



THINK LOCALLY:

Understanding Cable TV For The Local Marketplace

☰ 1Q '18 REPORT



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Summary

Consumer choice for video has never been higher and with over \$225 billion invested in programming over the last five years, multiplatform TV brands are well-positioned as the primary resource to deliver a continuous stream of premium content.

The collective scale of MVPDs and high reach of TV provides both an audience and advertising advantage for cable TV that is unmatched. Among other genres, cable TV is the definitive source for breaking news and impassioned conversation within America's endless news cycle as well as being the home to countless breathtaking moments in sports that unfold every night.

No longer just a passive viewing experience, the passion that surrounds TV content extends online and drives social conversation virtually every night of the year. In fact, some of the most "talked" about topics on social media revolve around TV programs and characters that people, from Gen Z to Boomers, are watching in real-time and completely immersed by.

Further cable TV capabilities include MVPD Video-On-Demand which offers the ultimate platform for consumer choice with libraries that easily dwarf those of the most popular SVOD services, while addressability provides advanced targeting options that align with matchable subscriber data at the set-top box level.

Most importantly, TV (and cable TV specifically) drives business outcomes. Through several VAB-conducted analyses we've seen significant upticks in website traffic, search and social curiosity nearly immediately after an advertiser launches a TV campaign. Of course, the powerful branding and "call-to-action" aspects of television also has the ability to drive brand sales and increase revenues.

Continue reading to learn more about cable TV for local market planning...

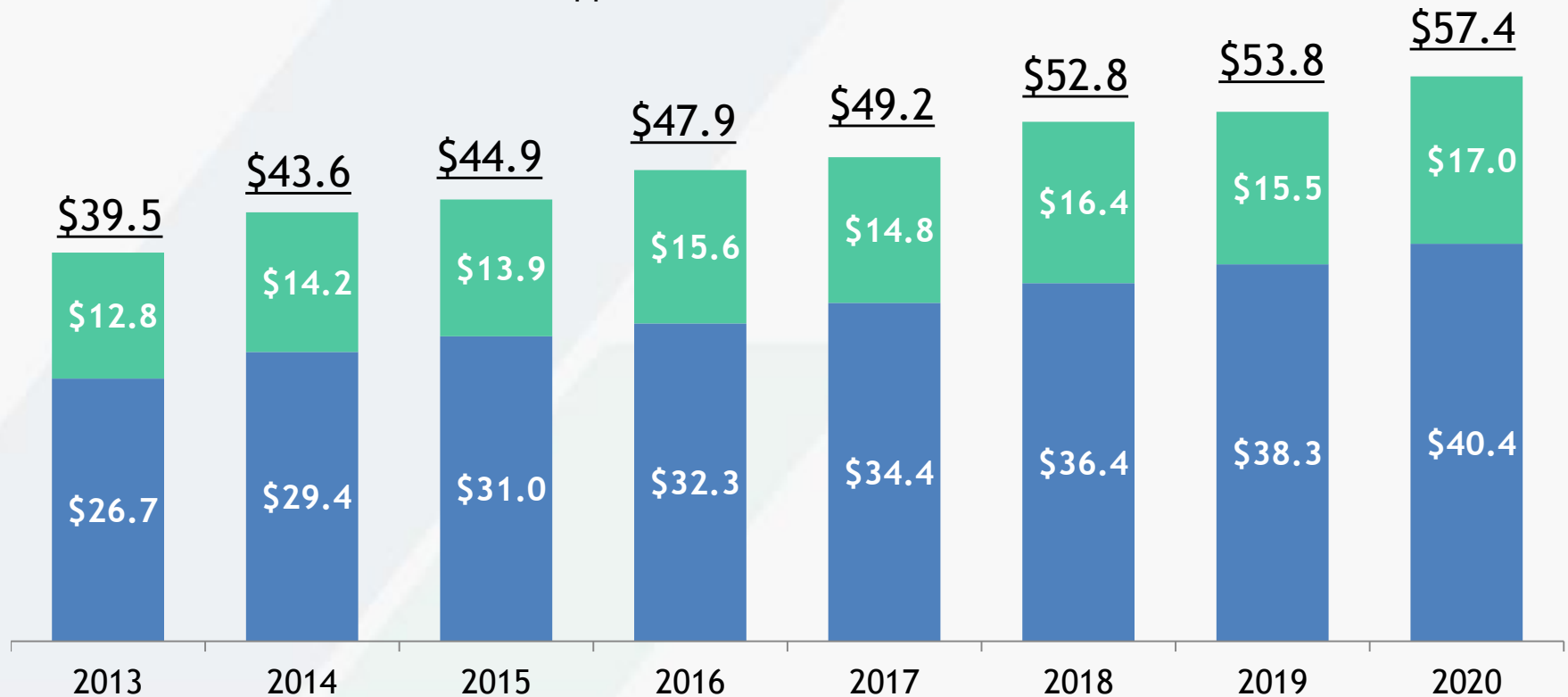


TV's Programming Investment

Ad-Supported TV Has Invested \$225 Billion In Premium Content Over The Last 5 Years With Cable Leading The Charge

Programming Expenses
(\$Billions)

■ Ad-Supported Cable TV ■ Broadcast TV



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Source: SNL Kagan 2017

\$225 Billion Has Fueled A Wealth of New Content - Original Cable Programming Has Increased **68%** Across Major Genres

Genre	# Originals/Jan '08	# Originals/Jan '18
Drama	57	230
Children	141	179
Comedy	51	157
General Documentary	488	938
Instruction/ Advice	373	298
Sports	339	629

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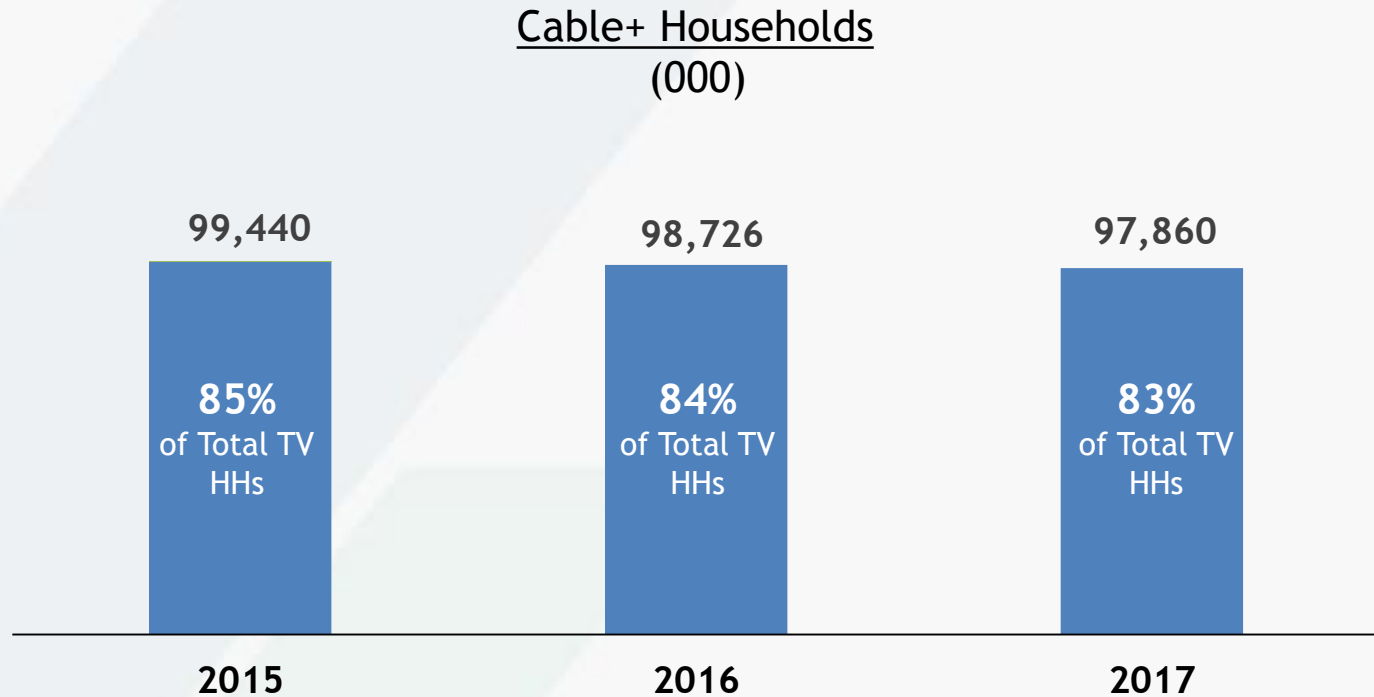
Source: Nielsen NPOWER program level Live; Ad-Supported Cable, Total Day, January '08 vs. January '18



The Real Scale of MVPDs



The Vast Majority of US Households, Nearly 100 Million, Subscribe To A Cable, Satellite, Or Telco Service



Cable+: A household that subscribes to Wired cable, Telco or Satellite service

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Source: Nielsen Total Audience Report, Q2 '17, Q4 '16, Q4 '15. In Q2 '17, Nielsen changed its terminology for this analysis from "cable+" to "Total Multichannel."

Over the Past 5 Years, Cable+ Has Remained Largely Unchanged

Contrary to the hype, last year Cable+ households declined by less than 1%

Cable+ Household Trend
(000)



vs. Year Prior

- 0.4%

- 1.8%

- 1.5%

- 0.7%

- 0.9%

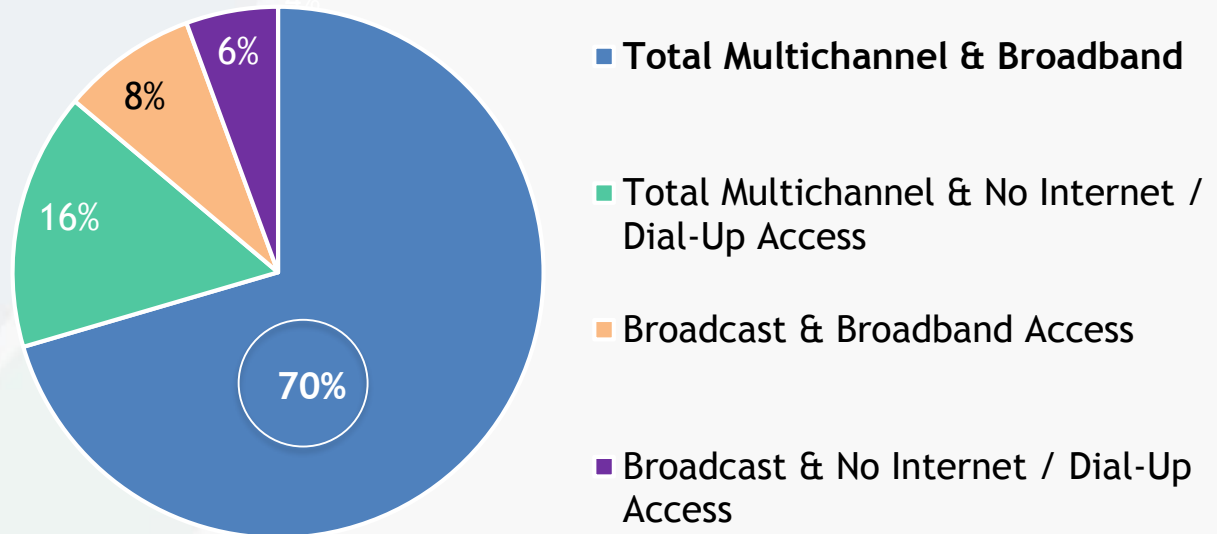
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Source: Nielsen Total Audience Report, Q2 '17, Q4 '16, Q4 '15, Q4 '14, Q4 '13; Cable+ = Wired Cable, Telco, Satellite. In Q2 '17, Nielsen changed its terminology for this analysis from "cable+" to "Total Multichannel."

