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OUTFRONT Media, Inc. (OUT)

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MANAGEMENT DISCUSSION SECTION

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Onto the next, very pleased to have with us Jeremy Male, Chairman and CEO of OUTFRONT Media. Jeremy, thanks very much for joining us today.

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

Good to be here, Doug. Thank you.

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QUESTION AND ANSWER SECTION

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

So, we were just talking and I think sort of one obvious topic is, out-of-home as a medium is really on fire. So, what's happening in out-of-home that's driving all of this all of a sudden?

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

A

Yeah. You're certainly right that out-of-home is seeing some much better times of late. I think, Q4, the industry was up around 6% and the numbers were out for Q1, same thing, 6.5%. And within that, over the last couple of quarters, we've been up round numbers, double digits and we've just guided to double digits again in Q2. So, we're certainly part of driving that growth. When we look at our business, the local side of our business has actually been really strong for a while ahead of GDP-plus for sure over the last couple of years. The big switch I think for the industry in the last six months to nine months has actually been in National where National has certainly started coming back.

If you go back over the last few years, I think if you're an ad agency or a client, I think whatever the question was, the answer was Facebook or Google. I mean, the answer was – that's just the way it felt that you were always swimming against this huge tide of dollars just sort of going online.

And at the margin, I just think we're starting to see some change there. And if you like for out-of-home, given that only 2% of national advertising dollars are coming the way of out-of-home, actually at the margin is important, because you don't – it's – we're talking about relatively small numbers. So, I think that some of the issues with regards to product placement and brand safety and some of the discussions about privacy and fraud. And just a general sort of, if you like, maybe mild sort of misunderstanding or disaffection with online because of that.

I think, increasingly, it's – we're now seeing more concentration, not just on the bottom of the funnel, which has been where everyone wanted to put all of their ad spend for the last few years. I think top of the funnel is starting to become important again those big, bold, branding statements, a low CPM. Let's absolutely dominate locations, let's dominate audiences, let's have an amazing canvas, if you like to demonstrate my brand. I think that that's coming back as well.

So, we've certainly seen national dollars flowing in and part of that also is driven by the fact that we're creating products that national advertisers want to be on. I don't know how many people in the room have been spending time, for example, here on the Subway. But just you look at the digital screens that we're putting in now, they are fabulous, fabulous ads. We were coming through – Greg was coming through yesterday Grand Central and on the digital ads there, we had Godzilla, we had Google up on the brand. These are brands that are really becoming excited by the products that we're creating. So, I think it's about the investments that we've made as well, over-layered on to some of those trends that I mentioned earlier on.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

And you know I want to spend some time on digital and that in a way sort of leads into it. But let me sort of I guess start by extending that further. I mean, all of a sudden you're seeing the national advertisers come back. You've

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actually been spending some time creating these products. It wasn't necessarily in reaction to the demand. The demand is coming as a result of them. Is this sort of increased demand from National informing any of your strategic decisions or your product development decisions or strategy around investing more aggressively or differently in digital?

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

A

So, from a digital point of view, I think there is two pieces of it. One is the hardware piece, which I'll talk about first and then the second is, if you like, software and automation. In terms of hardware, we are definitively trying to up the rate of digital conversion of our billboards. So, we've been at around 100 for the last sort of two or three years. We want to get that north of that. We'd like to see if we can get more up towards the sort of 150.

Now, it's not easy to convert digital boards out though. In a way, it's a double-edged sword, because one of the great things about out-of-home is the controlled supply. But it's hard to go out and create these opportunities. But what we've seen is that our digital revenues have gone from around about 10% in total of our revenue to I think 18% last quarter and we'll keep growing north.

And the other piece of that is, in addition to the digital billboard conversions we're doing, we've obviously got significant digital conversions in our transit systems. So, we've not quite finished, but we've put a lot of digital into Boston. We are at the early stage of the digital transformation of the MTA. [ph] Obviously, (00:05:47) you've already started to see platform build-out. But next year you'll start to see build out on trains, so on the subway trains and on Metro-North, Long Island Railroad, on the – and the rail carriages there, which will be a completely new medium, completely new medium with a incredibly rich and attentive eyeballs for an average journey time of half an hour.

So, we think that the investments that we're making there in terms of hardware out in the field will be continue to be significant. The other side of that is then a much more digitally based approach to how we sell and market those assets.

