UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from **to**

Commission File Number: 001-36367

OUTFRONT Media Inc.

(*Exact name of registrant as specified in its charter*)

Maryland	**46-4494703**
(*State or other jurisdiction of incorporation or organization*)	(*I.R.S. Employer Identification No.*)
90 Park Avenue, 9th Floor **New York, NY**	**10016**
(*Address of principal executive offices*)	(*Zip Code*)

(212) 297-6400
(*Registrant's telephone number, including area code*)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01, par value	**OUT**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of November 2, 2023, the number of shares outstanding of the registrant's common stock was 165,049,566.

OUTFRONT MEDIA INC.
QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2023
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PART I

Item 1. Financial Statements.

OUTFRONT Media Inc.
Consolidated Statements of Financial Position
(Unaudited)

(in millions)	As of September 30, 2023	As of December 31, 2022
Assets:		
Current assets:		
Cash and cash equivalents	$ 44.4	$ 40.4
Receivables, less allowance ($17.8 in 2023 and $20.2 in 2022)	296.4	315.5
Prepaid lease and franchise costs	5.7	9.1
Other prepaid expenses	25.3	19.8
Other current assets	9.2	5.6
Total current assets	381.0	390.4
Property and equipment, net (Note 3)	693.9	699.8
Goodwill (Note 4)	2,028.9	2,076.4
Intangible assets (Note 4)	761.5	858.5
Operating lease assets (Note 5)	1,657.3	1,562.6
Prepaid MTA equipment deployment costs (Note 16)	—	363.2
Other assets	32.2	39.1
Total assets	$ 5,554.8	$ 5,990.0
Liabilities:		
Current liabilities:		
Accounts payable	$ 50.1	$ 65.4
Accrued compensation	42.0	68.0
Accrued interest	18.7	31.1
Accrued lease and franchise costs	72.8	64.9
Other accrued expenses	53.2	47.6
Deferred revenues	45.8	35.3
Short-term debt (Note 8)	150.0	30.0
Short-term operating lease liabilities (Note 5)	204.6	188.1
Other current liabilities	19.8	21.2
Total current liabilities	657.0	551.6
Long-term debt, net (Note 8)	2,630.0	2,626.0
Deferred income tax liabilities, net	15.0	15.2
Asset retirement obligation (Note 6)	38.0	37.8
Operating lease liabilities (Note 5)	1,459.6	1,369.0
Other liabilities	41.5	41.2
Total liabilities	4,841.1	4,640.8
Commitments and contingencies (Note 16)		
Preferred stock (2023 - 50.0 shares authorized, and 0.1 shares of Series A Preferred Stock issued and outstanding; 2022 - 50.0 shares authorized, and 0.1 shares of Series A Preferred Stock issued and outstanding) (Note 9)	119.8	119.8
Stockholders' equity (Note 9):		
Common stock (2023 - 450.0 shares authorized, and 165.0 shares issued and outstanding; 2022 - 450.0 shares authorized, and 164.2 issued and outstanding)	1.7	1.6
Additional paid-in capital	2,426.7	2,416.3
Distribution in excess of earnings	(1,829.8)	(1,183.4)
Accumulated other comprehensive loss	(8.5)	(9.1)
Total stockholders' equity	590.1	1,225.4
Non-controlling interests	3.8	4.0
Total equity	713.7	1,349.2
Total liabilities and equity	$ 5,554.8	$ 5,990.0

See accompanying notes to unaudited consolidated financial statements.

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OUTFRONT Media Inc.
Consolidated Statements of Operations
(Unaudited)

(in millions, except per share amounts)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
Billboard	$ 363.6	$ 355.0	$ 1,055.8	$ 1,007.2
Transit and other	91.2	98.7	263.6	270.2
Total revenues	454.8	453.7	1,319.4	1,277.4
Expenses:				
Operating	239.8	232.6	721.2	671.9
Selling, general and administrative	105.3	106.5	321.8	311.8
Net loss on dispositions	—	0.2	0.2	0.1
Impairment charges	12.1	—	523.5	—
Depreciation	19.3	19.9	59.1	58.6
Amortization	19.7	20.2	63.0	52.3
Total expenses	396.2	379.4	1,688.8	1,094.7
Operating income (loss)	58.6	74.3	(369.4)	182.7
Interest expense, net	(40.2)	(33.6)	(117.6)	(95.9)
Other income (expense), net	(0.1)	(0.3)	0.1	(0.3)
Income (loss) before benefit (provision) for income taxes and equity in earnings of investee companies	18.3	40.4	(486.9)	86.5
Benefit (provision) for income taxes	(1.4)	0.3	(2.2)	1.2
Equity in earnings of investee companies, net of tax	(0.2)	0.4	(1.3)	1.9
Net income (loss) before allocation to non-controlling interests	16.7	41.1	(490.4)	89.6
Net income (loss) attributable to non-controlling interests	(0.3)	0.3	0.4	0.9
Net income (loss) attributable to OUTFRONT Media Inc.	$ 17.0	$ 40.8	$ (490.8)	$ 88.7
Net income (loss) per common share:				
Basic	$ 0.09	$ 0.24	$ (3.02)	$ 0.49
Diluted	$ 0.09	$ 0.23	$ (3.02)	$ 0.49
Weighted average shares outstanding:				
Basic	165.0	164.0	164.9	160.0
Diluted	165.2	164.6	164.9	160.7

See accompanying notes to unaudited consolidated financial statements.

OUTFRONT Media Inc.
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss) before allocation to non-controlling interests	$ 16.7	$ 41.1	$ (490.4)	$ 89.6
Net income (loss) attributable to non-controlling interests	(0.3)	0.3	0.4	0.9
Net income (loss) attributable to OUTFRONT Media Inc.	17.0	40.8	(490.8)	88.7
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustments	(2.2)	(7.5)	0.6	(9.1)
Net actuarial gain	—	0.2	—	0.2
Change in fair value of interest rate swap agreements	—	—	—	0.4
Total other comprehensive income (loss), net of tax	(2.2)	(7.3)	0.6	(8.5)
Total comprehensive income (loss)	$ 14.8	$ 33.5	$ (490.2)	$ 80.2

See accompanying notes to unaudited consolidated financial statements.

OUTFRONT Media Inc.
Consolidated Statements of Equity
(Unaudited)

			Stockholders' Equity							
(in millions, except per share amounts)	Shares of Series A Preferred Stock	Series A Preferred Stock ($0.01 per share par value)	Shares of Common Stock	Common Stock ($0.01 per share par value)	Additional Paid-In Capital	Distribution in Excess of Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance as of June 30, 2022	0.1	$ 119.8	164.0	$ 1.6	$ 2,399.8	$ (1,180.4)	$ (5.6)	$ 1,215.4	$ 4.1	$ 1,339.3
Net income	—	—	—	—	—	40.8	—	40.8	0.3	41.1
Other comprehensive loss	—	—	—	—	—	—	(7.3)	(7.3)	—	(7.3)
Stock-based payments:										
Amortization	—	—	—	—	8.6	—	—	8.6	—	8.6
Series A Preferred Stock dividends (7%)	—	—	—	—	—	(2.2)	—	(2.2)	—	(2.2)
Dividends ($0.30 per share)	—	—	—	—	—	(49.3)	—	(49.3)	—	(49.3)
Other	—	—	—	—	—	—	—	—	(0.2)	(0.2)
Balance as of September 30, 2022	0.1	$ 119.8	164.0	$ 1.6	$ 2,408.4	$ (1,191.1)	$ (12.9)	$ 1,206.0	$ 4.2	$ 1,330.0
Balance as of June 30, 2023	0.1	$ 119.8	165.0	$ 1.7	$ 2,419.6	$ (1,794.9)	$ (6.3)	$ 620.1	$ 4.7	$ 744.6
Net income (loss)	—	—	—	—	—	17.0	—	17.0	(0.3)	16.7
Other comprehensive loss	—	—	—	—	—	—	(2.2)	(2.2)	—	(2.2)
Stock-based payments:										
Amortization	—	—	—	—	7.2	—	—	7.2	—	7.2
Shares paid for tax withholding for stock-based payments	—	—	—	—	(0.1)	—	—	(0.1)	—	(0.1)
Series A Preferred Stock dividends (7%)	—	—	—	—	—	(2.2)	—	(2.2)	—	(2.2)
Dividends ($0.30 per share)	—	—	—	—	—	(49.7)	—	(49.7)	—	(49.7)
Other	—	—	—	—	—	—	—	—	(0.6)	(0.6)
Balance as of September 30, 2023	0.1	$ 119.8	165.0	$ 1.7	$ 2,426.7	$ (1,829.8)	$ (8.5)	$ 590.1	$ 3.8	$ 713.7

OUTFRONT Media Inc.
Consolidated Statements of Equity (Continued)
(Unaudited)

(in millions, except per share amounts)	Shares of Series A Preferred Stock	Series A Preferred Stock ($0.01 per share par value)	Shares of Common Stock	Common Stock ($0.01 per share par value)	Additional Paid-In Capital	Distribution in Excess of Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Stockholders' Equity									
Balance as of December 31, 2021	0.4	$ 383.4	145.6	$ 1.5	$ 2,119.0	$ (1,122.0)	$ (4.4)	$ 994.1	$ 13.0	$ 1,390.5
Net income	—	—	—	—	—	88.7	—	88.7	0.9	89.6
Other comprehensive loss	—	—	—	—	—	—	(8.5)	(8.5)	—	(8.5)
Stock-based payments:										
Vested	—	—	1.0	—	—	—	—	—	—	—
Amortization	—	—	—	—	25.0	—	—	25.0	—	25.0
Shares paid for tax withholding for stock-based payments	—	—	(0.4)	—	(10.9)	—	—	(10.9)	—	(10.9)
Class A equity interest redemptions	—	—	0.4	—	8.6	—	—	8.6	(8.6)	—
Series A Preferred Stock conversions	(0.3)	(266.8)	17.4	0.1	266.7	—	—	266.8	—	—
Series A Preferred Stock dividends (7%)	—	3.2	—	—	—	(9.8)	—	(9.8)	—	(6.6)
Dividends ($0.90 per share)	—	—	—	—	—	(148.0)	—	(148.0)	—	(148.0)
Other	—	—	—	—	—	—	—	—	(1.1)	(1.1)
Balance as of September 30, 2022	0.1	$ 119.8	164.0	$ 1.6	$ 2,408.4	$ (1,191.1)	$ (12.9)	$ 1,206.0	$ 4.2	$ 1,330.0
Balance as of December 31, 2022	0.1	$ 119.8	164.2	$ 1.6	$ 2,416.3	$ (1,183.4)	$ (9.1)	$ 1,225.4	$ 4.0	$ 1,349.2
Net income (loss)	—	—	—	—	—	(490.8)	—	(490.8)	0.4	(490.4)
Other comprehensive income	—	—	—	—	—	—	0.6	0.6	—	0.6
Stock-based payments:										
Vested	—	—	1.5	0.1	—	—	—	0.1	—	0.1
Amortization	—	—	—	—	22.9	—	—	22.9	—	22.9
Shares paid for tax withholding for stock-based payments	—	—	(0.7)	—	(12.5)	—	—	(12.5)	—	(12.5)
Series A Preferred Stock dividends (7%)	—	—	—	—	—	(6.6)	—	(6.6)	—	(6.6)
Dividends ($0.90 per share)	—	—	—	—	—	(149.0)	—	(149.0)	—	(149.0)
Other	—	—	—	—	—	—	—	—	(0.6)	(0.6)
Balance as of September 30, 2023	0.1	$ 119.8	165.0	$ 1.7	$ 2,426.7	$ (1,829.8)	$ (8.5)	$ 590.1	$ 3.8	$ 713.7

See accompanying notes to unaudited consolidated financial statements.

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OUTFRONT Media Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2023**	**2022**
Operating activities:		
Net income (loss) attributable to OUTFRONT Media Inc.	$ (490.8)	$ 88.7
Adjustments to reconcile net income (loss) to net cash flow provided by operating activities:		
Net income attributable to non-controlling interests	0.4	0.9
Depreciation and amortization	122.1	110.9
Deferred tax benefit	(0.3)	(4.2)
Stock-based compensation	22.9	25.0
Provision for doubtful accounts	4.0	2.7
Accretion expense	2.3	2.1
Net loss on dispositions	0.2	0.1
Impairment charges	511.4	—
Equity in earnings of investee companies, net of tax	1.3	(1.9)
Distributions from investee companies	0.9	0.5
Amortization of deferred financing costs and debt discount	5.0	4.9
Change in assets and liabilities, net of investing and financing activities:		
Decrease in receivables	15.2	3.3
Increase in prepaid MTA equipment deployment costs	(21.8)	(61.1)
(Increase) decrease in prepaid expenses and other current assets	(5.4)	1.8
Decrease in accounts payable and accrued expenses	(37.2)	(16.2)
Increase in operating lease assets and liabilities	14.6	5.7
Increase in deferred revenues	10.5	12.5
Decrease in income taxes	(3.4)	(0.2)
Other, net	(2.7)	(0.7)
Net cash flow provided by operating activities	149.2	174.8
Investing activities:		
Capital expenditures	(63.6)	(66.6)
Acquisitions	(30.7)	(278.9)
MTA franchise rights	0.6	(6.8)
Net proceeds from dispositions	0.3	1.3
Investment in investee companies	—	(0.3)
Net cash flow used for investing activities	(93.4)	(351.3)
Financing activities:		
Proceeds from borrowings under short-term debt facilities	120.0	—
Payments of deferred financing costs	(4.1)	(0.4)
Taxes withheld for stock-based compensation	(12.4)	(10.9)
Dividends	(155.4)	(154.3)
Net cash flow used for financing activities	(51.9)	(165.6)
Effect of exchange rate changes on cash and cash equivalents	0.1	(1.2)
Net increase (decrease) in cash and cash equivalents	4.0	(343.3)
Cash and cash equivalents at beginning of period	40.4	424.8
Cash and cash equivalents at end of period	$ 44.4	$ 81.5

OUTFRONT Media Inc.
Consolidated Statements of Cash Flows (Continued)
(Unaudited)

(in millions)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 5.9	$ 3.1
Cash paid for interest	126.3	104.9
Non-cash investing and financing activities:		
Accrued purchases of property and equipment	$ 4.6	$ 4.4
Accrued MTA franchise rights	2.9	3.1
Taxes withheld for stock-based compensation	0.1	—

See accompanying notes to unaudited consolidated financial statements.

OUTFRONT Media Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Description of Business and Basis of Presentation

Description of Business

OUTFRONT Media Inc. (the “Company”) and its subsidiaries (collectively, “we,” “us” or “our”) is a real estate investment trust (“REIT”), which provides advertising space (“displays”) on out-of-home advertising structures and sites in the United States (the “U.S.”) and Canada. Our inventory consists of billboard displays, which are primarily located on the most heavily traveled highways and roadways in top Nielsen Designated Market Areas (“DMAs”), and transit advertising displays operated under exclusive multi-year contracts with municipalities in large cities across the U.S. and Canada. In total, we have displays in all of the 25 largest markets in the U.S. and approximately 150 markets across the U.S. and Canada. We currently manage our operations through two operating segments—U.S. Billboard and Transit, which is included in our *U.S. Media* reportable segment, and International.

Basis of Presentation and Use of Estimates

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules of the Securities and Exchange Commission (the “SEC”). In the opinion of our management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of our financial position, results of operations and cash flows for the periods presented. These financial statements should be read in conjunction with the more detailed financial statements and notes thereto, included in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023.

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, including the impact of events such as the COVID-19 pandemic and the current heightened levels of inflation, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Out-of-Period Adjustment

For the three months ended March 31, 2023, the Company recorded an out-of-period adjustment relating to variable billboard property lease expenses and accrued lease and franchise costs in 2022, resulting in a $5.2 million increase in Operating expenses for the three months ended March 31, 2023. The Company assessed the materiality of the amount reflected in this adjustment on its previously issued financial statements in accordance with the SEC’s Staff Accounting Bulletin (“SAB”) No. 99 and SAB No. 108 and concluded that the amount was not material, individually or in the aggregate, to any of its previously issued financial statements.

Note 2. New Accounting Standards

Adoption of New Accounting Standards

In the first quarter of 2023, we adopted the Financial Accounting Standards Board’s (the “FASB”) guidance on the recognition and measurement of contract assets and contract liabilities acquired in a business combination. At the acquisition date, the acquirer should account for the related revenue contracts as if it had originated the contracts. The guidance also provides certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination. We will implement this guidance when accounting for business combinations in the future.

Recent Pronouncements

In March 2020 and December 2022, the FASB issued guidance providing optional expedients and exceptions for accounting for contracts, hedging relationships and other transactions that reference to the London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. The guidance is effective for all entities as of March 12, 2020, through December 31, 2024. This guidance did not have a significant impact on our accounting for our existing debt.

Note 3. Property and Equipment, Net

The table below presents the balances of major classes of assets and accumulated depreciation.

(in millions)	Estimated Useful Lives	As of September 30, 2023	As of December 31, 2022
Land		$ 112.3	$ 112.2
Buildings	15 to 35 years	57.4	56.5
Advertising structures	3 to 20 years	2,048.1	2,006.8
Furniture, equipment and other	3 to 10 years	191.7	183.4
Construction in progress		42.3	38.5
		2,451.8	2,397.4
Less: Accumulated depreciation		1,757.9	1,697.6
Property and equipment, net		$ 693.9	$ 699.8

Depreciation expense was $19.3 million in the three months ended September 30, 2023, $19.9 million in the three months ended September 30, 2022, $59.1 million in the nine months ended September 30, 2023, and $58.6 million in the nine months ended September 30, 2022.

Note 4. Long-Lived Assets

By the end of the first half of 2023, our U.S. Transit and Other reporting unit did not meet revenue expectations and as of June 30, 2023, our revenue pacing and outlook for the remainder of 2023 reflects a continued decline in transit revenues as compared to our 2023 forecast due to underperformance across our transit business, including the New York Metropolitan Transportation Authority (the "MTA") transit system. As a result, in the second quarter of 2023, we determined that there was a decline in the long-term outlook for our U.S. Transit and Other reporting unit constituting a triggering event, which required an interim impairment analysis of goodwill and long-lived assets.

