

## Q2 2024 PERFORMANCE UPDATE

## FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Financial highlights for Q2 2024 include:
  - Total revenue increased 12% to €512 million
    - In line with consensus Street estimates of €510 million
    - OOH Media segment (Classic OOH, Digital OOH and OOH Services) revenue up 21% to €242 million
      - Digital OOH grew by 29% and represents 35% of total OOH revenue, up from 33% in Q2 2023
    - Digital & Dialog Media segment revenue increased 12% to €215 million
      - Driven by increasing programmatic demand and still benefiting from acquisition of call center locations last year
    - Data as a Service / E-commerce segment revenue increased 3% to €86 million
  - IFRS 16 adjusted EBITDA increased 43% to €104 million from €73 million<sup>(b)</sup>
  - Operating cash flow increased to €163 million compared to €140 million at the same time last year
  - Net debt<sup>(d)</sup> of €844 million, up €74 million from the end of 2023
    - Total leverage of 2.3x net debt-to-EBITDA<sup>(d)</sup>

## FINANCIAL PERFORMANCE

(€ in Millions)	Three Months Ended			Estimates	
	Jun-24	Jun-23	% Change	Consensus	Surprise
<b>Revenue</b>					
OOH Media	€242	€201	21%		
Digital & Dialog Media	215	192	12%		
Data as a Service/E-commerce	86	83	3%		
Internal Revenue	(32)	(22)			
<b>Total<sup>(a)</sup></b>	<b>€512</b>	<b>€455</b>	<b>12%</b>	<b>€510</b>	<b>0.3%</b>
EBITDA (adjusted)	€155	€130	19%		
% Margin	30%	29%			
EBITDA (IFRS 16 adjusted) <sup>(b)</sup>	€104	€73	43%		
Net Income (adjusted) <sup>(c)</sup>	€42	€31	36%		

## COMMENTARY

- Organic revenue growth for the OOH segment was 22% compared to 17% for the previous quarter
  - Stems from an ongoing re-rating of the media mix, resulting in a shift towards out of home advertising
    - Programmatic constitutes 55% of national digital OOH revenue, an increase of ~5% compared to Q2 2023
  - DOOH grew by 29% and was the strongest driver of growth
    - Expects DOOH to account for at least 50% of segment revenue by end of 2026
- Expects OOH segment to grow 10% on an organic basis in Q3 2024
- FY 2024 organic revenue growth should be noticeably higher than FY 2023 growth of ~8%, with a stable EBITDA margin

Source: Company filings and publicly available information.

a) Total revenue excludes internal revenue of €32 million and €22 million for Q2 2024 and Q2 2023, respectively.

b) Represents Solomon adjustment to exclude the effect of lease liabilities under IFRS 16.

c) Adjusted for exceptional items and additional other reconciling factors in D&A, financial result, and income taxes.

d) Net debt and adjusted EBITDA are adjusted for IFRS 16; net debt excludes lease liabilities and liabilities to purchase own equity instruments.

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