

MAGNA
rapport™

US Out-of-Home Growth You Can See

**Vincent Letang, Mike Leszega, MAGNA
Valerie Sharp, RAPPORT**

Nov. 2024

Your Speakers Today



Vincent Letang

EVP, Global Market
Intelligence
MAGNA



Michael Leszega, CFA

VP, US Market
Intelligence
MAGNA



Valerie Sharp

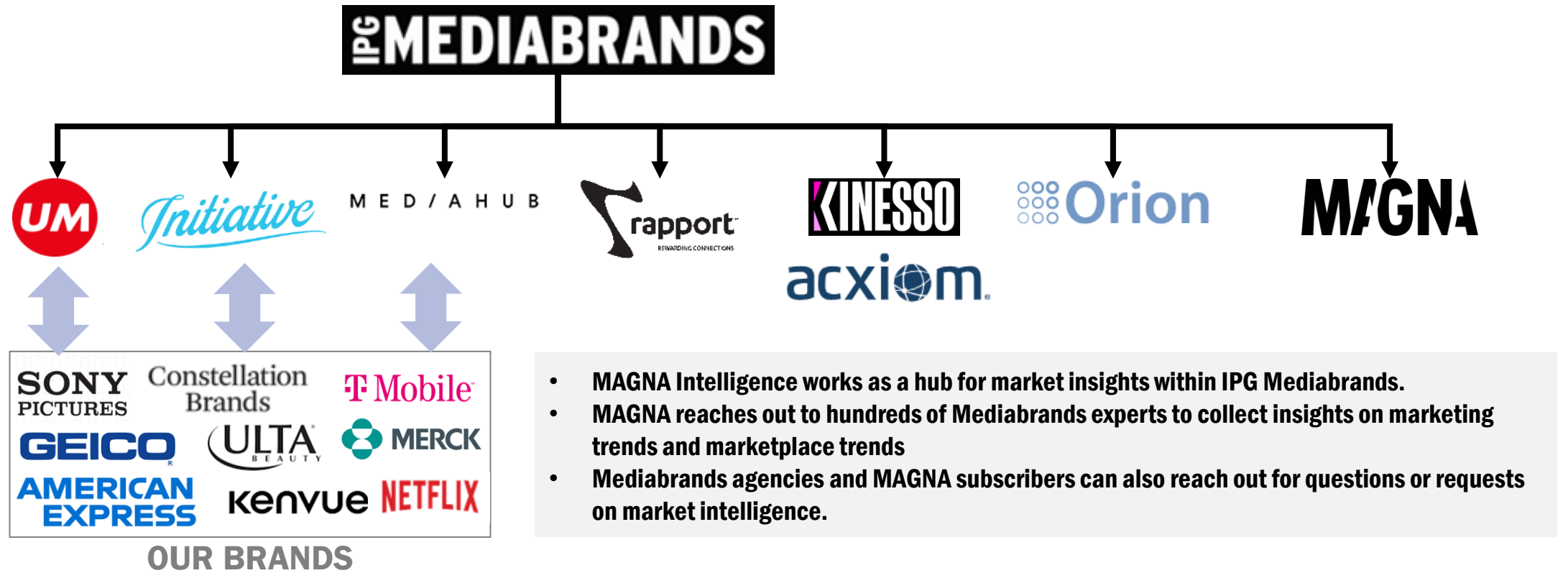
VP, IMPACT US
Rapport

Agenda

- **About MAGNA & Rapport**
- US Ad Market Update
- 00H Ad Market Outlook
- 00H Drivers & Innovation



MAGNA and RAPPORT: Sister Companies Under Mediabrands



MAGNA Market Intelligence: A Leading Source

**“THE MOST TRUSTED, MOST
COMPREHENSIVE MARKET
INTELLIGENCE OFFERING IN THE
INDUSTRY”**

**Market
Reports**

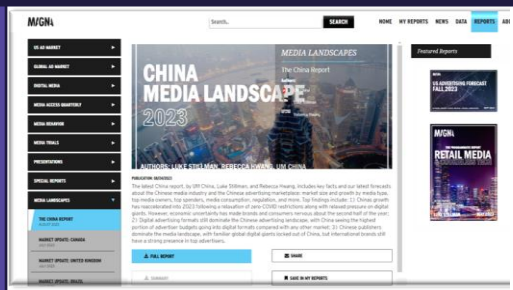
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ATLAS
YOUR PORTAL TO
MAGNA DATA &
INSIGHTS



**ONE-STOP-SHOP MEDIA
MARKET INTELLIGENCE**

**AD MARKET TRENDS, MEDIA CONSUMPTION
TRENDS, AD EFFECTIVENESS, INNOVATION**

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- About MAGNA & RAPPORT
- **US Ad Market Update**
- 00H Ad Market Outlook
- 00H Innovation



Ad Market Update

Key Findings

**Full-Year '24 Spend
to Grow +8.9%*
(from +8.2%)**

**OOH Continues to
Outperform Trad.
Media (+5%)**

**Economic &
Business Outlook is
Still Robust**

**2025: All-Media Spend
Will Grow by +6.3%***

* Net Ad Spend, All Media, Excluding Cyclical (Political & Olympics)

Ad Market Update

Drivers and Inhibitors

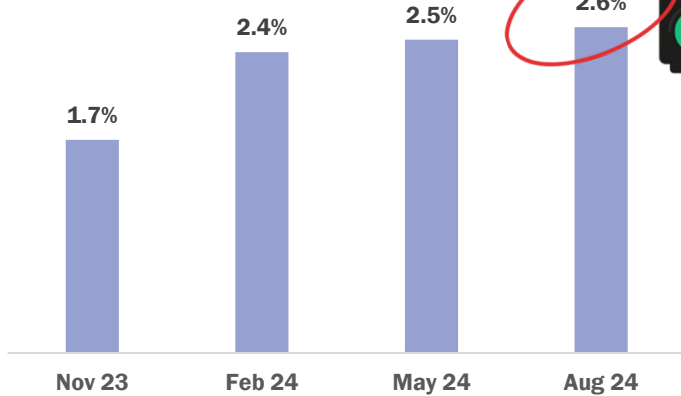
	2024	2025
Economic Cycle	+	+
Organic Drivers Innovation, Retail Media, AVOD	++	+
Cyclical Events Elections, Sports	+++	---
Total Ad Market Growth (incl. Cyclical)	+11.4%	+3.9%
Total Ad Market Growth (excl. Cyclical)	+8.9%	+6.3%

Economic Update

Economic Outlook Remains Solid Overall

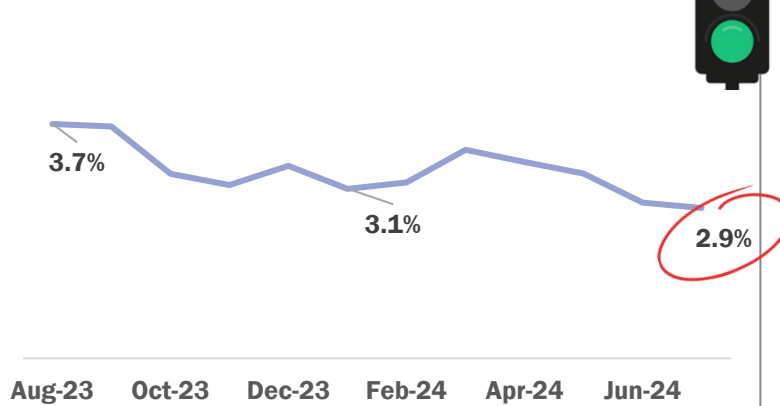
Strong Economic Activity

2024 Real GDP Growth



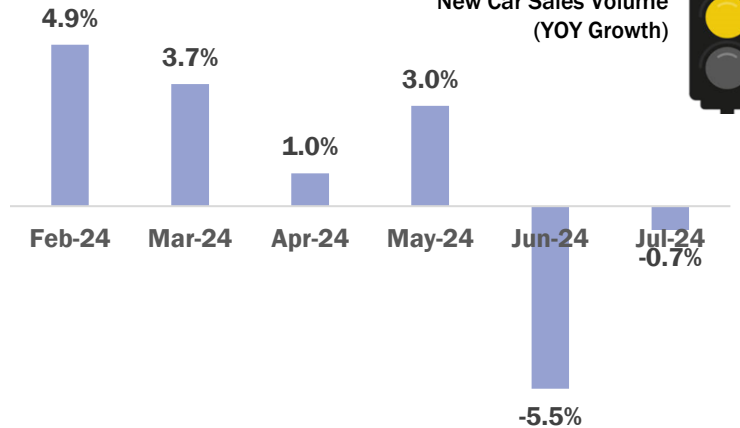
Inflation Now Below 3%

CPI Inflation



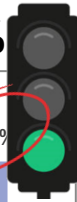
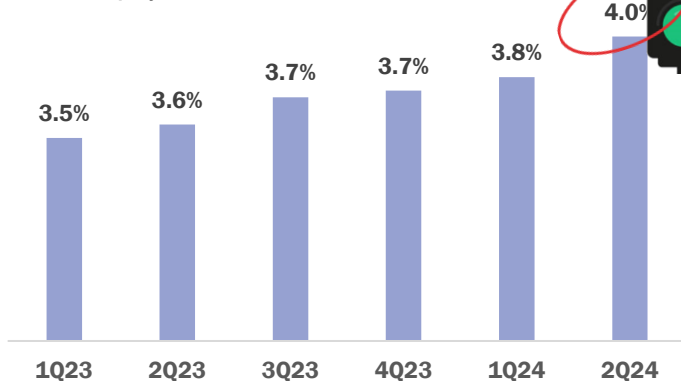
... So Car Sales Are Slowing

New Car Sales Volume (YOY Growth)



