07-Dec-2015

OUTFRONT Media, Inc. (OUT)

UBS Global Media and Communications Conference

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CORPORATE PARTICIPANTS

Jeremy John Male
Chairman & Chief Executive Officer

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Doug Mitchelson
UBS Securities LLC

MANAGEMENT DISCUSSION SECTION

Doug Mitchelson
UBS Securities LLC

All right. We're ready to start the next presentation. Very pleased to have with us Jeremy Male, Chairman and CEO of OUTFRONT. I was still having trouble getting past the CBS brand. It just shows you how powerful those brands are. Welcome. Thank you very much for coming.

Jeremy John Male
Chairman & Chief Executive Officer

Thank you, Doug. Good to be here.

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QUESTION AND ANSWER SECTION

Doug Mitchelson
UBS Securities LLC

Q

So, I think to start with a question. 2014-2015 transformative years for the company with sort of everything behind you, IPOs, split-off, rebrand, REIT, M&A. When you think about 2016, what are you the most excited about?

Jeremy John Male
Chairman & Chief Executive Officer

A

Yeah. I mean, so to just going back to the past just briefly, yeah, you're right. I mean, this time last year, we had only just launched the OUTFRONT brand. So, you know we only having been CBS for a couple of weeks. And we were in the midst of putting together Van Wagner with our business, which was a significant acquisition and that was on the back of, yeah, the split off and the IPO. So it's fair to say that the last 12 months or so has been pretty busy.

As I look forward to next year, I think, it's interesting, isn't it? Because when you look generally at the health of the industry, out-of-home this year likely to grow in the sort of 4% range or something like that. So that's second only to the sort of – let's call it the digital bucket, to put it like that. And I think that that is demonstrative of the fact that as we go forward, to me, you've got two elements going on. One is the fact that to some extent or other, most other media's audiences are under some sort of stress or threat. It's hard to get to, where our audience keeps growing.

And I guess, the other point is that – is something that the Chief Strategy Officer for Publicis said the other day, which was – he said that in the future, where you are is going to be as important as who you are. And what out-of-home is all about actually is the where you are. And so, we can combine location, okay, increasingly with depths of data about the who you are. And I'm sure we'll get to talk about that in a little bit more detail as we go through that.

So when I look forward to next year, I know we have the forecast is on first thing this morning. Look it's pretty hard to, from where they've sat, to forecast what is in the U.S. a 4.5% medium. But one way or another, I think, in just about every forecast that head out-of-home once again being second only to the digital bucket in terms of growth. So I feel good about that.

I feel good about the fact that we've established the OUTFRONT brand out in the market place as being the leader, I think, in terms of scale and thought leadership. So I feel very good about that. And we've got a busy first few months ahead with the rebid for the MTA and other things that I think are all good or very exciting. So, yeah, I'm feeling pretty good about 2016.

Doug Mitchelson
UBS Securities LLC

Q

So why don't we hit on some shorter-term stuff. I think, if you back out of your guidance, you seem to be seeing some nice acceleration from 3Q to 4Q. Can you talk about that a little bit and what some of the drivers are there?

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Jeremy John Male
Chairman & Chief Executive Officer

A

Yeah, for sure. And if you look at this year in total, we've had -there's sort of been two plus to our business. One, we've had an incredibly strong year in our Transit business. Growth there is going to be near double-digits. And there aren't many media businesses that can say that they've grown by – on that piece of our business by 10% year-on-year. So, we feel very good about that and that will be a driver of growth in the fourth quarter.

Our Billboard business, to be honest, has been a little bit flatter than we would have liked. Q2 particularly, we were slightly down. We were then ticked up in Q3 and we're seeing that sort of trend continuing right now.

From our point of view, getting growth, full-stop, is really important. And I think as I say, it shows the strength of our platform. Where the growth falls is important in terms of our conversion. Because the margin differential between our Transit business and our Billboard business is somewhat different. Because in our Billboard business, we pay rents in round numbers $0.35 from the dollar, and in the Transit business, it's nearly $0.65 in the dollar.

So there is a sort of different margin, but we love the Transit business. Typically, we don't have to put any capital into Transit business. So it's a great business and – but in terms of, as I say, generating leverage, it's not there – we slightly missed out on this year.

Doug Mitchelson
UBS Securities LLC

Q

Understood. So – and in terms of static boards being up nicely, at least in – the uptick you talked about, are they turn the corner at this point? When you sort of think about your thoughts around 2016 as you finish out the y ear, is there a turn in that business? Is it bouncing around?