The Majority Of Homes With Broadband Access Subscribe to A Cable, Satellite or Telco Provider

Most homes subscribe to triple-play bundles offering deals on phone, internet, and cable

Provider Type With Internet Access, Q2 2017
Households (%)

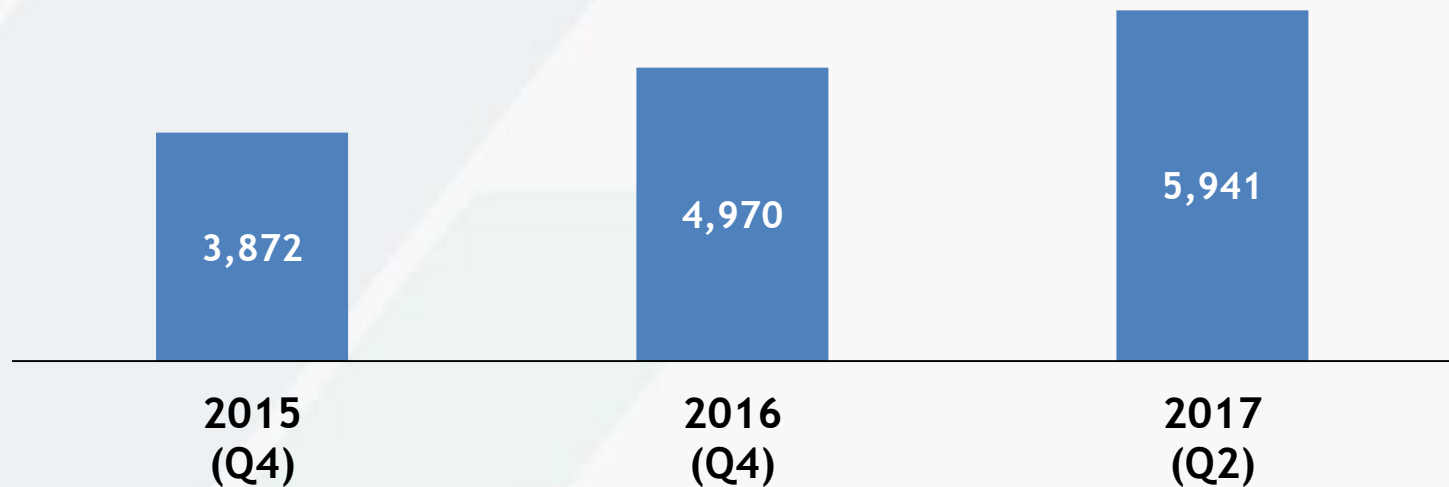


Source: Nielsen Total Audience Report, Q2 '17, Total Multichannel includes wired cable, telco, satellite and virtual providers.

Broadband Only: A HH with at least one operable TV/monitor that receives video exclusively through a broadband internet connection instead of a traditional means (over the air, wired cable, telco, satellite). Broadcast Only: A mode of television content delivery that does not involve satellite transmission or cables (i.e. a paid service). Also commonly referred to as "over the air"

Although The Number Has Risen, Broadband Only Represents 4.8% Of All U.S. Households

Broadband Only Households (000)

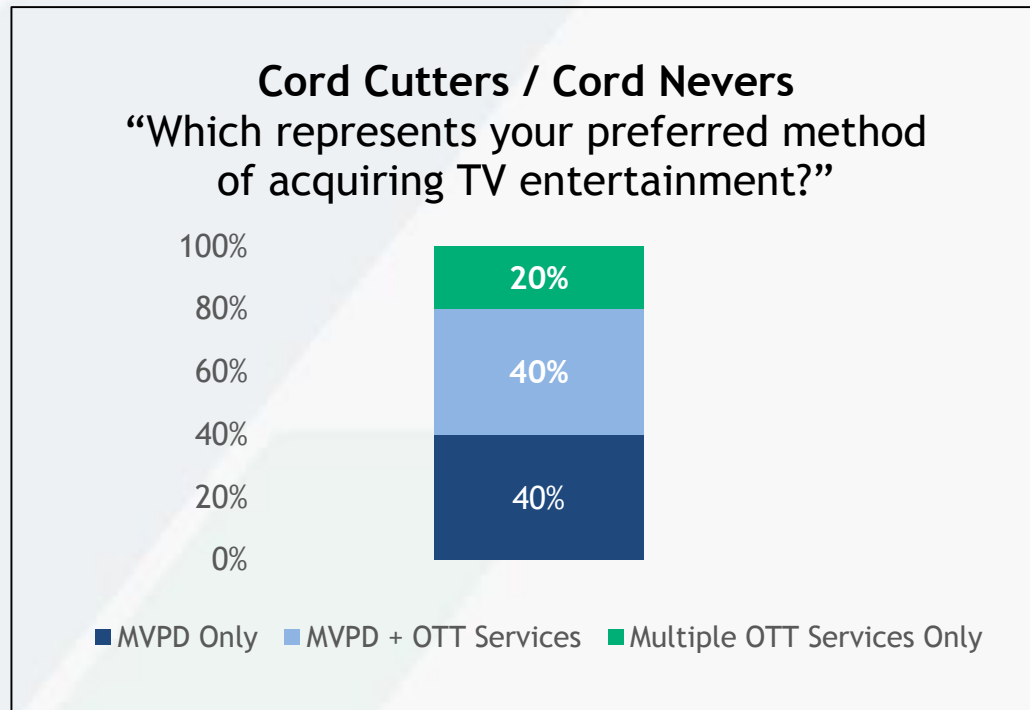


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Source: Nielsen Total Audience Report, Q4 '14, Q4 '15, Q4 '16, Q1 '17

If They Had Their Choice (If Cost Weren't A Factor), 80% Of Cord Cutters/Nevers Would Prefer An MVPD Subscription

Indicates their preference for both the content they want and how it's delivered

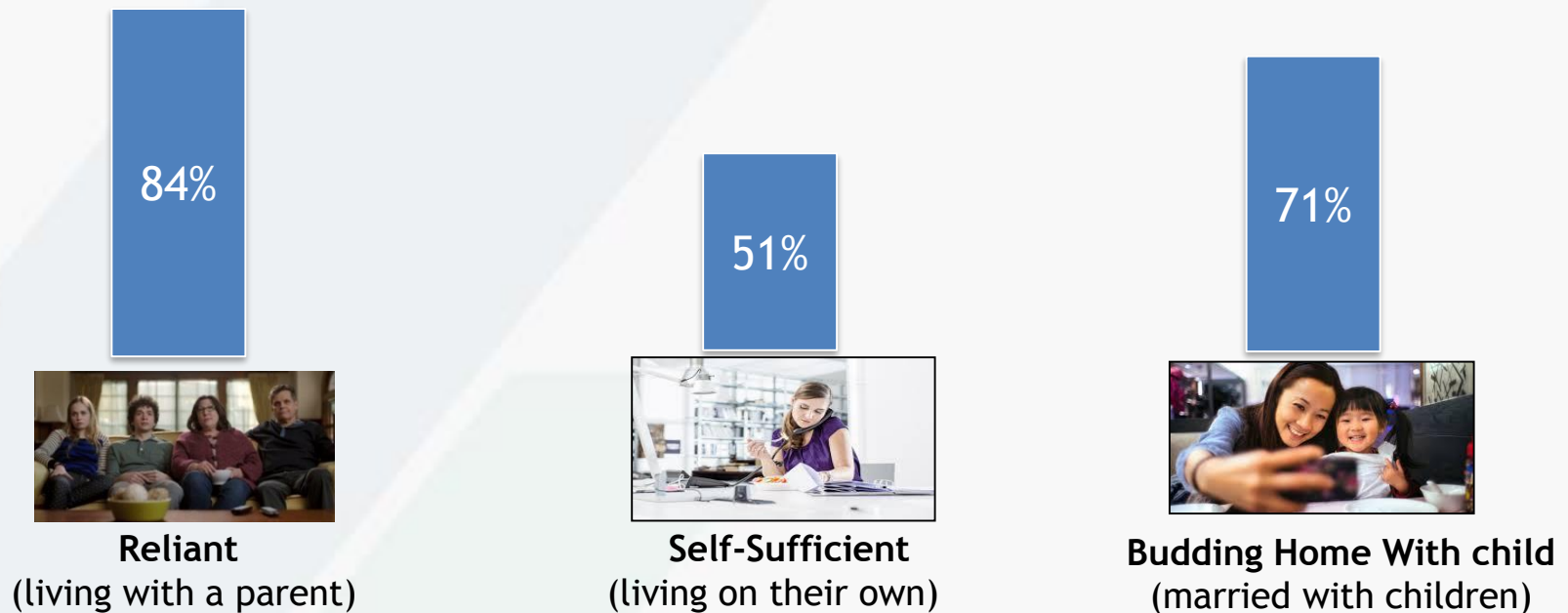


Almost one-quarter (22%) of Cord Nevers intend to subscribe to a traditional TV service in the next 6 months, reflective of Millennials aging out of income constraints

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Although Millennials Have The Highest Likelihood To Be “Cord Nevers,” Most Plug Into Cable As Their Age And Income Increase

Cable Penetration by Millennial Life Stage



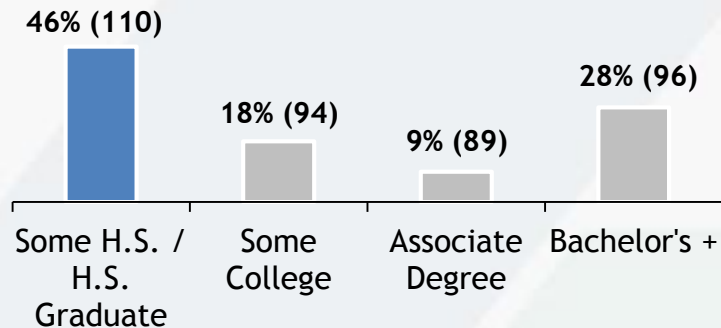
“A quarter (27%) of Millennial Cord Nevers say they intend to subscribe to a traditional TV service in the next 6 months - once they are better able to afford it and for the ability to channel surf”*

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Source: MRI Doublebase 2017, cable= defined as cable tv service watched past week; reliant = respondent A18-34 lives with one or more parent; self-sufficient A18-34 lives in one person HH; Budding home= A18-34, married with kids at home; * GFK, MRI Cord Evolution 2017

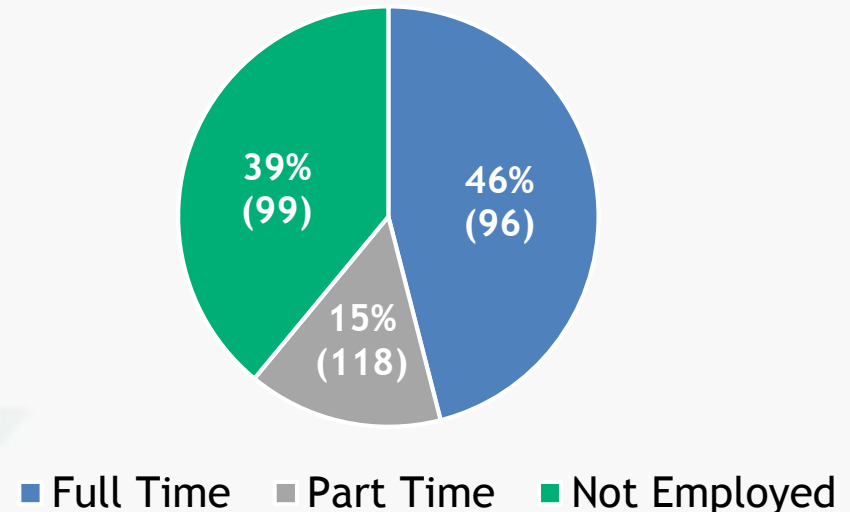
Cord Cutters & Nevers Tend to Be Less Educated and More Likely To Work Part-Time

Highest Education Level Completed
(% and Index vs. adults)



Cutters/Nevers tend to cluster at the lowest end of the educational levels. Nearly half have only a high school education or less

Employment Status
(% and Index vs. adults)



They are more likely to be employed part time, largely reflective of school-age Gen Z/ Millennials and retired Boomers

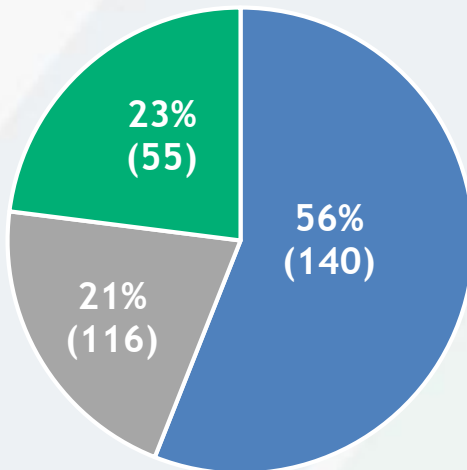
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Cord Cutters & Nevers Also Sit Lower On The Income Scale