Now, we're at the very early stages in the industry as a whole. So, be it Lamar or Clear Channel or ourselves, we're making investments in terms of automation and in terms of data and insight. Right now, a very, very small portion of our inventory is traded in an automated way. We actually have a not much as change in the way that we tried our media for the last sort of 15 years, 20 years. But now, we now have a beta version hours of our frontend digital product called Smart Scout, where you can go and interrogate all of our boards by audience across the country. And you can say that this is the audience I'm looking for, I'm looking for, whatever it happen to be, female leaders earning $175,000 plus a year that reside in Dallas or Houston, right. So, you go and bang.

What's the top 50 boards or that's my budget, how can I best apply my budget to reach those consumers, okay. Those are the boards, right, what's the availability? Yes, they are available. What's the price? That's my front end right now. At the moment I can't click to purchase, okay, because we've got to hook it onto our back end. But soon we're going to have click to purchase there, which is – when we have that degree of automation I think within our business, I think that's going to layer on an incremental growth beyond that, which we're seeing at the moment.

So, put those two things together, the digital hardware out there, a much more automated way of contracting with that hardware, fueled by data and insight. And it's a very exciting future. I mean, the U.S. at the moment, we're a bit behind, we're just around 20% digital and that's because we're trying to catch up from underinvestments in the past when we were – had a different parent. So, we're catching up fast, but the market's probably at about 30%

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digital. When you look to the UK, it's 50% digital. So, we've still got a long way to go. There's some great upside there that will come from, let's say, both the hardware and the software side.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Some of the difference, [ph] as a general, (00:08:52) this as sort of investment is catching up. But some of that difference is the difference in sort of more transit overseas and that's easier to convert to digital, or is it just sort of across the board?

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

A

Yeah. I think some of it is because of the transit, in particular, in Europe also were more pedestrian facing, there's more – if you always think Amsterdam, Atlanta, you look at the two cities there and you get I think a picture of how different the other landscape is. So, I don't know where Europe will end up, I suspect north of 50%, I suspect maybe we won't get quite to 50%, but we're going to be I think very digital as we go forward.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

And we will leverage sort of software systems that folks had built overseas, did you have to build it yourself, you're able to tap into third-party companies fairly easily?

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

A

So, right now we have our inventory, or not necessarily all of our inventory, but to some extent or other, we have that on two platforms already. So, obviously, that's not something we created. We believe it's very important that we have our own internal performances, which is what we're also investing dollars in. But at a point in time, if others wanted to use our platform, that would be fine too. So, we're reasonably, say, open as we go forward as to – but we do see control is important.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

We've had this discussion for over a long period of time. I've always had the view that, if you could just get all of the billboards from all of the companies together in a digital platform that, you know, boom, there's basically a sort of huge amount of revenue that opens up. Is that something that you think the industry is heading for, is each of the major players going to want to control their own platform and the advertisers are going to have to go out to three different platforms to buy inventory?

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

A

Well, advertisers at the moment effectively go out to one source to buy those inventory. I mean, they're not making the three calls themselves, nor the ad agencies. The ad agencies, as you know, and out-of-home buyers who are then putting those campaigns together. But never say never, but I suspect that there will always be room for some sort of differentiation between the main players within the industry. I think there are very few media that actually are all traded off the same platform. So, I'd just say, never say never, but I don't see it short term.

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Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Yeah. Because one of the areas I was going as you know was, you can obviously sort of lead on your own. Are you better off if there's a lot of companies pulling the oars and trying to sell digital free advertisers, or is there an up momentum in this business right now, it doesn't really matter what the other outdoor companies were doing?

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

A

I think it always matters and it would be very arrogant for me to say when I say, it doesn't matter what anyone else does, we're just going to row our own canoe. We're always interested in what other others are doing. To repeat, I think it's very important that we pursue our own strategic objectives. But we're happy to do that as part of an industry that understands that if we can go out and get – win great new advertisers, all boats rise on an incoming tide. So, we work very closely together in all sorts of ways in turn as an industry to promote the industry as a whole.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Standardization and things like that?

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

A

Absolutely, standardization metrics, Geopath, which is the audience measurement system for the industry, were all contributing to that, both financially and strategically.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

And when you meet with advertisers and you meet with agencies, what are they saying about the experience so far with outdoor and digital, in particular, and with you guys? What are you hearing back from them and how are they progressing on attribution?

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

A

So, what's interesting is that the people that are really spending very significant sums of money, whether it's likes of Apple who are our largest client, probably have the most ability to understand the attribution of our medium beyond anything that we can tell them. We are and as our – our competitors are also working with various other organizations and companies in terms of attribution, so be it tune-in, be it footfall, be it online search, whatever it happens to be and we're putting significant dollars into that. And I think that advertisers are becoming more comfortable. I mean, the thing about attribution, we're never going to be like online. It's never going to be, well, did he click and then did he buy. We're not like that. There's always going to be an amount of modeling involved. But I think advertisement is becoming very comfortable with that the incremental data or an insight that we can now give them about out-of-home.

