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OUTFRONT Media, Inc. (OUT)

UBS Global Media & Communications Conference

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Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

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Doug Mitchelson
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MANAGEMENT DISCUSSION SECTION

Doug Mitchelson
Analyst, UBS Securities LLC

All right, we're going to get started. All right, with the next session, Jeremy Male, Chairman and Chief Executive Officer of OUTFRONT Media. Jeremy, thank you very much for being here.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

Thank you, Doug. Good to be here, as always.

Doug Mitchelson
Analyst, UBS Securities LLC

So, – and actually, I think I have to – do we have to start up with you reading that first part?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

I will if you want. SEC filings, it's basically just our Safe Harbor statement. So, if I could just, yeah, mention that at this stage.

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QUESTION AND ANSWER SECTION

Doug Mitchelson
Analyst, UBS Securities LLC

Q

All right. So, since we are at a media conference listening to forecasters talk about market shares and growth trends, companies talking about the need to change business models, how does OOH stay relevant in this digital world?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I guess, one of the interesting things from the forecasters this morning or the re-forecasting, was the fact that once again out-of-home is right up there in terms of potential growth rate.

I think, mobile video number one. And then, cinema, that's obviously a very small medium and often taken in the same context of out-of-home. And then out-of-home, up there in the sort of 3% range, which I think says in a way everything that you've just sort of asked within that question about, it's relevant today.

I guess what we have in out-of-home, we have an increasing audience, okay? Our audience continues to get bigger every day as cities become bigger and people's lifestyle trends within those cities changes. In other words, people are spending more and more time out of the home.

We have a medium, which has the ability to do two things. One, it can be extremely targeted, because you can buy the exact board at the end of the street that's right by a particular store. And by the other token, you can buy these huge swaths – we're a great one-to-many medium, so you can buy these huge swaths of audience. So the fact that at the minute now, we have up on our inventory Facebook and Snapchat and Twitter and Google and Instagram, is testament to the fact that they can use our medium to hit whatever it happens to be the millennial audience in New York City or indeed anywhere else.

Because one of the Publicis forecasters and I've quoted this guy before, but his view is that where you are will become as important as who you are in media of the future. So in other words, in that combination, so the ability of advertisers now to think what is your daily journey, and within that, what's the media context and where out-of-home can impact at various different points in that media journey.

So, we have that ability to be local, we have that ability to deliver audiences of scale. And, we are still there. We're still the medium that can go out and create new brands. I mean, we build brands. And, so you take that backdrop and then you add on, I think, the growth that we will generate through become increasingly digital in nature, I'm sure we'll talk more about it over the next coming minutes. But, when I say digital, I don't just mean that the hardware – do you know what I mean – on the streets, the digital billboards or the digital boards in subways. What I'm talking about is the whole philosophy of how we sell and market our medium that we are investing in and that will change over time, I think, with very positive impact.

So, yeah, good to see that the forecasters agree with us, I mean we think that the future looks great for out-of-home and it's always nice when they do too.

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Doug Mitchelson
Analyst, UBS Securities LLC

Q

Well, and it's nice. You know, as you know, I have a sort of long history in the outdoor space, where it used to be the pitch was, well, traffic's increasing. And we've moved well beyond that into a lot of other aspects of the business that are really interesting and related technology and we'll dig into that technology in a little bit. First, I just want to hit on advertising, just to move through that. And, first, how did the election results and the new presidential agenda impact your outlook if at all?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I think, it's obviously a relatively small number of days and weeks since the change and I've been asked quite a bit today. And so, what did you see? What's the change, and everything else? And the honest answer is, obviously not a lot. So, there were no great – we didn't have any advisers say, hey, I want to double my dollars for next year or, indeed, reverse, I want pull dollars out of the market or whatever.