Cord Cutters

Average Household Income - **\$52k**

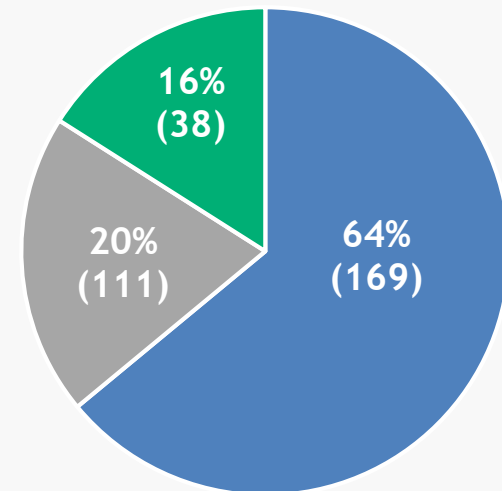
(% & Index vs. HHs)*



Cord Nevers

Average Household Income - **\$41k**

(% & Index vs. HHs)*



■ Less than \$50k ■ \$50k-\$75k ■ \$75k+

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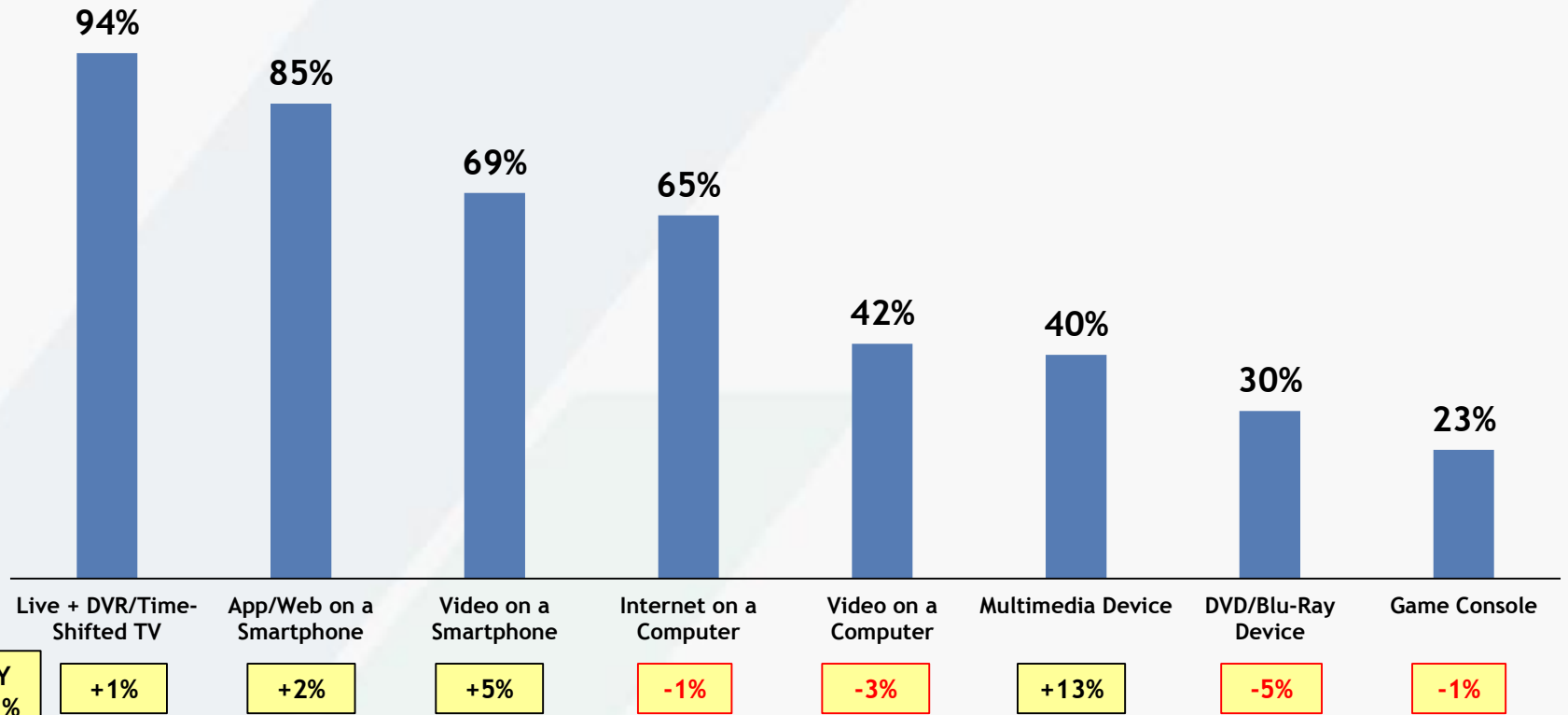
Source: SNL Kagan, 2017 S&P Global Market Intelligence, 2017 cord cutter and cord never updates, May 2017; Gfk MRI "Cord Evolution", 4/24/17; *Index is vs. total % of US HH in that HHI bracket



Cable TV's Audience Advantage

Among The Adult Population, TV Continues To Have The Highest Reach Across All Devices

P18+ Average Monthly Reach 2Q '17



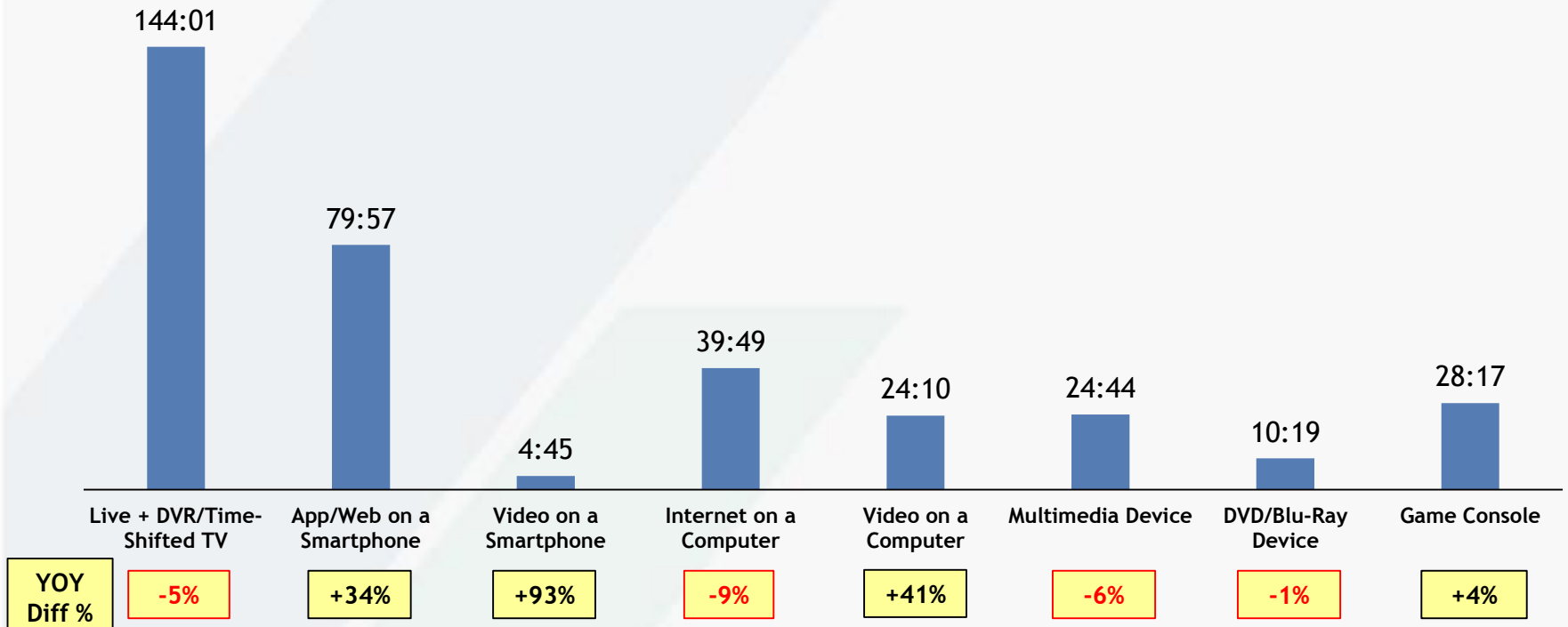
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Source: VAB analysis of Nielsen Total Audience Report 2Q 2017, percentage of users among U.S. population, P18+. "YOY Diff %" reflects the YOY percentage point difference, i.e., Live + DVR/Time-Shifted TV increased one percentage point from 93% to 94%.

TV Also Has A Clear Cut “Time Spent” Advantage Even With The Double Digit Increases In Video Usage On Mobile Devices

P18+ Average Monthly “Time Spent”

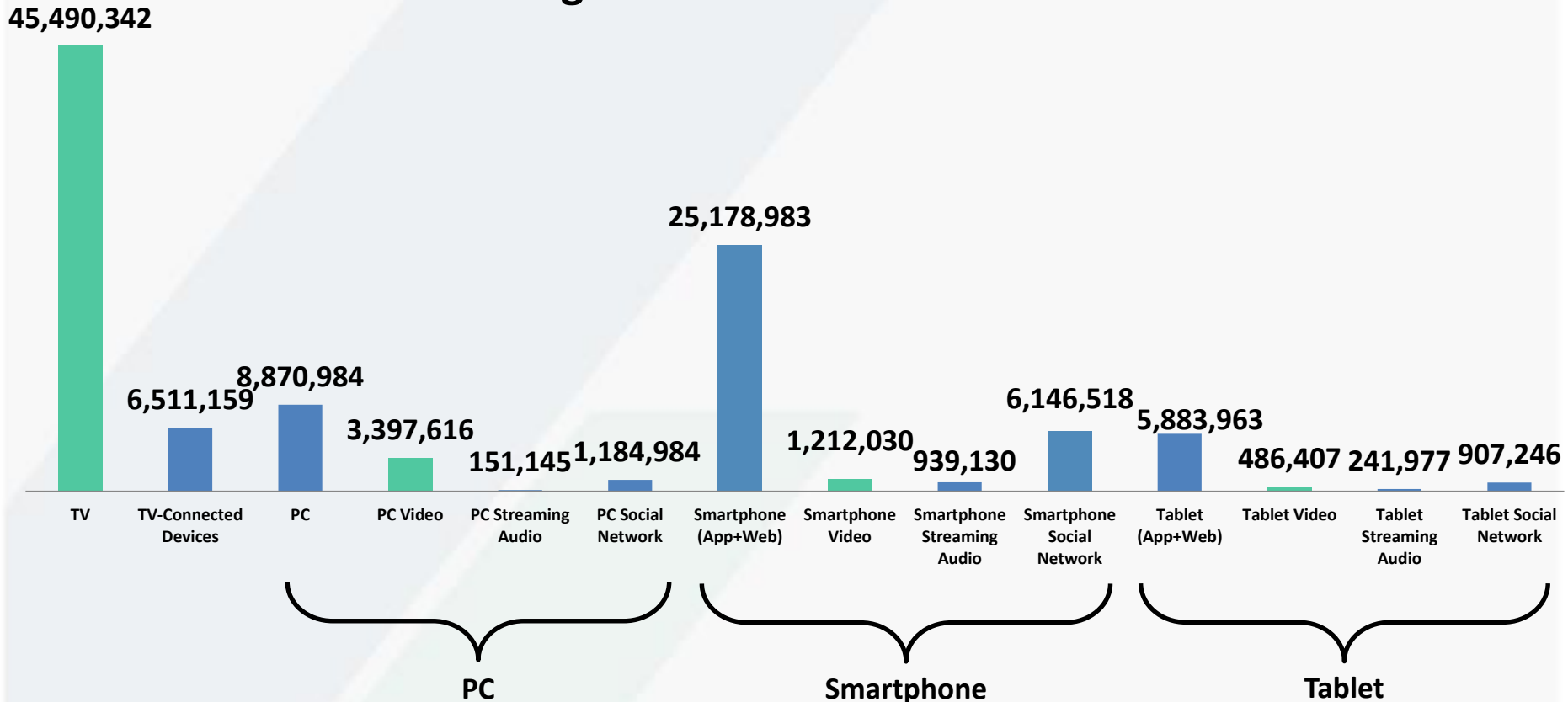
2Q ‘17
(hrs:mins)



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In *Any Given Minute*, Television's Audience Far Surpasses That Of Any Other Device For Any Activity

Average A18+ Audience Per Minute



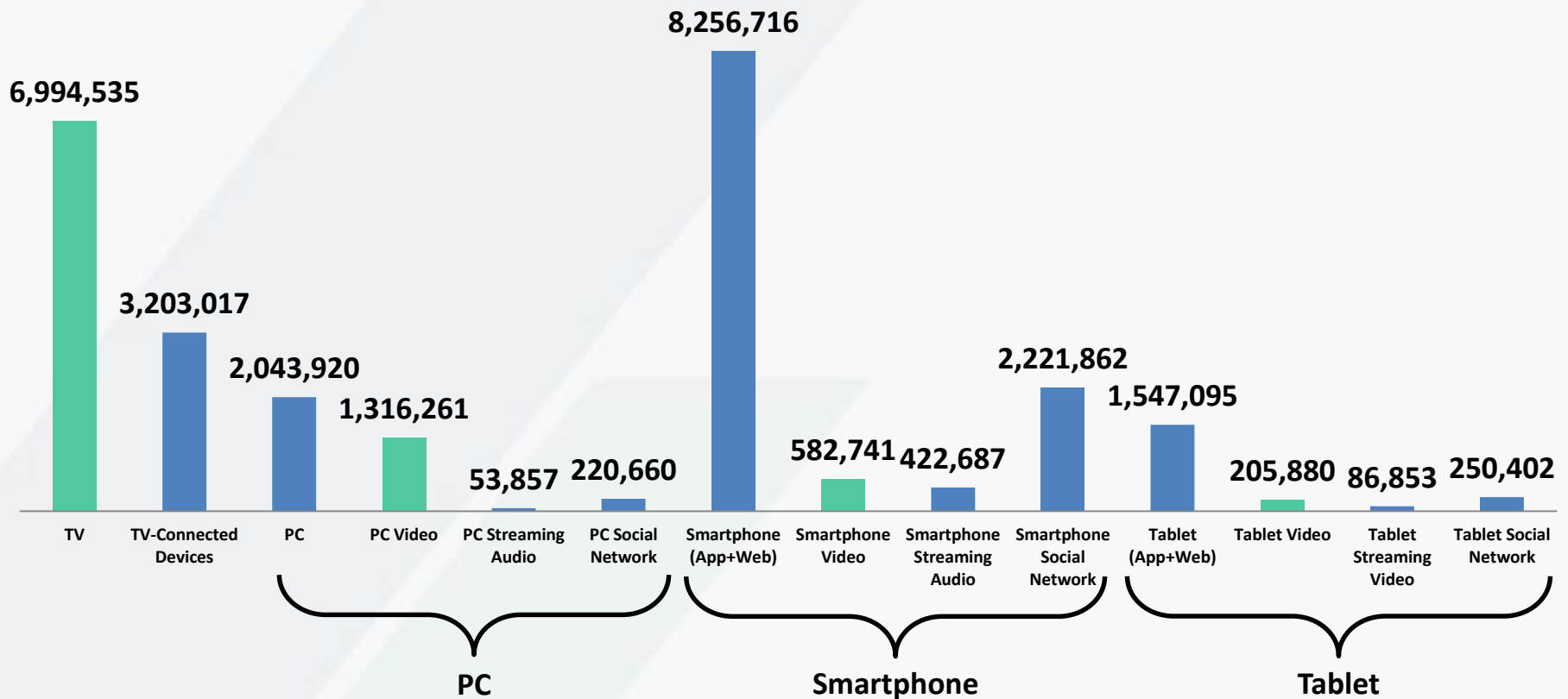
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Source: Nielsen Comparable Metrics Report Q2 2017; Data based on average week between March 27, 2017 - June 25, 2017. A18+ UE = 245,740,000. Video, Streaming Audio & Social Network is a subset of each device's (App+Web)