What's interesting is, as I said, I mean, one of the stronger parts of our business for the last couple of years has been Local. And in Local, if you like, five years ago, I would have said that we were sign sellers. We would go out and we would sell a sign, and we would sell that sign there to Joe's Mufflers because Joe's Mufflers was right over here. Now, we're going and having conversations that are about, okay, so what's your media strategy, how

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can out-of-home be part of this strategy, how can we put a mobile overlay, okay, onto your out-of-home strategy here in Atlanta or as we were talking about Atlanta before? Shall we use geofence? Where should we geofence? Geofence your boards, geofence your competitors' stores, okay. So, very much would you like price with that in terms of this purchase? And then, okay, how can we really merchandise this campaign in terms of social?

Okay. We work with social influences now. We can work with you in terms of providing social influences to really get that blasted out. So, the Kylie Jenner board, whatever it was, she spent $3,000 on a few weeks ago had 50 million hits online. So, suddenly, $3,000 for the board compared to the 50 million hits that you've just got online, it's – this is the conversations that we're now having with advertisers. And I think it's a sign that out-of-home is going from being a kind of a real estate, if you like, business to being a medium that is very valuable when you're talking to advertisers right the way across the U.S.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC
Q

And I know that's fine, [ph] I could number them all (00:16:01). But like, I just personally am interested when I hear that part of the story, like how do you running this company sort of investing into that, because you need to bring in new capabilities, you need to – how is the data analyzed that you need to express that to your clients?

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

I mean, there's that side and then there's the human side as well, because we've got a 400 strong sales force, hence, a lot of people. That's a lot of people to, if you like, to motivate and to get them to the level whereby they feel confident going out articulating what is a very different story from that which we were maybe talking about a few years ago. And I have to call out our management and sales team, because I think they've done an amazing job in terms of re-orientating themselves and really going out and delivering some particularly good results from OUTFRONT over the last 18 months and certainly in Local.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC
Q

So, do you look at this and say, okay, we should invest – accelerate investment against this, is there a margin impact or is it all just sort of very organic, the market's evolving at the pace that you're investing?

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

Let's just say, in terms of our investment in digital boards, we're doing what we can. I can't go out and create any more opportunities I would in terms of transit. In a way same thing, we're doing it as fast as we can. We've got – it was a couple of thousand boards now on the MTA, going to 4,000 by the end of the year. In seven years' time, by the time we've built out on the subway cars and everything else, we'll have significantly north of that. We're investing, plus there's nothing that we're not doing that we could do to put it like that.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC
Q

Right. That makes sense. I had a question that a lot of out-of-home advertising is local and you mentioned some of the local initiatives. A lot of digital advertising is local, right, Google Search and stuff that goes online. And part of that is relatively easy to buy, inexpensive, low CPM can measure attribution. And so, even though National might be the agent of change for out-of-home right now in part because of digital, is there equally big opportunity trying to convert over local advertising from online sources to billboard sources and out-of-home sources?

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

A

Yeah, definitely. For us, Local is still more than 50% of our revenues – still 55% of revenue for the industry as a whole, it's closer to 70%. So Local is a huge piece of out-of-home. National, I believe, will become increasingly important for out-of-home over time as, a) it becomes easier to buy. I think as cities become bigger, you've got more eyeballs in cities, I think the national advertisers are going to be and wanted to be in those top 10 DMAs I think they're going to be – want to be. I think transit it is a great product from them, because it's very urban, it's very useful and that's how advertisers are trying to get right now. So, I think National will be a strong driver growth in the future.

But Local, absolutely, when we go out now – a few years ago, it would always just be local radio, local TV. Now, the chances are that you're going to be have a conversation about the local – with the local advertiser about the Facebook budget actually and how we can work with Facebook. What we can we do? Is it some – what – how can we make those dollars work even harder for you over there by you utilizing our medium over here?

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Yeah. I think well, as you said, if the goal is to – if I heard you right, sort of approach 50% of revenue on digital and half of your revenue is Local, half of your revenues National, will obviously, have to have a lot of digital on both sides?

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

A

Absolutely.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

The – even though I'm asking a lot about digital, I want to make sure, just in terms of the co-operations of the business, anything else that investors should be thinking about in terms of optimizing inventory, adding inventory, tuck-in M&A, anything on that front?