Goodwill

For the nine months ended September 30, 2023, and the year ended December 31, 2022, the changes in the book value of goodwill by segment were as follows:

(in millions)	U.S. Media	Other	Total
As of December 31, 2021	$ 2,054.0	$ 23.8	$ 2,077.8
Currency translation adjustments	—	(1.4)	(1.4)
As of December 31, 2022	$ 2,054.0	$ 22.4	$ 2,076.4
Currency translation adjustments	—	0.1	0.1
Impairment	(47.6)	—	(47.6)
As of September 30, 2023	$ 2,006.4	$ 22.5	$ 2,028.9

The estimated fair value of our U.S. Transit and Other reporting unit exceeded its carrying value by 28% as of December 31, 2022, based on our goodwill impairment assessment in the prior year. As a result of the impairment analysis performed during the second quarter of 2023, we determined that the carrying value of our U.S. Transit and Other reporting unit exceeded its fair value and we recorded an impairment charge of $47.6 million in the Consolidated Statements of Operations.

As of September 30, 2023, the goodwill balances associated with the U.S. Billboard reporting unit was $2,006.4 million and the Canada reporting unit was $22.5 million.

OUTFRONT Media Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Intangible Assets

Our identifiable intangible assets primarily consist of acquired permits and leasehold agreements, and franchise agreements, which grant us the right to operate out-of-home structures in specified locations and the right to provide advertising space on railroad and municipal transit properties. Identifiable intangible assets are amortized on a straight-line basis over their estimated useful life, which is the respective life of the agreement that in some cases includes historical experience of renewals.

Our identifiable intangible assets consist of the following:

(in millions)	Gross	Accumulated Amortization	Impairment	Net
As of September 30, 2023:				
Permits and leasehold agreements	$ 1,620.5	$ (916.1)	$ —	$ 704.4
Franchise agreements[a]	923.9	(424.1)	(456.9)	42.9
Other intangible assets	21.0	(6.8)	—	14.2
Total intangible assets	$ 2,565.4	$ (1,347.0)	$ (456.9)	$ 761.5
As of December 31, 2022:				
Permits and leasehold agreements	$ 1,597.6	$ (868.7)	$ —	$ 728.9
Franchise agreements	533.2	(418.6)	—	114.6
Other intangible assets	18.9	(3.9)	—	15.0
Total intangible assets	$ 2,149.7	$ (1,291.2)	$ —	$ 858.5

(a) We reclassified all *Prepaid MTA equipment deployment costs* (see Note 16. *Commitments and Contingencies*) and recorded impairments in the second and third quarters of 2023 due to a decline in the long-term outlook of our U.S. Transit and Other reporting unit.

In the nine months ended September 30, 2023, we acquired approximately 440 displays, resulting in amortizable intangible assets for permits and leasehold agreements of $26.3 million, which are amortized using the straight-line method over their estimated useful lives, an average period of 15.4 years.

All of our intangible assets, except goodwill, are subject to amortization. Amortization expense was $19.7 million in the three months ended September 30, 2023, $20.2 million in the three months ended September 30, 2022, $63.0 million in the nine months ended September 30, 2023, and $52.3 million in the nine months ended September 30, 2022.

During the second quarter of 2023, we performed an analysis of the carrying value of our long-lived asset groups within our U.S. Transit and Other reporting unit as a result of the triggering event noted above utilizing undiscounted cash flows compared to the carrying value of the asset groups. As a result, we recorded an impairment charge of $463.5 million in the second quarter of 2023, primarily representing a $443.1 million impairment charge related to our MTA asset group.

As a result of our continued expectation of negative aggregate cash flows related to our MTA asset group, we recorded an additional impairment charge of $12.1 million in the third quarter of 2023, representing additional MTA equipment deployment cost spending during the quarter.

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Note 5. Leases

Lessee

The following table presents our operating lease assets and liabilities:

(in millions, except years and percentages)	As of September 30, 2023	As of December 31, 2022
Operating lease assets	$ 1,657.3	$ 1,562.6
Short-term operating lease liabilities	204.6	188.1
Non-current operating lease liabilities	1,459.6	1,369.0
Weighted-average remaining lease term	10.7 years	11.0 years
Weighted-average discount rate	6.0 %	5.8 %

The components of our lease expenses were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Operating expenses[(a)]	$ 123.3	$ 113.5	$ 372.3	$ 331.9
Selling, general and administrative expenses	3.2	2.0	9.5	7.4
Variable costs[(a)]	32.9	27.9	103.5	80.7
Cash paid for operating leases	107.1	107.4	358.0	332.1
Leased assets obtained in exchange for new operating lease liabilities	49.3	61.6	305.3	213.9

(a) Includes an out-of-period adjustment of $5.2 million recorded in the first quarter of 2023 related to variable billboard property lease expenses (see Note 1. *Description of Business and Basis of Presentation*).

For each of the three and nine months ended September 30, 2023 and 2022, sublease income related to office properties was immaterial.

Lessor

We recorded rental income of $340.8 million for the three months ended September 30, 2023, and $331.0 million for the three months ended September 30, 2022, $988.5 million for the nine months ended September 30, 2023, and $961.5 million for the nine months ended September 30, 2022, in *Revenues* on our Consolidated Statement of Operations.

Note 6. Asset Retirement Obligation

The following table sets forth the change in the asset retirement obligations associated with our advertising structures located on leased properties. The obligation is calculated based on the assumption that all of our advertising structures will be removed within the next 50 years. The estimated annual costs to dismantle and remove the structures upon the termination or non-renewal of our leases are consistent with our historical experience.

(in millions)	
As of December 31, 2022	$ 37.8
Accretion expense	2.3
Additions	0.2
Liabilities settled	(2.3)
As of September 30, 2023	$ 38.0

Note 7. Related Party Transactions

On January 18, 2023, we entered into a transaction with an affiliate of Providence Equity Partners L.L.C. (the "Providence Affiliate") in connection with the Providence Affiliate's purchase of a lease for certain outdoor advertising assets (the "Assets") from a third-party seller. Pursuant to an agreement between us and the Providence Affiliate (the "Billboard Agreement"), we agreed to exclusively market, license and make advertising space available on the Assets to third-party advertisers for a term of up to ten years (the "Billboard Transaction"). In return, we will retain all revenues from the sale of advertising with respect to the Assets less the following payments to the Providence Affiliate or its payment designee, as applicable: (i) a minimum annual guarantee payment paid to the Providence Affiliate's payment designee that increases from approximately $1.8 million to $3.5 million during the term of the Billboard Agreement; (ii) a minimum annual guarantee payment paid to the Providence Affiliate that increases from $8.5 million to $12.0 million by year six and adjusted for inflation thereafter through year ten; (iii) a percentage revenue share payment on gross revenues generated above $22.0 million paid to the Providence Affiliate during the term of the Billboard Agreement; (iv) a percentage revenue share payment on net revenues until $100.0 million is paid to the Providence Affiliate or its payment designee, as applicable; and (v) a one-time payment of $10.0 million paid to the Providence Affiliate on the fifth anniversary of the closing of the Billboard Transaction (the "Billboard Transaction Closing") if we have not yet acquired the Assets as described below. The Billboard Agreement also provides that (i) we have the option to acquire the Assets from the Providence Affiliate between the third and seventh anniversaries of the Billboard Transaction Closing at pre-agreed prices depending on the time at which we exercise the option; (ii) prior to the seventh anniversary of the Billboard Transaction Closing, we have a right of first offer prior to any sale of the Assets by the Providence Affiliate to a third-party; and (iii) in the event of a termination of the Billboard Agreement by the Providence Affiliate after a sale to a third-party, we may in certain circumstances be entitled to receive a termination payment. As of September 30, 2023, operating lease assets related to the Billboard Agreement were $93.3 million and non-current operating lease liabilities related to the Billboard Agreement were $93.1 million, and are included in *Operating lease assets* and non-current *Operating lease liabilities*, respectively, on the Consolidated Statements of Financial Position. Billboard revenues related to the Billboard Agreement were $1.9 million in the three months ended September 30, 2023, and $5.7 million in the nine months ended September 30, 2023, and recorded in *Revenues* on the Consolidated Statement of Operations. Operating lease expenses related to the Billboard Agreement were $2.4 million in the three months ended September 30, 2023, and $7.3 million in the nine months ended September 30, 2023, and recorded in *Operating* expenses on the Consolidated Statement of Operations.

We have a 50% ownership interest in two joint ventures that operate transit shelters in the greater Los Angeles area and Vancouver, and four joint ventures which currently operate a total of seven billboard displays in New York and Boston. All of these joint ventures are accounted for as equity investments. These investments totaled $10.1 million as of September 30, 2023, and $12.2 million as of December 31, 2022, and are included in *Other assets* on the Consolidated Statements of Financial Position. We provided sales and management services to these joint ventures and recorded management fees in *Revenues* on the Consolidated Statement of Operations of $1.0 million in the three months ended September 30, 2023, $2.3 million in the three months ended September 30, 2022, $3.4 million in the nine months ended September 30, 2023, and $6.3 million in the nine months ended September 30, 2022.

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Note 8. Debt

Debt, net, consists of the following:

(in millions, except percentages)	As of September 30, 2023	As of December 31, 2022
Short-term debt:		
AR Facility	$ 150.0	$ 30.0
Total short-term debt	150.0	30.0
Long-term debt:		
Term loan, due 2026	598.9	598.6
Senior unsecured notes:		
6.250% senior unsecured notes, due 2025	400.0	400.0
5.000% senior unsecured notes, due 2027	650.0	650.0
4.250% senior unsecured notes, due 2029	500.0	500.0
4.625% senior unsecured notes, due 2030	500.0	500.0
Total senior unsecured notes	2,050.0	2,050.0
Debt issuance costs	(18.9)	(22.6)
Total long-term debt, net	2,630.0	2,626.0
Total debt, net	$ 2,780.0	$ 2,656.0
Weighted average cost of debt	5.5 %	5.2 %

Term Loan

The interest rate on the term loan due in 2026 (the “Term Loan”) was 7.1% per annum as of September 30, 2023. As of September 30, 2023, a discount of $1.1 million on the Term Loan remains unamortized. The discount is being amortized through *Interest expense, net*, on the Consolidated Statement of Operations.

Revolving Credit Facility

We also have a $500.0 million revolving credit facility, which matures in 2028 (the “Revolving Credit Facility,” together with the Term Loan, the “Senior Credit Facilities”).

During the second quarter of 2023, the Company, along with its wholly-owned subsidiaries, Outfront Media Capital LLC (“Finance LLC”) and Outfront Media Capital Corporation (together with Finance LLC, the “Borrowers”), and the other guarantors party thereto, entered into two amendments (the “Amendments”) to the Credit Agreement (as defined below). The Amendments provide for (i) the replacement of the London Interbank Offered Rate with the Secured Overnight Financing Rate as the interest rate benchmark, (ii) the extension of the maturity date of the Revolving Credit Facility from its previous maturity date of November 18, 2024 to June 15, 2028, and (iii) an increase in the interest rate margins applicable to the Borrowers under the Revolving Credit Facility from a range of 1.25% to 1.75% to a range of 1.75% to 2.25%, in the case of Secured Overnight Financing Rate borrowings, based on the Borrowers’ leverage ratio. The Amendments also include springing maturity refinancing provisions with respect to the Borrowers’ outstanding term loan indebtedness and certain series of senior notes issued by the Borrowers, in each case, which have maturity dates prior to June 15, 2028, as well as other clarifying, conforming and ministerial changes to the Credit Agreement.

As of September 30, 2023, there were no outstanding borrowings under the Revolving Credit Facility.

The commitment fee based on the amount of unused commitments under the Revolving Credit Facility was $0.5 million in the three months ended September 30, 2023, $0.4 million in the three months ended September 30, 2022, $1.3 million in the nine months ended September 30, 2023, and $1.2 million in the nine months ended September 30, 2022. As of September 30, 2023, we had issued letters of credit totaling approximately $6.5 million against the letter of credit facility sublimit under the Revolving Credit Facility.

Standalone Letter of Credit Facilities

As of September 30, 2023, we had issued letters of credit totaling approximately $75.7 million under our aggregate $81.0 million standalone letter of credit facilities. The total fees under the letter of credit facilities were immaterial in each of the three and nine months ended September 30, 2023 and 2022.

Accounts Receivable Securitization Facility

As of September 30, 2023, we have a $150.0 million revolving accounts receivable securitization facility (the "AR Facility"), which terminates in May 2025, unless further extended.

In connection with the AR Facility, Outfront Media LLC and Outfront Media Outernet Inc., each a wholly-owned subsidiary of the Company, and certain of the Company's taxable REIT subsidiaries ("TRSs") (the "Originators"), will sell and/or contribute their respective existing and future accounts receivable and certain related assets to either Outfront Media Receivables LLC, a special purpose vehicle and wholly-owned subsidiary of the Company relating to the Company's qualified REIT subsidiary accounts receivable assets (the "QRS SPV") or Outfront Media Receivables TRS, LLC a special purpose vehicle and wholly-owned subsidiary of the Company relating to the Company's TRS accounts receivable assets (the "TRS SPV" and together with the QRS SPV, the "SPVs"). The SPVs may transfer undivided interests in their respective accounts receivable assets to certain purchasers from time to time (the "Purchasers"). The SPVs are separate legal entities with their own separate creditors who will be entitled to access the SPVs' assets before the assets become available to the Company. Accordingly, the SPVs' assets are not available to pay creditors of the Company or any of its subsidiaries, although collections from the receivables in excess of amounts required to repay the Purchasers and other creditors of the SPVs may be remitted to the Company. Outfront Media LLC will service the accounts receivables on behalf of the SPVs for a fee. The Company has agreed to guarantee the performance of the Originators and Outfront Media LLC, in its capacity as servicer, of their respective obligations under the agreements governing the AR Facility. Neither the Company, the Originators nor the SPVs guarantee the collectability of the receivables under the AR Facility. Further, the TRS SPV and the QRS SPV are jointly and severally liable for their respective obligations under the agreements governing the AR Facility.

As of September 30, 2023, there were $150.0 million of outstanding borrowings under the AR Facility, at a borrowing rate of 6.4%. As of September 30, 2023, there is no borrowing capacity remaining under the AR Facility based on approximately $317.7 million of accounts receivable that could be used as collateral for the AR Facility in accordance with the agreements governing the AR Facility. The commitment fee based on the amount of unused commitments under the AR Facility was immaterial for the three months ended September 30, 2023, $0.1 million for the nine months ended September 30, 2023, and immaterial for each of the three and nine months ended September 30, 2022. As of November 2, 2023, there were $140.0 million of outstanding borrowings under the AR Facility, at a borrowing rate of 6.4%.

Debt Covenants

Our credit agreement, dated as of January 31, 2014 (as amended, restated, amended and restated, supplemented or otherwise modified, the "Credit Agreement"), governing the Senior Credit Facilities, the agreements governing the AR Facility, and the indentures governing our senior unsecured notes contain customary affirmative and negative covenants, subject to certain exceptions, including but not limited to those that restrict the Company's and its subsidiaries' abilities to (i) pay dividends on, repurchase or make distributions in respect to the Company's or its wholly-owned subsidiary, Outfront Media Capital LLC's capital stock or make other restricted payments other than dividends or distributions necessary for us to maintain our REIT status, subject to certain conditions and exceptions, (ii) enter into agreements restricting certain subsidiaries' ability to pay dividends or make other intercompany or third-party transfers, and (iii) incur additional indebtedness. One of the exceptions to the restriction on our ability to incur additional indebtedness is satisfaction of a Consolidated Total Leverage Ratio, which is the ratio of our consolidated total debt to our Consolidated EBITDA (as defined in the Credit Agreement) for the trailing four consecutive quarters, of no greater than 6.0 to 1.0. As of September 30, 2023, our Consolidated Total Leverage Ratio was 5.2 to 1.0 in accordance with the Credit Agreement.

The terms of the Credit Agreement (and under certain circumstances, the agreements governing the AR Facility) require that we maintain a Consolidated Net Secured Leverage Ratio, which is the ratio of (i) our consolidated secured debt (less up to $150.0 million of unrestricted cash) to (ii) our Consolidated EBITDA (as defined in the Credit Agreement) for the trailing four consecutive quarters, of no greater than 4.5 to 1.0. As of September 30, 2023, our Consolidated Net Secured Leverage Ratio was 1.1 to 1.0 in accordance with the Credit Agreement. As of September 30, 2023, we are in compliance with our debt covenants.

Deferred Financing Costs

As of September 30, 2023, we had deferred $24.1 million in fees and expenses associated with the Term Loan, Revolving Credit Facility, AR Facility and our senior unsecured notes. We are amortizing the deferred fees through *Interest expense, net,* on our Consolidated Statement of Operations over the respective terms of the Term Loan, Revolving Credit Facility, AR Facility and our senior unsecured notes.

Fair Value

Under the fair value hierarchy, observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities are defined as Level 1; observable inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability are defined as Level 2; and unobservable inputs for the asset or liability are defined as Level 3. The aggregate fair value of our debt, which is estimated based on quoted market prices of similar liabilities, was approximately $2.5 billion as of both September 30, 2023, and December 31, 2022. The fair value of our debt as of both September 30, 2023, and December 31, 2022, is classified as Level 2.

Note 9. Equity

As of September 30, 2023, 450,000,000 shares of our common stock, par value $0.01 per share, were authorized; 165,049,566 shares were issued and outstanding; and 50,000,000 shares of our preferred stock, par value $0.01 per share, were authorized, with 125,000 shares of our Series A Convertible Perpetual Preferred Stock (the "Series A Preferred Stock"), par value $0.01 per share, issued and outstanding.