TV's Average Audience Among Millennials Surpasses Any Other Device For *Video* Consumption

Average A18-34 Audience Per Minute



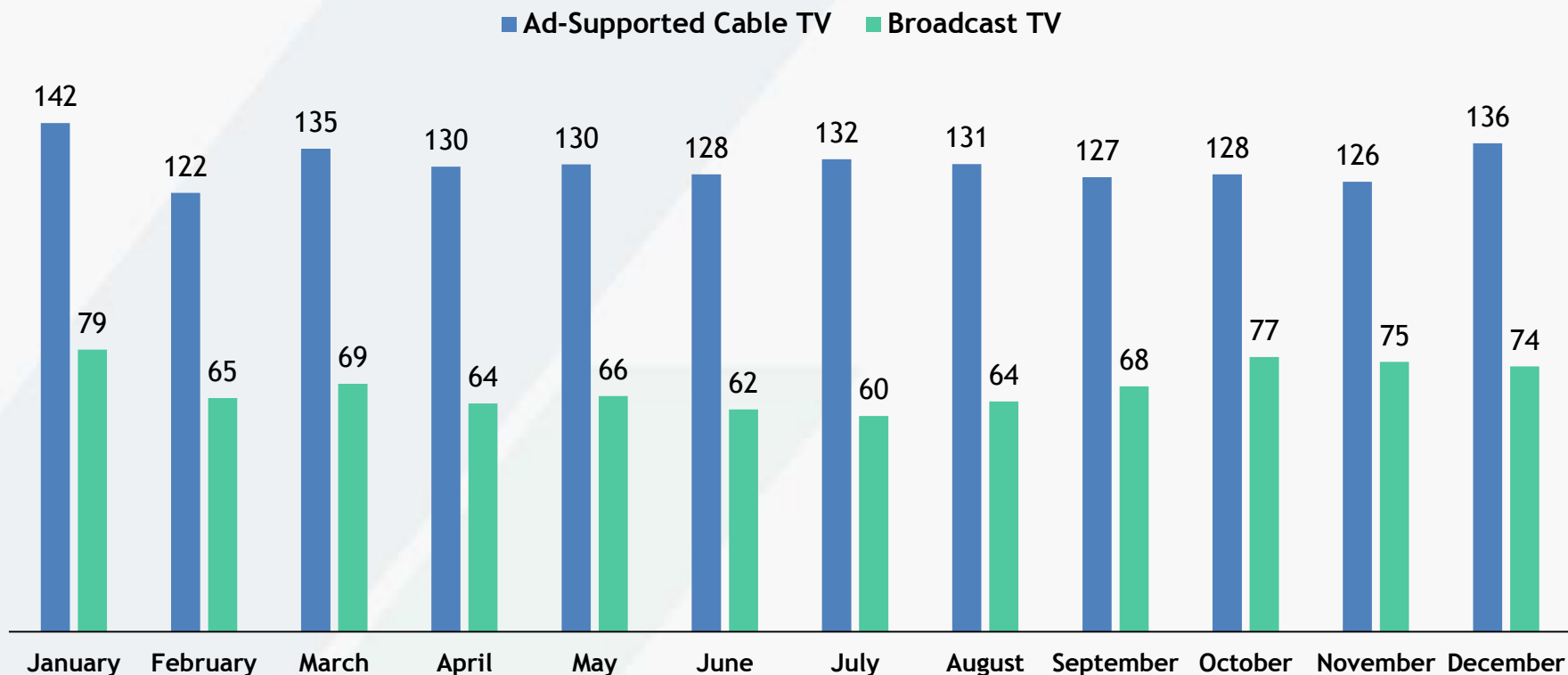
THINK LOCALLY

Source: Nielsen Comparable Metrics Report Q2 2017; Data based on average week between March 27, 2017 - June 25, 2017. A18-34 UE = 73,460,000. Video, Streaming Audio & Social Network is a subset of each device's (App+Web)



Overall, Households Spend More Time With Ad-Supported Cable TV Than Broadcast TV Throughout The Year

Average Monthly *Household* Time Spent With Ad-Supported TV
Hours (Monthly Average)



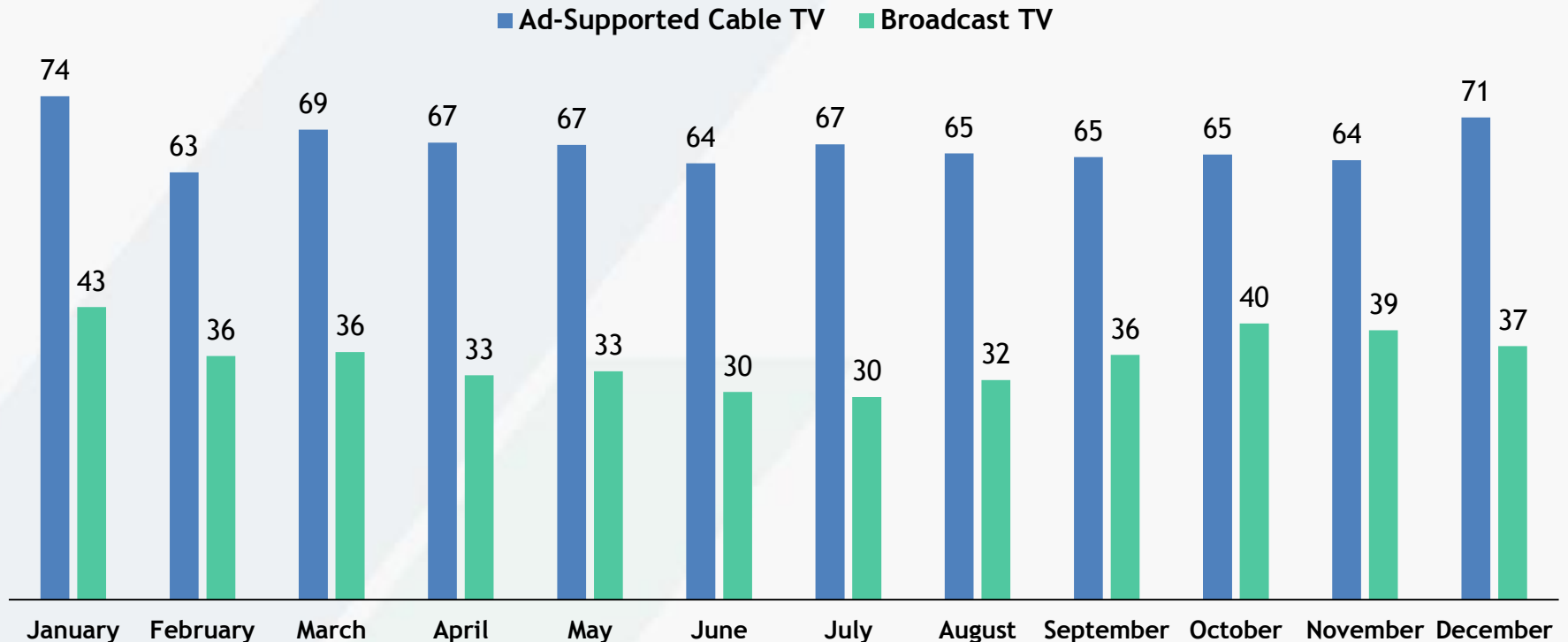
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Source: VAB analysis of Nielsen Npower PowerPlay Report, Household, Total Day, Live. The figures in the above chart are rounded off to the nearest hour.

Over The Year, P25-54 Also Spend More Than Double The Time With Ad-Supported Cable TV As They Do With Broadcast TV

Average Monthly P25-54 Time Spent With Ad-Supported TV Hours (Monthly Average)

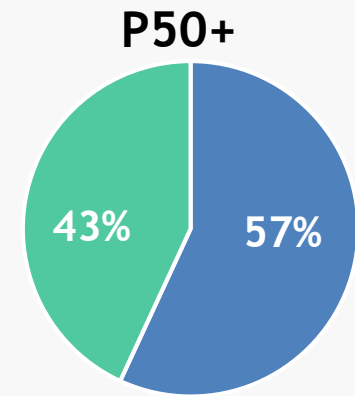
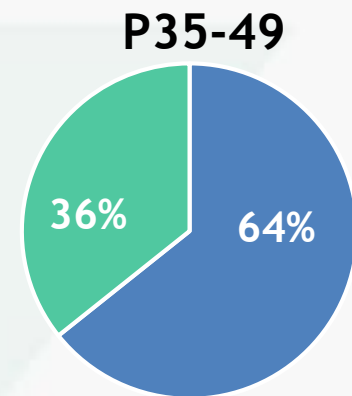
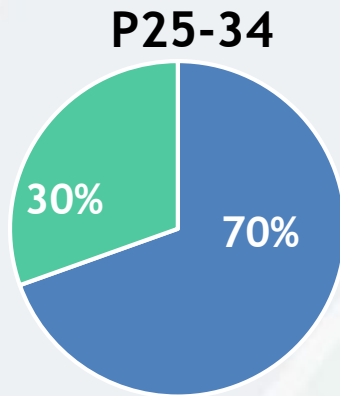
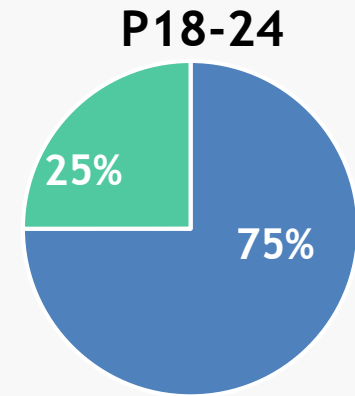
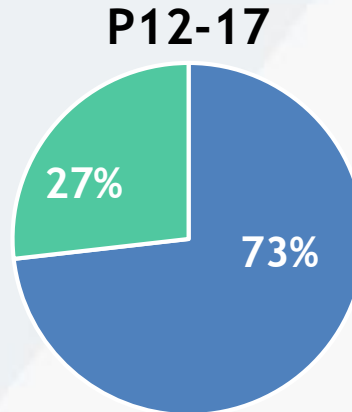
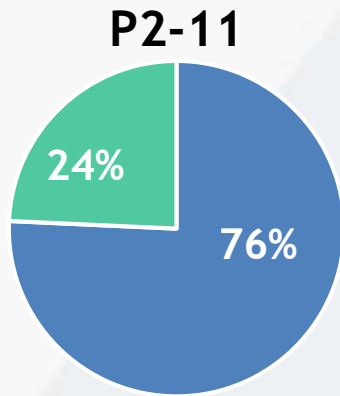
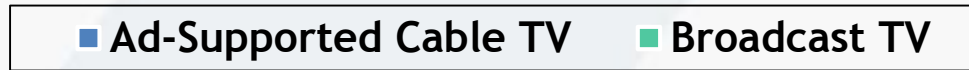


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Source: VAB analysis of Nielsen Npower PowerPlay Report, P25-54, Total Day, Live. The figures in the above chart are rounded off to the nearest hour.