Jeremy John Male
Chairman & Chief Executive Officer

A

Look, to be honest, when we look at our first quarter, A, it's the smallest quarter of our year, and B, it's so – generally in media, it's the latest booking quarter. So from that point of view, I don't want to start thinking about guiding really into next year, Doug. It's just too early.

I mean, the way our business – the booking cycle for our business is that we still do have quite a bit of long-term business, about 20% of our Billboard buys are for the year. By the end of this month, I would expect to have close to half of the business that we expect to do in 2016 already on the books. But even so, we still got half of it to go. So I think it'd be wrong to start – sort of guiding for next year at this stage.

Doug Mitchelson
UBS Securities LLC

Q

That makes sense. I mean you do get sort of marginal pricing, are you see any interesting in terms of as you go through the next month deal? And if any change in the pricing in the marketplace, that's noteworthy?

Jeremy John Male
Chairman & Chief Executive Officer

A

We're working pretty hard on rates at the moment. It seems to be, there is sort of – there are two pieces to our business. We have a Transit business, where you benefit from the fact that you are the only company marketing that asset. There is some benefit there. So in our Billboard business, a lot of your ability to generate pricing is

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about how much money is in the market at that particular point in time. Because if you wanted to buy a Billboard campaign for Atlanta, for February right now, I'm guessing you could probably get it away with ourselves, Lamar, Fairway and Clear Channel. Both got – all those companies have pretty good plans in Atlanta and you could get that campaign anyway.

So, your ability to generate national – certainly national advertised pricing is about demand at a particular point in time. From a local advertising point of view, we're trying very hard to get our sales guys out there to reset the pricing bar by reestablishing the value of our medium in every call. And quite simply, all of our ad costs continue to increase, we think about our local advertisers design for them when we design to them. Listen guys, you're going to have to step up here or we're going to find someway or remarketing the board.

Doug Mitchelson
UBS Securities LLC

Q

And I think in the 3Q call, you mentioned markets where you need additional people, imagining, it's specifically sales people. Have you filled those holes you had identified and do you think you're already trying to drive your sales force to get better pricing? How much impact in the incremental need that you've identified have overall?

Jeremy John Male
Chairman & Chief Executive Officer

A

Well, essentially – with our sales force, we certainly – we were being quite demanding of our sales force in any sort of – if you have a sales force of 350 people, 400 people, you're always going to have people at the top and people at the bottom. And I think we were probably started to become more exacting in terms of our performance metrics that we required.

That's fine as long as you've got a bench, and you know what I mean, to be able to sort of put people into it. And we ended up being light on the ground in a number of our markets. So, I think we've reset that. But as we go forward, we're looking to continue to slightly build out that sales team, quite simply just having more rubber on the street. So I think it's going to be good for the business.

If we think about our local Billboard sales, Q2 we were slightly down, Q3 we kind of reset that and got it back a bit. And I'm going to say that trend is continuing. So, we feel that we've answered some of the executional questions and hopefully that will shine through in 2016.

Doug Mitchelson
UBS Securities LLC

Q

So really obviously, when you think about 2016, is political a big category for you?

Jeremy John Male
Chairman & Chief Executive Officer

A

Government which we include within that political is only 2% of our revenues and actually the political pieces are relatively small part of that. Political is bigger in some of the smaller markets. So others might benefit more from political than we do. The other point is that we can't carry political in our Transit business, because they're municipality assets, so they won't allow us to take political.

I think what political does there is harden the overall ad environment to a degree. So from that point of view that's a good thing. Anything that's sort of firming up the ad market, I think, we get a sort of consequential benefit from. But I'm not writing into my budget significant political ad dollars per se next year.

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Doug Mitchelson
UBS Securities LLC

Q

So if it's not political driving Transit, what's driving the strength in Transit right now?

Jeremy John Male
Chairman & Chief Executive Officer

A

I guess there's couple of things. The first thing is that our Transit business is 65% disposed towards LA and New York. And LA and New York were strong markets for us in both our Billboard and our Transit business, so some of it's geographic. I guess that's the first thing.

I think the second point is that the advertisers are finding it increasingly hard to target that kind of younger, more urban, millennial type audience. And we deliver that audience hugely, if you like, on our Transit assets. So I think that's been part of it as well. So part of it is about geography and part of it is just about the quality of the audience that our Transit business delivers.