The Series A Preferred Stock ranks senior to the shares of the Company's common stock with respect to dividend and distribution rights. Holders of the Series A Preferred Stock are entitled to a cumulative dividend accruing at the initial rate of 7.0% per year, payable quarterly in arrears, subject to increases as set forth in the Articles Supplementary, effective as of April 20, 2020 (the "Articles"). Dividends may, at the option of the Company, be paid in cash, in-kind, through the issuance of additional shares of Series A Preferred Stock or a combination of cash and in-kind, until April 20, 2028, after which time dividends will be payable solely in cash. So long as any shares of Series A Preferred Stock remain outstanding, the Company may not, without the consent of a specified percentage of holders of shares of Series A Preferred Stock, declare a dividend on, or make any distributions relating to, capital stock that ranks junior to, or on a parity basis with, the Series A Preferred Stock, subject to certain exceptions, including but not limited to (i) any dividend or distribution in cash or capital stock of the Company on or in respect of the capital stock of the Company to the extent that such dividend or distribution is necessary to maintain the Company's status as a REIT; and (ii) any dividend or distribution in cash in respect of our common stock that, together with the dividends or distributions during the 12-month period immediately preceding such dividend or distribution, is not in excess of 5% of the aggregate dividends or distributions paid by the Company necessary to maintain its REIT status during such 12-month period. If any dividends or distributions in respect of the shares of our common stock are paid in cash, the shares of Series A Preferred Stock will participate in the dividends or distributions on an as-converted basis up to the amount of their accrued dividend for such quarter, which amounts will reduce the dividends payable on the shares of Series A Preferred Stock dollar-for-dollar for such quarter. The Series A Preferred Stock is convertible at the option of any holder at any time into shares of our common stock at an initial conversion price of $16.00 per share and an initial conversion rate of 62.50 shares of our common stock per share of Series A Preferred Stock, subject to certain anti-dilution adjustments and a share cap as set forth in the Articles. Subject to certain conditions set forth in the Articles (including a change of control), each of the Company and the holders of the Series A Preferred Stock may convert or redeem the Series A Preferred Stock at the prices set forth in the Articles, plus any accrued and unpaid dividends.

During the three months ended September 30, 2023, we paid cash dividends of $2.2 million on the Series A Preferred Stock and during the nine months ended September 30, 2023, we paid cash dividends of $6.6 million on the Series A Preferred Stock. As of September 30, 2023, the maximum number of shares of common stock that could be required to be issued on conversion of the outstanding shares of Series A Preferred Stock was approximately 7.8 million shares.

We have a sales agreement in connection with an “at-the-market” equity offering program (the “ATM Program”), under which we may, from time to time, issue and sell shares of our common stock up to an aggregate offering price of $300.0 million. We have no obligation to sell any of our common stock under the sales agreement and may at any time suspend solicitations and offers under the sales agreement. No shares were sold under the ATM Program during the nine months ended September 30, 2023. As of September 30, 2023, we had approximately $232.5 million of capacity remaining under the ATM Program.

On November 2, 2023, we announced that our board of directors approved a quarterly cash dividend of $0.30 per share on our common stock, payable on December 29, 2023, to stockholders of record at the close of business on December 1, 2023.

Note 10. Revenues

The following table summarizes revenues by source:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Billboard:				
Static displays	$ 242.9	$ 241.5	$ 702.5	$ 689.2
Digital displays	108.3	101.4	311.1	282.7
Other	12.4	12.1	42.2	35.3
Billboard revenues	363.6	355.0	1,055.8	1,007.2
Transit:				
Static displays	47.2	54.8	138.1	151.5
Digital displays	34.5	34.2	97.7	92.3
Other	7.7	8.0	22.3	21.5
Total transit revenues	89.4	97.0	258.1	265.3
Other	1.8	1.7	5.5	4.9
Transit and other revenues	91.2	98.7	263.6	270.2
Total revenues	$ 454.8	$ 453.7	$ 1,319.4	$ 1,277.4

Rental income was $340.8 million in the three months ended September 30, 2023, $331.0 million in the three months ended September 30, 2022, $988.5 million in the nine months ended September 30, 2023, and $961.5 million in the nine months ended September 30, 2022, and is recorded in *Billboard revenues* on the Consolidated Statement of Operations.

The following table summarizes revenues by geography:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
United States:				
Billboard	$ 344.0	$ 335.3	$ 1,002.3	$ 950.8
Transit and other	84.7	92.7	245.8	253.9
Other	1.8	1.7	5.5	4.9
Total United States revenues	430.5	429.7	1,253.6	1,209.6
Canada	24.3	24.0	65.8	67.8
Total revenues	$ 454.8	$ 453.7	$ 1,319.4	$ 1,277.4

We recognized substantially all of the *Deferred revenues* on the Consolidated Statement of Financial Position as of December 31, 2022, during the three months ended March 31, 2023.

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Note 11. Acquisitions

We completed several asset acquisitions for a total purchase price of approximately $30.7 million in the nine months ended September 30, 2023, and $278.9 million in the nine months ended September 30, 2022. The value of the assets acquired during 2023 and 2022 has primarily been allocated to the related permits and leasehold agreements intangible assets (see Note 4. *Long-Lived Assets*).

Note 12. Stock-Based Compensation

Effective as of June 6, 2023, we amended and restated the OUTFRONT Media Inc. Amended and Restated Omnibus Stock Incentive Plan (as amended and restated, the "Stock Plan") to, among other things, increase the number of shares of our common stock reserved for issuance under our prior plan by 6,475,000 shares, so that the aggregate number of shares reserved for issuance under the Stock Plan is 19,575,000 shares of our common stock.

The following table summarizes our stock-based compensation expense for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Stock-based compensation expenses (restricted share units ("RSUs") and performance-based RSUs ("PRSUs")), before income taxes	$ 7.2	$ 8.6	$ 22.9	$ 25.0
Tax benefit	(0.2)	(0.4)	(0.7)	(1.2)
Stock-based compensation expense, net of tax	$ 7.0	$ 8.2	$ 22.2	$ 23.8

As of September 30, 2023, total unrecognized compensation cost related to non-vested RSUs and PRSUs was $36.0 million, which is expected to be recognized over a weighted average period of 1.7 years.

RSUs and PRSUs

The following table summarizes activity for the nine months ended September 30, 2023, of RSUs and PRSUs issued to our employees.

	Activity	**Weighted Average Per Share Grant Date Fair Market Value**
Non-vested as of December 31, 2022	2,644,039	$ 24.28
Granted:		
RSUs	1,109,485	19.03
PRSUs	619,687	20.64
Vested:		
RSUs	(938,873)	24.55
PRSUs	(516,609)	25.36
Forfeitures:		
RSUs	(81,008)	21.22
PRSUs	(35,344)	21.50
Non-vested as of September 30, 2023	2,801,377	21.11

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Note 13. Retirement Benefits

The following table presents the components of net periodic pension cost and amounts recognized in other comprehensive income (loss) for our pension plans:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Components of net periodic pension cost:				
Service cost	$ —	$ 0.1	$ —	$ 0.1
Interest cost	0.6	0.4	1.7	1.4
Expected return on plan assets	(0.7)	(0.7)	(2.1)	(2.1)
Net periodic pension cost	$ (0.1)	$ (0.2)	$ (0.4)	$ (0.6)

In 2023, we do not expect to contribute to our defined benefit pension plans.

Note 14. Income Taxes

We are organized in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") and, accordingly, we have not provided for U.S. federal income tax on our REIT taxable income that we distribute to our stockholders. We have elected to treat our subsidiaries that participate in certain non-REIT qualifying activities as TRSs. As such, we have provided for their federal, state and foreign income taxes.

Tax years 2019 to present are open for examination by the tax authorities.

Our effective income tax rate represents a combined annual effective tax rate for federal, state, local and foreign taxes applied to interim operating results.

In the three and nine months ended September 30, 2023 and 2022, our effective tax rate differed from the U.S. federal statutory income tax rate primarily due to our REIT status, including the dividends paid deduction, the impact of state and local taxes, and the effect of foreign operations.

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Note 15. Earnings Per Share (“EPS”)

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss) available for common stockholders	$ 17.0	$ 40.8	$ (490.8)	$ 88.7
Less: Distributions to holders of Series A Preferred Stock	2.2	2.2	6.6	9.8
Less: Distributions to holders of Class A equity interests of a subsidiary	—	—	—	0.1
Net income (loss) available for common stockholders, basic and diluted	$ 14.8	$ 38.6	$ (497.4)	$ 78.8
Weighted average shares for basic EPS	165.0	164.0	164.9	160.0
Dilutive potential shares from grants of RSUs and PRSUs[(a)]	0.2	0.6	—	0.7
Weighted average shares for diluted EPS[(a)(b)(c)]	165.2	164.6	164.9	160.7

(a) The potential impact of 2.0 million granted RSUs and PRSUs in the three months ended September 30, 2023, 0.9 million granted RSUs and PRSUs in the three months ended September 30, 2022, 2.1 million granted RSUs and PRSUs in the nine months ended September 30, 2023, and 0.7 million granted RSUs and PRSUs in the nine months ended September 30, 2022, were antidilutive.

(b) The potential impact of 7.8 million shares of our common stock issuable upon conversion of the Series A Preferred Stock in each of the three and nine months ended September 30, 2023, were antidilutive. The potential impact of 7.8 million shares of our common stock issuable upon conversion of the Series A Preferred Stock in the three months ended September 30, 2022, and 11.5 million shares of our common stock issuable upon conversion of the Series A Preferred Stock in the nine months ended September 30, 2022, were antidilutive.

(c) The potential impact of 0.1 million of Class A equity interests of a subsidiary of the Company that controls its Canadian business in the nine months ended September 30, 2022, was antidilutive.

Note 16. Commitments and Contingencies

Off-Balance Sheet Arrangements

Our off-balance sheet commitments primarily consist of guaranteed minimum annual payments. These arrangements result from our normal course of business and represent obligations that are payable over several years.

Contractual Obligations

We have agreements with municipalities and transit operators which entitle us to operate advertising displays within their transit systems, including on the interior and exterior of rail and subway cars and buses, as well as on benches, transit shelters, street kiosks, and transit platforms. Under most of these franchise agreements, the franchisor is entitled to receive the greater of a percentage of the relevant revenues, net of agency fees, or a specified guaranteed minimum annual payment.

Under the current MTA agreement, which was amended in June 2020 and July 2021 and is subject to modification as agreed-upon by us and the MTA (as amended, the “MTA Agreement”):

- *Deployments*. We must deploy, over a number of years, (i) 5,433 digital advertising screens on subway and train platforms and entrances, (ii) 15,896 smaller-format digital advertising screens on rolling stock, and (iii) 9,283 MTA communications displays. We are also obligated to deploy certain additional digital advertising screens and MTA communications displays in subway and train stations and rolling stock that the MTA may build or acquire in the future (collectively, the “New Inventory”).

- *Recoupment of Equipment Deployment Costs.* We may retain incremental revenues that exceed an annual base revenue amount for the cost of deploying advertising and communications displays throughout the transit system. As presented in the table below, recoupable MTA equipment deployment costs are recorded as *Prepaid MTA equipment deployment costs* and *Intangible assets* on our Consolidated Statement of Financial Position, and as these costs are recouped from incremental revenues that the MTA would otherwise be entitled to receive, *Prepaid MTA equipment deployment costs* will be reduced. If incremental revenues generated over the term of the agreement are not sufficient to cover all or a portion of the equipment deployment costs, the costs will not be recouped, which could have an adverse effect on our business, financial condition and results of operations, including impairment charges (see Note 4. *Long-Lived Assets*). If we do not recoup all costs of deploying advertising and communications screens with respect to the New Inventory by the end of the term of the MTA Agreement, the MTA will be obligated to reimburse us for these costs. Deployment costs in an amount not to exceed $50.7 million, which are deemed authorized before December 31, 2020, will be paid directly by the MTA. For any deployment costs deemed authorized after December 31, 2020, the MTA and the Company will no longer be obligated to directly pay 70% and 30% of the costs, respectively, and these costs will be subject to recoupment in accordance with the MTA Agreement. We did not recoup any equipment deployment costs in the nine months ended September 30, 2023, and we do not expect to recoup any equipment deployment costs in the remainder of 2023.

- *Payments*. We must pay to the MTA the greater of a percentage of revenues or a guaranteed minimum annual payment. Our payment obligations with respect to guaranteed minimum annual payment amounts owed to the MTA resumed on January 1, 2021, in accordance with the terms of the MTA Agreement, and any guaranteed minimum annual payment amounts that would have been paid for the period from April 1, 2020 through December 31, 2020 (less any revenue share amounts actually paid during this period using an increased revenue share percentage of 65%) will instead be added in equal increments to the guaranteed minimum annual payment amounts owed for the period from January 1, 2022, through December 31, 2026. The MTA Agreement also provides that if prior to April 1, 2028 the balance of unrecovered costs of deploying advertising and communications screens throughout the transit system is equal to or less than zero, then in any year following the year in which such recoupment occurs (the "Recoupment Year"), the MTA is entitled to receive an additional payment equal to 2.5% of the annual base revenue amount for such year calculated in accordance with the MTA Agreement, provided that gross revenues in such year (i) were at least equal to the gross revenues generated in the Recoupment Year, and (ii) did not decline by more than 5% from the prior year.

- *Term*. In July 2021, we extended the initial 10-year term of the MTA Agreement to a 13-year base term (the "Amended Term"). We have the option to extend the Amended Term for an additional five-year period at the end of the Amended Term, subject to satisfying certain quantitative and qualitative conditions.

During the nine months ended September 30, 2023, we had no recoupment from incremental revenues. As of September 30, 2023, 18,786 digital displays had been installed, composed of 5,117 digital advertising screens on subway and train platforms and entrances, 8,760 smaller-format digital advertising screens on rolling stock and 4,909 MTA communications displays. In the three months ended September 30, 2023, 2,028 installations occurred, for a total of 4,633 installations occurring in the nine months ended September 30, 2023.

During the second quarter of 2023, we performed an analysis of the carrying value of our long-lived asset groups within our U.S. Transit and Other reporting unit as a result of the triggering event noted above utilizing undiscounted cash flows compared to the carrying value of the asset groups. As a result, we recorded an impairment charge of $463.5 million in the second quarter of 2023, primarily representing a $443.1 million impairment charge related to our MTA asset group. (See Note 4. *Long-Lived Assets*.)

As a result of our continued expectation of negative aggregate cash flows related to our MTA asset group, we recorded an additional impairment charge of $12.1 million in the third quarter of 2023, representing additional MTA equipment deployment cost spending during the quarter.

(in millions)	Beginning Balance	Deployment Costs Incurred	Recoupment/MTA Funding	Amortization/Impairment	Reclassification	Ending Balance
Nine months ended September 30, 2023:						
Prepaid MTA equipment deployment costs	$ 363.2	$ 21.8	$ —	$ —	$ (385.0)	$ —
Other current assets	1.6	(0.4)	(0.1)	—	—	1.1
Intangible assets (franchise agreements)	62.0	11.3	—	(458.3)	385.0	—
Total	$ 426.8	$ 32.7	$ (0.1)	$ (458.3)	$ —	$ 1.1
Year ended December 31, 2022:						
Prepaid MTA equipment deployment costs	$ 279.8	$ 83.4	$ —	$ —	$ —	$ 363.2
Other current assets	5.2	0.1	(3.7)	—	—	1.6
Intangible assets (franchise agreements)	63.0	5.4	—	(6.4)	—	62.0
Total	$ 348.0	$ 88.9	$ (3.7)	$ (6.4)	$ —	$ 426.8

Letters of Credit

We have indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. As of September 30, 2023, the outstanding letters of credit were approximately $82.2 million and outstanding surety bonds were approximately $172.2 million, and were not recorded on the Consolidated Statements of Financial Position.

Legal Matters

On an ongoing basis, we are engaged in lawsuits and governmental proceedings and respond to various investigations, inquiries, notices and claims from national, state and local governmental and other authorities (collectively, "litigation"). Litigation is inherently uncertain and always difficult to predict. Although it is not possible to predict with certainty the eventual outcome of any litigation, in our opinion, none of our current litigation is expected to have a material adverse effect on our results of operations, financial position or cash flows.

Note 17. Segment Information

We currently manage our operations through two operating segments—U.S. Billboard and Transit, which is included in our *U.S. Media* reportable segment, and International. International does not meet the criteria to be a reportable segment and accordingly, is included in *Other*.

The following tables set forth our financial performance by segment.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2022	2023	2022
Revenues:				
U.S. Media	$ 428.7	$ 428.0	$ 1,248.1	$ 1,204.7
Other	26.1	25.7	71.3	72.7
Total revenues	$ 454.8	$ 453.7	$ 1,319.4	$ 1,277.4

We present *Operating income (loss)* before *Depreciation*, *Amortization*, *Net (gain) loss on dispositions, Stock-based compensation* and *Impairment charges* ("Adjusted OIBDA") as the primary measure of profit and loss for our operating segments.

OUTFRONT Media Inc.
Notes to Consolidated Financial Statements
(Unaudited)

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss) before allocation to non-controlling interests	$ 16.7	$ 41.1	$ (490.4)	$ 89.6
(Benefit) provision for income taxes	1.4	(0.3)	2.2	(1.2)
Equity in earnings of investee companies, net of tax	0.2	(0.4)	1.3	(1.9)
Interest expense, net	40.2	33.6	117.6	95.9
Other income (expense), net	0.1	0.3	(0.1)	0.3
Operating income (loss)	58.6	74.3	(369.4)	182.7
Net loss on dispositions	—	0.2	0.2	0.1
Impairment charges	12.1	—	523.5	—
Depreciation and amortization	39.0	40.1	122.1	110.9
Stock-based compensation	7.2	8.6	22.9	25.0
Total Adjusted OIBDA	$ 116.9	$ 123.2	$ 299.3	$ 318.7
Adjusted OIBDA:				
U.S. Media	$ 120.2	$ 128.2	$ 320.4	$ 337.5
Other	6.3	5.8	14.1	14.2
Corporate	(9.6)	(10.8)	(35.2)	(33.0)
Total Adjusted OIBDA	$ 116.9	$ 123.2	$ 299.3	$ 318.7

OUTFRONT Media Inc.
Notes to Consolidated Financial Statements
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	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Operating income (loss):				
U.S. Media	$ 72.7	$ 91.3	$ (314.9)	$ 235.9
Other	2.7	2.4	3.6	4.8
Corporate	(16.8)	(19.4)	(58.1)	(58.0)
Total operating income (loss)	$ 58.6	$ 74.3	$ (369.4)	$ 182.7
Net loss on dispositions:				
U.S. Media	$ —	$ 0.2	$ 0.2	$ 0.1
Total loss on dispositions	$ —	$ 0.2	$ 0.2	$ 0.1
Impairment charges [(a)]:				
U.S. Media	$ 12.1	$ —	$ 523.5	$ —
Total impairment charges	$ 12.1	$ —	$ 523.5	$ —
Depreciation and amortization:				
U.S. Media	$ 35.4	$ 36.7	$ 111.6	$ 101.5
Other	3.6	3.4	10.5	9.4
Total depreciation and amortization	$ 39.0	$ 40.1	$ 122.1	$ 110.9
Capital expenditures:				
U.S. Media	$ 16.4	$ 23.8	$ 58.0	$ 64.1
Other	2.3	1.0	5.6	2.5
Total capital expenditures	$ 18.7	$ 24.8	$ 63.6	$ 66.6

(a) *Impairment charges* related to a decline in the long-term outlook of our U.S. Transit and Other reporting unit (see Note 4. *Long-Lived Assets)* and an other-than-temporary decline in fair value of a cost-method investment.