In Any Given Minute, Ad-Supported Cable TV's Average Audience Is Greater Than Broadcast TV In Each Key Demographic



How to read: in any given minute, 76% of the average P18-24 audience that's watching ad-supported TV is watching cable TV
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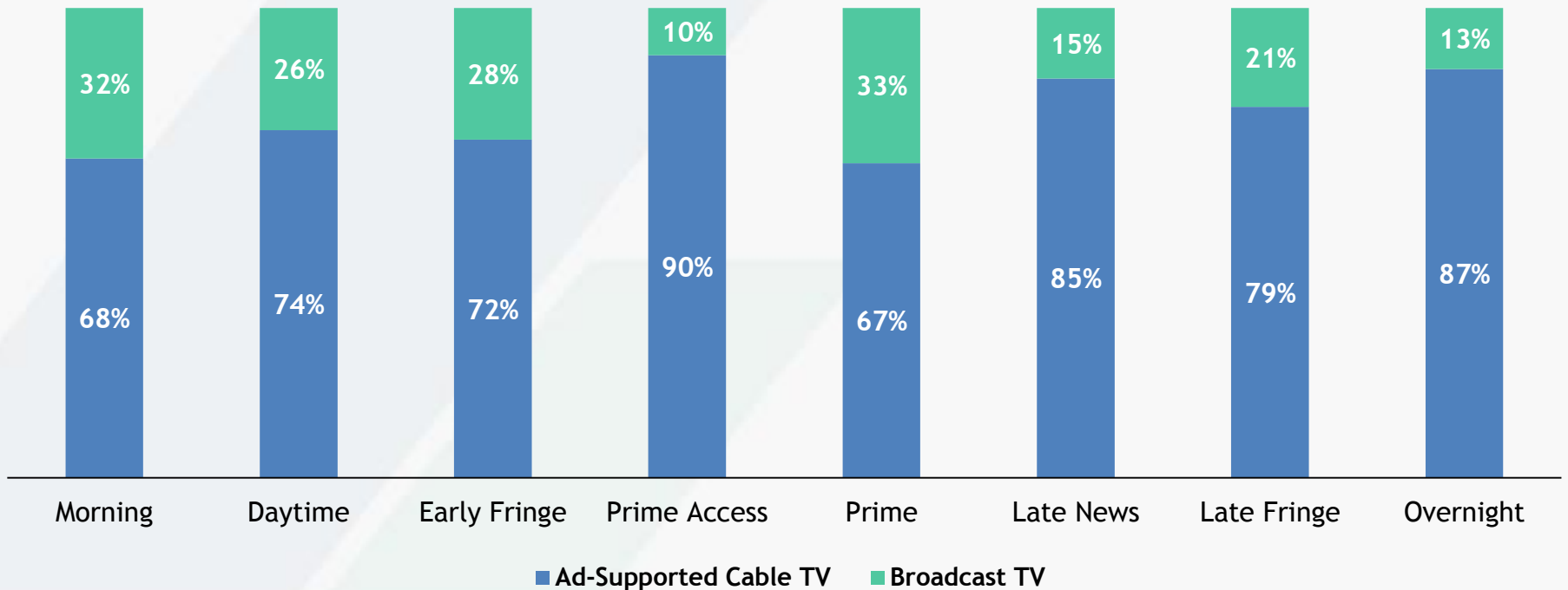


Cable TV's Advertising Advantage

Ad-Supported Cable TV Owns A Majority Of The Commercial TV Inventory

On average, 74% of P18+ commercial GRPs reside on ad-supported cable TV across total day

% of P18+ GRPs By Daypart December '17

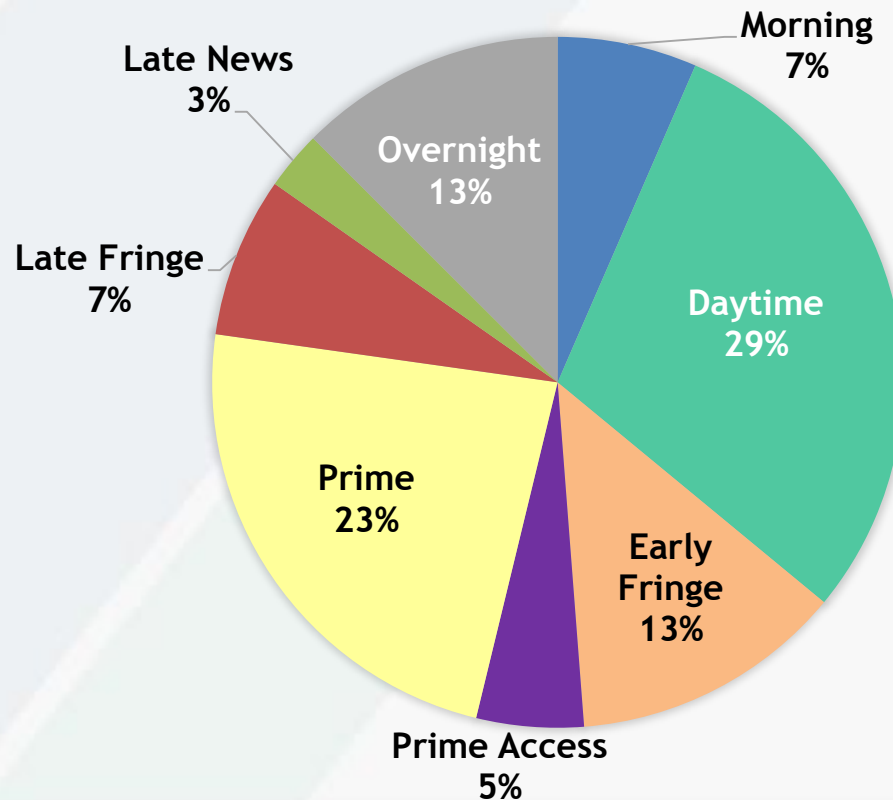


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Source: VAB Analysis of Nielsen Ad Intel data, reflects calendar month of December 2017 (1-31). P18+, C3 stream, GRPs are equalized, "national" market. GRPs include direct response and local avails activity. Daypart definitions: Morning (M-Su 6a-9a), Daytime (M-Su 9a-4:30p), Early Fringe (M-Su 4:30p-7p), Prime Access (M-Sa 7p-8p), Prime (M-Sa 8p-11p; Su 7p-11p), Late News (M-Su 11p-11:30p), Late Fringe (M-Su 11:30-1a), Overnight (M-Su 1a-6a).

Ad-Supported Cable TV Advertising Inventory Is Prevalent Throughout The Day, Not Just Primetime

% Share of Total Ad-Supported Cable TV P18+ GRPs By Daypart
December '17



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Source: VAB Analysis of Nielsen Ad Intel data, reflects calendar month of December 2017 (1-31). P18+, C3 stream, GRPs are equalized, "national" market. GRPs include direct response and local avails activity. Daypart definitions: Morning (M-Su 6a-9a), Daytime (M-Su 9a-4:30p), Early Fringe (M-Su 4:30p-7p), Prime Access (M-Sa 7p-8p), Prime (M-Sa 8p-11p; Su 7p-11p), Late News (M-Su 11p-11:30p), Late Fringe (M-Su 11:30-1a), Overnight (M-Su 1a-6a).

Over The Last 10 Years, Ad-Supported Cable TV Has Seen An Increase In Eyeballs Against Advertisers' Commercial Messaging

Ad-Supported Cable TV Average: A18+ GRPs Month of December

Daypart	2007	2017
Total Day	216,201	231,699
Morning	11,364	15,128
Daytime	62,587	68,245
Early Fringe	27,692	29,640
Prime Access	11,357	11,625
Prime	53,015	54,294
Late News	6,426	6,368
Late Fringe	17,597	17,404
Overnight	26,163	28,993

'07 vs '17	
Change	% Change
+15,497	+7%
+3,764	+33%
+5,658	+9%
+1,948	+7%
+268	+2%
+1,280	+2%
-58	-1%
-193	-1%
+2,830	+11%

THINK LOCALLY

Source: VAB Analysis of Nielsen Ad Intel data, reflects calendar month of December (1-31). P18+, C3 stream, GRPs are equalized, "national" market. GRPs include direct response and local avails activity. Daypart definitions: Morning (M-Su 6a-9a), Daytime (M-Su 9a-4:30p), Early Fringe (M-Su 4:30p-7p), Prime Access (M-Sa 7p-8p), Prime (M-Sa 8p-11p; Su 7p-11p), Late News (M-Su 11p-11:30p), Late Fringe (M-Su 11:30-1a), Overnight (M-Su 1a-6a)

In Contrast, Local Broadcast TV Dayparts Have Suffered Double-Digit Decreases Over The Same Time Period

“All Measured DMAs” Average: Local Broadcast A18+ GRPs
Month of December

Daypart	2007	2017
Total Day	59,306	51,668
Morning	8,593	8,705
Daytime	13,097	11,545
Early Fringe	13,020	10,771
Prime Access	7,431	6,288
Prime	8,325	6,979
Late News	4,071	2,971
Late Fringe	3,171	2,675
Overnight	1,598	1,734

'07 vs '17	
Change	% Change
-7,639	-13%
+112	+1%
-1,552	-12%
-2,249	-17%
-1,143	-15%
-1,345	-16%
-1,100	-27%
-497	-16%
+135	+8%

THINK LOCALLY

Source: VAB Analysis of Nielsen Ad Intel data, reflects calendar month of December (1-31). GRPs are equitized. Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX. Daypart definitions: Morning (M-Su 6a-9a), Daytime (M-Su 9a-4:30p), Early Fringe (M-Su 4:30p-7p), Prime Access (M-Sa 7p-8p), Prime (M-Sa 8p-11p; Su 7p-11p), Late News (M-Su 11p-11:30p), Late Fringe (M-Su 11:30-1a), Overnight (M-Su 1a-6a)

These Decreases Are Slightly More Pronounced Across Local Dayparts Within The Top 20 DMAs As Well

Top 20 Market Average: Local Broadcast A18+ GRPs Month of December

Daypart	2007	2017	'07 vs '17	
			Change	% Change
Total Day	77,398	65,505	-11,893	-15%
Morning	11,283	9,626	-1,657	-15%
Daytime	18,212	15,332	-2,880	-16%
Early Fringe	15,555	12,565	-2,990	-19%
Prime Access	7,342	6,390	-952	-13%
Prime	11,868	10,821	-1,047	-9%
Late News	4,938	3,633	-1,305	-26%
Late Fringe	5,065	4,274	-792	-16%
Overnight	3,135	2,864	-271	-9%

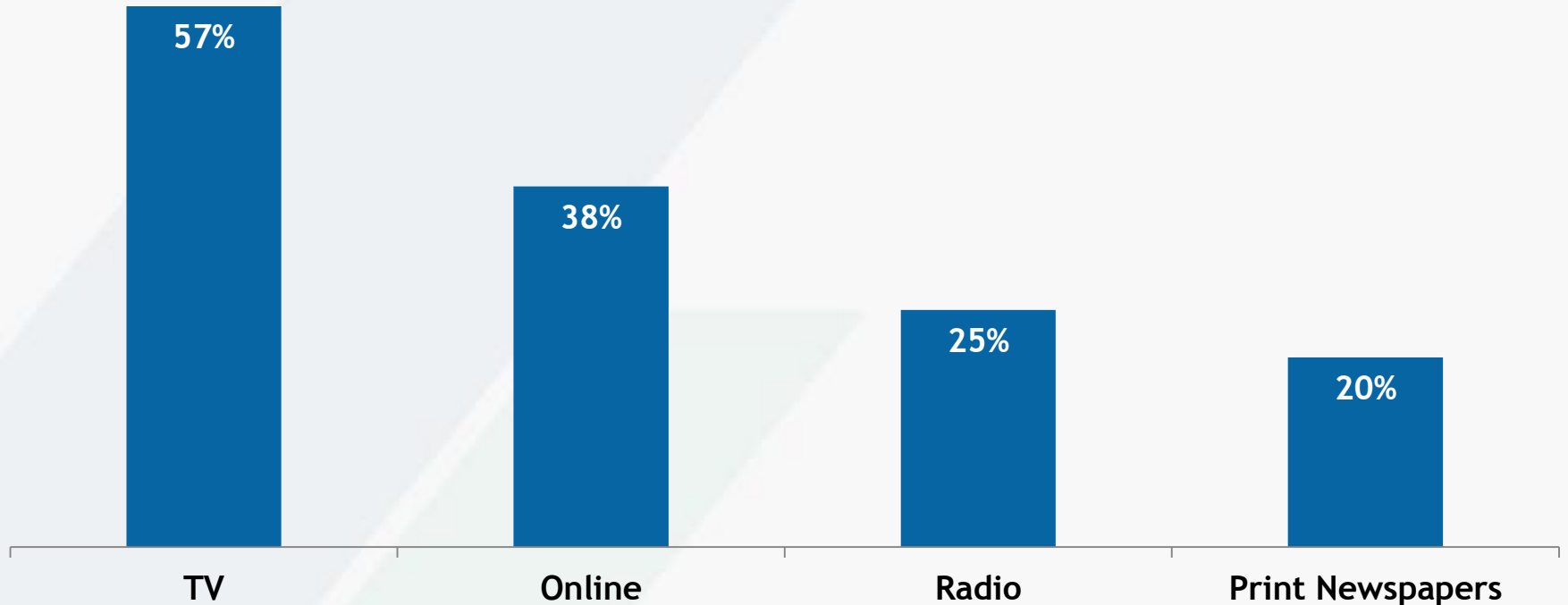
Source: VAB Analysis of Nielsen Ad Intel data, reflects calendar month of December (1-31). GRPs are equitized. Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX. DMAs include: Atlanta, Boston, Chicago, Cleveland-Akron, Dallas-Ft. Worth, Denver, Detroit, Houston, Los Angeles, Miami-Ft. Lauderdale, Minneapolis-St. Paul, New York, Orlando, Philadelphia, Phoenix, Sacramento, San Francisco, Seattle-Tacoma, Tampa, Washington, DC. Daypart definitions: Morning (M-Su 6a-9a), Daytime (M-Su 9a-4:30p), Early Fringe (M-Su 4:30p-7p), Prime Access (M-Sa 7p-8p), Prime (M-Sa 8p-11p; Su 7p-11p), Late News (M-Su 11p-11:30p), Late Fringe (M-Su 11:30-1a), Overnight (M-Su 1a-6a)