I think what you have to – I guess my take-out is – so short-term, honestly no change. I think, we are a media business that will benefit, I think, from GDP. Media typically will outpace GDP. Out-of-home, I think, will outpace all media. And, I think within out-of-home, OUTFRONT can outpace out-of-home. So, I think if you're increasing the bar, increasing the GDP bar, I believe, that it will have some benefit to us. Because, as I say, I think, we'll outperform that GDP number in out-of-home and we'll outperform out-of-home.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Okay. You know it's interesting timing, where you've had some positive trends in the economy. At the same time, the elections hit with a lot of excitement about some of the infrastructure spending and other things that might take place, I think. If you're looking short-term, I think about the fourth quarter, revenue has been consistently low-single, mid-single-digit range. Anything we should read into the low-single-digit trend carrying into the fourth quarter and any comments at this point you want to make on 2017?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

So on Q4, we guided early November to a slightly flatter environment in our transit business and low-single digits overall, which was pretty much in line with Q3. In our transit business in particular, we had very strong growth Q4 last year, so we did around about 13%. So, we had quite a tough-ish comp. No update to that guidance. I mean, we're comfortable with the guidance and nothing more to say there.

It's too early honestly to talk about the first quarter, so I wouldn't want to make any statement on the first quarter other than to say, look, in general, we anticipate – at the end of any given year, we would anticipate having about 50% of the business that we expect to write in the following year on the books. I don't think this year will be any different. We would expect to have around 70% of the first quarter's revenues on the books by the time we go into the New Year. Too early to say, but we'll obviously give people full picture around mid-Feb. But, right now, as I said, it doesn't look like there's anything too weird going on.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

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And when you go through those renewals rate, a little bit more visibility, a little bit longer dated, anything on the pricing side as we go through that that's evolving in the marketplace?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Well, from our point of view, we've got a couple of things going on when we look at our growth rates next year. We have new footprint and we've won Boston, the Boston franchise. So, we had around about sort of – and together with another couple of smaller deals, we had sort of $35 million of incremental what will be organic growth to us in that it wasn't acquired. We treat contract wins and losses as organic. So, we've got that piece going on, which will be net-net positive.

Outside of that, it's all about yield because for the most part, we build out some digital billboards. Typically when we build out digital, we'll take down some analog often because that's the quid pro quo for the municipality. They'll allow you to put digital in, but you have to take some analog signage down.

So, for the most part, the rest of the growth that we will achieve will all be about yield. And yield, as you know, is a combination between price and occupancy. We just always think about it as yield. And we're working hard in terms of ways of increasing yield. We've changed the way we comp our sales force so that it becomes more focused upon growth in yield and we're confident we'll be able to deliver – as growth that is would be – within expected range.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Thank you. And then, anything else on sort of growing share that is worth mentioning at this stage or does that sort of cover the gamut?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I think that covers the gamut.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

I know you don't like to talk about advertising categories in a given quarter given the variability of their campaigns, but any noticeable evolving trends when you think about it on a category basis?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

It's been interesting this year. Obviously, one of the key sectors for out-of-home has always been auto. And everyone's saying, hey auto's looking really strong, and everything else. And the answer is, it has. It's been good. But in any particular quarter, and this is a really good quarter, I can't name the company, but we had around in one campaign about $3 million of new dollars from one auto manufacturer and then we had $3 million fall out from an advertiser that was with us this time last year that didn't repeat.

So even though auto is strong quarter-by-quarter, you just learned nothing, because it's all within the nuance of one advertiser is up at any one time. And if we look back at the year as a whole, as we called out on our Q4 (sic) [Q3] call, we've had great support from the beer industry this year. So that's been positive for us. Entertainment

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as a total category, so that's movies, TV, radio in particular, been strong for us and that's pretty much all I can say.

So, one of the beauties of out-of-home is that actually we are not overly reliant on any particular category. We have this broad swath. We have around half of our dollars now coming out of national. Those national dollars, they can be very reactive on the up or the downside. So, I think I would expect that if those GDP trends do start fulfilling themselves, I would like to think that we'll really see the benefit on the national ad dollars.

And then we have a local business that is, if you like, much more stable. If national has sort of kind of big sound wave, this is – our local business tends to be much flatter on the down on the upside, and that's about half of our business. So, and when you drill into that, you're literally talking about thousands of different types of advertisers.

We have an army of salespeople. That's 300 people out knocking on doors and that can be from whatever it happens to be Joe's Mufflers to the local hospital, local school, local real estate company, the local solicitor, whatever happens to be. So, from that point of view, we'll say we have the great breadth and depth in our advertiser base, and I think that's our strength rather than necessarily thinking and as I say in a given quarter that particular category has been strong.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

As the – so have the national guys gotten to the point where larger commitments start to come into play, where there's advantages you can give them at certain commitment levels for certain periods of time, or is it – you said that it sort of comes in and out and made me think one of the things I'm sure you're trying to drive is greater consistency across all your advertisers.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Well, in some ways, yes, that's absolutely right. I mean, an advertiser that wants to commit with us for an annual program to dominate the top locations across the key cities in the U.S. such as Apple. You know, we can all think of our favorite Apple board that you go past and month-in and month-out. They change the copy, so you know that they'll have the new iPad or the new – the iPhone 8 up, whenever it is September next year. That's tremendous. And that is that branding stature-type money that I think we take a lot of.