	As of	
(in millions)	**September 30, 2023**	**December 31, 2022**
Assets:		
U.S. Media	$ 5,271.3	$ 5,732.1
Other	248.1	240.4
Corporate	35.4	17.5
Total assets	$ 5,554.8	$ 5,990.0

	As of	
(in millions)	**September 30, 2023**	**December 31, 2022**
Long-lived assets[(a)]:		
United States	$ 4,962.1	$ 5,391.0
Canada	201.4	195.8
Total assets	$ 5,163.5	$ 5,586.8

(a) Reflects total assets less current assets, investments and non-current deferred tax assets.

Note 18. Subsequent Event

On October 22, 2023, the Company, Outfront Canada HoldCo 2 LLC, a wholly-owned subsidiary of the Company, and Outfront Canada Sub LLC, a wholly-owned subsidiary of the Company (together, the “Selling Subsidiaries”), entered into a Share Purchase Agreement (the “Share Purchase Agreement”) with Bell Media Inc. (the “Buyer”), relating to the sale of the Company’s outdoor advertising business in Canada (the “Canadian Business”). Pursuant to the Share Purchase Agreement, the Selling Subsidiaries agreed to sell all of its (and its affiliates) equity interests in Outdoor Systems Americas ULC and its subsidiaries (the “Transaction”), which hold all of the assets of the Canadian Business, to the Buyer, for C$410.0 million in cash, payable on the date of the consummation of the Transaction (the “Closing”). The purchase price is subject to (i) adjustments at and following the Closing for (1) working capital, cash, indebtedness, capital expenditures and transaction expenses, and (2) the potential sale of the Canadian joint venture in which a subsidiary of Outdoor Systems Americas ULC holds an equity interest (the “JV”) to the JV partner holding the remaining equity interest in the JV, instead of the Buyer; and (ii) a holdback to be released at or following the Closing, in whole or in part, if certain third party contracts are renewed or extended on certain terms.

The consummation of the Transaction is expected to occur in 2024, subject to certain closing conditions, including, among others, (i) the absence of any enacted or pending law, order, judgment or litigation by a governmental authority prohibiting the consummation of the Transaction, and (ii) receipt of antitrust approval in Canada (the “Antitrust Approval”). The obligation of the Buyer to consummate the Transaction is also conditioned on the absence of a material adverse effect on the Canadian Business following the date of the Share Purchase Agreement and the Selling Subsidiaries’ obligation to spend a target percentage of forecasted capital expenditures through the Closing. The obligation of each party to consummate the Transaction is conditioned on each party’s representations and warranties being true and correct and each party having performed in all material respects its obligations under the Share Purchase Agreement. In addition, the Share Purchase Agreement may be terminated under certain circumstances, including (i) by mutual written agreement of the Buyer and the Selling Subsidiaries; (ii) by either the Buyer or the Selling Subsidiaries if the Closing does not occur by July 22, 2024, with extensions by the Buyer or the Selling Subsidiaries under certain conditions until no later than October 22, 2024 (the “Outside Date”); or (iii) by either the Buyer or the Selling Subsidiaries if a failure by either the Buyer or the Seller Subsidiaries is the principal cause of any closing condition not being satisfied. If the Antitrust Approval is not received by the Outside Date and the principal cause of such failure is not a failure of the Selling Subsidiaries or its subsidiaries to perform any of their obligations under the Share Purchase Agreement, the Buyer will pay a termination fee to the Selling Subsidiaries in the amount of C$20.0 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our historical consolidated financial statements and the notes thereto appearing in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (the "SEC") on February 23, 2023, and the unaudited consolidated financial statements and the notes thereto included in this Quarterly Report on Form 10-Q. This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The forward-looking statements are subject to a number of important factors, including, but not limited to, those factors discussed in the sections entitled "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023, and the section entitled "Cautionary Statement Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q, that could cause our actual results to differ materially from the results described herein or implied by such forward-looking statements. Except as otherwise indicated or unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to (i) "OUTFRONT Media," "the Company," "we," "our," "us" and "our company" mean OUTFRONT Media Inc., a Maryland corporation, and unless the context requires otherwise, its consolidated subsidiaries, and (ii) the "25 largest markets in the U.S.," "approximately 150 markets in the U.S. and Canada" and "Nielsen Designated Market Areas" are based, in whole or in part, on Nielsen Media Research's 2023 Designated Market Area rankings.

Overview

OUTFRONT Media is a real estate investment trust ("REIT"), which provides advertising space ("displays") on out-of-home advertising structures and sites in the United States (the "U.S.") and Canada. We currently manage our operations through two operating segments—U.S. Billboard and Transit, which is included in our *U.S. Media* reportable segment, and International. International does not meet the criteria to be a reportable segment and accordingly, is included in *Other* (see Note 17. *Segment Information* to the Consolidated Financial Statements).

Business

We are one of the largest providers of advertising space on out-of-home advertising structures and sites across the U.S. and Canada. Our inventory consists of billboard displays, which are primarily located on the most heavily traveled highways and roadways in top Nielsen Designated Market Areas ("DMAs"), and transit advertising displays operated under exclusive multi-year contracts with municipalities in large cities across the U.S. and Canada. In total, we have displays in all of the 25 largest markets in the U.S. and approximately 150 markets in the U.S. and Canada. Our top market, high profile location focused portfolio includes sites in and around both Grand Central Station and Times Square in New York, various locations along Sunset Boulevard in Los Angeles, and the Bay Bridge in San Francisco. The breadth and depth of our portfolio provides our customers with a range of options to address their marketing objectives, from national, brand-building campaigns to hyper-local campaigns that drive customers to the advertiser's website or retail location "one mile down the road."

In addition to providing location-based displays, we also focus on delivering mass and targeted audiences to our customers. Geopath, the out-of-home advertising industry's audience measurement system, enables us to build campaigns based on the size and demographic composition of audiences. As part of our technology platform, we are developing solutions for enhanced demographic and location targeting, and engaging ways to connect with consumers on-the-go.

We believe out-of-home continues to be an attractive form of advertising, as our displays are always viewable and cannot be turned off, skipped, blocked or fast-forwarded. Further, out-of-home advertising can be an effective "stand-alone" medium, as well as an integral part of a campaign to reach audiences using multiple forms of media, including television, radio, print, online, mobile and social media advertising platforms. We provide our customers with a differentiated advertising solution at an attractive price point relative to other forms of advertising. In addition to leasing displays, we provide other value-added services to our customers, such as pre-campaign category research, consumer insights, print production, creative services and post-campaign tracking and analytics.

Economic Environment

Our revenues and operating results are sensitive to fluctuations in advertising expenditures, general economic conditions and other external events beyond our control, such as supply chain disruptions, heightened levels of inflation, pandemics like the COVID-19 pandemic, industry shutdowns or slowdowns like the current entertainment and auto workers strikes, and shifts in market demographics and transportation patterns (including reductions in foot traffic, roadway traffic, commuting, transit ridership and overall target audiences due to remote work, safety concerns or otherwise), as described in this MD&A. These sensitivities may adversely impact our revenues and operating results on a consolidated basis and/or may have a disproportionate adverse impact on one or more of our operating segments, especially our U.S. Transit operating segment.

We rely on third parties to manufacture and transport our digital displays. As a result of the current market-wide supply shortages and logistics disruptions, we have experienced delays and price increases with respect to certain of our digital displays, which we expect to continue throughout 2023, and could have an adverse effect on our business, financial condition and results of operations.

Due to the current heightened levels of inflation and commodity prices in the U.S. and abroad, which has resulted in rising interest rates, we have experienced increases with respect to some of our posting, maintenance and other expenses, some of our corporate expenses, and our interest expense, which we expect to continue throughout 2023, and could have an adverse effect on our business, financial condition and results of operations. Our billboard property lease expenses and transit franchise expenses have been less impacted by the current heightened levels of inflation due to the long-term nature of most of our operating leases and transit franchise agreements. However, our transit franchise agreements that contain inflationary price adjustments may cause increases in our transit franchise expenses in the near-term if the current heightened levels of inflation continue. Though the Company cannot reasonably estimate the full impact of the current heightened levels of inflation on our business, financial condition and results of operations at this time, a portion of these increases may be partially offset by increases in advertising rates on our displays and cost efficiencies.

Business Environment

The outdoor advertising industry is fragmented, consisting of several companies operating on a national basis, as well as hundreds of smaller regional and local companies operating a limited number of displays in a single or a few local geographic markets. We compete with these companies for both customers and structure and display locations. We also compete with other media, including online, mobile and social media advertising platforms and traditional advertising platforms (such as television, radio, print and direct mail marketers). In addition, we compete with a wide variety of out-of-home media, including advertising in shopping centers, airports, movie theaters, supermarkets and taxis.

Increasing the number of digital displays in our prime audience locations is an important element of our organic growth strategy, as digital displays have the potential to attract additional business from both new and existing customers. We believe digital displays are attractive to our customers because they allow for the development of richer and more visually engaging messages, provide our customers with the flexibility both to target audiences by time of day and to quickly launch new advertising campaigns, and eliminate or greatly reduce print production and installation costs. In addition, digital displays enable us to run multiple advertisements on each display. Digital billboard displays generate approximately four times more revenue per display on average than traditional static billboard displays. Digital billboard displays also incur, on average, approximately two to four times more costs, including higher variable costs associated with the increase in revenue than traditional static billboard displays. As a result, digital billboard displays generate higher profits and cash flows than traditional static billboard displays.

We have deployed state-of-the-art digital transit displays in connection with several transit franchises we operate and we expect to continue these deployments over the coming years, but at a slower pace than our historical deployments. In the future, we expect revenues generated on digital transit displays will be higher than revenues generated on comparable static transit displays.

We intend to incur significant equipment deployment costs and capital expenditures in the coming years to continue increasing the number of digital displays in our portfolio. However, we expect our annual deployment cost spending with respect to our transit franchise agreement with the New York Metropolitan Transportation Authority (the “MTA”) will decline after we complete our initial deployment phase in 2024.

We built or converted 64 new digital billboard displays in the U.S. and 33 in Canada during the nine months ended September 30, 2023. Additionally, in the nine months ended September 30, 2023, we entered into marketing arrangements to sell advertising on 32 third-party digital billboard displays in the U.S. and 2 in Canada. In the nine months ended September 30, 2023, we built, converted or replaced 4,706 digital transit and other displays in the U.S. and 23 in Canada. The following table sets forth information regarding our digital displays.

	Digital Revenues (in millions) for the Nine Months Ended September 30, 2023[(a)]			Number of Digital Displays as of September 30, 2023[(a)]		
Location	**Digital Billboard**	**Digital Transit and Other**	**Total Digital Revenues**	**Digital Billboard Displays**	**Digital Transit and Other Displays**	**Total Digital Displays**
United States	$ 289.1	$ 95.9	$ 385.0	1,798	20,625	22,423
Canada	22.0	1.8	23.8	307	101	408
Total	$ 311.1	$ 97.7	$ 408.8	2,105	20,726	22,831

(a) Digital display amounts include 4,987 displays reserved for transit agency use. Our number of digital displays is impacted by acquisitions, dispositions, management agreements, the net effect of new and lost billboards, and the net effect of won and lost franchises in the period.

Our revenues and profits may fluctuate due to seasonal advertising patterns and influences on advertising markets. Typically, our revenues and profits are highest in the fourth quarter, during the holiday shopping season, and lowest in the first quarter, as advertisers adjust their spending following the holiday shopping season. As described above, our revenues and profits may also fluctuate due to external events beyond our control.

We have a diversified base of customers across various industries. During the three months ended September 30, 2023, our largest categories of advertisers were entertainment, retail and health/medical, each of which represented approximately 19%, 11% and 9% of our total U.S. Media segment revenues, respectively. During the three months ended September 30, 2022, our largest categories of advertisers were entertainment, retail and health/medical, each of which represented approximately 19%, 10% and 9% of our total U.S. Media segment revenues, respectively. During the nine months ended September 30, 2023, our largest categories of advertisers were entertainment, retail and health/medical, each of which represented approximately 20%, 10% and 9% of our total U.S. Media segment revenues, respectively. During the nine months ended September 30, 2022, our largest categories of advertisers were entertainment, retail and health/medical, each of which represented approximately 20%, 10% and 9% of our total U.S. Media segment revenues, respectively.

Our large-scale portfolio allows our customers to reach a national audience and also provides the flexibility to tailor campaigns to specific regions or markets. We generated approximately 42% of our *U.S. Media* segment revenues from national advertising campaigns in the three months ended September 30, 2023, compared to approximately 45% in the same prior-year period. We generated approximately 42% of our *U.S. Media* segment revenues from national advertising campaigns in the nine months ended September 30, 2023, compared to approximately 43% in the same prior-year period.

Our transit businesses require us to periodically obtain and renew contracts with municipalities and other governmental entities. When these contracts expire, we generally must participate in highly competitive bidding processes in order to obtain or renew contracts.

Key Performance Indicators

Our management reviews our performance by focusing on the indicators described below.

Several of our key performance indicators are not prepared in conformity with Generally Accepted Accounting Principles in the United States of America ("GAAP"). We believe these non-GAAP performance indicators are meaningful supplemental measures of our operating performance and should not be considered in isolation of, or as a substitute for, their most directly comparable GAAP financial measures.

(in millions, except percentages)	Three Months Ended September 30, 2023	2022	% Change	Nine Months Ended September 30, 2023	2022	% Change
Revenues	$ 454.8	$ 453.7	— %	$ 1,319.4	$ 1,277.4	3 %
Organic revenues[(a)(b)]	454.8	453.1	—	1,308.5	1,267.4	3
Operating income (loss)	58.6	74.3	(21)	(369.4)	182.7	*
Adjusted OIBDA[(b)]	116.9	123.2	(5)	299.3	318.7	(6)
Adjusted OIBDA[(b)] margin	26 %	27 %		23 %	25 %	
Net income (loss) attributable to OUTFRONT Media Inc.	17.0	40.8	(58)	(490.8)	88.7	*
Funds from operations (“FFO”)[(b)] attributable to OUTFRONT Media Inc.	73.4	88.0	(17)	30.7	222.2	(86)
Adjusted FFO (“AFFO”)[(b)] attributable to OUTFRONT Media Inc.	75.7	86.5	(12)	162.5	215.2	(24)

* Calculation is not meaningful.

(a) Organic revenues exclude revenues associated with a significant acquisition and the impact of foreign currency exchange rates (“non-organic revenues”). We provide organic revenues to understand the underlying growth rate of revenue excluding the impact of non-organic revenue items. Our management believes organic revenues are useful to users of our financial data because it enables them to better understand the level of growth of our business period to period. Since organic revenues are not calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, revenues as an indicator of operating performance. Organic revenues, as we calculate it, may not be comparable to similarly titled measures employed by other companies.

(b) See the “Reconciliation of Non-GAAP Financial Measures” and “Revenues” sections of this MD&A for reconciliations of *Operating income (loss)* to *Operating income (loss)* before *Depreciation*, *Amortization*, *Net gain (loss) on dispositions*, *Stock-based compensation* and *Impairment charges* (“Adjusted OIBDA”) *Net income (loss) attributable to OUTFRONT Media Inc.* to FFO attributable to OUTFRONT Media Inc. and AFFO attributable to OUTFRONT Media Inc., and *Revenues* to organic revenues.

Analysis of Results of Operations

<u>Revenues</u>

We derive *Revenues* primarily from providing advertising space to customers on our advertising structures and sites. Our contracts with customers generally cover periods ranging from four weeks to one year. Revenues from billboard displays are recognized as rental income on a straight-line basis over the contract term. Transit and other revenues are recognized over the contract period. (See Note 10. *Revenues* to the Consolidated Financial Statements.)

(in millions, except percentages)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Revenues:						
Billboard	$ 363.6	$ 355.0	2 %	$ 1,055.8	$ 1,007.2	5 %
Transit and other	91.2	98.7	(8)	263.6	270.2	(2)
Total revenues	$ 454.8	$ 453.7	—	$ 1,319.4	$ 1,277.4	3
Organic revenues[(a)]:						
Billboard	$ 363.6	$ 354.5	3	$ 1,044.9	$ 997.7	5
Transit and other	91.2	98.6	(8)	263.6	269.7	(2)
Total organic revenues[(a)]	454.8	453.1	—	1,308.5	1,267.4	3
Non-organic revenues:						
Billboard	—	0.5	*	10.9	9.5	15
Transit and other	—	0.1	*	—	0.5	*
Total non-organic revenues	—	0.6	*	10.9	10.0	9
Total revenues	$ 454.8	$ 453.7	—	$ 1,319.4	$ 1,277.4	3

* Calculation is not meaningful.
(a) Organic revenues exclude revenues associated with a significant acquisition and the impact of foreign currency exchange rates ("non-organic revenues").

Total revenues increased by $1.1 million and organic revenues increased $1.7 million in the three months ended September 30, 2023, compared to the same prior-year period. Total revenues increased by $42.0 million, or 3%, and organic revenues increased $41.1 million, or 3%, in the nine months ended September 30, 2023, compared to the same prior-year period.

In the nine months ended September 30, 2023 and 2022, non-organic revenues reflect the impact of a significant acquisition. In the three and nine months ended September 30, 2022, non-organic revenues reflect the impact of foreign currency exchange rates.

Total billboard revenues increased $8.6 million, or 2%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in average revenue per display (yield) and the impact of new and lost billboards in the period, including acquisitions. Total billboard revenues increased $48.6 million, or 5%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in average revenue per display (yield), the impact of new and lost billboards in the period, including acquisitions, and higher proceeds from condemnations.

Organic billboard revenues increased $9.1 million, or 3%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in average revenue per display (yield) and the impact of new and lost billboards in the period, including acquisitions. Organic billboard revenues increased $47.2 million, or 5%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in average revenue per display (yield), the impact of new and lost billboards in the period, including insignificant acquisitions, and higher proceeds from condemnations.

Total transit and other revenues decreased $7.5 million, or 8%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract. Total transit and other revenues decreased $6.6 million, or 2%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract.

Organic transit and other revenues decreased $7.4 million, or 8%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily driven by a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract. Organic transit and other revenues decreased $6.1 million, or 2%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract.