Doug Mitchelson
UBS Securities LLC

Q

It's interesting sort of listening to you so far. In Transit and Billboard sort of often comes up as sort of in a way two separate things. And you talked about the different margin structure and capital structure for the two of them. I mean are there synergies selling Transit and Billboard together? How does this stitch together?

Jeremy John Male
Chairman & Chief Executive Officer

A

Yeah. I mean the synergies – they're both significant pieces of the out-of-home media marketplace. So, I would argue that we have the best breadth of assets of any company in the business. We've got assets that will suit just about any type of media buy within out-of-home.

When we go out to market those assets, we do that in two ways. To the out-of-home buying community, we actually have separate sales teams in our Transit business and our Billboard business. But when we go and talk to – that's when we're talking to the kind of specialist buyers, when we go and talk to the agency community and clients, far more we're going out and saying, this is OUTFRONT Media, this is our entire portfolio, put your dollars with us.

Doug Mitchelson
UBS Securities LLC

Q

That makes sense. And then pushing forward a little bit on Transit. So – I don't know, OUTFRONT is making a big wireless push. Can you talk about what are you doing? How this can help me potentially as you think about the MTA contract?

Jeremy John Male
Chairman & Chief Executive Officer

A

So when we come to look at the MTA contract, let's talk about that now as well, as the timing seems good. We expect that the MTA RFP will come out in the next four weeks. But the chances are, that will be – we haven't seen it, so we don't know. But I'm guessing that will be a couple of months or so in order to respond and I'm guessing that, it may take them a couple of months in order to then assess the various bids that they get.

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It's important to say that we don't know what's in the RFP yet, but we certainly can draw some conclusions from the messaging that we've been receiving over the last few months. We think then important part of it will be them establishing a partner with whom they believe, they can really develop the MTA media estate over the coming X years. And I say X, because I don't know how long the contract is likely to be for.

So, what that's going to be is a general move over time from a paper-based medium to a screen-based medium. And we think that within that the MTA may be interested in the ability to add on their own – to enhance their own communication platform by using this digital network for their security messaging and service messaging, et cetera.

So, that's what we think the RFP is likely to be about. And I'd say likely because, I would stress once again, we don't know. So we feel very well placed to be able to respond to that. About this time last year, we announced a partnership; we announced that we had acquired the rights – out-of-home rights from a company called Videri for the screens, their software platform, their content management platform.

And then, we're going to be putting on to that our own DMP. So we'll have a DMP platform and then we're going to be putting on the back of that the ability to be able to trade that medium in a significantly more programmatic and I use the word loosely, way than it has been ever achieved in the past for out-of-home. So, I think that that's going to be – I hope it's going to be great for the MTA. I think it will be great for the industry. And I think it's a very exciting time for out-of-home. And that platform which we're calling the ON Smart platform, we put out a release about three weeks or four weeks ago. I think that will be an important part.

And the whole – so we talked about sort of the who you are and the where you are. I mean another example of that is, we launched OUTFRONT Mobile just three weeks or four weeks ago. So now, when we sell a campaign locally, we're offering the advertiser the ability to geo-fence that sign or geo-fence their store or a competitor's store in order to deliver – I haven't done it myself – I mean, in order to deliver then an ad that relates to the billboard in some way, it might be the same copy or it might be this – it might give the receiver the ability to drill down for a voucher or whatever else it happens to be. And I think that's a really good example of – if you like, the old world and new world. The oldest medium in the world absolutely working together with the fastest growing medium – media that's on the streets right now.

Doug Mitchelson
UBS Securities LLC

Q

It's pretty interesting. I know about these conversations a lot in the past, the idea if you could just take the entire Billboard inventory in United States and throw it in a programmatic trading platform. What could that mean especially in terms of national advertiser appetite? But do you think – I guess, just a couple of quick questions. One is, when do you sort of think that will be in place and scale, and advertisers will start really adopting? And two, do you think about getting more inventory other than just yours into your platform or is that just too far down the road?

Jeremy John Male
Chairman & Chief Executive Officer

A

I think it's a little bit far down the road. But it's fair to say that we have had some conversations with other operators of out-of-home assets, who are saying, hey, we really like the sound of what you are doing and might there would be a way to piggyback in some way. So, it's possible, but it's very early day discussions right now. I'm far more interested in terms of getting my medium up and running. So, we will have our DMP in place next year. We'll be geting the backend piece in place next year. So, I would say, in terms of, if you like, really up running

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meaningful incremental ad dollars, probably 2017. But 2016 is a very important year in terms of transition for us to get that.