The money I would like to take more of, Doug, is the money that is all campaign-based. It's all I – do you know what I mean – I've got this, whatever happens to be this new product. I want to put money behind it. I'd like to buy some TV. I'd like to up weight in out-of-home just as the TV finishes and bridge using out-of-home to bridge to maybe radio strategy thereafter. I'd like to think of as more in the media mix, do you know what I mean, the whole time. And that's when I say go out, and I'm talking about sort of bringing those dollars in which is sort of far more variable dollars associated with us being a campaign medium rather than just the kind of that sort of long-term brand name medium.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Yeah. And I think some of the technology stuff. We're going to are going to speak to that, so let me start in on that, on the small cell side, where you in your projects to turn your billboards into mini-cell towers.

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Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

So, just in terms of – so if we think about small cell, and in a way, that's more a real estate play. That's just saying hey to the carriers, hey, guys, I've got some great real estate that you can benefit from. You know, you'd say, you can put your small cell here and – because, largely, billboards are where people are, it's going to be in a good spot for you.

So, that's one side of, if you like, our telecom strategy. And that will, I think, generate significant dollars over time, we're still early days and we've asked the – we're not putting numbers on it for the analyst community until such time as it gets a little bit of scale to it.

The other side of the coin is, thinking about our billboards and how they react with mobile. And we have now a product called, OUTFRONT Mobile, and that's whereby when we sell a billboard. We effectively have a – and would you like fries with that? And what the fries looks like, is that if you buy a board for a sort of 15% upweight in terms of rate, we will deliver via our partner, x Ad. We'll deliver messages to your mobile device that are initiated by a geofence.

So in other words, we geofence the board, we geofence the neighbors, your store or your competitive store. So, you see the ad on the billboard and then, you'll get a direct message in-app message in your cell phone. And, you know, what, it's proving very successful. Local advertisers like it. I think, we're up to about 500 campaigns that we've sold like this now. So it's gaining some momentum. And the reason I like it is, because it works.

When you look at click-through rates on the in-app messaging, they're significantly higher, if you like, in association with the billboard than it would be otherwise, so that's another piece that we're doing well with around that.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

So, you might think this is a funny question, but I just don't know the answer, so I'm going to ask anyways, what percentage of your boards have electricity?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Well, pretty much everything that's illuminated, so the majority of our boards are illuminate...

Doug Mitchelson
Analyst, UBS Securities LLC

Q

...I see the most of them certainly in the cities, the ones where that [ph] part where the (17:52) most value, they would be there. And, you say it's early days on the mini-cell towers. Any sense of when you might have greater visibility? When you say early days, is this over the next five years? I think 5G [indiscernible] (18:07) here is through five years away, is it not related to that?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I guess there's a couple of things at play. Yeah. You've got this whole sort of move to 5G. So you've to believe that 5G and the incremental data demand that continues to grow exponentially will yield opportunity. That being

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said, you've got a number of – there's lots of opportunities on places to – where you can put a small cell. And that everything is getting smaller and smaller, so the amount of places that you can put them is also increasing.

So quite how that sort of curve goes over time and therefore what that does to drive pricing on those opportunities. It just means that, right now, we're cautious about putting too much financial guidance out there, because we would prefer just to give another 12 months.

Right now, we've got MLAs in place with most of the people that you would expect to have them in place with. We're having significant discussions we're dealing with. We've got some IoT companies that we're dealing with, where we've already done 400 locations with one company. Now, it's small and it's the small dollars per unit, but that could be 4,000 in a three-year timeframe.

So, as those start coming through that's when the dollars could get interesting, but we don't want to set a train running that we can't keep up with. So, as you can expect, we're just a little bit cautious, that's all.

Doug Mitchelson
Analyst, UBS Securities LLC
Q

And even though you don't want [ph] the train ride (19:49), let me just ask one follow-up. So this is you licensing a spot on the billboard, not providing connectivity or backhaul.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.
A

Yeah. So, the connectivity and backhaul and capital goes to our partner.