Transit ridership remains materially below pre-COVID-19 pandemic levels in our largest transit markets and while we expect ridership to gradually grow over time, we do not expect ridership to reach pre-COVID-19 pandemic levels during the remaining terms of our current transit agreements. While ridership has increased during 2023 as compared to 2022, the increase in ridership has not led to an increase in overall demand for transit displays.

Expenses

(in millions, except percentages)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Expenses:						
Operating	$ 239.8	$ 232.6	3 %	$ 721.2	$ 671.9	7 %
Selling, general and administrative	105.3	106.5	(1)	321.8	311.8	3
Net loss on dispositions	—	0.2	*	0.2	0.1	100
Impairment charges	12.1	—	*	523.5	—	*
Depreciation	19.3	19.9	(3)	59.1	58.6	1
Amortization	19.7	20.2	(2)	63.0	52.3	20
Total expenses	$ 396.2	$ 379.4	4	$ 1,688.8	$ 1,094.7	54

* Calculation is not meaningful.

Operating Expenses

(in millions, except percentages)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Operating expenses:						
Billboard property lease	$ 124.2	$ 114.4	9 %	$ 373.7	$ 334.2	12 %
Transit franchise	59.5	59.8	(1)	180.1	172.9	4
Posting, maintenance and other	56.1	58.4	(4)	167.4	164.8	2
Total operating expenses	$ 239.8	$ 232.6	3	$ 721.2	$ 671.9	7

Billboard property lease expenses represented 34% of billboard revenues in the three months ended September 30, 2023, 32% in the three months ended September 30, 2022, 35% of billboard revenues in the nine months ended September 30, 2023, and 33% in the nine months ended September 30, 2022. The increase in billboard property lease expenses as a percentage of billboard revenues in the three months ended September 30, 2023, is primarily due to an increase in variable billboard property lease expenses (see Note 5. *Leases* to the Consolidated Financial Statements), which are primarily attributable to billboard revenue increases in large markets and high profile locations, and the impact of new locations, including through acquisitions. The increase in billboard property lease expenses as a percentage of billboard revenues in the nine months ended September 30, 2023, is primarily due to an increase in variable billboard property lease expenses (see Note 5. *Leases* to the Consolidated Financial Statements), which are primarily attributable to billboard revenue increases in large markets and high profile locations, an out-of-period adjustment of $5.2 million recorded in the nine months ended September 30, 2023, related to variable billboard property lease expenses (see Note 1. *Description of Business and Basis of Presentation* to the Consolidated Financial Statements), and the impact of new locations, including through acquisitions.

Transit franchise expenses represented 73% of transit display revenues in the three months ended September 30, 2023, 67% in the three months ended September 30, 2022, 76% of transit display revenues in the nine months ended September 30, 2023, and 71% in the nine months ended September 30, 2022. The increases in transit franchise expense, as a percentage of transit display revenues in each of the three and nine months ended September 30, 2023, are primarily driven by higher guaranteed minimum annual payments to the MTA in each of the three and nine months ended September 30, 2023. We expect transit franchise expenses, as a percentage of transit display revenues, to decline in the remainder of 2023, but remain above pre-COVID-19 pandemic levels and above 2022 levels, as a result of our expectation that revenues generated under the MTA Agreement in the remainder of 2023 will not grow at a compound annual growth rate above the inflation-adjusted guaranteed minimum annual payments to the MTA.

Billboard property lease and transit franchise expenses increased $9.5 million, or 5%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to higher variable billboard property lease expenses, the impact of new locations, including through acquisitions, and higher guaranteed minimum annual payments to the MTA, partially offset by a decline in non-MTA transit franchise costs. Billboard property lease and transit franchise expenses increased $46.7 million, or 9%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to higher variable billboard property lease expenses, including an out-of-period adjustment of $5.2 million recorded in the nine months ended September 30, 2023, (see Note 1. *Description of Business and Basis of Presentation* to the Consolidated Financial Statements), the impact of new locations, including through acquisitions, and higher guaranteed minimum annual payments to the MTA.

Posting, maintenance and other expenses as a percentage of *Revenues* were 12% in the three months ended September 30, 2023, 13% in the three months ended September 30, 2022, and 13% in each of the nine months ended September 30, 2023 and 2022. Posting, maintenance and other expenses decreased $2.3 million, or 4%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to lower taxes and lower posting and rotation costs, partially offset by higher maintenance and utilities cost, driven by inflationary cost increases in 2023. Posting, maintenance and other expenses increased $2.6 million, or 2%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to higher maintenance and utilities cost, driven by inflationary cost increases in 2023, higher compensation-related expenses and increased activity resulting in higher materials cost, partially offset by lower posting and rotation costs.

Selling, General and Administrative Expenses (“SG&A”)

SG&A expenses represented 23% of *Revenues* in each of the three months ended September 30, 2023 and 2022, and 24% of *Revenues* in each of the nine months ended September 30, 2023 and 2022. SG&A expenses decreased $1.2 million, or 1%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to lower compensation-related expenses, partially offset by a higher provision for doubtful accounts, higher professional fees, rent related to new offices and the impact of market fluctuations on an unfunded equity-linked retirement plan offered by the Company to certain employees. SG&A expenses increased $10.0 million, or 3%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to the impact of market fluctuations on an unfunded equity-linked retirement plan offered by the Company to certain employees, higher professional fees, rent related to new offices and a higher provision for doubtful accounts, partially offset by lower compensation-related expenses. We continue to evaluate methods to lower SG&A expense growth and believe that these expenses will represent a lower percentage of revenues in 2024.

Net Loss on Dispositions

Net loss on dispositions decreased $0.2 million in the three months ended September 30, 2023, compared to the same prior-year period. *Net loss on dispositions* increased $0.1 million, or 100.0%, in the nine months ended September 30, 2023, compared to the same prior-year period.

Impairment Charges

In the nine months ended September 30, 2023, we recorded impairment charges of $523.5 million.

As a result of the impairment analysis performed during the second quarter of 2023, we determined that the carrying value of our U.S. Transit and Other reporting unit exceeded its fair value and we recorded an impairment charge of $47.6 million in the Consolidated Statements of Operations, representing the entire goodwill balance associated with the reporting unit. (See the “Critical Accounting Policies” section of this MD&A.)

During the second quarter of 2023, we also performed an analysis of the carrying value of our long-lived asset groups within our U.S. Transit and Other reporting unit as a result of the triggering event noted above utilizing undiscounted cash flows compared to the carrying value of the asset groups. As a result, we recorded an impairment charge of $463.5 million in the second quarter of 2023, primarily representing a $443.1 million impairment charge related to our MTA asset group. As a result of our continued expectation of negative aggregate cash flows related to our MTA asset group, we recorded an additional impairment charge of $12.1 million in the third quarter of 2023, representing additional MTA equipment deployment cost spending during the quarter. (See Note 4. *Long-Lived Assets* to the Consolidated Financial Statements.)

In addition, in the second quarter of 2023, we recorded an impairment charge of $0.3 million related to an other-than-temporary decline in fair value of a cost-method investment.

Depreciation

Depreciation decreased $0.6 million, or 3%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in fully-depreciated assets, partially offset by capital expenditures and acquisitions. *Depreciation* increased $0.5 million, or 1%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to capital expenditures and acquisitions in 2022, partially offset by an increase in fully-depreciated assets.

Amortization

Amortization decreased $0.5 million, or 2%, in the three months ended September 30, 2023, due primarily to lower amortization of franchise rights. *Amortization* increased $10.7 million, or 20%, in the nine months ended September 30, 2023, compared to the same prior-year periods, due primarily to higher amortization of leasehold interest intangibles recorded related to asset acquisitions.

Interest Expense, Net

Interest expense, net, was $40.2 million (including $1.6 million of deferred financing costs) in the three months ended September 30, 2023, and $33.6 million (including $1.6 million of deferred financing costs) in the same prior-year period. *Interest expense, net,* was $117.6 million (including $5.0 million of deferred financing costs) in the nine months ended September 30, 2023, and $95.9 million (including $4.9 million of deferred financing costs) in the same prior-year period. The increases were primarily due to higher interest rates and a higher average debt balance.

Benefit (Provision) for Income Taxes

Provision for income taxes was $1.4 million in the three months ended September 30, 2023, compared to a *Benefit for income taxes* of $0.3 million in the same prior-year period, due primarily to a valuation allowance against our U.S. taxable REIT subsidiary (“TRS”) deferred tax assets in 2023. *Provision for income taxes* was $2.2 million in the nine months ended September 30, 2023, compared to a *Benefit for income taxes* of $1.2 million in the same prior-year period, due primarily to a valuation allowance against our U.S. TRS deferred tax assets in 2023.

Net Income (Loss)

Net income before allocation to non-controlling interests decreased $24.4 million, or 59%, in the three months ended September 30, 2023, compared to the same prior-year period, driven by lower operating income, due primarily to impairment charges, and higher interest expense. *Net loss before allocation to non-controlling interests* was $490.4 million in the nine months ended September 30, 2023, compared to *Net income before allocation to non-controlling interests* of $89.6 million the same prior-year period, driven by lower operating income, due primarily to impairment charges, and higher interest expense.

Reconciliation of Non-GAAP Financial Measures

Adjusted OIBDA

We calculate Adjusted OIBDA as operating income (loss) before depreciation, amortization, net (gain) loss on dispositions, stock-based compensation and impairment charges. We calculate Adjusted OIBDA margin by dividing Adjusted OIBDA by total revenues. Adjusted OIBDA and Adjusted OIBDA margin are among the primary measures we use for managing our business, evaluating our operating performance and planning and forecasting future periods, as each is an important indicator of our operational strength and business performance. Our management believes users of our financial data are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in managing, planning and executing our business strategy. Our management also believes that the presentations of Adjusted OIBDA and Adjusted OIBDA margin, as supplemental measures, are useful in evaluating our business because eliminating certain non-comparable items highlight operational trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures. It is management’s opinion that these supplemental measures provide users of our financial data with an important perspective on our operating performance and also make it easier for users of our financial data to compare our results with other companies that have different financing and capital structures or tax rates.

FFO and AFFO

When used herein, references to “FFO” and “AFFO” mean “FFO attributable to OUTFRONT Media Inc.” and “AFFO attributable to OUTFRONT Media Inc.,” respectively. We calculate FFO in accordance with the definition established by the

National Association of Real Estate Investment Trusts ("NAREIT"). FFO reflects net income (loss) attributable to OUTFRONT Media Inc. adjusted to exclude gains and losses from the sale of real estate assets, impairment charges, depreciation and amortization of real estate assets, amortization of direct lease acquisition costs and the same adjustments for our equity-based investments and non-controlling interests, as well as the related income tax effect of adjustments, as applicable. We calculate AFFO as FFO adjusted to include cash paid for direct lease acquisition costs as such costs are generally amortized over a period ranging from four weeks to one year and therefore are incurred on a regular basis. AFFO also includes cash paid for maintenance capital expenditures since these are routine uses of cash that are necessary for our operations. In addition, AFFO excludes certain non-cash items, including non-real estate depreciation and amortization, impairment charges on non-real estate assets, stock-based compensation expense, accretion expense, the non-cash effect of straight-line rent, amortization of deferred financing costs and the same adjustments for our non-controlling interests, along with the non-cash portion of income taxes, and the related income tax effect of adjustments, as applicable. We use FFO and AFFO measures for managing our business and for planning and forecasting future periods, and each is an important indicator of our operational strength and business performance, especially compared to other REITs. Our management believes users of our financial data are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in managing, planning and executing our business strategy. Our management also believes that the presentations of FFO and AFFO, as supplemental measures, are useful in evaluating our business because adjusting results to reflect items that have more bearing on the operating performance of REITs highlight trends in our business that may not otherwise be apparent when relying solely on GAAP financial measures. It is management's opinion that these supplemental measures provide users of our financial data with an important perspective on our operating performance and also make it easier to compare our results to other companies in our industry, as well as to REITs.

Since Adjusted OIBDA, Adjusted OIBDA margin, FFO and AFFO are not measures calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, operating income (loss), net income (loss) attributable to OUTFRONT Media Inc., and revenues, the most directly comparable GAAP financial measures, as indicators of operating performance. These measures, as we calculate them, may not be comparable to similarly titled measures employed by other companies. In addition, these measures do not necessarily represent funds available for discretionary use and are not necessarily a measure of our ability to fund our cash needs.

The following table reconciles *Operating income (loss)* to Adjusted OIBDA, and *Net income (loss) attributable to OUTFRONT Media Inc.* to FFO attributable to OUTFRONT Media Inc. and AFFO attributable to OUTFRONT Media Inc.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except percentages)	**2023**	**2022**	**2023**	**2022**
Total revenues	$ 454.8	$ 453.7	$ 1,319.4	$ 1,277.4
Operating income (loss)	$ 58.6	$ 74.3	$ (369.4)	$ 182.7
Net loss on dispositions	—	0.2	0.2	0.1
Impairment charges	12.1	—	523.5	—
Depreciation	19.3	19.9	59.1	58.6
Amortization	19.7	20.2	63.0	52.3
Stock-based compensation	7.2	8.6	22.9	25.0
Adjusted OIBDA	$ 116.9	$ 123.2	$ 299.3	$ 318.7
Adjusted OIBDA margin	26 %	27 %	23 %	25 %
Net income (loss) attributable to OUTFRONT Media Inc.	$ 17.0	$ 40.8	$ (490.8)	$ 88.7
Depreciation of billboard advertising structures	14.6	14.4	44.8	42.0
Amortization of real estate-related intangible assets	18.0	17.3	54.4	45.2
Amortization of direct lease acquisition costs	15.0	15.4	42.4	46.4
Net loss on disposition of real estate assets	—	0.2	0.2	0.1
Impairment charges[a]	8.8	—	379.9	—
Adjustment related to non-controlling interests	—	(0.1)	(0.2)	(0.2)
FFO attributable to OUTFRONT Media Inc.	73.4	88.0	30.7	222.2
Non-cash portion of income taxes	1.0	(0.5)	(3.7)	(4.3)
Cash paid for direct lease acquisition costs	(12.5)	(13.7)	(43.6)	(42.7)
Maintenance capital expenditures	(8.0)	(7.6)	(24.5)	(19.0)
Other depreciation	4.7	5.5	14.3	16.6
Other amortization	1.7	2.9	8.6	7.1
Impairment charges on non-real estate assets[a][b]	3.3	—	143.6	—
Stock-based compensation	7.2	8.6	22.9	25.0
Non-cash effect of straight-line rent	2.5	1.0	6.9	3.3
Accretion expense	0.8	0.7	2.3	2.1
Amortization of deferred financing costs	1.6	1.6	5.0	4.9
AFFO attributable to OUTFRONT Media Inc.	$ 75.7	$ 86.5	$ 162.5	$ 215.2

(a) *Impairment charges* related to a decline in the long-term outlook of our U.S. Transit and Other reporting unit (see Note 4. *Long-Lived Assets* to the Consolidated Financial Statements).
(b) *Impairment charge* related to an other-than-temporary decline in fair value of a cost-method investment.

FFO attributable to OUTFRONT Media Inc. decreased $14.6 million, or 17%, in the three months ended September 30, 2023, compared to the same prior-year period, due primarily to higher interest expense, lower Adjusted OIBDA and impairment charges on non-real estate assets. FFO attributable to OUTFRONT Media Inc. decreased $191.5 million, or 86%, in the nine months ended September 30, 2023, compared to the same prior-year period, due primarily to impairment charges on non-real estate assets, higher interest expense and lower Adjusted OIBDA. AFFO attributable to OUTFRONT Media Inc. decreased $10.8 million, or 12%, in the three months ended September 30, 2023, compared to the same prior-year period, due primarily to higher interest expense and lower Adjusted OIBDA. AFFO attributable to OUTFRONT Media Inc. decreased $52.7 million, or 24%, in the nine months ended September 30, 2023, compared to the same prior-year period, due primarily to higher interest expense, lower Adjusted OIBDA and higher maintenance capital expenditures.

Segment Results of Operations

We present Adjusted OIBDA as the primary measure of profit and loss for our reportable segments. (See the "Key Performance Indicators" section of this MD&A and Note 17. *Segment Information* to the Consolidated Financial Statements.)

We currently manage our operations through two operating segments—U.S. Billboard and Transit, which is included in our *U.S. Media* reportable segment, and International. International does not meet the criteria to be a reportable segment and accordingly, is included in *Other*. Our segment reporting therefore includes *U.S. Media* and *Other*.

The following table presents our *Revenues*, Adjusted OIBDA and *Operating income* by segment in the three and nine months ended September 30, 2023 and 2022.

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
U.S. Media	$ 428.7	$ 428.0	$ 1,248.1	$ 1,204.7
Other	26.1	25.7	71.3	72.7
Total revenues	$ 454.8	$ 453.7	$ 1,319.4	$ 1,277.4
Operating income (loss)	$ 58.6	$ 74.3	$ (369.4)	$ 182.7
Net loss on dispositions	—	0.2	0.2	0.1
Impairment charges	12.1	—	523.5	—
Depreciation	19.3	19.9	59.1	58.6
Amortization	19.7	20.2	63.0	52.3
Stock-based compensation[(a)]	7.2	8.6	22.9	25.0
Total Adjusted OIBDA	$ 116.9	$ 123.2	$ 299.3	$ 318.7
Adjusted OIBDA:				
U.S. Media	$ 120.2	$ 128.2	$ 320.4	$ 337.5
Other	6.3	5.8	14.1	14.2
Corporate	(9.6)	(10.8)	(35.2)	(33.0)
Total Adjusted OIBDA	$ 116.9	$ 123.2	$ 299.3	$ 318.7
Operating income (loss):				
U.S. Media	$ 72.7	$ 91.3	$ (314.9)	$ 235.9
Other	2.7	2.4	3.6	4.8
Corporate	(16.8)	(19.4)	(58.1)	(58.0)
Total operating income (loss)	$ 58.6	$ 74.3	$ (369.4)	$ 182.7

(a) Stock-based compensation is classified as Corporate expense.