Igniting Today's Headlines: Cable News Continues To Spark Ratings

TV Continues To Be The Most Widely Used Platform For Adults To Get Their News

% of U.S. Adults Who Often Get Their News On Each Platform

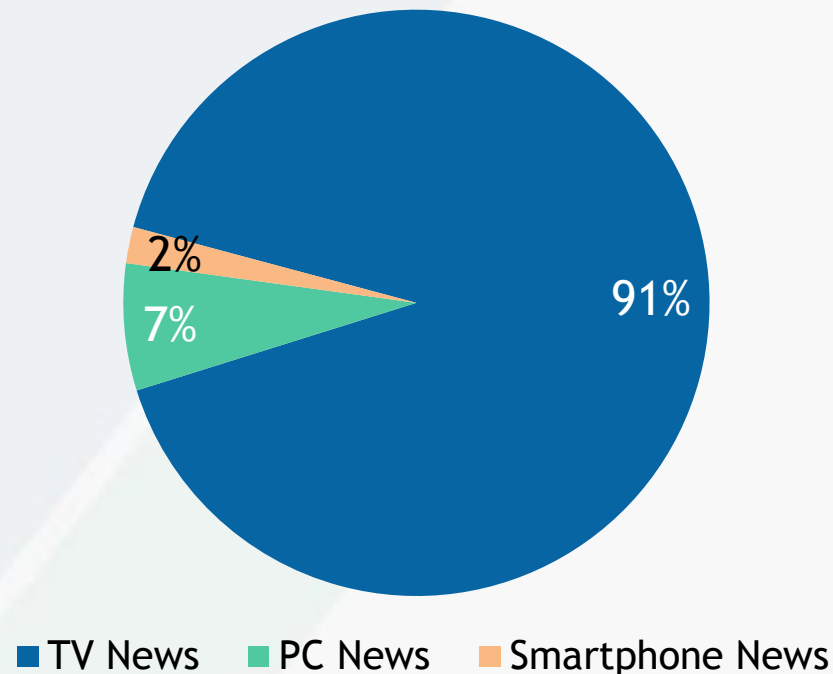


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Source: Pew Research Center "The Modern News Consumer," released 7/7/16 with survey conducted Jan 12 - Feb 8, 2016 among 4,654 US adults 18+. "TV" includes cable, local, nightly network while "Online" includes social media, websites/apps.

TV Accounts For 91% Of The Total Time Spent Consuming News On Video-Enabled Devices

% of Total Weekly Hours Spent With News Content By Device
(“all in” consumption, not just video)



TV includes National Broadcast TV News, Local Broadcast TV News & National Cable TV News

Source: Nielsen Total Audience Report Q4 2016 - Adults 18+. National TV News (Nielsen National Television Panel, News summary type code, Broadcast - ABC, CBS, FOX, NBC, TEL, UNI; Cable - CNBC, CNN, FOXNC, MSNBC); Local TV News (Nielsen 25 LPM Markets, Local news genre, Broadcast - ABC, CBS, FOX, NBC, TEL, UNI); PC News (Netview, Current Events & Global News subcategory); Smartphone News (EMM, Current Events & Global News subcategory). Local Cable TV News data is not available within the report.

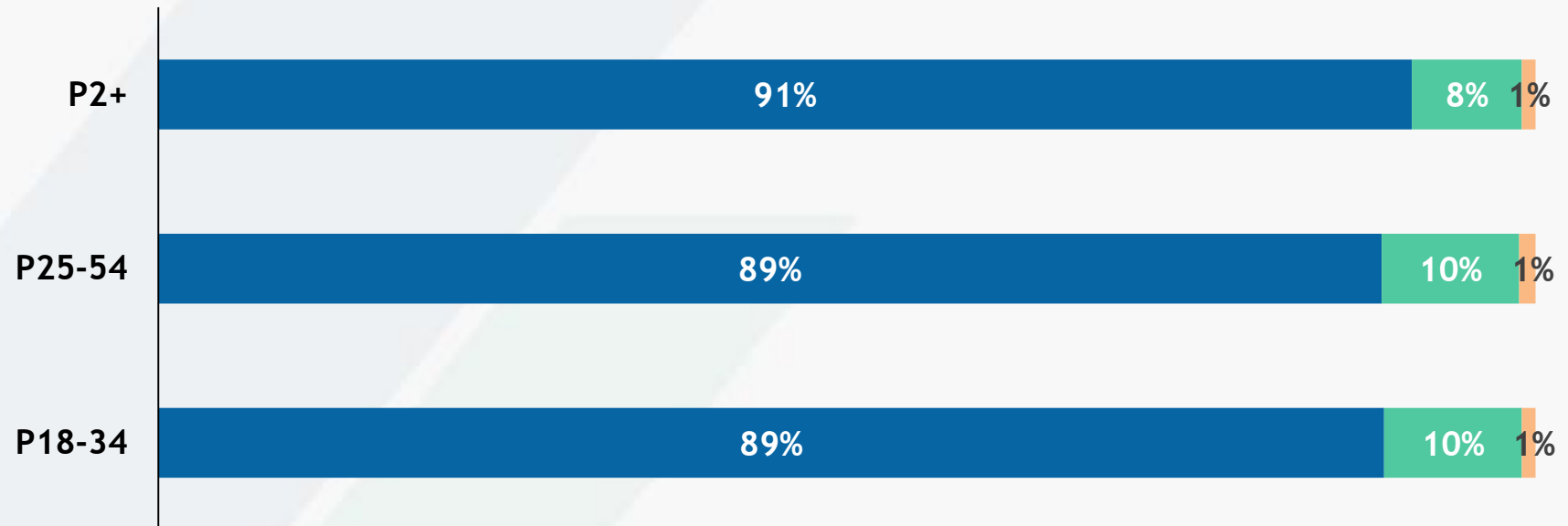
With Everchanging Updates To Current Events, News Remains Almost Exclusively A “Live” Or “Near Live” Viewing Experience

93% of total viewing of news programming was live

National TV News Programming: Viewership By Stream

% of Total Viewing Hours in Q4 2017

■ Live ■ Live+Same Day ■ Live+7



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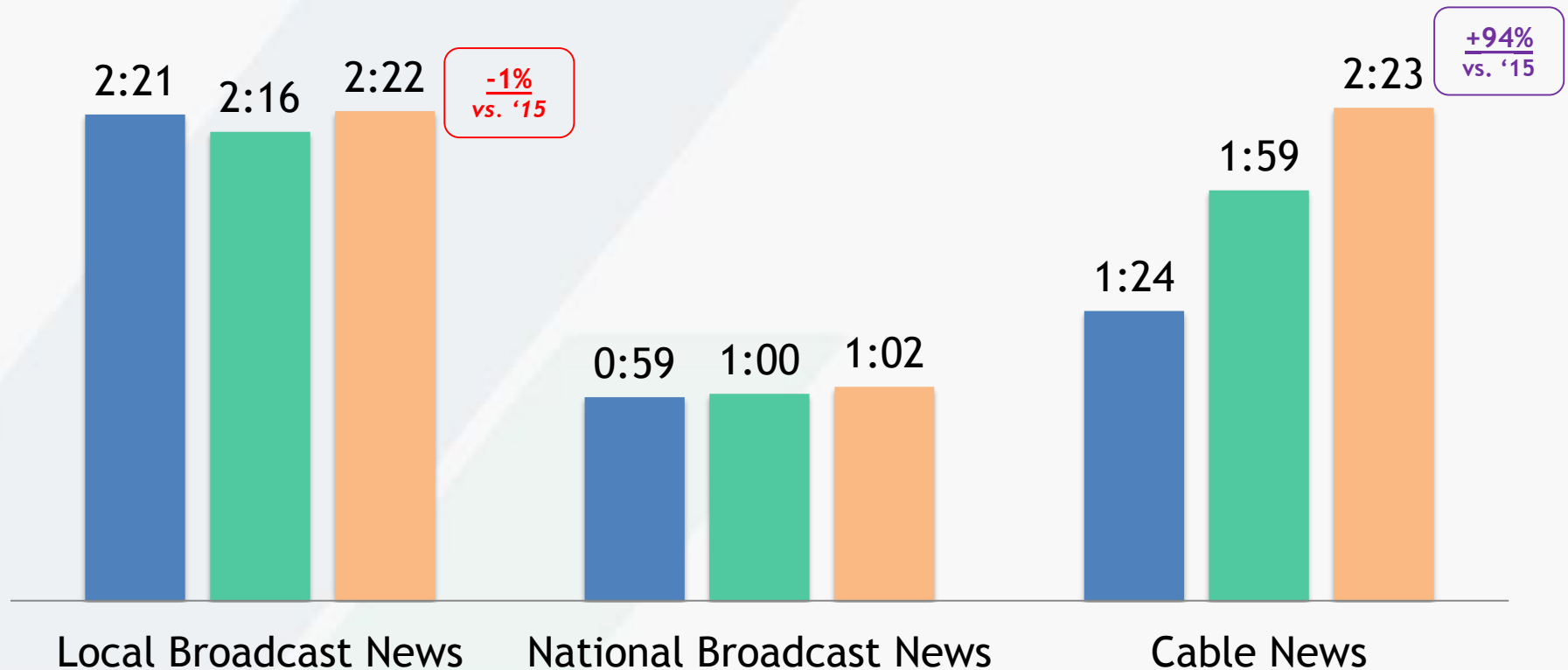
Source: Nielsen NPower R&F Program Report, Total Day, Live+7; P2+, P25-54 & P18-34; ad-supported cable TV + broadcast TV, based on Q4 2017 and reflects news category genre.

The Largest Growth In TV News Is With Cable Which Now Commands More Viewer Time Than Local Broadcast News

Average Weekly Time Spent With News In LPM Markets (Adults 18+)

(Hr:Min)

■ CY 2015 ■ CY 2016 ■ 1Q 2017

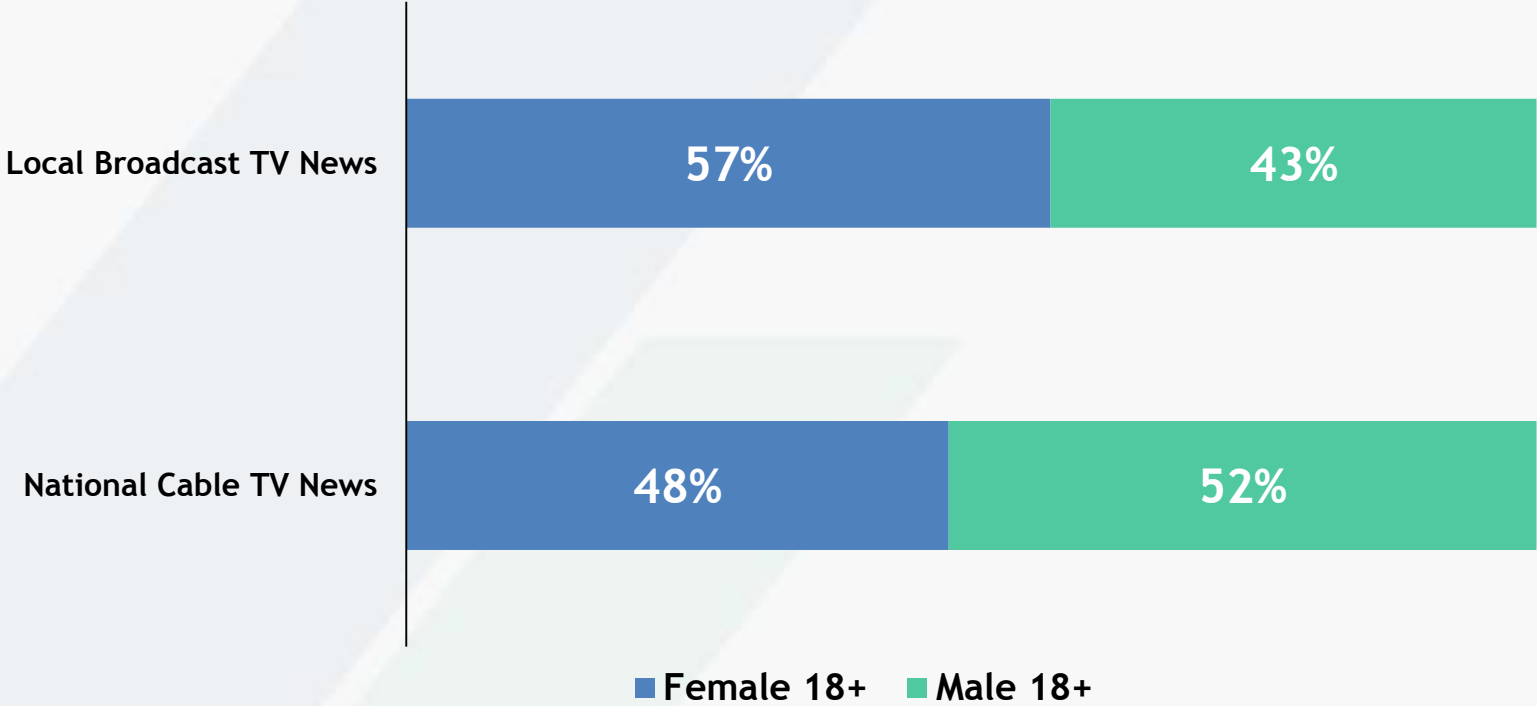


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Source: Nielsen Local TV View, 2015 - Q1 2017. Time Spent based on population across Local People Meter markets. LPM = Local People Meter