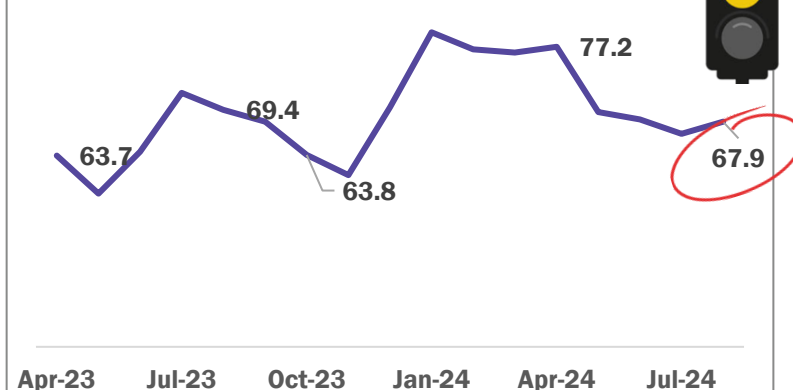
Employment Still Around 4%

Unemployment Rate



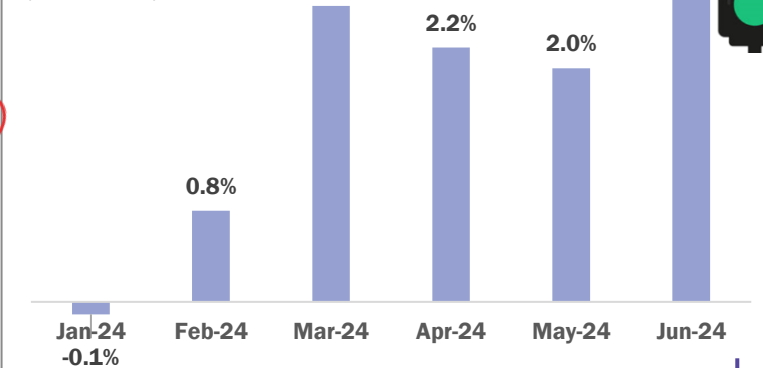
Consumers Remain Hesitant...

Consumer Confidence Index*



... But Retail Sales are Holding

Retail Sales (YOY Growth)



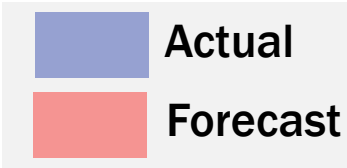
*Pre-pandemic confidence index average (2010 - 2019): 85

Source: Public Sources incl SPF Survey (Aug 2024)