Doug Mitchelson
Analyst, UBS Securities LLC
Q

It's a very clean business.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.
A

So for us, it's very clean. It's just ad dollars coming in that we then split with the company, Diamond Communications, who are basically fronting this business with the carriers for us because we decided we're really good at what we're good at and maybe not so good at other stuff. So where you've got people that are specialists, that's – you're going to use them.

Doug Mitchelson
Analyst, UBS Securities LLC
Q

So let's talk about what you're good at. You've been working on your data platform, agency integration. When will that go to market?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.
A

We're going to be – we have an alpha test going on now. Beta test, which will be where we have our platform being used, in sort of live trading environments, we hope to be in the second quarter of next year. So for those – maybe just to clarify what that looks like, effectively, we wish to have a platform whereby our medium, be it analog or otherwise, can be traded in a much more seamless – and I hesitate to use the word programmatic because

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that means all sorts of different things to different people – but in a much more seamless and automated way, whereby people will be able to, through our DMP, which will be filled with data to such an extent that you'll be able to get extremely rich insight into audiences.

So you'll be able to – so okay, I wish to target Hispanic females that have visited a Target store twice in the last month, okay? So with that, you'll be able to put that in your criteria and you'll say, whatever, in Manhattan. And then, it will say, okay, well, these are the boards, okay, that can deliver that audience, and this is the CPM of that audience. And you'll be able to compare those rates with whatever it is, X online strategy or Y website or whatever.

And then you'll be able to make that purchase. And for our digital offering, you'll then be able to effectively deliver your ad – we want it to be able to in real time, so better buy real-time audiences. So you could say, I want to buy, with digital assets that target the guys that are going to the Yankees game on the 5 Train from Grand Central. So that's how targeted and rifle shot we will be able to be in the future.

Now, look, it's going to be a progressive stage to get there. I think 2017 for us is a year of transition, but we believe that we will significantly increase the value of out-of-home when we can start being able to deliver not just that mass audience that we deliver now but much more discrete audiences, as I say, in real time and be bought on the same platforms that the majority of media is being traded on right now.

Because at the moment, you have the sort of agencies so, WPP would have their sort of three big agency shops or whatever up here. And then, there's kind of the poster-buying piece over here. And we're very remote. We're not in the mainstream media at exchange environment right now. So, I think all of that will be great. It'll be additive and 2017 will be really the year where we prove that concept out.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Any agency guys seen it at this point? Any sort of reaction from them or is the education process really once it rolls out I think you said second quarter for beta?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

No, I mean we've certainly been through it in concept and agency guys right now are saying bring it on.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Great. And then we've talked about this for years but the idea of standards across various companies in out-of-home to bring not only targeting for you but also targeting that scale nationwide. Any thoughts that this platform development could lead to something that could be used by the entire industry at some point?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Never say never, but I mean when you look at the other trading platforms, I mean you've got a number of different trading platforms and nobody's saying, you've got to put them all together just to have a superb trading platform and they're all out there. So I don't think it has to happen but never say never.

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Doug Mitchelson
Analyst, UBS Securities LLC

Q

So, basically, you're saying I think that it can happen at the agency side. It doesn't have to happen on the inventory side.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Yeah, completely.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Makes sense. And are the agencies, sort of, happy with the data that's flowing into your technology platform, their pretty comfortable with the targeting capability that you have. Your knowledge of who the customers are.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

What we're creating has never really, has never even done before because what you're actually doing is you're combining real location data with audience data in a fused way that has never been done before. So if we can, which I believe we can, if we can deliver that to agencies, I think it will be received with open arms.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Great. So, Boston transit win includes building out hundreds of new digital billboards that are connected to the Internet. How is your technology there differentiated?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I think if we look at what Boston wanted, what they wanted was, it's a complete upgrade to their ability to communicate with their passenger base in terms of both media and ads. And I think we were able to deliver that by our digital screens where we have technology that means we can supply at rates that tune them in, in terms of pricing, that makes sense on a per screen basis.

And then yes, we call them "live boards" because what that means is that if you're a transit authority, you can intervene if you've got – if there's, God forbid, some sort of disaster message you need to get out or indeed it's just the hey, whatever it is, the X train is running 10 minutes late or whatever, you can be able go system-wide in terms of communication.