Doug Mitchelson
UBS Securities LLC

Q

Now, before we leave the MTA fully, Decaux, Titan, probably the two other biggest competitors and positioning relative to that if that's right?

Jeremy John Male
Chairman & Chief Executive Officer

A

I mean, I guess the answer to that is maybe. I can't – I obviously can't speak for either of those companies and their appetite or otherwise to bid for the platform. But that I guess who else will I be seeing, I'm sure CC would be – would take a look, I didn't know if Lamar will take a look, so there could be others. And we feel very confident in what we've got to say, the product we have to offer, and the wonderful history of partnership that we have with the MTA as we go into the RFP.

Doug Mitchelson
UBS Securities LLC

Q

So when you think about sort of now back to wireless and the technology, and programmatic you're talking about, I mean measurement is always important but perhaps even more important. Can you talk a little bit about what's going on in the measurement of billboards and as it changes what kind of impacts you see from that assuming sort of national more than local?

Jeremy John Male
Chairman & Chief Executive Officer

A

Yeah. I mean, what's happened over the last sort of few years is that through TAB, we now have mapped every board out there, where it is on the streets, whether or not it's parallel or whether or not it's sort of a right angle, therefore – and then we lay on top of that I'm modeling to say who is going to say that et cetera, et cetera. So what that means is that for every single billboard in the country, you use that, we can tell you pretty much how many people are going to see it each week and then we've got basic demographs behind that, okay?

Now, to me, I call that table stakes. That is absolutely the minimum you need in today's world to go out and sell media seriously. I think it's the where it goes after that that becomes interesting Doug. So for example, from carrier data, we'll know much more exactly who has passed that board; we'll know what they did afterwards; we'll know what percentage of the people that pass that board, if it's a McDonald's board, actually went and sat at McDonald's because they'll let them be on their on their Wi-Fi.

We'll then know where they live because we know that that cell phone then goes and stays somewhere for 10 hours or 12 hours, so you can reasonably presume that's where they live and by then you know all available data surrounding them. And then from there from their search behavior and online purchase behavior, you'll be able to work out exactly who they are, what they're thinking about every day and you'll also know whether or not they visited Target twice in the last month. That's what I call audience information, okay?

So where we are today is as I say, base camp, where we need to go is right up here and that's where the industry is going. The industry is looking to significantly improve its audience data by layering new datasets onto TAB. We'll be doing the same thing within – out-of-home within the industry and also we'll be looking at what extra bells and

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whistles we can put on that we believe will then give us potentially incremental differentiation versus our competitors.

Doug Mitchelson
UBS Securities LLC

Q

And sort of again, I will circle back to timeframe. So that's something that sounds like it'll take several years to fully transition to something that powerful or is it something that's been far enough along already?

Jeremy John Male
Chairman & Chief Executive Officer

A

As I say, I hope that 2016 for us will be the transformative year.

Doug Mitchelson
UBS Securities LLC

Q

Interesting. So let's shift gears. Can you give us an update on Diamond? Where do you stand in the marketing deployment? When does your business case have the first sight deployed?

Jeremy John Male
Chairman & Chief Executive Officer

A

We are now deploying sites, a relatively small number so far, but we're out there. We are deploying small cell on our boards now. We've got NDAs in place with all of the major people you would expect including the carriers. We've got our information in their hands in terms of where the locations are. We think we've got 25,000 locations that may be of interest to the carriers. And we've said that we will put a sort of financial frame around that in around about six months time, because I don't want to set a hare running in terms of expectation, Doug, to be honest, right now. Let's wait and see how we do over the next sort of – say, sort of few months and then I'll try and put some financial parameters around that.

Doug Mitchelson
UBS Securities LLC

Q

So let's shift to M&A. You closed on Van Wagner a little while ago. I would think integration at this point is complete. I mean certainly that's an asset that was a gem that guys in this industry have waited years and years and years trying to get their hands on.

Jeremy John Male
Chairman & Chief Executive Officer

A

Yeah. I mean, for us, particularly and that we've always put our store by being dominant in the key DMAs and Van Wagner is so strong in New York and LA. You look at our platforms in those two markets now and they are so far beyond comparison with our competitors. So that was a great deal for us. Important to say that the revenues came in almost on the button in terms of expectation. We're running the business on almost exactly on expectation.