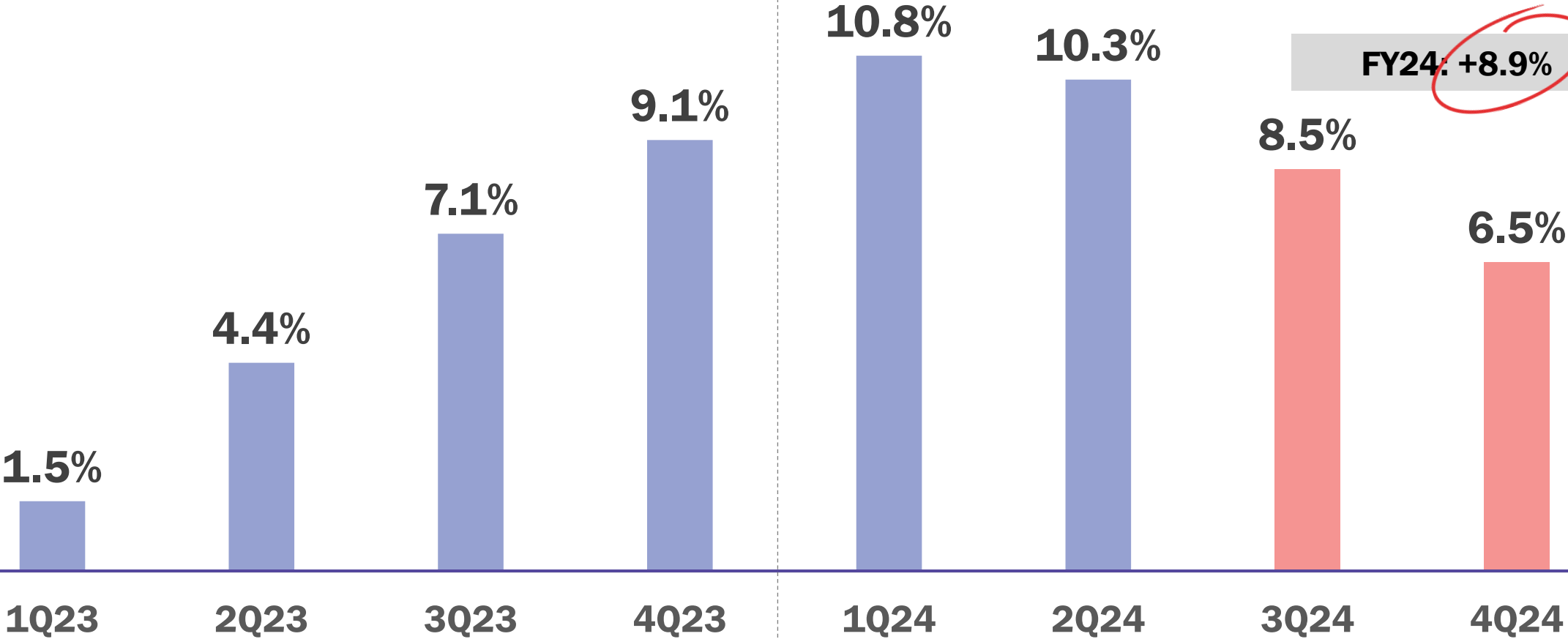
Ad Market Update

Total Ad Spend Grew by +10% in the First Half

All-Media Ad Revenue
YOY Growth, Excl. Cyclical



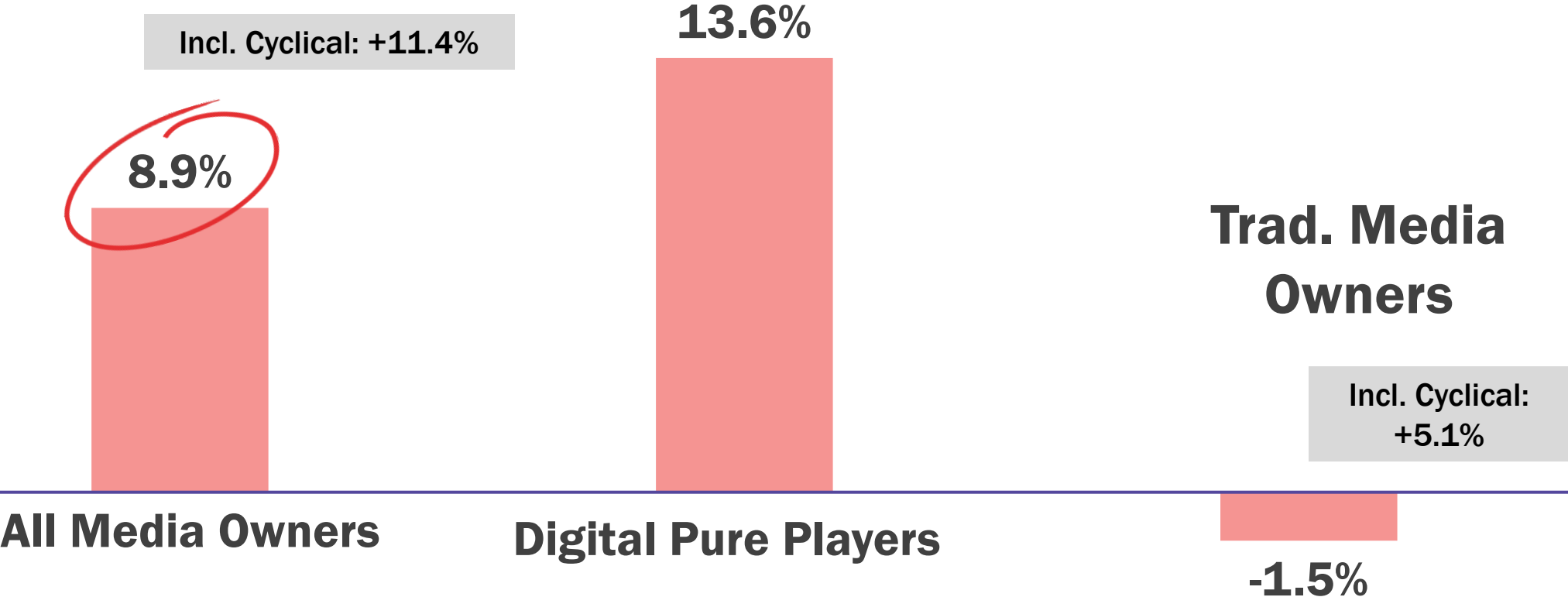
FY24: +8.9%



Ad Market Update

2024: +8.9%, of which DPP +14%, TMO -1.5%

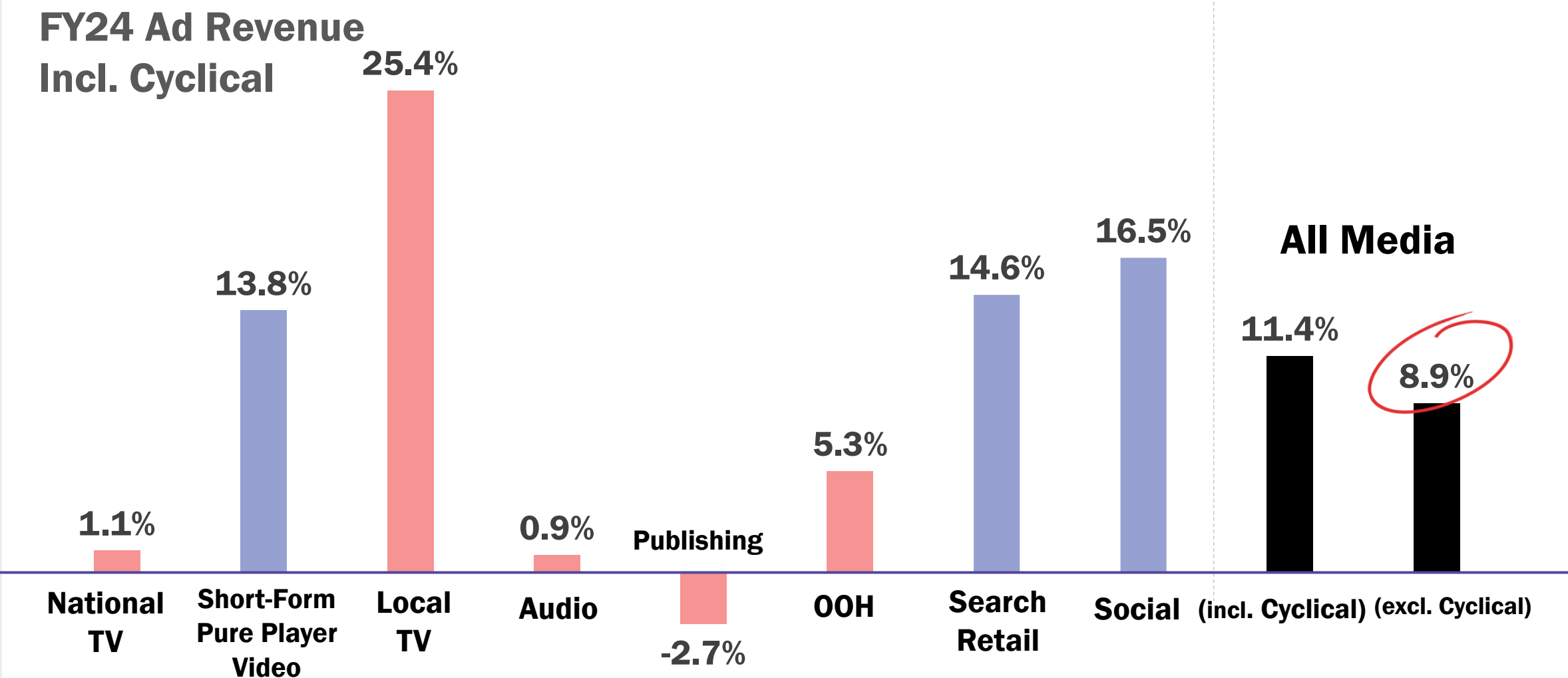
FY24 Ad Revenues
Excl. Cyclical



Ad Market Update

Contrasting Performances

FY24 Ad Revenue
Incl. Cyclical



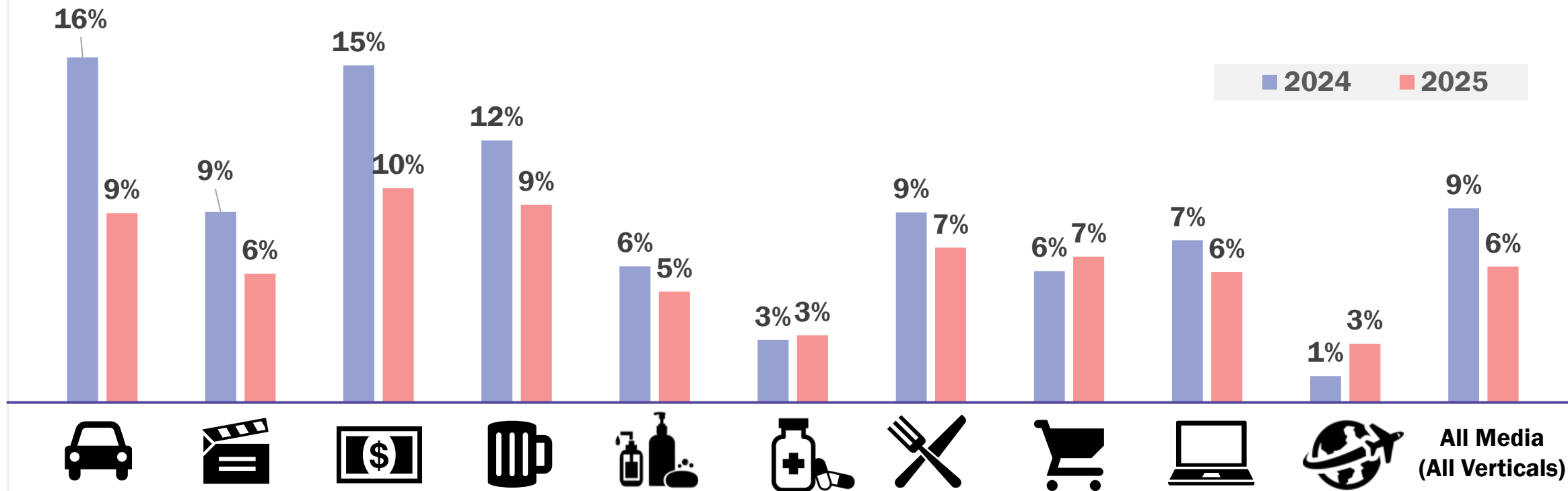
Source: MAGNA (Sept 2024). *National Video includes the linear and digital ad sales of national TV networks and premium long-form streaming apps across all platforms..

Vertical Trends

Total Ad Spend: Finance and Tech Dynamic Again

- Automotive, Finance, Insurance, and Food/Beverage are among the most dynamic industry verticals this year.
- Tech is finally re-accelerating after sluggish spend in recent years.
- Travel ad spend is slowing down following huge growth post-COVID.

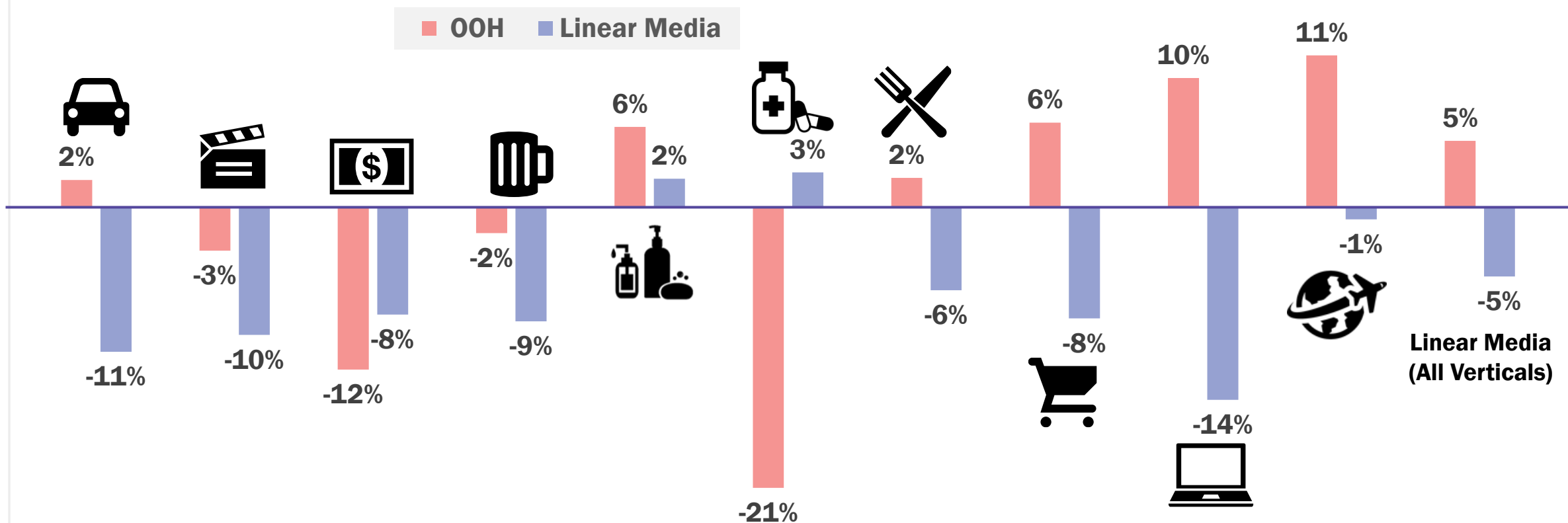
Net Advertising Spend (All Media)