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U.S. Media

(in millions, except percentages)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
Revenues:						
Billboard	$ 344.0	$ 335.3	3 %	$ 1,002.3	$ 950.8	5 %
Transit and other	84.7	92.7	(9)	245.8	253.9	(3)
Total revenues	$ 428.7	$ 428.0	—	$ 1,248.1	$ 1,204.7	4
Organic revenues[a]:						
Billboard	$ 344.0	$ 335.3	3	$ 991.4	$ 944.0	5
Transit and other	84.7	92.7	(9)	245.8	253.9	(3)
Total organic revenues[a]	428.7	428.0	—	1,237.2	1,197.9	3
Non-organic revenues:						
Billboard	—	—	*	10.9	6.8	60
Transit and other	—	—	*	—	—	*
Total non-organic revenues	—	—	*	10.9	6.8	60
Total revenues	428.7	428.0	—	1,248.1	1,204.7	4
Operating expenses	(225.6)	(218.5)	3	(680.7)	(630.1)	8
SG&A expenses	(82.9)	(81.3)	2	(247.0)	(237.1)	4
Adjusted OIBDA	$ 120.2	$ 128.2	(6)	$ 320.4	$ 337.5	(5)
Adjusted OIBDA margin	28 %	30 %		26 %	28 %	
Operating income (loss)	$ 72.7	$ 91.3	*	$ (314.9)	$ 235.9	*
Net loss on dispositions	—	0.2	*	0.2	0.1	100
Impairment charges	12.1	—	*	523.5	—	*
Depreciation and amortization	35.4	36.7	(4)	111.6	101.5	10
Adjusted OIBDA	$ 120.2	$ 128.2	(6)	$ 320.4	$ 337.5	(5)
New York metropolitan area revenues as a percentage of *U.S. Media* segment revenues	20 %	19 %		19 %	19 %	
Los Angeles metropolitan area revenues as a percentage of *U.S. Media* segment revenues	14 %	15 %		15 %	16 %	

* Calculation is not meaningful.
(a) Organic revenues exclude revenues associated with a significant acquisition ("non-organic revenues").

Total *U.S. Media* segment revenues increased $0.7 million in the three months ended September 30, 2023, compared to the same prior-year period, due primarily to higher billboard revenues. Total *U.S. Media* segment revenues increased $43.4 million, or 4%, in the nine months ended September 30, 2023, compared to the same prior-year period, due primarily to higher billboard revenues. We generated approximately 42% in the three months ended September 30, 2023, 45% in the three months ended September 30, 2022, 42% in the nine months ended September 30, 2023, and 43% in the nine months ended September 30, 2022, of our *U.S. Media* segment revenues from national advertising campaigns.

In the nine months ended September 30, 2023 and 2022, non-organic revenues reflect the impact of a significant acquisition.

Billboard revenues in the *U.S. Media* segment increased $8.7 million, or 3%, in the three months ended September 30, 2023, compared to the same prior-year period, reflecting an increase in average revenue per display (yield) and the impact of new and lost billboards in the period, including acquisitions. Billboard revenues in the *U.S. Media* segment increased $51.5 million, or 5%, in the nine months ended September 30, 2023, compared to the same prior-year period, reflecting an increase in average revenue per display (yield), the impact of new and lost billboards in the period, including acquisitions, and higher proceeds from condemnations.

Organic billboard revenues in the *U.S. Media* segment increased $8.7 million, or 3%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in average revenue per display (yield) and the impact of new and lost billboards in the period, including acquisitions. Organic billboard revenues in the *U.S. Media* segment increased $47.4 million, or 5%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to an increase in average revenue per display (yield), the impact of new and lost billboards in the period, including insignificant acquisitions, and higher proceeds from condemnations.

Transit and other revenues in the *U.S. Media* segment decreased $8.0 million in the three months ended September 30, 2023 compared to the same prior-year period, primarily driven by a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract. Transit and other revenues in the *U.S. Media* segment decreased $8.1 million in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract.

Organic transit and other revenues in the *U.S. Media* segment decreased $8.0 million in the three months ended September 30, 2023, compared to the same prior-year period, primarily due to a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract. Organic transit and other revenues in the *U.S. Media* segment decreased $8.1 million in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by a decrease in average revenue per display (yield), driven by weaker market conditions in national advertising, which primarily impacted advertising sales on certain above-ground advertising displays, partially offset by the impact of a new transit franchise contract.

Transit ridership remains materially below pre-COVID-19 pandemic levels in our largest transit markets and while we expect ridership to gradually grow over time, we do not expect ridership to reach pre-COVID-19 pandemic levels during the remaining terms of our current transit agreements. While ridership has increased during 2023 as compared to 2022, the increase in ridership has not led to an increase in overall demand for transit displays.

Operating expenses in the *U.S. Media* segment increased $7.1 million, or 3%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily driven by higher variable billboard property lease expenses, the impact of new locations, including through acquisitions, higher guaranteed minimum annual payments to the MTA and higher compensation-related expenses, partially offset by a decline in non-MTA transit franchise costs. Operating expenses in the *U.S. Media* segment increased $50.6 million, or 8%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by higher variable billboard property lease expenses, including an out-of-period adjustment of $5.2 million recorded in the nine months ended September 30, 2023, (see Note 1. *Description of Business and Basis of Presentation* to the Consolidated Financial Statements), higher guaranteed minimum annual payments to the MTA, higher maintenance and utilities cost, driven by inflationary cost increases in 2023, higher compensation-related expenses, and increased activity resulting in higher materials cost, partially offset by lower posting and rotation costs.

SG&A expenses in the *U.S. Media* segment increased $1.6 million, or 2%, in the three months ended September 30, 2023, compared to the same prior-year period, primarily driven by a higher provision for doubtful accounts and higher professional fees, partially offset by lower compensation-related expenses. SG&A expenses in the *U.S. Media* segment increased $9.9 million, or 4%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by higher compensation-related expenses, higher professional fees and a higher provision for doubtful accounts.

In the nine months ended September 30, 2023, we recorded impairment charges of $523.5 million in the *U.S. Media* segment, primarily related to impairment charges related to our MTA asset group and our U.S. Transit and Other reporting unit (see the "Critical Accounting Policies" section of this MD&A and Note 4. *Long-Lived Assets* to the Consolidated Financial Statements).

U.S. Media segment Adjusted OIBDA decreased $8.0 million, or 6%, in the three months ended September 30, 2023, and decreased $17.1 million, or 5%, in the nine months ended September 30, 2023, compared to the same prior-year periods. Adjusted OIBDA margin was 28% in the three months ended September 30, 2023, 30% in the three months ended September 30, 2022, 26% in the nine months ended September 30, 2023, and 28% in the nine months ended September 30, 2022. The decreases in Adjusted OIBDA margins was due primarily to a higher increase in operating expenses, due to an increase in billboard property lease expenses, including an out-of-period adjustment of $5.2 million recorded in the nine months ended September 30, 2023, related to variable billboard property lease expenses (see Note 1. *Description of Business and Basis of*

Presentation to the Consolidated Financial Statements), increases in the MTA guaranteed minimum annual payments in 2023 and an increase in SG&A expenses, compared to a lower increase in revenues.

Other

	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
(in millions, except percentages)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenues:						
Billboard	$ 19.6	$ 19.7	(1)%	$ 53.5	$ 56.4	(5)%
Transit and other	6.5	6.0	8	17.8	16.3	9
Total revenues	$ 26.1	$ 25.7	2	$ 71.3	$ 72.7	(2)
Organic revenues[(a)]:						
Billboard	$ 19.6	$ 19.2	2	$ 53.5	$ 53.7	—
Transit and other	6.5	5.9	10	17.8	15.8	13
Total organic revenues[(a)]	26.1	25.1	4	71.3	69.5	3
Non-organic revenues:						
Billboard	—	0.5	*	—	2.7	*
Transit and other	—	0.1	*	—	0.5	*
Total non-organic revenues	—	0.6	*	—	3.2	*
Total revenues	26.1	25.7	2	71.3	72.7	(2)
Operating expenses	(14.2)	(14.1)	1	(40.5)	(41.8)	(3)
SG&A expenses	(5.6)	(5.8)	(3)	(16.7)	(16.7)	—
Adjusted OIBDA	$ 6.3	$ 5.8	9	$ 14.1	$ 14.2	(1)
Adjusted OIBDA margin	24 %	23 %		20 %	20 %	
Operating income	$ 2.7	$ 2.4	13	$ 3.6	$ 4.8	(25)
Depreciation and amortization	3.6	3.4	6	10.5	9.4	12
Adjusted OIBDA	$ 6.3	$ 5.8	9	$ 14.1	$ 14.2	(1)

* Calculation is not meaningful.
(a) Organic revenues exclude the impact of foreign currency exchange rates ("non-organic revenues").

Total *Other* revenues increased $0.4 million, or 2%, in the three months ended September 30, 2023, compared to the same prior-year period, driven by the impact of new billboards in the period and an increase in average revenue per display (yield) as we have experienced increases in overall demand for our services, partially offset by the impact of foreign currency exchange rates. Total *Other* revenues decreased $1.4 million, or 2%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by the impact of foreign currency exchange rates, partially offset by the impact of new billboards in the period, including acquisitions, and an increase in average revenue per display (yield) as we have experienced increases in overall demand for our services.

In the three and nine months ended September 30, 2022, non-organic revenues reflect the impact of foreign currency exchange rates.

Organic *Other* revenues increased $1.0 million, or 4%, in the three months ended September 30, 2023, compared to the same prior-year period, driven by the impact of acquisitions and an increase in average revenue per display (yield) as we have experienced increases in overall demand for our services during the quarter. Organic *Other* revenues increased $1.8 million, or 3%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by the impact of new billboards in the period, including acquisitions, and an increase in average revenue per display (yield) as we have experienced increases in overall demand for our services during the quarter.

Other operating expenses increased $0.1 million, or 1%, in the three months ended September 30, 2023, compared to the same prior-year period, driven by higher expenses in Canada, partially offset by the impact of foreign currency exchange rates. *Other* operating expenses decreased $1.3 million, or 3%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily driven by the impact of foreign currency exchange rates. *Other* SG&A expenses decreased $0.2 million, or 3%, in the three months ended September 30, 2023, and was flat in the nine months ended September 30, 2023, compared to the same prior-year periods, primarily driven by the impact of foreign currency exchange rates, partially offset by higher expenses in Canada.

Other Adjusted OIBDA increased $0.5 million, or 9%, in the three months ended September 30, 2023, compared to the prior-year period, due primarily to an increase in average revenue per display (yield), partially offset by the impact of foreign exchange rates. *Other* Adjusted OIBDA decreased $0.1 million, or 1%, in the nine months ended September 30, 2023, compared to the same prior-year periods, due primarily to the impact of foreign currency exchange rates and higher expenses in Canada, partially offset by an increase in average revenue per display (yield).

Corporate

Corporate expenses primarily include expenses associated with employees who provide centralized services. Corporate expenses, excluding stock-based compensation, were $9.6 million in the three months ended September 30, 2023, compared to $10.8 million in the same prior-year period. Corporate expenses decreased $1.2 million, or 11%, in the three months ended September 30, 2023, compared to the same prior-year period primarily due to lower compensation-related expenses, partially offset by the impact of market fluctuations on an unfunded equity-linked retirement plan offered by the Company to certain employees. Corporate expenses, excluding stock-based compensation, were $35.2 million in the nine months ended September 30, 2023, compared to $33.0 million in the same prior-year period. Corporate expenses increased $2.2 million, or 7%, primarily due to the impact of market fluctuations on an unfunded equity-linked retirement plan offered by the Company to certain employees, partially offset by lower compensation-related expenses.

Liquidity and Capital Resources

	As of		
(in millions, except percentages)	**September 30, 2023**	**December 31, 2022**	**% Change**
Assets:			
Cash and cash equivalents	$ 44.4	$ 40.4	10 %
Receivables, less allowance ($17.8 in 2023 and $20.2 in 2022)	296.4	315.5	(6)
Prepaid lease and transit franchise costs	5.7	9.1	(37)
Other prepaid expenses	25.3	19.8	28
Other current assets	9.2	5.6	64
Total current assets	381.0	390.4	(2)
Liabilities:			
Accounts payable	50.1	65.4	(23)
Accrued compensation	42.0	68.0	(38)
Accrued interest	18.7	31.1	(40)
Accrued lease and transit franchise costs	72.8	64.9	12
Other accrued expenses	53.2	47.6	12
Deferred revenues	45.8	35.3	30
Short-term debt	150.0	30.0	*
Short-term operating lease liabilities	204.6	188.1	9
Other current liabilities	19.8	21.2	(7)
Total current liabilities	657.0	551.6	19
Working capital	$ (276.0)	$ (161.2)	71

* Calculation is not meaningful.

We continually project anticipated cash requirements for our operating, investing and financing needs as well as cash flows generated from operating activities available to meet these needs. Due to seasonal advertising patterns and influences on advertising markets, our revenues and operating income are typically highest in the fourth quarter, during the holiday shopping season, and lowest in the first quarter, as advertisers adjust their spending following the holiday shopping season. Further, certain of our municipal transit contracts require guaranteed minimum annual payments to be paid on a monthly or quarterly basis, as applicable.

Our short-term cash requirements primarily include payments for operating leases, guaranteed minimum annual payments, interest, capital expenditures, equipment deployment costs and dividends. Funding for short-term cash needs will come primarily from our cash on hand, operating cash flows, our ability to issue debt and equity securities, and borrowings under the Revolving Credit Facility (as defined below), the AR Facility (as defined below) or other credit facilities that we may establish, to the extent available.

In addition, as part of our growth strategy, we frequently evaluate strategic opportunities to acquire new businesses, assets or digital technology. Consistent with this strategy, we regularly evaluate potential acquisitions, ranging from small transactions to larger acquisitions, which transactions could be funded through cash on hand, additional borrowings, equity or other securities, or some combination thereof.

Our long-term cash needs include principal payments on outstanding indebtedness and commitments related to operating leases and franchise and other agreements, including any related guaranteed minimum annual payments, and equipment deployment costs. Funding for long-term cash needs will come from our cash on hand, operating cash flows, our ability to issue debt and equity securities, and borrowings under the Revolving Credit Facility or other credit facilities that we may establish, to the extent available.

Although we have taken several actions to date to preserve our financial flexibility and increase our liquidity, our short-term and long-term cash needs and related funding capability may be adversely affected by the current heightened levels of inflation and related economic environment if cash on hand and operating cash flows decrease in 2023, and our ability to issue debt and equity securities and/or borrow under our existing or new credit facilities on reasonable pricing terms, or at all, may become uncertain. (See the "Overview" section of this MD&A.)

Working capital was a deficit of $276.0 million as of September 30, 2023, compared to a deficit of $161.2 million as of December 31, 2022, primarily driven by increased borrowings under the AR Facility, lower receivable balances, and increased short-term operating lease liabilities.

Under the current MTA agreement, which was amended in June 2020 and July 2021 and is subject to modification as agreed-upon by us and the MTA (as amended, the "MTA Agreement"):

- *Deployments*. We must deploy, over a number of years, (i) 5,433 digital advertising screens on subway and train platforms and entrances, (ii) 15,896 smaller-format digital advertising screens on rolling stock, and (iii) 9,283 MTA communications displays. We are also obligated to deploy certain additional digital advertising screens and MTA communications displays in subway and train stations and rolling stock that the MTA may build or acquire in the future (collectively, the "New Inventory").

- *Recoupment of Equipment Deployment Costs.* We may retain incremental revenues that exceed an annual base revenue amount for the cost of deploying advertising and communications displays throughout the transit system. As presented in the table below, recoupable MTA equipment deployment costs are recorded as *Prepaid MTA equipment deployment costs* and *Intangible assets* on our Consolidated Statement of Financial Position, and as these costs are recouped from incremental revenues that the MTA would otherwise be entitled to receive, *Prepaid MTA equipment deployment costs* will be reduced. If incremental revenues generated over the term of the agreement are not sufficient to cover all or a portion of the equipment deployment costs, the costs will not be recouped, which could have an adverse effect on our business, financial condition and results of operations, including impairment charges (see Note 4. *Long-Lived Assets* to the Consolidated Financial Statements). If we do not recoup all costs of deploying advertising and communications screens with respect to the New Inventory by the end of the term of the MTA Agreement, the MTA will be obligated to reimburse us for these costs. Deployment costs in an amount not to exceed $50.7 million, which are deemed authorized before December 31, 2020, will be paid directly by the MTA. For any deployment costs deemed authorized after December 31, 2020, the MTA and the Company will no longer be obligated to directly pay 70% and 30% of the costs, respectively, and these costs will be subject to recoupment in accordance with the MTA Agreement. We did not recoup any equipment deployment costs in the nine months ended September 30, 2023, and we do not expect to recoup any equipment deployment costs in the remainder of 2023. In addition, we currently do not expect to recoup any equipment deployment costs throughout the remainder of the Amended Term (as defined below) of the MTA Agreement. For the full year of 2023, we expect our MTA equipment deployment costs to be approximately $45.0 million. We expect our MTA equipment deployment costs to be approximately $50.0 million to $60.0 million in 2024. After 2024, we expect MTA equipment deployment costs to be approximately $30.0 million to $40.0 million annually throughout the remainder of the Amended Term (as defined below) of the MTA Agreement and encompass replacement costs. Accordingly, we expect annual MTA equipment deployment costs after 2024 to be significantly below 2023 levels as we expect to substantially complete our initial deployment during 2024.

- *Payments*. We must pay to the MTA the greater of a percentage of revenues or a guaranteed minimum annual payment. Our payment obligations with respect to guaranteed minimum annual payment amounts owed to the MTA resumed on January 1, 2021, in accordance with the terms of the MTA Agreement, and any guaranteed minimum annual payment amounts that would have been paid for the period from April 1, 2020 through December 31, 2020 (less any revenue share amounts actually paid during this period using an increased revenue share percentage of 65%) will instead be added in equal increments to the guaranteed minimum annual payment amounts owed for the period from January 1, 2022, through December 31, 2026. The MTA Agreement also provides that if prior to April 1, 2028 the balance of unrecovered costs of deploying advertising and communications screens throughout the transit system is equal to or less than zero, then in any year following the year in which such recoupment occurs (the "Recoupment Year"), the MTA is entitled to receive an additional payment equal to 2.5% of the annual base revenue amount for such year calculated in accordance with the MTA Agreement, provided that gross revenues in such year (i) were at least equal to the gross revenues generated in the Recoupment Year, and (ii) did not decline by more than 5% from the prior year.

- *Term*. In July 2021, we extended the initial 10-year term of the MTA Agreement to a 13-year base term (the "Amended Term"). We have the option to extend the Amended Term for an additional five-year period at the end of the Amended Term, subject to satisfying certain quantitative and qualitative conditions.