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

A

Certainly. So we are continuously looking for tuck-in M&A that makes sense for us. We are very focused on those top 25 DMAs. In the last few months, we've closed on a small deal in, principally in the Bay Area, we've closed a small deal in Atlanta and we continue to look at opportunities as they come up, so that will be, as it has been certainly an area of focus for growth for us. When we look geographically, we have a great business, we have a great platform. 84% of our revenues come from our top 14 markets, so we're very, we're relatively very concentrated. 40% of our revenues come from between New York and LA and a lot of buyers out there in out-of-home are just two market buyers, a lot of buyers just focus on those two markets. So we think we've actually got a great set of assets but we're always looking at how we can enhance them. So that's on the billboard side on the transit side, we have Boston, we have New York, we have Washington, we have Miami and we have San Francisco and we have all of other buses in LA. So we're very well covered. There is one transit system that's coming up later this year, which is Chicago and we will have a close look at that because that's probably the last significant transit system that we – that would potentially give us a great incremental network effect, if we were to win that.

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Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Is it getting tougher and tougher. I mean, assume since you're sort of winning contract after winning contract. Is it getting tougher for those who are sort of losing scale in transit to compete against your transit bids?

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

A

I think over time it will. Having said that, one of the things about the transit business is, if you – and this is different to billboard, if you have the contract for a particular location, only you have it, so if you want to be on in Chicago right now, you've got to make one phone call, you're still going to make [indiscernible] (00:22:35) a phone call again. That's it's as I said I think you do get some network effects, but you do have the protection of the fact that you have a long-term exclusive contract on that location as well.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Does the – and apologies this is obvious but because you're converting these transit systems to digital, when these transit contracts come up for renewal again as you go through another cycle at some point down the future, is that going to be sort of a different negotiation because of all the digital that's in place.

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

A

It certainly could be. Yeah. Certainly could be. It really depends on the shape of the deal with the transit system whether or not. For the most part, when you install those digital screens they become the property of the transit authority. But, yeah, there's certainly be a discussion there because you could have had a paper signed on the wall for 50 years, whereas the chances are that digital isn't going to have that lifecycle. So yeah, it'll be a different discussion.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Yeah. I think the inventory to all the rest of systems was interesting. Anything on the pricing side to some extent, it sounds like you might be having some success increasing demand and including from your local businesses, which in theory, if there is more demand for certain billboards or certain placements, maybe the annual inflation or just the overall rate card starts getting pushed up a little bit faster, are you seeing that?

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

A

Well, we're certainly working hard on it, getting once again, getting our people to think actually more about yield. Yield is important that the combination between price and occupancy. So getting all of our managers and all of our markets to think about increasing yield rather than price particularly, it's all about yield. What was that board doing before, how can I get X more out of that board in the future? So is it better to sell it eight times at 10 or is it better to sell it one time at 90 and that's where we're spending the -- that's where we're spending time and attention.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

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Do you think that's influencing some of the growth that you're seeing now or has that just been something that's been ongoing and part of the steady growth in last few years?

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

Look, we talk a lot about how you can maximize value from your inventory.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC
Q

Right the -- in terms of any particularly ad categories you would call, where you'd say this is a great opportunity for out-of-home, they're under-represented. Obviously, you're targeting everybody if you can but is it sort of just coming across the digital advertiser by advertising? Or are there particular categories that learning out-of-home suites them quite well.

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

So, as you know, the categories that have been very strong for out-of-home in the last few years have been the tech category where we've seen significant growth from the Apples, the Googles, the Facebooks and Netflix and HBOs and Spotifys, et cetera. So that's been great. Professional services have been a big growth area and also healthcare is still massive for us.

The one category that's going consistently backwards -- I just don't really get has been -- it has been Auto. It's now what, 4% or 5% of revenue, so it's a relatively small category for us. But it's been going south for the last two or three years. We've invested in terms of people, we've put people into Detroit to try to again reinvigorate that. I'm always amazed when I – I don't watch much Linear TV, but when I do, if I watch the local news or whatever, honestly, I can't believe the number of car ads that are on in any given slot. And by the time that the slots finished, I don't know whether I just saw a Hyundai or a Toyota or whatever or a Mazda or whatever. And whereas you think about the out-of-home audience, particularly the billboard audience, which is male-skewed and vehicular, I can't believe that we're not carrying more car ads. But so I see opportunity there, because we were there and it's gone off the ball and there's no reason why we can't get that back in the future.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC
Q

[indiscernible] (00:26:29) I thought it used to be a double-digit category for out-of-home back in the day but...