Vertical Trends

OOH: Significant Outperformance vs Linear Media

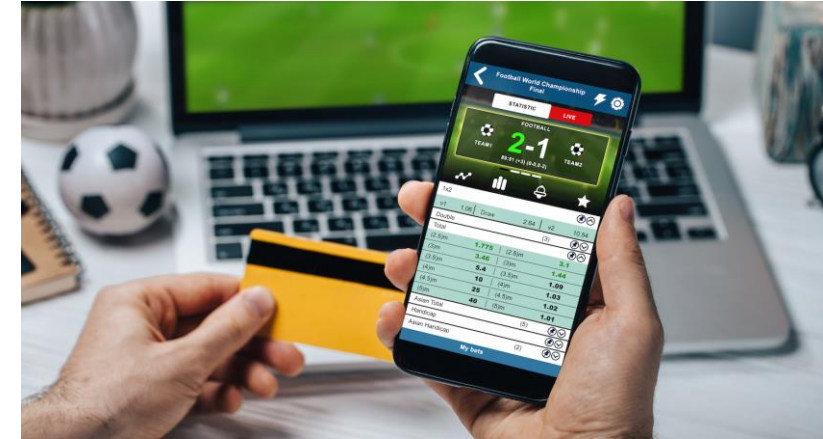
2024 YTD Linear Media Ad Sales



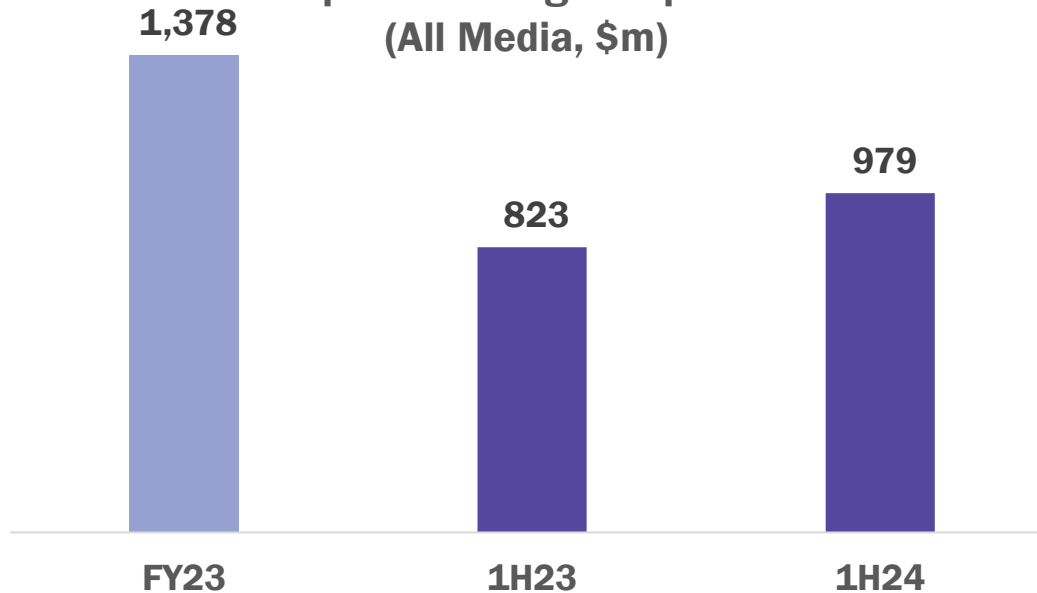
Vertical Trends

Betting: Keeps Growing, Shifts to National Media

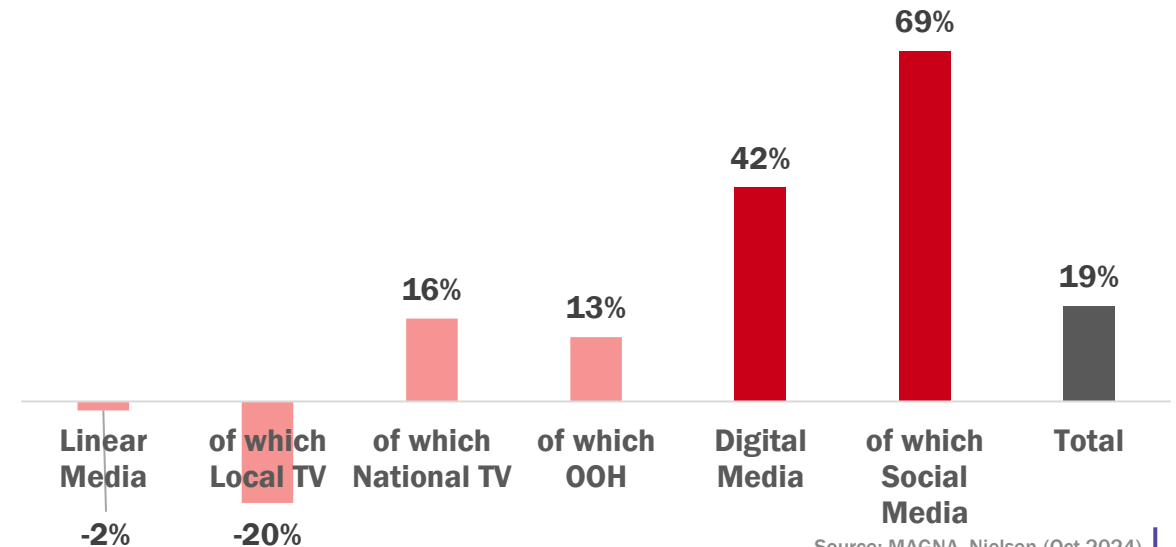
- With one more large State legalizing Sports Betting in 2024 (Florida), betting brands continue to grow.
- As a near-nationwide business, Betting brands tend to shift towards national media, at the expense of local media: Local TV is down but OOH resilient.



Sports Betting Ad Spend
(All Media, \$m)



Sports Betting Ad Spend
1H24 Growth



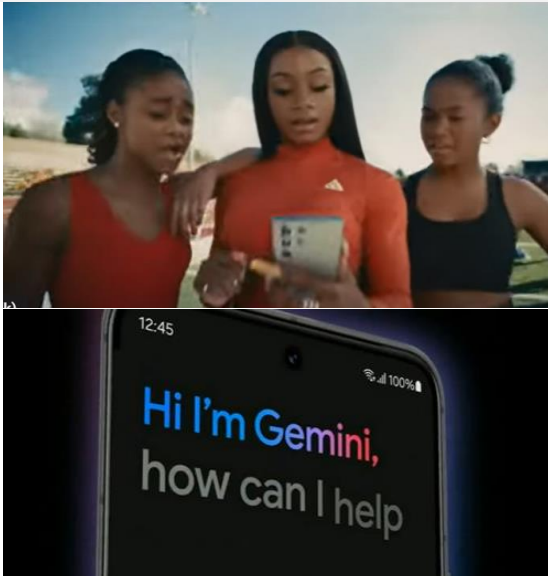
Source: MAGNA, Nielsen (Oct 2024)

Vertical Trends

Tech: “AI-Powered” is the Driver That Was Needed

- **Direct Driver: New Consumer Products.** All large Tech Companies are launching “AI-Powered” brands and products.
- **Indirect Driver: AI also powering ad tech,** making ad creation and campaign management more cost effective

Google TV Spot, 'Say Hi to Gemini' Feat. Sha'Carri Richardson (July 2024)



YTD (Jan-Aug) Ad Spend: \$51m

Apple iPhone 16: 'More Personal Siri, hello Apple Intelligence' Feat. Bella Ramsey (Sept 2024)



FireTV: Natural-Language content search with Alexa

Introducing a new way to search with Alexa, **powered by AI.**

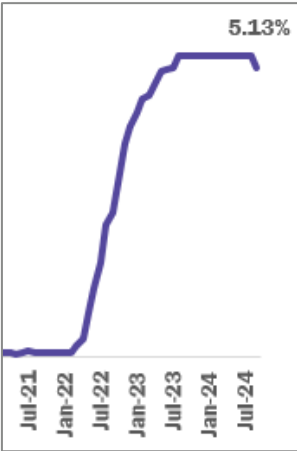


Vertical Trends

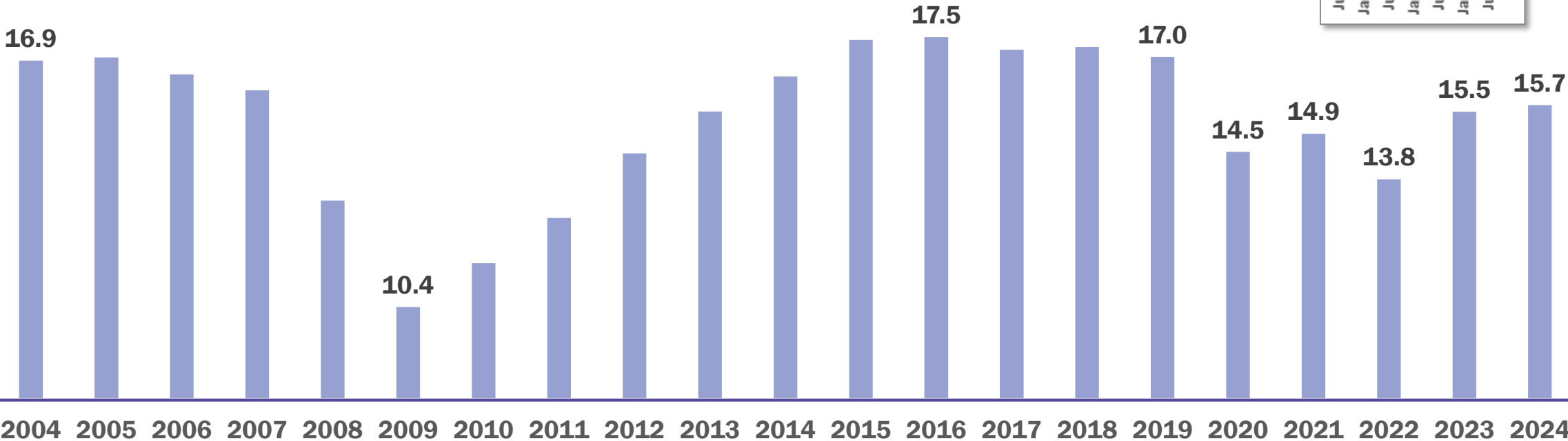
Auto: Car Sales are Plateauing this Year....