We may utilize cash on hand and/or incremental third-party financing to fund equipment deployment costs over the next couple of years. However, given the current heightened levels of inflation and related economic environment, we cannot reasonably estimate the aggregate financing amount, if any, at this time. As of September 30, 2023, we have issued surety bonds in favor of the MTA totaling approximately $136.0 million, which amount is subject to change as equipment installations are completed and revenues are generated. We expect transit franchise expenses, as a percentage of transit display revenues, to decline in the remainder of 2023, but remain above pre-COVID-19 pandemic levels and above 2022 levels, as a result of our expectation that revenues generated under the MTA Agreement in the remainder of 2023 will not grow at a compound annual growth rate above the inflation-adjusted guaranteed minimum annual payments to the MTA. As indicated in the table below, we incurred $32.7 million related to MTA equipment deployment costs in the nine months ended September 30, 2023 (which includes equipment deployment costs related to future deployments), for a total of $568.6 million to date, of which $33.9 million had been recouped from incremental revenues to date. As of September 30, 2023, 18,786 digital displays had been installed, composed of 5,117 digital advertising screens on subway and train platforms and entrances, 8,760 smaller-format digital advertising screens on rolling stock and 4,909 MTA communications displays. In the three months ended September 30, 2023, 2,028 installations occurred, for a total of 4,633 installations occurring in the nine months ended September 30, 2023.

During the second quarter of 2023, we performed an analysis of the carrying value of our long-lived asset groups within our U.S. Transit and Other reporting unit as a result of the triggering event noted above utilizing undiscounted cash flows compared to the carrying value of the asset groups. As a result, we recorded an impairment charge of $463.5 million in the second quarter of 2023, primarily representing a $443.1 million impairment charge related to our MTA asset group.

As a result of our continued expectation of negative aggregate cash flows related to our MTA asset group, we recorded an additional impairment charge of $12.1 million in the third quarter of 2023, representing additional MTA equipment deployment cost spending during the quarter. (See the "Critical Accounting Policies" section of this MD&A and Note 4. *Long-Lived Assets* to the Consolidated Financial Statements.)

(in millions)	Beginning Balance	Deployment Costs Incurred	Recoupment/MTA Funding	Amortization/Impairment	Reclassification	Ending Balance
Nine months ended September 30, 2023:						
Prepaid MTA equipment deployment costs	$ 363.2	$ 21.8	$ —	$ —	$ (385.0)	$ —
Other current assets	1.6	(0.4)	(0.1)	—	—	1.1
Intangible assets (franchise agreements)	62.0	11.3	—	(458.3)	385.0	—
Total	$ 426.8	$ 32.7	$ (0.1)	$ (458.3)	$ —	$ 1.1
Year ended December 31, 2022:						
Prepaid MTA equipment deployment costs	$ 279.8	$ 83.4	$ —	$ —	$ —	$ 363.2
Other current assets	5.2	0.1	(3.7)	—	—	1.6
Intangible assets (franchise agreements)	63.0	5.4	—	(6.4)	—	62.0
Total	$ 348.0	$ 88.9	$ (3.7)	$ (6.4)	$ —	$ 426.8

On November 2, 2023, we announced that our board of directors approved a quarterly cash dividend of $0.30 per share on our common stock, payable on December 29, 2023, to stockholders of record at the close of business on December 1, 2023.

Debt

Debt, net, consists of the following:

	As of	
(in millions, except percentages)	September 30, 2023	December 31, 2022
Short-term debt:		
AR Facility	$ 150.0	$ 30.0
Total short-term debt	150.0	30.0
Long-term debt:		
Term loan, due 2026	598.9	598.6
Senior unsecured notes:		
6.250% senior unsecured notes, due 2025	400.0	400.0
5.000% senior unsecured notes, due 2027	650.0	650.0
4.250% senior unsecured notes, due 2029	500.0	500.0
4.625% senior unsecured notes, due 2030	500.0	500.0
Total senior unsecured notes	2,050.0	2,050.0
Debt issuance costs	(18.9)	(22.6)
Total long-term debt, net	2,630.0	2,626.0
Total debt, net	$ 2,780.0	$ 2,656.0
Weighted average cost of debt	5.5 %	5.2 %

	Payments Due by Period				
(in millions)	**Total**	**2023**	**2024-2025**	**2026-2027**	**2028 and thereafter**
Long-term debt	$ 2,650.0	$ —	$ 400.0	$ 1,250.0	$ 1,000.0
Interest	760.4	153.5	280.0	237.2	89.7
Total	$ 3,410.4	$ 153.5	$ 680.0	$ 1,487.2	$ 1,089.7

Term Loan

The interest rate on the term loan due in 2026 (the "Term Loan") was 7.1% per annum as of September 30, 2023. As of September 30, 2023, a discount of $1.1 million on the Term Loan remains unamortized. The discount is being amortized through *Interest expense, net*, on the Consolidated Statement of Operations.

Revolving Credit Facility

We also have a $500.0 million revolving credit facility, which matures in 2028 (the "Revolving Credit Facility," together with the Term Loan, the "Senior Credit Facilities").

During the second quarter of 2023, the Company, along with its wholly-owned subsidiaries, Outfront Media Capital LLC ("Finance LLC") and Outfront Media Capital Corporation (together with Finance LLC, the "Borrowers"), and the other guarantors party thereto, entered into two amendments (the "Amendments") to the Credit Agreement (as defined below). The Amendments provide for (i) the replacement of the London Interbank Offered Rate with the Secured Overnight Financing Rate as the interest rate benchmark, (ii) the extension of the maturity date of the Revolving Credit Facility from its previous maturity date of November 18, 2024 to June 15, 2028, and (iii) an increase in the interest rate margins applicable to the Borrowers under the Revolving Credit Facility from a range of 1.25% to 1.75% to a range of 1.75% to 2.25%, in the case of Secured Overnight Financing Rate borrowings, based on the Borrowers' leverage ratio. The Amendments also include springing maturity refinancing provisions with respect to the Borrowers' outstanding term loan indebtedness and certain series of senior notes issued by the Borrowers, in each case, which have maturity dates prior to June 15, 2028, as well as other clarifying, conforming and ministerial changes to the Credit Agreement.

As of September 30, 2023, there were no outstanding borrowings under the Revolving Credit Facility.

The commitment fee based on the amount of unused commitments under the Revolving Credit Facility was $0.5 million in the three months ended September 30, 2023, $0.4 million in the three months ended September 30, 2022, $1.3 million in the nine months ended September 30, 2023, and $1.2 million in the nine months ended September 30, 2022. As of September 30, 2023, we had issued letters of credit totaling approximately $6.5 million against the letter of credit facility sublimit under the Revolving Credit Facility.

Standalone Letter of Credit Facilities

As of September 30, 2023, we had issued letters of credit totaling approximately $75.7 million under our aggregate $81.0 million standalone letter of credit facilities. The total fees under the letter of credit facilities were immaterial in each of the three and nine months ended September 30, 2023 and 2022.

Accounts Receivable Securitization Facility

As of September 30, 2023, we have a $150.0 million revolving accounts receivable securitization facility (the "AR Facility"), which terminates in May 2025, unless further extended.

In connection with the AR Facility, Outfront Media LLC and Outfront Media Outernet Inc., each a wholly-owned subsidiary of the Company, and certain of the Company's TRSs (the "Originators"), will sell and/or contribute their respective existing and future accounts receivable and certain related assets to either Outfront Media Receivables LLC, a special purpose vehicle and wholly-owned subsidiary of the Company relating to the Company's qualified REIT subsidiary accounts receivable assets (the "QRS SPV") or Outfront Media Receivables TRS, LLC a special purpose vehicle and wholly-owned subsidiary of the Company relating to the Company's TRS accounts receivable assets (the "TRS SPV" and together with the QRS SPV, the "SPVs"). The SPVs may transfer undivided interests in their respective accounts receivable assets to certain purchasers from time to time (the "Purchasers"). The SPVs are separate legal entities with their own separate creditors who will be entitled to access the SPVs' assets before the assets become available to the Company. Accordingly, the SPVs' assets are not available to pay creditors of the Company or any of its subsidiaries, although collections from the receivables in excess of amounts required to repay the Purchasers and other creditors of the SPVs may be remitted to the Company. Outfront Media LLC will service the accounts receivables on behalf of the SPVs for a fee. The Company has agreed to guarantee the performance of the Originators and Outfront Media LLC, in its capacity as servicer, of their respective obligations under the agreements governing the AR Facility. Neither the Company, the Originators nor the SPVs guarantee the collectability of the receivables under the AR Facility. Further, the TRS SPV and the QRS SPV are jointly and severally liable for their respective obligations under the agreements governing the AR Facility.

As of September 30, 2023, there were $150.0 million of outstanding borrowings under the AR Facility, at a borrowing rate of 6.4%. As of September 30, 2023, there is no borrowing capacity remaining under the AR Facility based on approximately $317.7 million of accounts receivable that could be used as collateral for the AR Facility in accordance with the agreements governing the AR Facility. The commitment fee based on the amount of unused commitments under the AR Facility was immaterial for the three months ended September 30, 2023, $0.1 million for the nine months ended September 30, 2023, and immaterial for each of the three and nine months ended September 30, 2022. As of November 2, 2023, there were $140.0 million of outstanding borrowings under the AR Facility, at a borrowing rate of 6.4%.

Debt Covenants

Our credit agreement, dated as of January 31, 2014 (as amended, restated, amended and restated, supplemented or otherwise modified, the “Credit Agreement”), governing the Senior Credit Facilities, the agreements governing the AR Facility, and the indentures governing our senior unsecured notes contain customary affirmative and negative covenants, subject to certain exceptions, including but not limited to those that restrict the Company’s and its subsidiaries’ abilities to (i) pay dividends on, repurchase or make distributions in respect to the Company’s or its wholly-owned subsidiary, Outfront Media Capital LLC’s capital stock or make other restricted payments other than dividends or distributions necessary for us to maintain our REIT status, subject to certain conditions and exceptions, (ii) enter into agreements restricting certain subsidiaries’ ability to pay dividends or make other intercompany or third-party transfers, and (iii) incur additional indebtedness. One of the exceptions to the restriction on our ability to incur additional indebtedness is satisfaction of a Consolidated Total Leverage Ratio, which is the ratio of our consolidated total debt to our Consolidated EBITDA (as defined in the Credit Agreement) for the trailing four consecutive quarters, of no greater than 6.0 to 1.0. As of September 30, 2023, our Consolidated Total Leverage Ratio was 5.2 to 1.0 in accordance with the Credit Agreement.

The terms of the Credit Agreement (and under certain circumstances, the agreements governing the AR Facility) require that we maintain a Consolidated Net Secured Leverage Ratio, which is the ratio of (i) our consolidated secured debt (less up to $150.0 million of unrestricted cash) to (ii) our Consolidated EBITDA (as defined in the Credit Agreement) for the trailing four consecutive quarters, of no greater than 4.5 to 1.0. As of September 30, 2023, our Consolidated Net Secured Leverage Ratio was 1.1 to 1.0 in accordance with the Credit Agreement. As of September 30, 2023, we are in compliance with our debt covenants.

Deferred Financing Costs

As of September 30, 2023, we had deferred $24.1 million in fees and expenses associated with the Term Loan, Revolving Credit Facility, AR Facility and our senior unsecured notes. We are amortizing the deferred fees through *Interest expense, net,* on our Consolidated Statement of Operations over the respective terms of the Term Loan, Revolving Credit Facility, AR Facility and our senior unsecured notes.

Equity

At-the-Market Equity Offering Program

We have a sales agreement in connection with an “at-the-market” equity offering program (the “ATM Program”), under which we may, from time to time, issue and sell shares of our common stock up to an aggregate offering price of $300.0 million. We have no obligation to sell any of our common stock under the sales agreement and may at any time suspend solicitations and offers under the sales agreement. No shares were sold under the ATM Program during the nine months ended September 30, 2023. As of September 30, 2023, we had approximately $232.5 million of capacity remaining under the ATM Program.

Series A Preferred Stock Issuance

On April 20, 2020, we issued 400,000 shares of our Series A Convertible Perpetual Preferred Stock (the “Series A Preferred Stock”), par value $0.01 per share. The Series A Preferred Stock ranks senior to the shares of the Company’s common stock with respect to dividend and distribution rights. Holders of the Series A Preferred Stock are entitled to a cumulative dividend accruing at the initial rate of 7.0% per year, payable quarterly in arrears, subject to increases as set forth in the Articles

Supplementary, effective as of April 20, 2020 (the "Articles"). Dividends may, at the option of the Company, be paid in cash, in-kind, through the issuance of additional shares of Series A Preferred Stock or a combination of cash and in-kind, until April 20, 2028, after which time dividends will be payable solely in cash. So long as any shares of Series A Preferred Stock remain outstanding, the Company may not, without the consent of a specified percentage of holders of shares of Series A Preferred Stock, declare a dividend on, or make any distributions relating to, capital stock that ranks junior to, or on a parity basis with, the Series A Preferred Stock, subject to certain exceptions, including but not limited to (i) any dividend or distribution in cash or capital stock of the Company on or in respect of the capital stock of the Company to the extent that such dividend or distribution is necessary to maintain the Company's status as a REIT; and (ii) any dividend or distribution in cash in respect of our common stock that, together with the dividends or distributions during the 12-month period immediately preceding such dividend or distribution, is not in excess of 5% of the aggregate dividends or distributions paid by the Company necessary to maintain its REIT status during such 12-month period. If any dividends or distributions in respect of the shares of our common stock are paid in cash, the shares of Series A Preferred Stock will participate in the dividends or distributions on an as-converted basis up to the amount of their accrued dividend for such quarter, which amounts will reduce the dividends payable on the shares of Series A Preferred Stock dollar-for-dollar for such quarter. The Series A Preferred Stock is convertible at the option of any holder at any time into shares of our common stock at an initial conversion price of $16.00 per share and an initial conversion rate of 62.50 shares of our common stock per share of Series A Preferred Stock, subject to certain anti-dilution adjustments and a share cap as set forth in the Articles. Subject to certain conditions set forth in the Articles (including a change of control), each of the Company and the holders of the Series A Preferred Stock may convert or redeem the Series A Preferred Stock at the prices set forth in the Articles, plus any accrued and unpaid dividends.

Cash Flows

The following table presents our cash flows in the nine months ended September 30, 2023 and 2022.

	Nine Months Ended September 30,		%
(in millions, except percentages)	**2023**	**2022**	**Change**
Net cash flow provided by operating activities	$ 149.2	$ 174.8	(15)%
Net cash flow used for investing activities	(93.4)	(351.3)	(73)
Net cash flow used for financing activities	(51.9)	(165.6)	(69)
Effect of exchange rate changes on cash, cash equivalents	0.1	(1.2)	*
Net increase (decrease) in cash and cash equivalents	$ 4.0	$ (343.3)	*

* Calculation is not meaningful.

Cash provided by operating activities decreased $25.6 million, or 15%, in the nine months ended September 30, 2023, compared to the same prior-year period, due primarily to lower net income in 2023 compared to 2022, due to increased operating and SG&A expenses, and higher interest expense, as well as the timing of payments, partially offset by a decrease in prepaid MTA equipment deployment costs. In the nine months ended September 30, 2023, we paid net cash of $33.4 million related to MTA equipment deployment costs and installed 4,633 digital displays. In the nine months ended September 30, 2022, we paid net cash of $57.5 million related to MTA equipment deployment costs and installed 2,565 digital displays.

Cash used for investing activities decreased $257.9 million, or 73%, in the nine months ended September 30, 2023, compared to the same prior-year period, due primarily to lower cash paid for acquisitions.

The following table presents our capital expenditures in the nine months ended September 30, 2023 and 2022.

	Nine Months Ended September 30,		%
(in millions, except percentages)	**2023**	**2022**	**Change**
Growth	$ 39.1	$ 47.6	(18)%
Maintenance	24.5	19.0	29
Total capital expenditures	$ 63.6	$ 66.6	(5)

Capital expenditures decreased $3.0 million, or 5%, in the nine months ended September 30, 2023, compared to the same prior-year period, primarily due to the timing of payments related to growth in digital displays and maintenance spending for billboard display upgrades, partially offset by higher spending related to the renovation of certain office facilities.

For the full year of 2023, we expect our capital expenditures to be approximately $80.0 million to $85.0 million, which will be used primarily for growth in digital displays, the renovation of certain office facilities, software and technology, maintenance, and safety-related projects. This estimate does not include equipment deployment costs that will be incurred in connection with the MTA Agreement (as described above).

Cash used for financing activities decreased $113.7 million, or 69%, in the nine months ended September 30, 2023, compared to the same prior-year period. In the nine months ended September 30, 2023, we drew $120.0 million of borrowings on the AR Facility and paid total cash dividends of $155.4 million on our common stock, the Series A Preferred Stock and vested restricted share units granted to employees. In the nine months ended September 30, 2022, we paid total cash dividends of $154.3 million on our common stock, the Series A Preferred Stock and vested restricted share units granted to employees.

Cash paid for income taxes was $5.9 million in the nine months ended September 30, 2023 and $3.1 million in the nine months ended September 30, 2022. The increase was primarily due to the timing of Canadian estimated income tax payments.

Off-Balance Sheet Arrangements

Our off-balance sheet commitments primarily consist of guaranteed minimum annual payments. (See Note 16. *Commitments and Contingencies* to the Consolidated Financial Statements for information about our off-balance sheet commitments.)

Critical Accounting Policies

The preparation of our financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. On an ongoing basis, we evaluate these estimates, which are based on historical experience and on various assumptions that we believe are reasonable under the circumstances, including the impact of events such as the COVID-19 pandemic and the current heightened levels of inflation. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions.

MTA Agreement

Under the current MTA Agreement, which is subject to modification as agreed-upon by us and the MTA, we are obligated to deploy, over a number of years, (i) 5,433 digital advertising screens on subway and train platforms and entrances, (ii) 15,896 smaller-format digital advertising screens on rolling stock, and (iii) 9,283 MTA communications displays. In addition, we are entitled to generate revenue through the sale of advertising on transit advertising displays and incur transit franchise expenses, which are calculated based on contractually stipulated percentages of revenue generated under the contract, subject to a minimum guarantee.