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

It was probably highs – it was probably high single rather than double. But it's now mid-single.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC
Q

So one thing I want to ask and I'm not sure if you've even sort of get asked this very often, but in terms of geographies, is your geographical footprint sort of I guess whether we think about population movements and when we think about local marketing and it seems that there's good markets and bad markets these days and sometimes it's swung by political, sometimes it's swung by other events and sometimes they just swung by the

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local population. Are you finding that to be impactful either for your own company or when you're looking at M&A opportunities?

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

A

As I said I mean I think if you look at – there's a couple of things going on in big cities right now. I think they're getting bigger on there for just macros and so through general urbanization. I think that the redevelopment of city centers is increasing important. So you look at Dallas now compared to a few years ago, everyone wants to be downtown, maybe wanted to be a downtown. If you look at Detroit, Detroit – that the urban regeneration that's going on there is significant and really positive for the city as a whole, and I think it's very positive out-of-hand, because we're very urban medium. So when we look into it at the moment our higher growth rates are in our bigger markets, that's for sure.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

Positions the – large market guys as well. I want to ask how much visibility you have at this point. And I think with digital coming in and the focus on National being an agent of growth, I always think about the local aspect of something that's locked in with a lot of visibility in the digital as something where the National is something that you don't have the same kind of visibility, you obviously expressed confidence in 2Q, you hitting the guidance and that you talked about kind of visibility when you look out do you have?

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

A

So, Q3 for example. I mean, in Q2 we gave the guidance and we remain comfortable with that guidance. Q3 I've got around 70% of the business that I did last year already laid down for Q3. So I can look forward and gain some understanding of what's going on there. And then if we go into Q4 they probably be in their 50% or something like that. So that's the visibility, you're right Local you tend to have more visibility because you have a bigger layer of more permanent inventory take out there compared to a national where you're trading for week chunks for the most part and digital where you could be just selling it for a weekend, you can break it down into whatever chunks you want.

So obviously, on our last call, the other thing we did was we raised our guide – AFFO guidance for the year. So implicit within that guidance range for the year was taking a look forward, obviously, we understand that our comps get a little bit harder as we go forward, but we have the confidence to make that guidance range whenever that was three or four weeks ago.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

And let me ask one more, if anyone from the audience has a question, we should have time for that. [indiscernible] (00:29:47) combination of the other right debt leverage and the focus on M&A. I mean do you see the opportunity where rather than tuck-ins or something more transformative, M&A value of the – certainly the public valuations have moved higher. So, I'm sure the M&A valuations might get pressured higher as well. So is there any sort of interplay there? And like how much excess capital given sort of the structure of the company at this point is there? Is there an ability to flex leverage, is there a certain target that you like to get it to?

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

A

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There has been some discussion as to whether or not the full away of the tax piece on OUTFRONT will create a more dynamic and larger scale M&A opportunity. Obviously, Clear Channel coming out of their redundancy piece as well as another market change. I suspect actually that we won't see huge change from in terms of the tectonic plates in the U.S. over the coming few months that's my suspicion. I don't know that for a fact. Certainly, coming back and looking at ourselves more specifically our leverage is around for 4.7 times, 4.8 times something like that we'd quite like to keep it in that area. We think that we can make the investments that we will need to be – well, the outflows that we need to be making to build out the MTA and other digital. We believe that with the EBITDA growth that we're going to be seeing over the next year or two years that we can certainly keep that in the same sort of place. And directionally over time, we'd like to probably go down rather than not. But we feel pretty comfortable with our leverage and if we wanted to – there is a lot of inbounds, people wanting to [ph] taking extra interest (00:31:33) or business. So, if we want to change our leverage position we could do it in a heartbeat. But right now we feel completely comfortable where we are.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Q

All right. Very good. Any questions from the audience if at all. All right. So we're on to our lightning round with one minute left. I mean, I think we've sort of covered a lot of ground. I think what I'd like to do is actually throw it back to you just to sort of wrap up. I mean, if we're sitting down two years, three years, four years from now we look back and say, wow, this is what really went well, obviously, though digital is touching across all the things in your business. But is it the growth in transit, is the growth and National on digital or Local on digital, is it you know M&A? What do you think is going to basically create the most value of your company going forward?

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

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So, incremental digital signs in the field and ability to communicate with all of our signage in a much more automated way fueled by data in it and insight. I think transit will continue to be important. I think National has a huge opportunity to grow from the 2% allocation of dollars of the top 200 advertisers that we currently have to something north with that. And I think that we will keep seeing momentum in big cities where we're dominant.

Douglas Mitchelson
Analyst, Credit Suisse Securities (USA) LLC

Great. Thanks so much for being here.

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

Thanks very much. Cheers, Doug.

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