The cut in interest rates with lower the cost of leasing and financing new cars, bringing lots of consumer back into dealerships

Fed Rate Monthly (%)



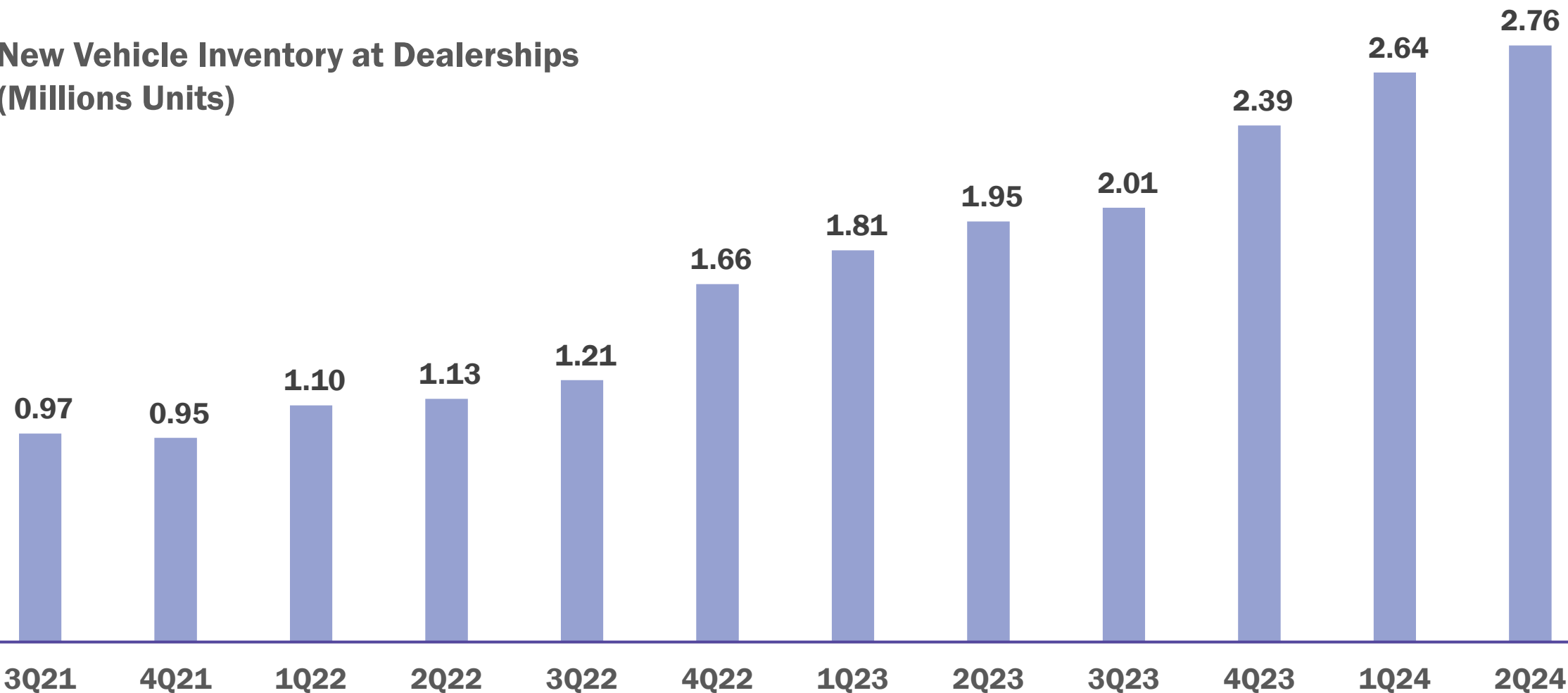
Light Vehicle Sales
(Retail & Fleet, million vehicles)



Vertical Trends

Auto: Too Much Unsold Cars Need to be Moved

New Vehicle Inventory at Dealerships
(Millions Units)



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- **OOH Market Outlook**
- OOH Innovation

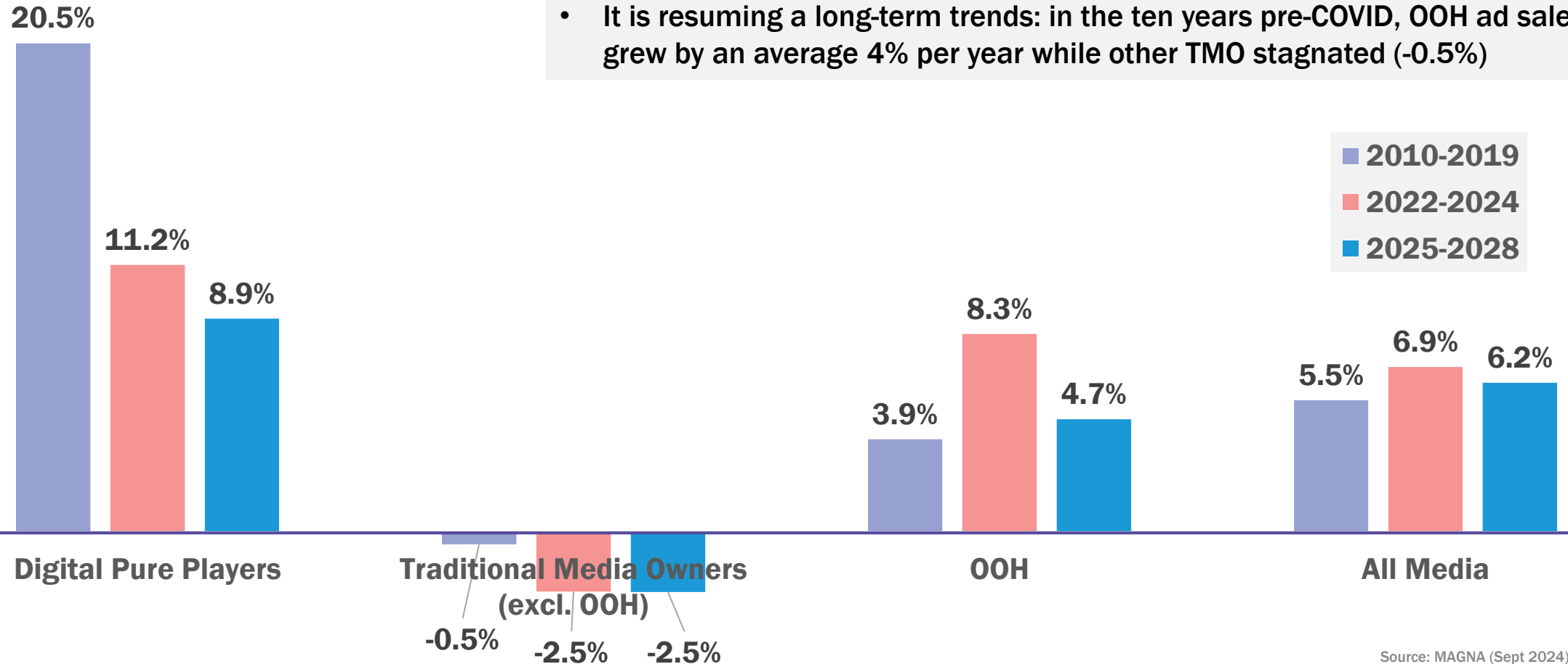


OOH Market Trends

OOH Continues to Outperform Trad. Media

Ad Revenue Growth

- Post COVID recovery, OOH outperforms other traditional media channels (TV, print, radio) with net ad revenues growth by an average 8% per year over 2022-2024 compared to -2.5% for other trad, media owners.
- It is resuming a long-term trends: in the ten years pre-COVID, OOH ad sales grew by an average 4% per year while other TMO stagnated (-0.5%)