And Boston we clearly believe that our – the technology that we were putting forward and that our vision and for their transit system and indeed our ability just to sell more ads because we have the largest and best sales force in the out-of-home community.

That was – taken together was the reason that Boston decided to award us the contract. The contract starts in a couple of weeks time, 22nd of December is when we take it over, so we're not operating it yet, but we're looking forward to building out somewhere between 600 and 1,000 screens over a couple of years on that system. And what – yeah – we're ready to go.

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Doug Mitchelson
Analyst, UBS Securities LLC

Q

So let's shift over to the balance sheet for a moment. Leverage is a bit higher than your original plans. What's the path to getting back down to that target range, 3.5 to 4 times?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Leverage is a little bit higher. We came out, and the first thing that happened to the company was the opportunity to acquire what was then the largest independent in the marketplace. And to be honest, the marriage of those inventory assets and ours was just such that it was a – for us, it was a deal that we really felt would be rewarding for shareholders in the longer term, and indeed, it is already proving so.

So, yeah, leverage got pushed out a bit, we've come down a couple of terms over the last quarters. We're now at 4.6. What's the answer to getting it down? Quite simply, it's – it will be how quickly we can grow EBITDA. I mean we've paid down $70 million of debt so far this year. We've delivered some reasonable EBITDA growth, and sort of balancing that with other uses of capital.

There's nothing we haven't done this year on the M&A side that we would've wanted to do. We evaluate everything that comes up. We've only really done one deal of any substance, and that was in Dallas in the early part of this year.

Outside of that, there's been some smaller deals but we have not done anything because of the balance sheet, it's just that way so it will be balancing, if you like, the EBITDA growth versus the needs of the business from the potential M&A point of view.

And we're confident that we will get back down into the, sort of, 3.5-4.0 range that we originally targeted if you look at what most of the – most of the analysts are saying, it's not a 2017 event, could it be a 2018 event? Yes, depending on EBITDA growth and as we say, other cash needs.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

And even though I'm just asking how you can get the leverage down, are there other attractive assets that are still in the market, whether you might have your eyes on that, might not be available for sale today, maybe they are, but are there things out there that you think would make sense?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

If you look at the structure of the market, you've got about 30% of the market that is outside of the, kind of, top four players; and within that, there are definitely assets that would be of interest to us.

As you know, we tend to want to acquire assets that are within those top 20 DMAs in particular, and we want to buy assets where we already have infrastructure, so that we can benefit from our infrastructure by putting incremental revenues on top and even if we pay a sort of high-ish multiple on the way in by the time we take that synergy into account it comes down into something that's going to be accretive within a very, very short space of time.

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So the answer is that of the 30% that's out there and as potential, how much of it is interest to us, maybe half of that, something like that's probably 50% of it. But not quite at any price for that, what any – at any price but – that we just – that wouldn't – they just wouldn't be strategically relevant for us. So, yeah, there's good opportunities for us as we go forward.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Yeah. I mean, obviously, if you had an owner that wanted to sell that would provide some urgency. But outside of that, I would think as you build out these technology platforms, your ability to improve the boards you'd buy only increases. So, it wouldn't seem like there's necessarily a rush.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Absolutely right. We don't feel any rush. I mean, it's interesting that if we think about the, sort of, regulatory environment and any change that may occur there. I mean it's been a pretty tough regulatory environment in the out-of-home industry over the last few years, and it's been literally county-by-county like how many boards have you got, what's the total number of boards, how many do you want to buy. And you think in this world where, for the most part in the future, we believe that our key competitor is going to be Google and Facebook, rather than Clear Channel and Lamar.

It just seems – it seems somewhat bizarre. But anyway, assuming that they may – they may because I think right now, I think the jury is out, but there may be some sort of change in the federal regulatory environment. That could be positive for the out-of-home industry because, arguably, there's still some change that could happen amongst the larger players.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Any transformative deals in the horizon? Your former employer talks pretty publicly about buying OUTFRONT. Is that a possibility?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

He's the best person to ask. He's always got the – he's the best person to ask. Although I haven't been there for 3.5 years, how do I know?