So I think it was a – I think whenever you do a deal and you look back 12 months later and you say, are you totally happy with that? I'll say 100% happy with that. Since then, we think some of the pricing has been a little bit high on some of the smaller assets that have become available. So we've been less active. For it to be really interesting for us, it needs to be in those top DMAs, it needs to be in DMAs wherever we're already operating, where we can get some cost and market synergy to put it like that and it needs to be accretive to AFFO per share in year one on a post synergy basis. So that's the kind of three pieces that any deal has to test to fit. And we probably got a couple

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bubbling away at the moment, that fit that – none of the scale of Van Wagner, recall that Van Wagner was the largest independent out there, so they're significantly smaller, but small can be perfectly well formed.

Doug Mitchelson
UBS Securities LLC

Q

You recently sold your Latin American assets to JCDecaux. Are the Canadian assets core, would you ever look into monetizing those?

Jeremy John Male
Chairman & Chief Executive Officer

A

I think the two are very different. I mean, the answer is yes, the Canadian assets are core. We've got a very good business in Canada as sort of top three player of a scale that we think with a couple of smart moves, we think we'll be able to do some interesting things there to further increase the growth rate in that market. It's been okay this year, but it's been – the growth hasn't been as strong as I would have liked in Canada, but Canada, 100% part of the future of our business.

Our Latin American business, we had a pretty good business in Mexico, but the four markets we had in South America, they are all fine, but they just didn't have that scale that made them interesting. We had have to put significant dollars down there, we believe, to grow it to a scale whereby for it to really be a driver for our business. And as you know, we're more focused on putting our investment dollars into our QRS assets here in the U.S.

Doug Mitchelson
UBS Securities LLC

Q

Makes sense. So, I guess back in the U.S. then, when we think about digital billboards, can you give us sort of an update count and where you think you'll be at the end of 2015, any thoughts on what 2016 might look like for digital billboard expansion?

Jeremy John Male
Chairman & Chief Executive Officer

A

Okay. So let's come to that piece in a minute, because I've been describing digital a bit, when thinking about the whole – the MTA, I would expect to be deploying small screens, I mean, throughout some of our transit assets and indeed in other venues next year. And digital for us now also means the entire sort of platform. But then coming specifically to digital billboards, we have around 600 in the ground now and we would be anticipating putting in about another 100 next year of that order. That takes into account where we can put them in, because we can't put them everywhere because of zoning restrictions and it also puts – takes into account – I was thinking about how – whenever you put in a board, you obviously increase the supply into that market, so it's making sure that we're controlling supply, so that we don't start just taking our own money off our analog boards. So that's the second piece and the third piece is that we have pretty stringent ROI requirements. We look to be making ROIs on these boards in the 25% range.

Doug Mitchelson
UBS Securities LLC

Q

Is the same board growth started to shift? Can you talk about managing inventory?

Jeremy John Male
Chairman & Chief Executive Officer

A

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I think in terms of same board, whenever you put a digital board in, you're losing at least one analog board, that's the first point. So – while your digital revenues are growing, that's always going to be a slight break on your analog business and I think it's worth taking that into account.

When we look at our same board digital yields, they were a little bit disappointing this year, but we – they're hardening a little bit as we look forward. It's fair to say that in total, we expect our digital yields to slightly decline over time. And that's because when you digitize a bunch of boards, you start with all the best boards, where you get the biggest uptick and then as you go – as you sort of go down your quarter, you don't get quite the same lift. So in total terms, we expect digital yields to slightly decline from a modeling point of view as we go forward, but obviously the absolute number to keep increasing and digital revenues to keep increasing at a healthy rate.

Doug Mitchelson
UBS Securities LLC

Q

And where is it going to go? I mean do you have a sense of in the end, what's the magic number for penetration of boards?

Jeremy John Male
Chairman & Chief Executive Officer

A

I think it's a really tough question to answer, sat here today. I mean, right now, we got about 1.5% of our boards digitized, so let's put it this way. We got a hell of long way to go, wherever we go, we got a long way.

Doug Mitchelson
UBS Securities LLC

Q

Good. It makes sense. So why don't we shift over to the REIT process? Any update on conversations with REIT investors and the indices, specifically MSCI?

Jeremy John Male
Chairman & Chief Executive Officer

A

I guess the first point is that in terms of REIT investors, round about 12% of our stock, as far as we can tell, is within the REIT investment community. So we're certainly having some traction there. We were at NAREIT in Vegas, I think it was last week or the week before, and we continue to have, what I would consider to be a very positive dialog with REIT investors. And as time goes on the dialog is changing from a year or so ago, where really there was a genuinely – we were very much having to go back to point A in terms of the business model, whereas now really there's a pretty good understanding out there of us within the business.