Title of the various digital displays transfers to the MTA on installation, therefore the cost of deploying these screens throughout the transit system does not represent our property and equipment. The portion of recoupable MTA equipment deployment costs expected to be reimbursed from transit franchise fees that would otherwise be payable to the MTA are recorded as *Prepaid MTA equipment deployment costs* on the Consolidated Statement of Financial Position and charged to operating expenses as advertising revenue is generated. The short-term portion of *Prepaid MTA equipment deployment costs* represents the costs that we expect to recover from the MTA in the next twelve months. The portion of deployment costs expected to be reimbursed from advertising revenues that would otherwise be retained by us under the contract are recorded as *Intangible assets* on the Consolidated Statement of Financial Position and charged to amortization expense on a straight-line basis over the contract period. We assess the recoverability of the MTA contract on an as-needed basis and apply significant judgment in assessing factors to determine if there is an indication that the revenues expected to be generated over the term of the agreement will be sufficient to cover all or a portion of the equipment deployment costs, including evaluating macroeconomic conditions, product demand, industry trends, and events specific to the Company, including monitoring the Company’s actual installation of digital displays against the deployment schedule. Additionally, we assess these factors by comparing revenue projections of the deployed digital displays to actual financial results.

If we do not generate sufficient advertising revenues from the MTA contract, there is a risk that the related *Prepaid MTA equipment deployment costs* and *Intangible assets* may not be recoverable. Management assesses the prepaid MTA equipment deployment costs for recoverability on a quarterly basis. This assessment requires evaluating qualitative and quantitative factors to determine if there is an indication that the carrying amount may not be recoverable. Management applies significant judgment in assessing these factors, including evaluating macroeconomic conditions, product demand, industry trends, and events specific to the Company, including monitoring the Company's actual installation of digital displays against the initial deployment schedule.

Additionally, management assesses quantitative factors by comparing revenue projections of the deployed digital displays to actual financial results. In 2022, we updated our projections and did not identify a triggering event for an impairment review of our *Prepaid MTA equipment deployment costs*. The projections utilized for 2022 assumed the continued recovery of transit ridership and revenues towards pre-COVID-19 levels and expected growth in revenue generation from our significant digital deployment throughout the MTA transit system as required by the MTA Agreement. By the end of the first half of 2023, it was determined that our MTA transit revenue recovery had stalled since our MTA transit revenue did not meet our revenue expectations, and as of June 30, 2023, our revenue pacing and outlook for the remainder of 2023 reflects a continued decline in MTA transit revenues as compared to our 2023 forecast due to the underperformance across the MTA transit system. Accordingly, in the second quarter of 2023, we updated our revenue projections to reflect no growth in 2023 followed by 5% to 10% growth throughout the remainder of the Amended Term of the MTA Agreement. As a result of the reduced revenue forecast and reduced time remaining on the Amended Term of the MTA Agreement, we currently do not expect to recoup any *Prepaid MTA equipment deployment costs* throughout the remainder of the Amended Term of the MTA Agreement. As a result, in the second quarter of 2023, we reclassified $385.0 million of *Prepaid MTA equipment deployment costs* to *Intangible Assets.* We then reviewed our MTA long-lived asset group to determine if there was a triggering event for impairment, noting that we were projecting negative aggregate cash flows of approximately $50.0 million through the remainder of the Amended Term of the MTA Agreement. Consequently, in the second quarter of 2023, we recorded an impairment charge of $443.1 million, representing all of our MTA long-lived asset group.

All future deployment costs spending will be recorded as *Intangible assets* rather than as *Prepaid MTA equipment deployment costs* until such time as we project to recoup spending from transit franchise fees that would otherwise be payable to the MTA, which we currently do not expect throughout the remainder of the Amended Term of the MTA Agreement. Even if we do not recoup our spending from transit franchise fees that would otherwise be payable to the MTA, our current projections are that the MTA Agreement will be cash flow neutral (i.e., Adjusted OIBDA related to the MTA Agreement will equal MTA equipment deployment costs) over the remaining Amended Term of the MTA Agreement beginning during 2024. We will assess these equipment deployment costs for impairment each period. Currently, future impairment charges (i) are expected to be required during the remainder of 2023 with respect to all or a portion of the up to approximately $10.0 million to $15.0 million of MTA equipment deployment costs we expect to spend in the remainder of 2023, (ii) may be required during 2024 with respect to all or a portion of the up to approximately $50.0 million to $60.0 million of MTA equipment deployment costs we expect to spend in 2024, and (iii) may be required beyond 2024 with respect to all or a portion of the additional MTA equipment deployment costs we will be required to incur under the MTA Agreement, in each case, to the extent we continue to project cash flow losses throughout the remainder of the Amended Term of the MTA Agreement based on the assumptions and estimates described in this section and/or other factors that may arise.

Our performance during the third quarter of 2023 is in line with our expectations as of the end of the second quarter of 2023. We evaluated our long-term MTA revenue projections as of the end of the third quarter of 2023, and we continue to believe that MTA transit revenue for 2023 will be flat compared to the prior year period; we are also not aware of any changes in facts or circumstances, which would result in a change to our long-term revenue projections. As a result, we continue to project negative aggregate cash flows of $35.0 million until we will be cash flow neutral beginning during 2024. Consequently, we recorded an additional impairment charge in the third quarter of 2023, of $12.1 million, representing the additional equipment deployment cost spending during the quarter.

We performed a sensitivity analysis on our MTA transit revenue assumptions at the time of the impairment during the second quarter of 2023, noting that a change in our annual revenue growth rate of 1% between 2024 and 2030, holding all other assumptions constant except for variable sales compensation, would result in an approximately $70.0 million aggregate change in estimated cash flows. The assumptions and estimates included in our analysis require significant judgment about future events, market conditions and financial performance. Actual results may differ from our assumptions. There can be no assurance that these estimates and assumptions will prove to be an accurate prediction of the future, and a downward revision of these estimates and/or assumptions would decrease our cash flows, which could result in additional impairment charges in the future.

Goodwill

We test goodwill qualitatively and/or quantitatively at the reporting-unit level annually for impairment as of October 31 of each year and between annual tests if events occur or circumstances change that would more likely than not reduce the fair value below its carrying amount. A qualitative test assesses macroeconomic conditions, industry and market conditions, cost factors, overall financial performance and other relevant entity specific events, as well as events affecting a reporting unit. If after the qualitative assessment, we determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we perform a quantitative assessment. We may also choose to only perform a quantitative assessment. We compute the estimated fair value of each reporting unit for which we perform a quantitative assessment by using an income approach. Under the income approach, the fair value is determined using a discounted cash flow model. Our discounted cash flow value is calculated by adding the present value of the estimated annual cash flows over a discrete projection period to the terminal value, which represents the value of the projected cash flows beyond the discrete projection period. Our discounted cash flow model requires us to use significant estimates and assumptions such as projected revenue growth rates, terminal growth rates, billboard lease and transit franchise expenses, other operating and selling, general and administrative expenses, capital expenditures, contract renewals and extensions, and discount rates. The estimated growth rates, operating margins and capital expenditures for the projection period are based on our internal forecasts of future performance as well as historical trends. The terminal value is estimated based on a perpetual nominal growth rate, which is based on projected long-range inflation and long-term industry projections. The discount rates represent the weighted average cost of capital derived using known and estimated market metrics.

The estimated fair value of the U.S. Transit and Other reporting unit exceeded its carrying value by 28% as of December 31, 2022, based on our goodwill impairment assessment in the prior year. The projections utilized for 2022 assumed the continued recovery of transit ridership and revenues towards pre-COVID-19 levels and expected revenue generation from our significant digital deployment in the MTA and other transit systems. By the end of the first half of 2023, it was determined that our transit revenue recovery had stalled since our U.S. Transit and Other reporting unit did not meet revenue expectations, and as of June 30, 2023, our pacing and outlook for the remainder of 2023 reflects a continued decline in transit revenues as compared to our 2023 forecast due to the underperformance across our transit business, including the MTA transit system. As a result, we determined that there was a triggering event requiring an interim goodwill impairment analysis of our U.S. Transit and Other reporting unit.

Our current discounted cash flow model assumptions and estimates with respect to revenues in our U.S. Transit and Other reporting unit is currently projected to slightly decline in 2023 before growing in the mid-single digits in 2024, high single digits in 2025-2026 and then trending back to a mid-single digit growth rate thereafter. We believe this growth will be driven by expected revenue generation from increased demand for transit digital displays due to additional rolling stock digital deployment in the MTA transit system and additional digital deployment in other transit systems, product enhancements to our transit digital display and related assets, and a gradual increase in transit ridership over the remaining terms of our transit franchise agreements. Additionally, we are currently no longer assuming that we will exercise the five-year extension to the Amended Term of the MTA Agreement due to our lowered revenue growth assumptions and currently contractually required increase to the minimum annual guarantee payments to the MTA during the extension period. Other than with respect to the MTA Agreement, we are assuming that we will be able to renew our significant transit franchise agreements.

As a result of the impairment analysis performed during the second quarter of 2023, we determined that the carrying value of our U.S. Transit and Other reporting unit exceeded its fair value and we recorded an impairment charge of $47.6 million in the Consolidated Statements of Operations, representing the entire goodwill balance associated with the reporting unit.

As of September 30, 2023, the goodwill balances associated with the U.S. Billboard reporting unit was $2,006.4 million and the Canada reporting unit was $22.5 million.

The assumptions and estimates included in our analysis require significant judgment about future events, market conditions and financial performance. Actual results may differ from our assumptions. There can be no assurance that these estimates and assumptions will prove to be an accurate prediction of the future, and a downward revision of these estimates and/or assumptions would decrease the fair values of our reporting units, which could result in additional impairment charges in the future.

For further information regarding accounting policies we consider to be the most critical as they are significant to our financial condition and results of operations, and require significant judgment and estimates on the part of management in their application, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies” in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023.

For a summary of our significant accounting policies, see Item 8., Note 2. *Summary of Significant Accounting Policies* to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023.

Accounting Standards

See Note 2. *New Accounting Standards* to the Consolidated Financial Statements for information about the adoption of new accounting standards and recent accounting pronouncements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have made statements in this MD&A and other sections of this Quarterly Report on Form 10-Q that are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “could,” “would,” “may,” “might,” “will,” “should,” “seeks,” “likely,” “intends,” “plans,” “projects,” “predicts,” “estimates,” “forecast” or “anticipates” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions related to our capital resources, portfolio performance and results of operations. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and may not be able to be realized. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- Consummating the Transaction may be more difficult, costly, or time consuming for the Company and its management than expected and the anticipated benefits of the Transaction may not be fully realized;
- The Transaction parties being unable to satisfy closing conditions, including necessary regulatory approval for the Transaction (or obtaining regulatory approval for the Transaction subject to conditions that are not anticipated), which could delay or cause the parties to abandon or terminate the Transaction;
- Declines in advertising and general economic conditions, including the current heightened levels of inflation;
- The severity and duration of pandemics, and the impact on our business, financial condition and results of operations;
- Competition;
- Government regulation;
- Our ability to implement our digital display platform and deploy digital advertising displays to our transit franchise partners;
- Losses and costs resulting from recalls and product liability, warranty and intellectual property claims;
- Our ability to obtain and renew key municipal contracts on favorable terms;
- Taxes, fees and registration requirements;
- Decreased government compensation for the removal of lawful billboards;
- Content-based restrictions on outdoor advertising;
- Seasonal variations;
- Acquisitions and other strategic transactions that we may pursue could have a negative effect on our results of operations;
- Dependence on our management team and other key employees;
- Diverse risks in our Canadian business;
- Experiencing a cybersecurity incident;
- Changes in regulations and consumer concerns regarding privacy, information security and data, or any failure or perceived failure to comply with these regulations or our internal policies;
- Asset impairment charges for our long-lived assets and goodwill;
- Environmental, health and safety laws and regulations;
- Expectations relating to environmental, social and governance considerations;
- Our substantial indebtedness;
- Restrictions in the agreements governing our indebtedness;
- Incurrence of additional debt;
- Interest rate risk exposure from our variable-rate indebtedness;
- Our ability to generate cash to service our indebtedness;
- Cash available for distributions;
- Hedging transactions;
- The ability of our board of directors to cause us to issue additional shares of stock without common stockholder approval;
- Certain provisions of Maryland law may limit the ability of a third party to acquire control of us;
- Our rights and the rights of our stockholders to take action against our directors and officers are limited;
- Our failure to remain qualified to be taxed as a REIT;
- REIT distribution requirements;
- Availability of external sources of capital;
- We may face other tax liabilities even if we remain qualified to be taxed as a REIT;

- Complying with REIT requirements may cause us to liquidate investments or forgo otherwise attractive investments or business opportunities;
- Our ability to contribute certain contracts to a TRS;
- Our planned use of TRSs may cause us to fail to remain qualified to be taxed as a REIT;
- REIT ownership limits;
- Complying with REIT requirements may limit our ability to hedge effectively;
- Failure to meet the REIT income tests as a result of receiving non-qualifying income;
- The Internal Revenue Service may deem the gains from sales of our outdoor advertising assets to be subject to a 100% prohibited transaction tax; and
- Establishing operating partnerships as part of our REIT structure.

While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. All forward-looking statements in this Quarterly Report on Form 10-Q apply as of the date of this report or as of the date they were made and, except as required by applicable law, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to commodity prices and foreign currency exchange rates, and to a limited extent, interest rates and credit risks.

Commodity Price Risk

We incur various operating costs that are subject to price risk caused by volatility in underlying commodity values. Commodity price risk is present in electricity costs associated with powering our digital billboard displays and lighting our traditional static billboard displays at night.

We do not currently use derivatives or other financial instruments to mitigate our exposure to commodity price risk. However, we do enter into contracts with commodity providers to limit our exposure to commodity price fluctuations. For the year ended December 31, 2022, such contracts accounted for 6.2% of our total utility costs. As of September 30, 2023, we had active electricity purchase agreements with fixed contract rates for locations in Illinois, New York and Texas, which expire at various dates through May 2025.

Foreign Exchange Risk

Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating our Canadian business's statements of earnings and statements of financial position from functional currency to our reporting currency (the U.S. Dollar) for consolidation purposes. Any gain or loss on translation is included within comprehensive income and *Accumulated other comprehensive income* on our Consolidated Statement of Financial Position. The functional currency of our international subsidiaries is their respective local currency. As of September 30, 2023, we have $8.6 million of unrecognized foreign currency translation losses included within *Accumulated other comprehensive loss* on our Consolidated Statement of Financial Position.

Substantially all of our transactions at our Canadian subsidiary are denominated in their local functional currency, thereby reducing our risk of foreign currency transaction gains or losses.

We do not currently use derivatives or other financial instruments to mitigate foreign currency risk, although we may do so in the future.

Interest Rate Risk

We are subject to interest rate risk to the extent we have variable-rate debt outstanding including under the Senior Credit Facilities and the AR Facility.

As of September 30, 2023, we had a $600.0 million variable-rate Term Loan due 2026 outstanding, which has an interest rate of 7.1% per year. An increase or decrease of 1/4% in our interest rate on the Term Loan will change our annualized interest expense by approximately $1.5 million.

As of September 30, 2023, there were $150.0 million of outstanding borrowings under the AR Facility, at a borrowing rate of 6.4%. An increase or decrease of 1/4% in our interest rate on the AR Facility will change our annualized interest expense by approximately $0.4 million. As of November 2, 2023, there were $140.0 million of outstanding borrowings under the AR Facility, at a borrowing rate of 6.4%.

We are not currently using derivatives or other financial instruments to mitigate interest rate risk, although we may do so in the future.

Credit Risk

In the opinion of our management, credit risk is limited due to the large number of customers and advertising agencies utilized. We perform credit evaluations on our customers and agencies and believe that the allowances for credit losses are adequate. We do not currently use derivatives or other financial instruments to mitigate credit risk.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management has carried out an evaluation, under the supervision of and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report, were effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control Over Financial Reporting

In designing and evaluating our disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II

Item 1. Legal Proceedings.

On an ongoing basis, we are engaged in lawsuits and governmental proceedings and respond to various investigations, inquiries, notices and claims from national, state and local governmental and other authorities (collectively, “litigation”). Litigation is inherently uncertain and always difficult to predict. Although it is not possible to predict with certainty the eventual outcome of any litigation, in our opinion, none of our current litigation is expected to have a material adverse effect on our results of operations, financial position or cash flows.

Item 1A. Risk Factors.

We have disclosed the risk factors affecting our business, results of operations and financial condition in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023. There have been no material changes from the risk factors previously disclosed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

None.

Purchases of Equity Securities by the Issuer

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
July 1, 2023 through July 31, 2023	—	$ —	—	—
August 1, 2023 through August 31, 2023	—	—	—	—
September 1, 2023 through September 30, 2023	—	—	—	—
Total	—	—	—	—

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

See Exhibit Index immediately following this Item, which is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Description
2.1	Share Purchase Agreement, dated October 22, 2023, by and among OUTFRONT Media Inc., Outfront Canada HoldCo 2 LLC, Outfront Canada Sub LLC, and Bell Media Inc. (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-36367), filed on October 23, 2023).
3.1	Articles of Amendment and Restatement of OUTFRONT Media Inc. effective March 28, 2014, as amended by the Articles of Amendment of OUTFRONT Media Inc. effective November 20, 2014 and June 10, 2019 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-36367), filed on June 10, 2019).
3.2	Amended and Restated Bylaws of OUTFRONT Media Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-36367), filed on December 9, 2022).
3.3	Articles Supplementary of OUTFRONT Media Inc. effective April 20, 2020 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-36367), filed on April 21, 2020).
31.1	Certification of the Chief Executive Officer of OUTFRONT Media Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer of OUTFRONT Media Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer of OUTFRONT Media Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002.
32.2	Certification of the Chief Financial Officer of OUTFRONT Media Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Definition Document
101.LAB	Inline XBRL Taxonomy Label Linkbase
101.PRE	Inline XBRL Taxonomy Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OUTFRONT MEDIA INC.

By: /s/ Matthew Siegel

Name: Matthew Siegel

Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Date: November 3, 2023

Exhibit 31.1

CERTIFICATION

I, Jeremy J. Male, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OUTFRONT Media Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

By: /s/ Jeremy J. Male

Name: Jeremy J. Male
Title: Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Matthew Siegel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OUTFRONT Media Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

By: /s/ Matthew Siegel

Name: Matthew Siegel
Title: Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002

In connection with the Quarterly Report of OUTFRONT Media Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeremy J. Male, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2023

By: /s/ Jeremy J. Male

Name: Jeremy J. Male
Title: Chairman and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002**

In connection with the Quarterly Report of OUTFRONT Media Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Siegel, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2023

By: /s/ Matthew Siegel

Name:	Matthew Siegel
Title:	Executive Vice President and Chief Financial Officer