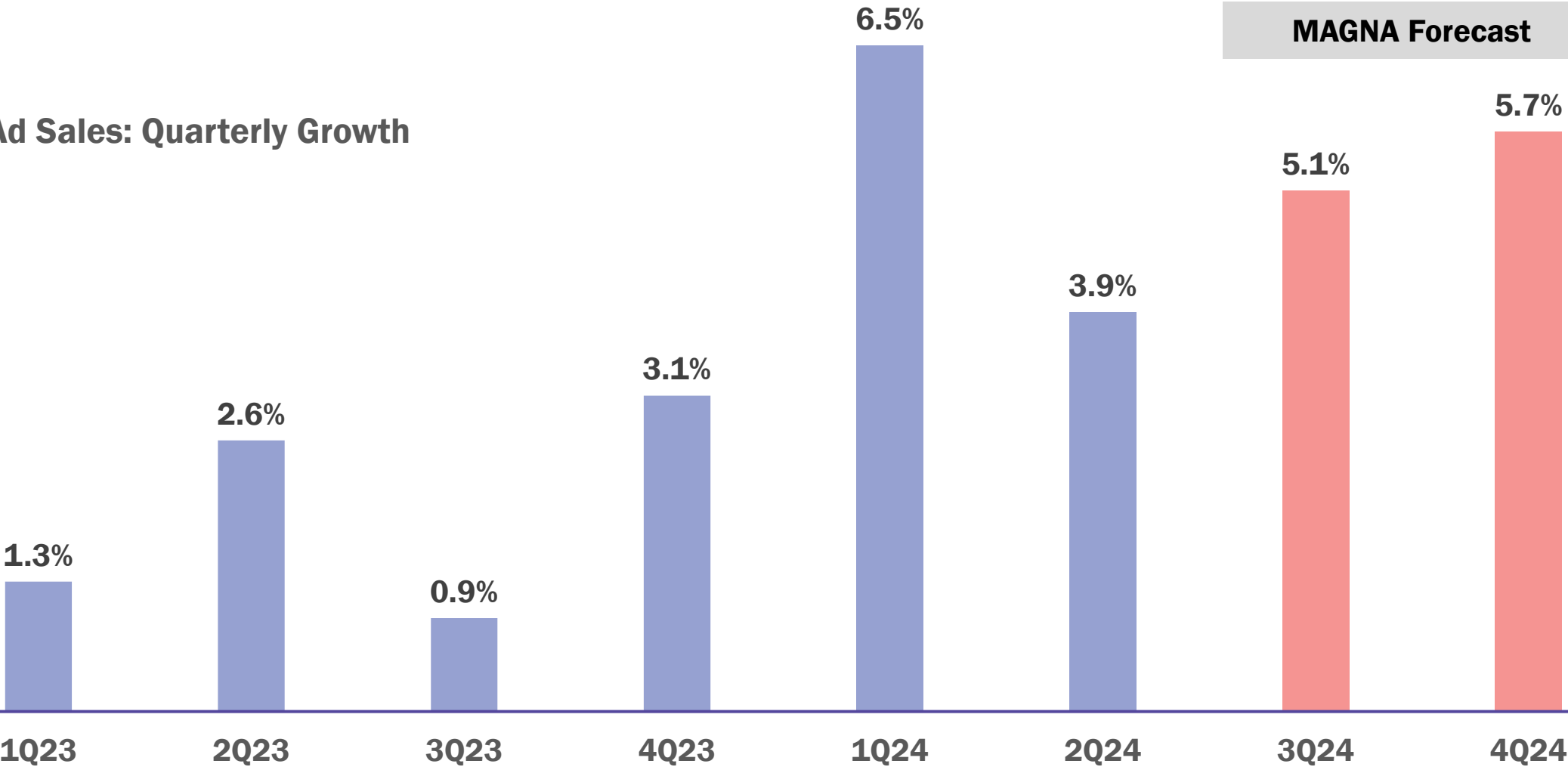


OOH Market Trends

Ad Sales Reaccelerated This Year

OOH Ad Sales: Quarterly Growth

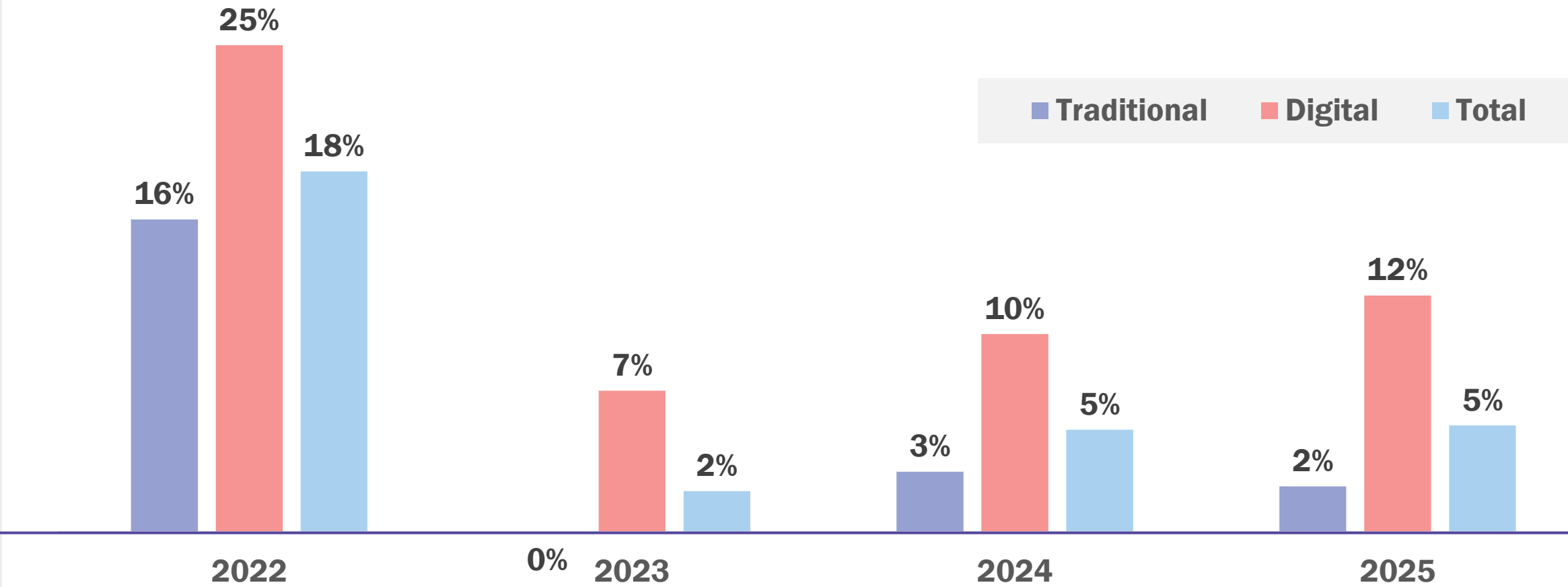
MAGNA Forecast



OOH Market Trends

Ad Sales: +5% in 2024 and 2025

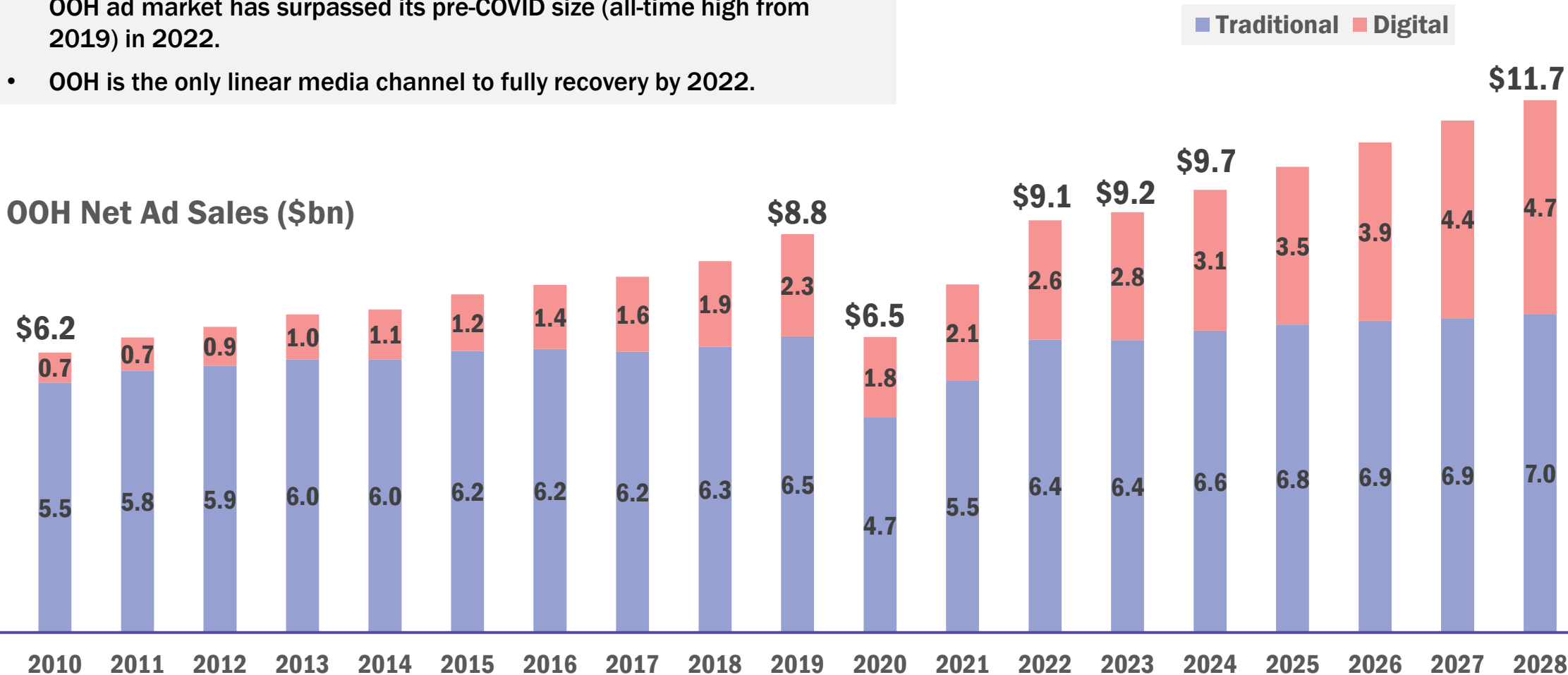
OOH Ad Sales: Annual Growth



OOH Market Trends

Ad Sales: \$10 billion in 2025, \$12bn by 2029

- MAGNA expects the OOH ad market to grow to 9.7 billion in 2024. The OOH ad market has surpassed its pre-COVID size (all-time high from 2019) in 2022.
- OOH is the only linear media channel to fully recovery by 2022.

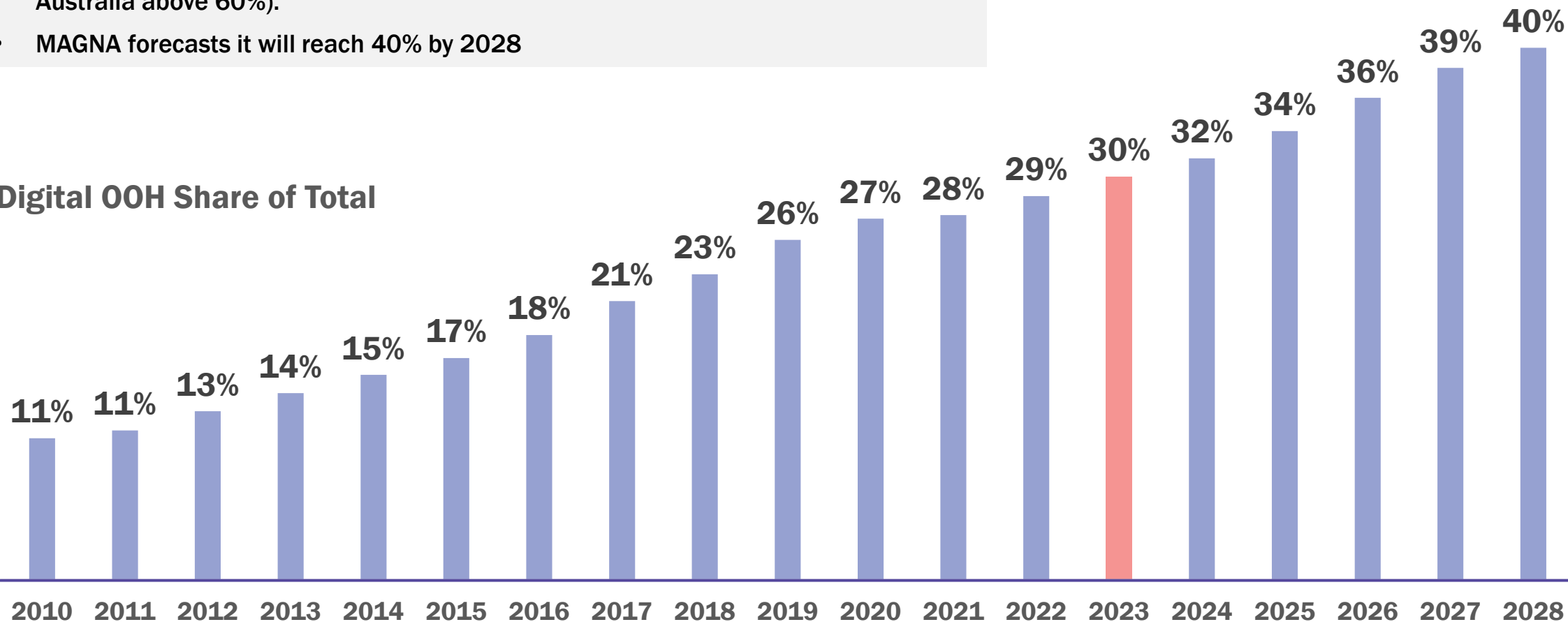


OOH Market Trends

Digital OOH: 40% by 2028

- 30% of total OOH ad sales in the US.
- This is close to global average but far below the most advanced markets (UK, Australia above 60%).
- MAGNA forecasts it will reach 40% by 2028