Cable TV News Has A More Dual Audience Than The Female-Skewing Local Broadcast News

Composition by Gender
(Adults 18+)

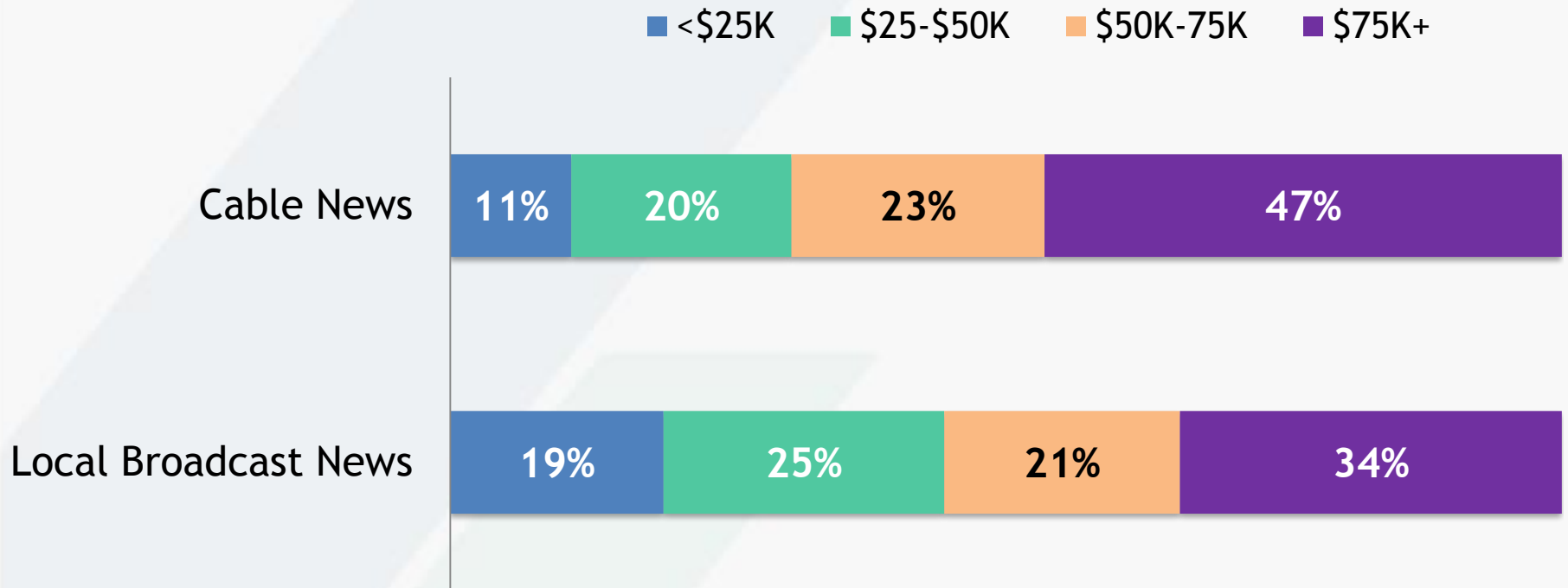


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Source: Nielsen Local TV View Q1 2017, data based on population across Local People Meter Markets, P18+. Local Cable TV News data is not available within the report.

Cable News Viewers Have Higher Incomes Than Other News Viewers

Income by Media Type



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Source: Nielsen Local TV View Q1 2017, data based on population across Local People Meter Markets, P18+. Local Cable TV News data is not available within the report. Sums may not equal 100% due to rounding.

The Top 20 Markets Have Lost Almost 20% Of Their Local Broadcast GRPs Within “News-Focused” Dayparts Over The Last 10 Years

Top 20 Market Average: Local Broadcast A18+ GRPs *Month of December*

Daypart	2007	2017
“News-Focused” Dayparts Total	31,776	25,824
Morning	11,283	9,626
Early Fringe	15,555	12,565
Late News	4,938	3,633

'07 vs '17	
Change	% Change
-5,952	-19%
-1,657	-15%
-2,990	-19%
-1,305	-26%

Source: VAB Analysis of Nielsen Ad Intel data, reflects calendar month of December (1-31). GRPs are equitized. Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX. DMAs include: Atlanta, Boston, Chicago, Cleveland-Akron, Dallas-Ft. Worth, Denver, Detroit, Houston, Los Angeles, Miami-Ft. Lauderdale, Minneapolis-St. Paul, New York, Orlando, Philadelphia, Phoenix, Sacramento, San Francisco, Seattle-Tacoma, Tampa, Washington, DC. Daypart definitions: Morning (M-Su 6a-9a), Daytime (M-Su 9a-4:30p), Early Fringe (M-Su 4:30p-7p), Prime Access (M-Sa 7p-8p), Prime (M-Sa 8p-11p; Su 7p-11p), Late News (M-Su 11p-11:30p), Late Fringe (M-Su 11:30-1a), Overnight (M-Su 1a-6a)

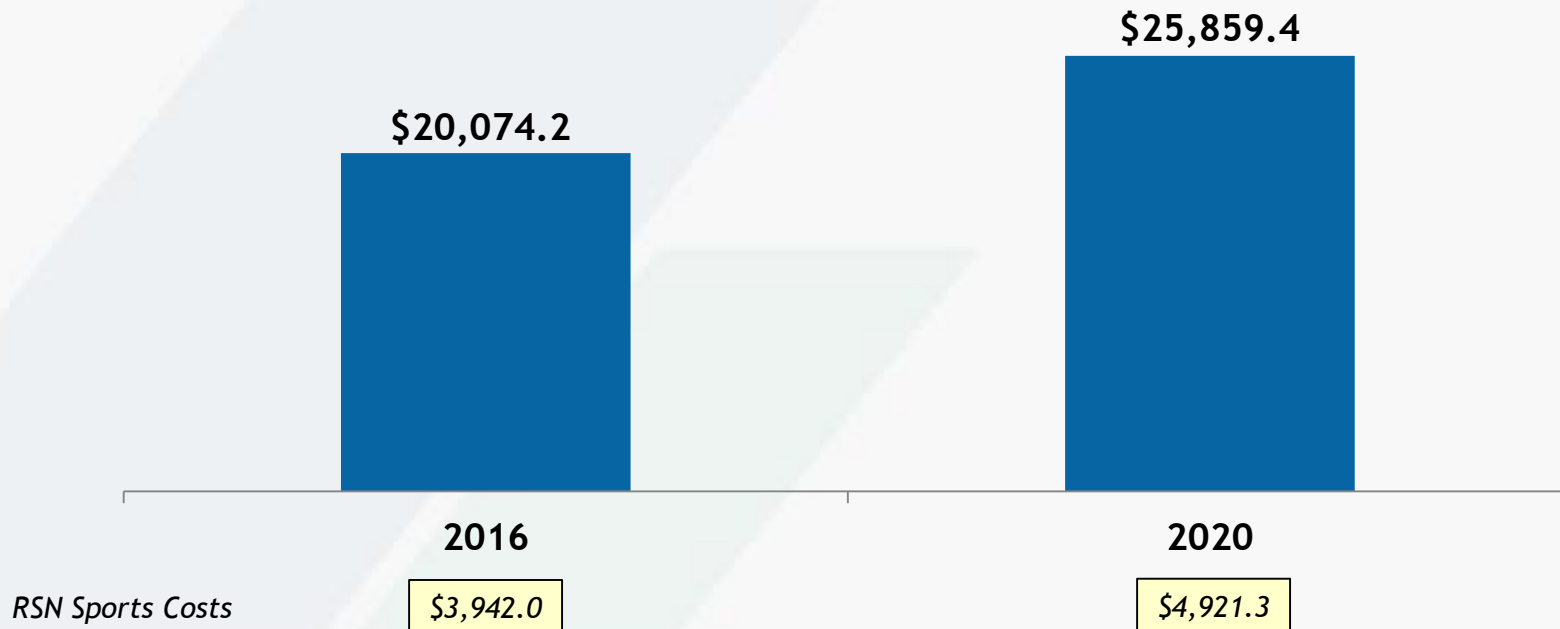


**No Days Off:
Live Sports Airing Everyday**

TV Networks Are Projected To Spend Over \$25 Billion Annually On Sports Programming By 2020; A 29% Increase From 2016

Collectively, Regional Sports Networks are projected to spend almost **\$1 billion** more annually in sports programming by 2020

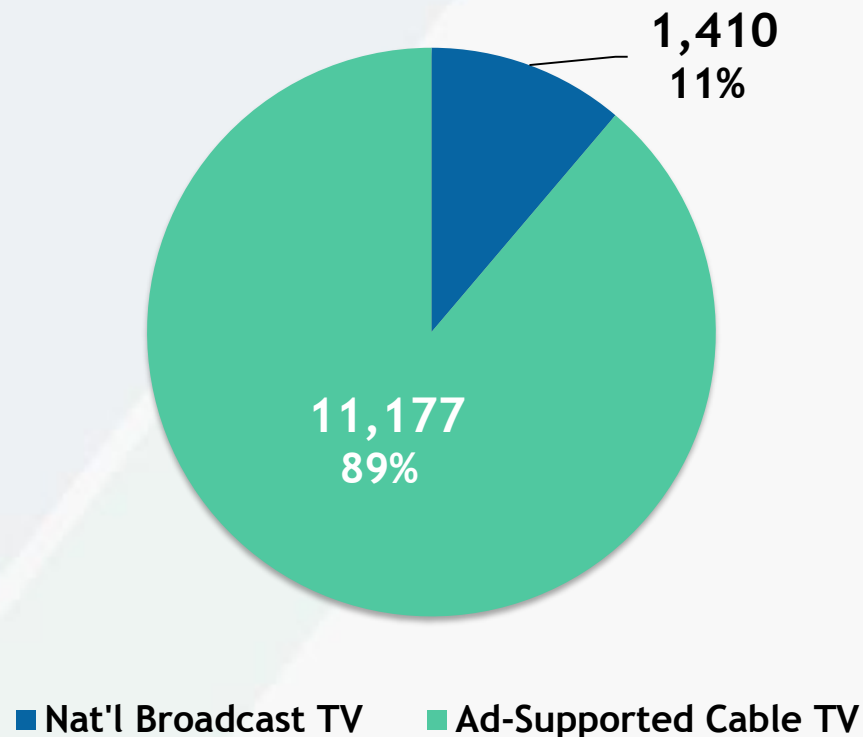
Sports Programming Costs Trend (millions)



THINK LOCALLY

Over 12,000 Live Sporting Events Are Shown On Ad-Supported TV Annually, With 89% Of Them Airing On Cable TV

Live Sporting Events in 2017
Broadcast TV vs. Cable TV



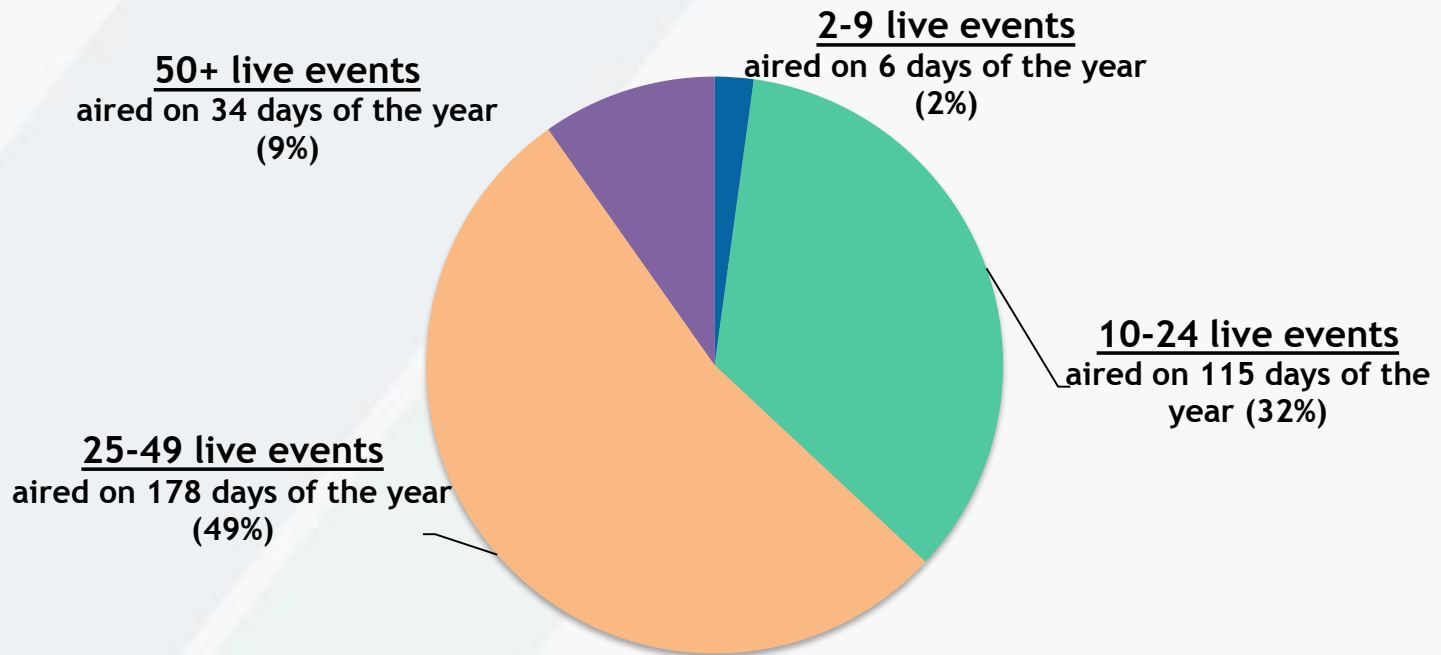
THINK LOCALLY

Source: Nielsen NPower, Total Day, live originals only, January 1, 2017 - December 31, 2017; excludes Regional Sports Networks, local broadcast airings and digital airings of sports through MVPD / network TV apps.