I think in terms of the indices, we're not expecting to see any overnight change. So that's sort of work in progress, but good – I think a good feeling from the REIT investors in general.

Doug Mitchelson
UBS Securities LLC

Q

And on the balance sheet side, still expecting to meet your leverage target in 2016?

Jeremy John Male
Chairman & Chief Executive Officer

A

From where we are right now, we're at about five times; we said that we want to be in the sort of 3.5 times to 4 times range. What sort of pushed us out principally was stepping of Van Wagner piece, which as I've just said was a hugely significant and strategic acquisition. So as we look forward, we're committed to that range. Exactly when

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we get there, Doug, is going to depend on – it's going to depend on EBITDA growth as we move forward. It's also going to depend on other choice points that we have, use of funds for example related to the Latin American sale, for example, do we use that for debt repay down, what other strategic alternatives are there at a particular point in time. But the most important piece is 3.5 times to 4 times, that's the commitment and that hasn't changed.

Doug Mitchelson
UBS Securities LLC

Q

It makes me want to ask, what you're going to do with the LatAm proceeds?

Jeremy John Male
Chairman & Chief Executive Officer

A

One obvious option would be we could use them to pay down some debt. They're going to come back, we think, over the next couple of years. We think that there's very small tax consequences of bringing the funds back in. At one point, we thought that we may have to leave them offshore, which obviously would have given slightly different choice points, but that's not the case. So we want to retain optionality, but that would be a very obvious use of funds.

Doug Mitchelson
UBS Securities LLC

Q

So when you do hit your leverage target, what are the plans for that free cash flow?

Jeremy John Male
Chairman & Chief Executive Officer

A

Well, from our point of view, we're here as a REIT. We've been very clear in terms of our determination to increase dividends, as we move forward. So that would obviously be one piece of it. Outside of that, who knows into the future, it's a little bit early to start talking about stock repurchase, but who knows, at particular point in time, if we had excess cash flows and that would be an option. I still believe that we're in an industry where we can go actually and deploy funds at returns that may – I mean that might make more sense than stock buybacks, for example.

Doug Mitchelson
UBS Securities LLC

Q

And as you balance all this, are you interested in a better credit rating, is that sort of just the outcome of some of the steps you're taking like reducing leverage, is there – actually there's a sort of specific target in mind?

Jeremy John Male
Chairman & Chief Executive Officer

A

We're not chasing the rating at all. We just feel that that range for – is about middle of the fairway for a business of our type. It's – look it's fine to be outside the range as well for a while, but we just think that as a reasonable place to be going forward. We think that just feels comfortable.

Doug Mitchelson
UBS Securities LLC

Q

So any chance you can give me more color on your low possibly mid guidance?

Jeremy John Male
Chairman & Chief Executive Officer

A

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No, in the nicest way possible. We – there's no update to that guidance today, Doug. Next time, we're really going to be saying anything is with our Q4s in the middle of February. So no update on that today.

Doug Mitchelson
UBS Securities LLC

Q

And I think it's sort of an interesting way to end here. When you think about next one year to three years, what are the main strategic goals for the company? What are the key opportunities you plan to pursue? How do you anticipate these will drive shareholder value?

Jeremy John Male
Chairman & Chief Executive Officer

A

Okay. So I think we've touched on a number of the themes today in the discussion. Really it's a transformation. This is – the out-of-home media industry is a business, that to be honest, looks the same today, probably as it did 10 years ago and 10 years before that. We're going into a phase where we really want to transform the business into the kind of the digital age to put it like that. So that's the key strategic priority over the next two or three years.

Within that, we need to keep renewing and winning new transit franchises, so that will be very important. We want to keep digitizing our estate. We want to keep making some smart M&A, bolster our business in Canada. And while we will remain highly focused in terms of those QRS REIT assets in the U.S., we may consider other high growth opportunities in markets that we like and understand elsewhere.

Doug Mitchelson
UBS Securities LLC

Q

You care to elaborate on that any more?

Jeremy John Male
Chairman & Chief Executive Officer

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Nothing to really update today. I guess it's really saying is that while as I say that the real focus is here that if opportunities come up that we believe are – that would be good for shareholders, we're not closing our eyes to opportunities that may arise elsewhere.

Doug Mitchelson
UBS Securities LLC

As usual, I've sort of run the clock out. With that, Jeremy, thank you very much for coming today.

Jeremy John Male
Chairman & Chief Executive Officer

Thanks very much, Doug. Thank you.

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