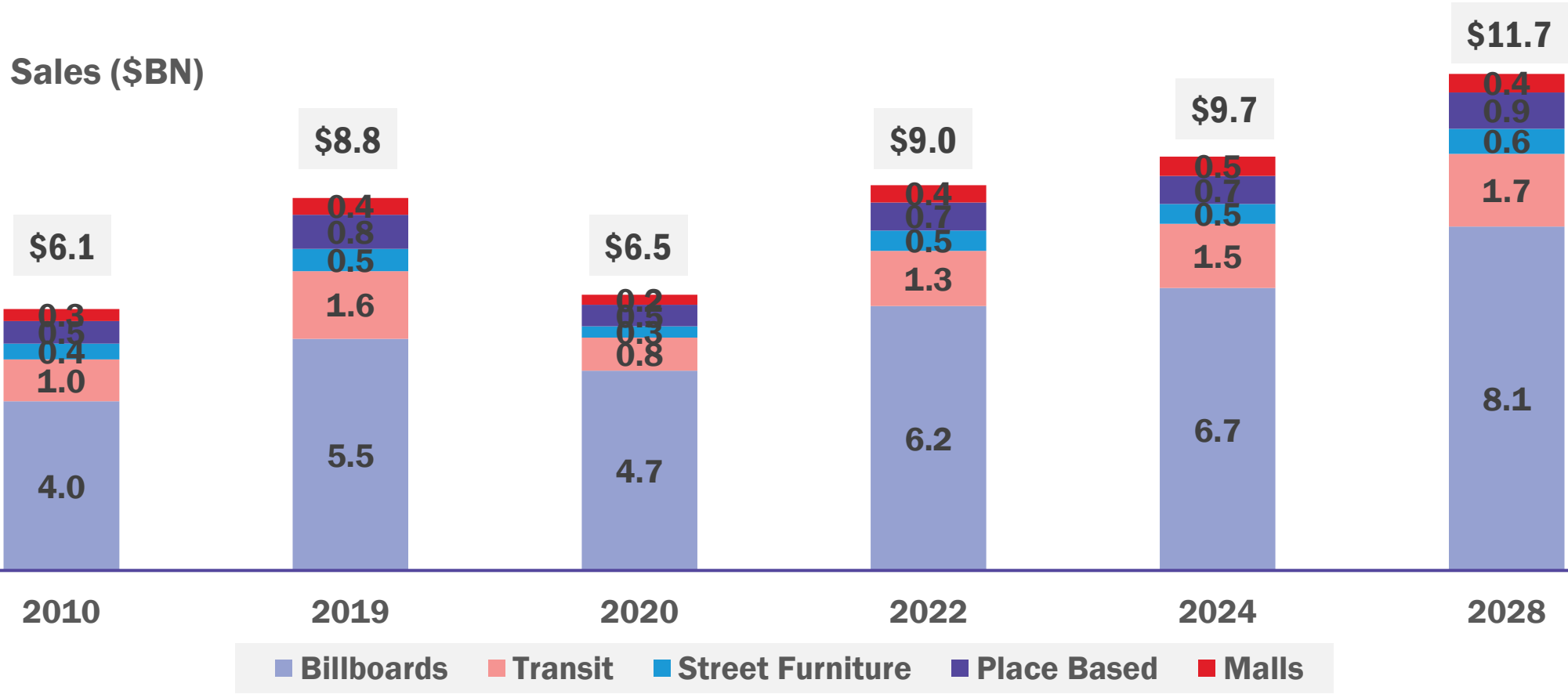
Digital OOH Share of Total



OOH Market Segments

Long Term Forecast by Segment

Net Ad Sales (\$BN)



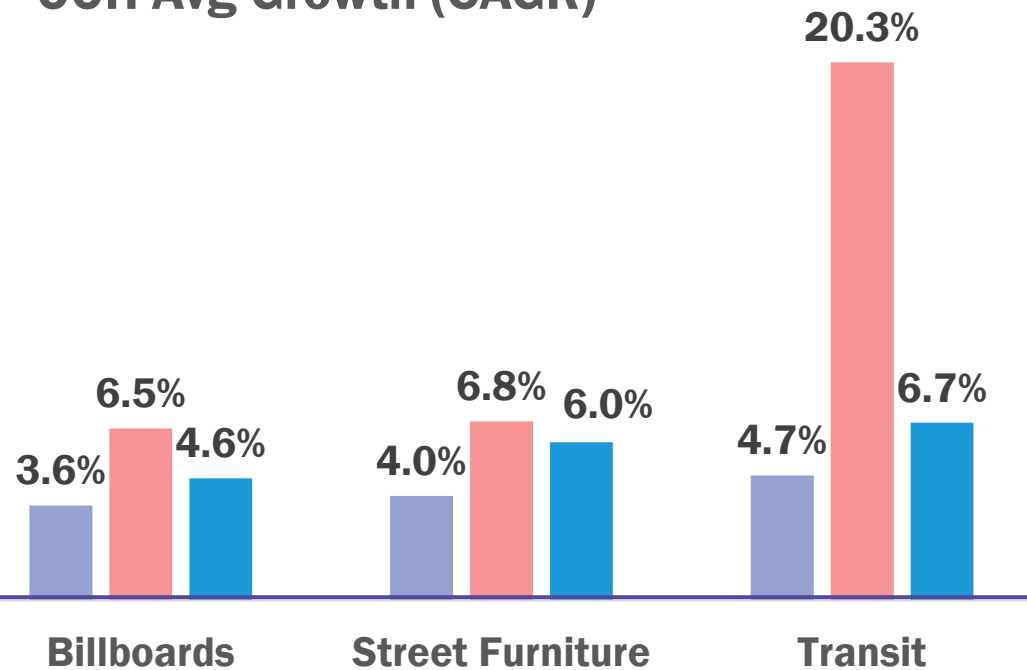
■ Billboards ■ Transit ■ Street Furniture ■ Place Based ■ Malls

OOH Market Segments

Long Term Growth Forecast

All market segments are projected to grow in the next five years but Transit and Street Furniture will grow slightly faster, driven by additional spending generated by digitization and programmatic

OOH Avg Growth (CAGR)

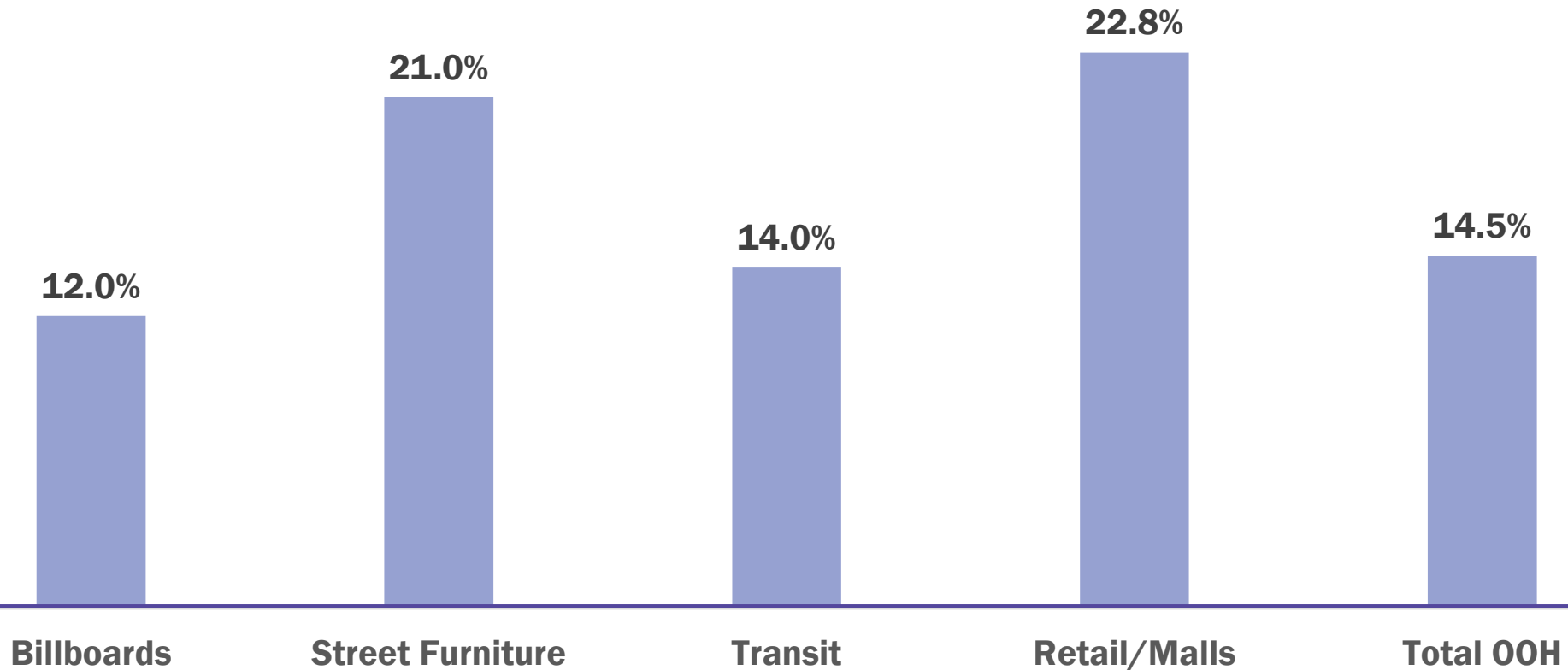


OOH Inventory Trends

Digital Ad Units Grew +15% per Year Since 2018

Across segments/formats, Street Furniture was the most dynamic, with digital units growing 21% and 23% resp.