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Any sizable opportunities for acquiring new transit franchise agreements?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

So Boston was the big one this year. And if we look forward in 2018, BART in San Francisco, which is interesting. In 2019, it's the CTA in Chicago. So, that's an interesting opportunity for us as well. If we look at – I can't believe we got this far into our discussion, Doug, and you haven't asked me about the MTA.

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Doug Mitchelson
Analyst, UBS Securities LLC

Q

Oh, it was coming. Don't worry.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Okay. You showed – so why don't we talk about that? Because I'm trying to say, outside the MTA, if you look at our base, actually, it's really pretty secure as we go forward. We have a bus advertising bid on the main fleet in LA coming up next year. But outside of that, that's about it.

So, okay, I'll preempt. So on the MTA, where we are right now, I think everyone knows it's a big piece of our business, a couple hundred million dollars plus of revenue. The bids were submitted in the sort of April-May timeframe. And I think when those bids came in, the MTA probably realized that they should have been somewhat more specific in terms of their ask because I think they got bids, they got an apple over here, an orange over here, and a banana over here and whatever, and I think they were a little hard to compare.

So what the – the MTA then spent a number of months over the summer period just being far through a series of meetings, et cetera, with I guess all of the parties, really honing down exactly what it was that they wanted and that then went out as, if you like, a follow-up RFP in full, and we're in the process of responding to that right now. And given the fact that we've been – our current contracts have been extended until the middle of next year, that would imply that some decision will likely be made by the end of the first quarter. But I can't guarantee that.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

So what do you think the swing factors are for the MTA in their decision? Where do you think you stand out as having an advantage? Any thoughts on that at all?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I've got a lot of thoughts on that, Doug, but…

Doug Mitchelson
Analyst, UBS Securities LLC

Q

We've got a couple of minutes.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Since this next bid document hasn't gone in yet, so as you can understand, we're still revising it. We're still crafting it as we speak. So I think you'd understand that in terms of where I think, you know what I mean, where we're strong and/or otherwise. It certainly wouldn't be something that I would want to talk about on a public platform.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

Yes. I understand that. And I'm not going to ask the same question in a different way. But let me ask this, did the MTA give feedback to those who did put in a bid to say – well, hey now, here's the factors we're all looking for.

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And obviously, you would've noticed that some might have been different, some might have been the same than you had put in. What's sort of clear now what they want?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Yeah, I think it's pretty clear what they want, and they very helpfully, as most RFPs include – hey, this is how we're going to score the bid. So there's x points for this, there's x for that and y for that and that's also helpful as well. So, yeah, we know exactly what it is they are looking for. And we feel – as you know, we've always been really careful not to be in any way arrogant at all. But we feel confident and we feel good about that bid process and good about our prospects further now.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

So, the last question I've got here and then we'll go to closing comments. I don't see any questions on the app. You're running a little behind on the stated objective for building new digital billboards. Any comments on that? Is there a, sort of, natural limit to how many digital boards you have on any given market or overall?

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

I don't think there's a long-term limit. I think a long-term limit to some extent or rather it's going to be dependent upon the price of digital, we're talking billboards now, digital technology. And it's going to be about ad growth and part of it also is to do with just in any given market, can you – from a Zoning point of view, can you sort of build up – you can't put a digital billboard everywhere you want to put one even let's say – it just doesn't work that way. So, this year, look, we give a target of 100 boards a year. That's what we're saying likely. I think last year, we're at the 120. This year, we're probably going to be kind of closer to 80-ish. Next year, it's probably going to be in the 120 range again. So, the fact that we were slightly under this year is more a reflection of the permissions that we've got rather than any strategic change of direction.

Doug Mitchelson
Analyst, UBS Securities LLC

Q

So, I think winding down any closing comments that you want to make. It feels like to me like you're pretty busy. There's lots of change taking place in the business but for the most part, you're helping lead it and the underlying environment feels pretty good.

Jeremy John Male
Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

A

Yeah. I think as closing remarks, I would say look, once again, it's always good to see the forecasters that their out-of-home is right up there in terms of growth. A little blip up in GDP, I think, will be helpful. I think all of the work we're doing in terms of our digital platform will be significantly additive to our business as we go forward.

And, yeah, maybe it's – thanks for the opportunity to talk to you today, Doug, and thanks for listening, everyone.

Unverified Participant

Thanks, Jeremy.

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Jeremy John Male

Chairman & Chief Executive Officer, OUTFRONT Media, Inc.

Thanks.

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