Digital OOH Ad Unit Growth: 2018-2024 CAGR



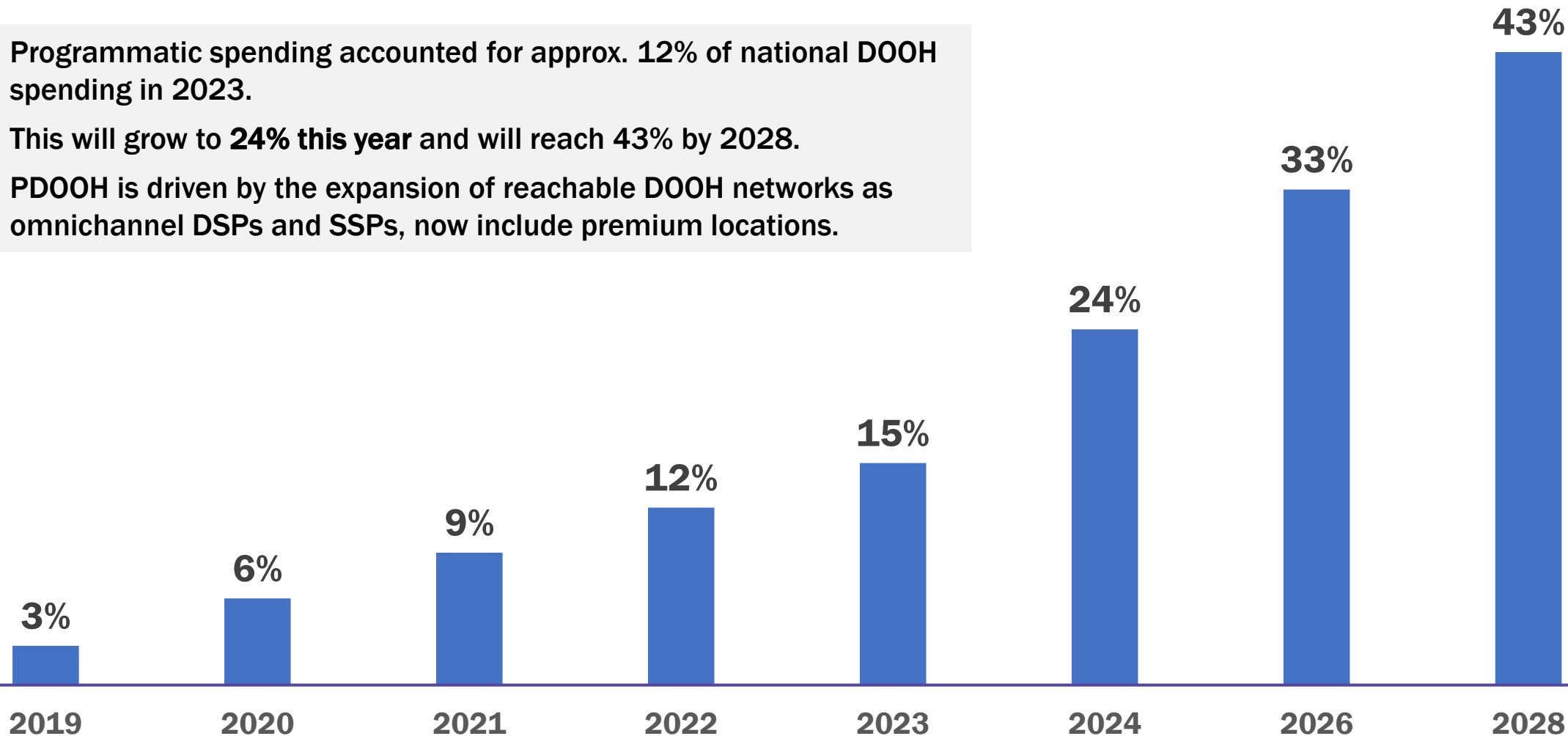
*Excludes Place Based

Source: MAGNA, OAAA (Sept 2024)

OOH Market Trends

Programmatic DOOH Takes Off

- Programmatic spending accounted for approx. **12%** of national DOOH spending in 2023.
- This will grow to **24% this year** and will reach **43%** by 2028.
- PDOOH is driven by the expansion of reachable DOOH networks as omnichannel DSPs and SSPs, now include premium locations.



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- **OOH Innovation**





INNOVATIVE TRENDS

Blending CGI And IRL To Create Impactful Campaigns



TAP-TO-PLACE



LOCATION-BASED

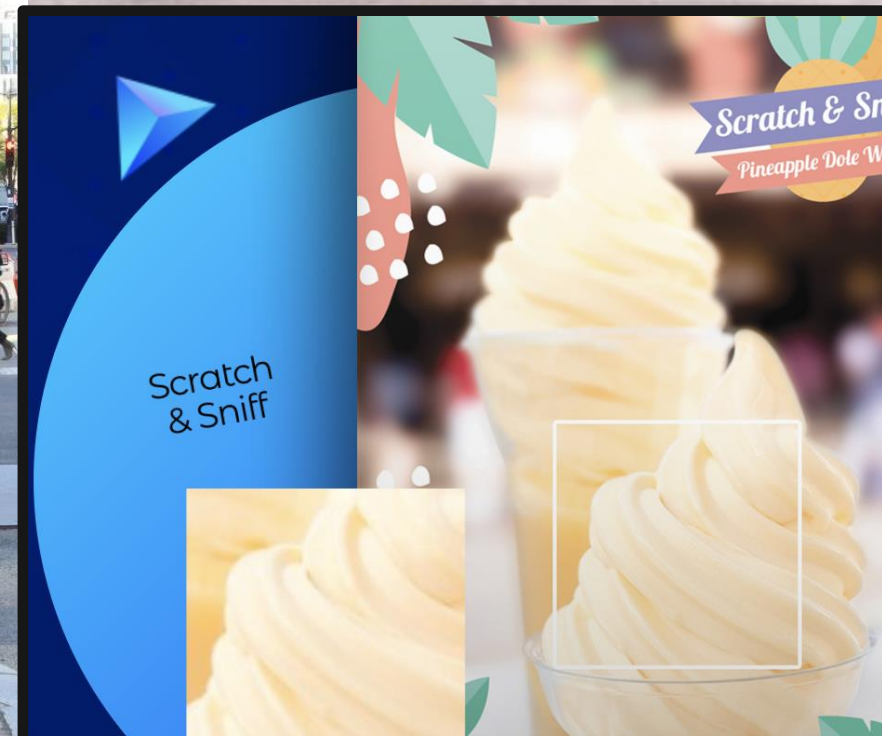


INTERACTIVE
SCREENS

INNOVATIVE TRENDS

Amplifying Hand Painted Murals with Augmented Reality

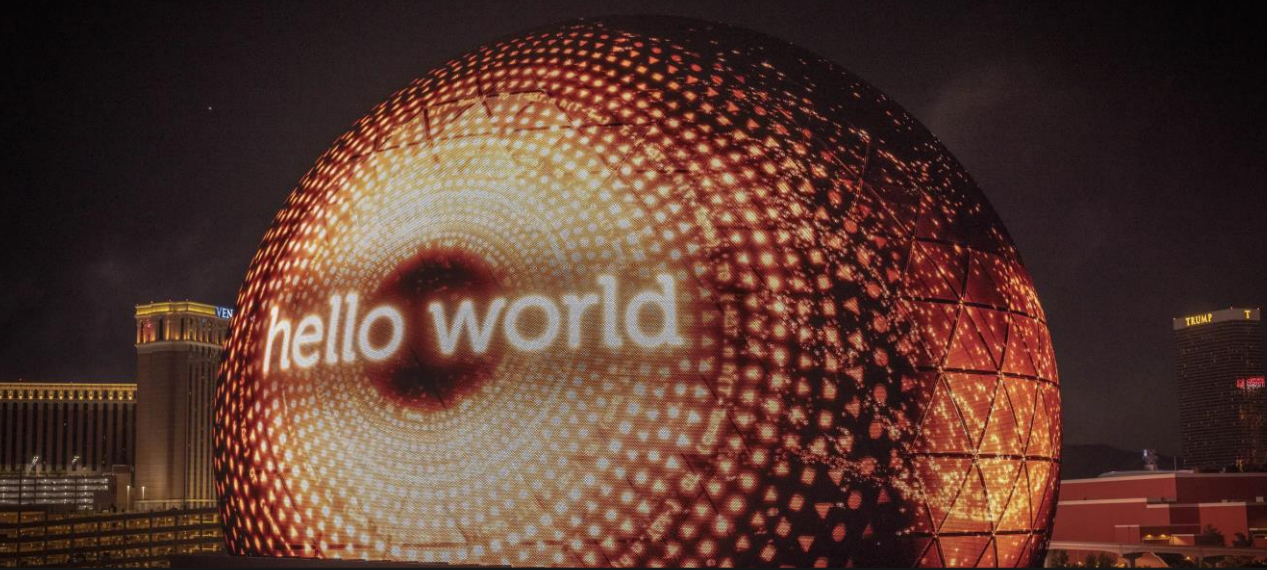
SCENTS





INNOVATIVE TRENDS

Adding Layers to Drone Shows



Large Format Canvas

MULTI-FORMAT APPROACH



Thank You!



Vincent Letang

EVP, Global Market
Intelligence
MAGNA



Michael Leszega, CFA

VP, US Market
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MAGNA



Valerie Sharp

VP, IMPACT US
Rapport

Contact: vincent.letang@magnaglobal.com