There Are At Least Two Live Sporting Events Airing Every Single Day Of The Year On Ad-Supported Cable TV

A live sporting event aired on ad-supported cable TV every day (365 days) in 2017.

of “Live” Cable TV Sporting Events Aired Daily



How to read: In 2017, 6 days featured between 2-9 live sporting events airing on ad-supported cable TV.

THINK LOCALLY

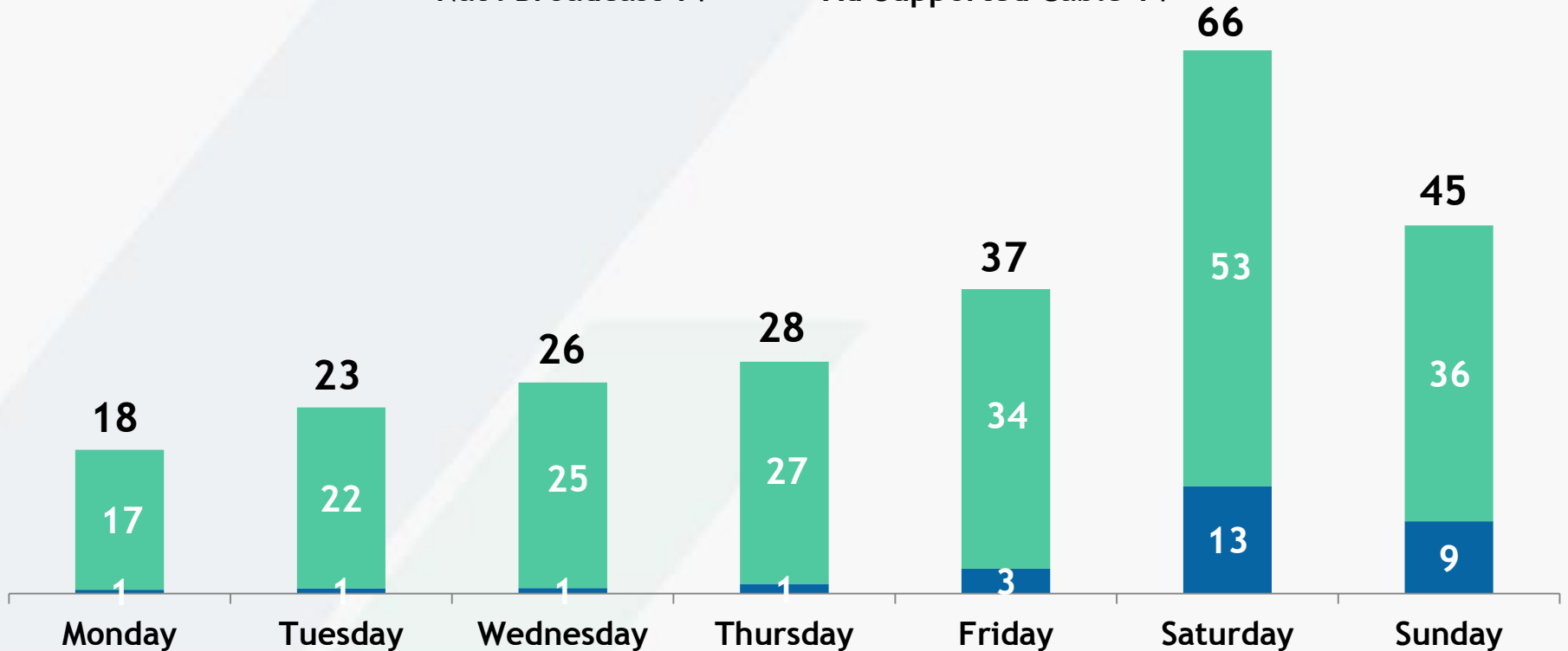
Source: Nielsen NPower, Total Day, live originals only, January 1, 2017 - December 31, 2017; excludes Regional Sports Networks, local broadcast airings and digital airings of sports through MVPD / network TV apps.

In Fact, On Average There Are At Least Seventeen Live Sporting Events Airing On Cable TV Each Day Throughout The Year

Average # of Live Sporting Events Each Day

2017

■ Nat'l Broadcast TV ■ Ad-Supported Cable TV

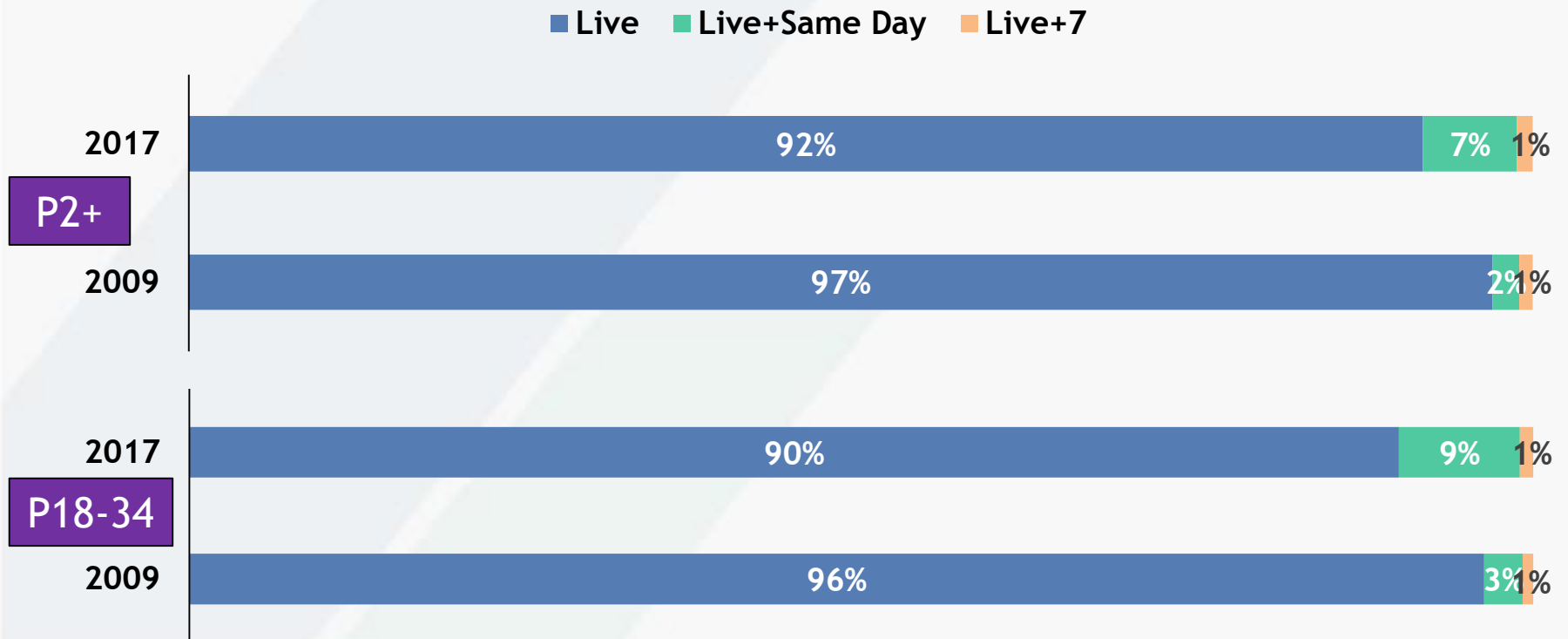


THINK LOCALLY

Source: Nielsen NPower, Total Day, live originals only, January 1, 2017 - December 31, 2017; excludes Regional Sports Networks, local broadcast airings and digital airings of sports through MVPD / network TV apps.

Even With The Increase In DVR Penetration, Sports Remains Almost Exclusively A “Live” Or “Near Live” Viewing Experience

Sports-Related National TV Programming: Viewership By Stream
% of Total Viewing Hours



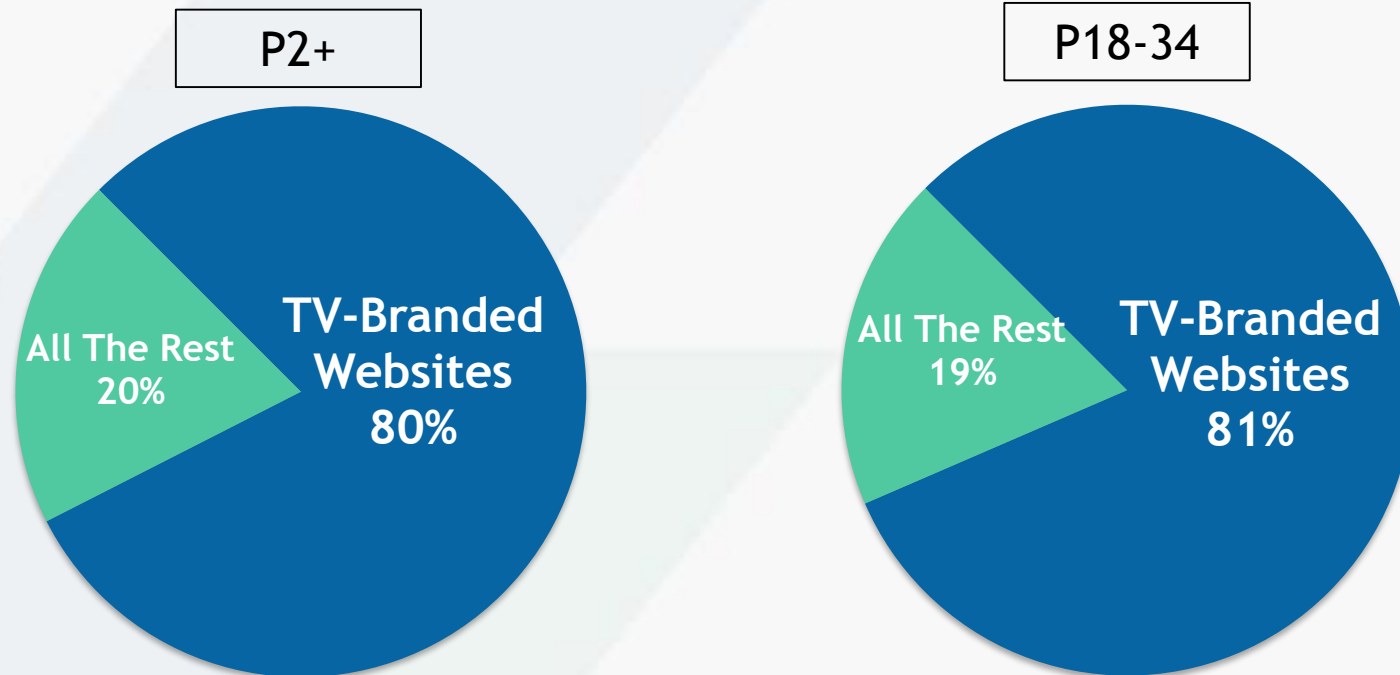
THINK LOCALLY

Source: Nielsen NPower R&F Program Report, Total Day, P2+ & P18-34, ad-supported cable TV + broadcast TV, based on calendar year; excludes Regional Sports Networks and local broadcast airings. Sports-related programming includes live sports, sports news, sports commentary, etc.

Within The Digital Realm, A Vast Majority Of Time Spent Online With Sports Content Is Through TV-Branded Platforms

Sports Category: % of Total Minutes Viewed Online

2017



Note: "All The Rest" reflects non-premium TV-related websites like USA Today Sports, SB Nation, Scout.com, Reddit Sports, Deadspin.com, Big Lead Sports, etc

THINK LOCALLY

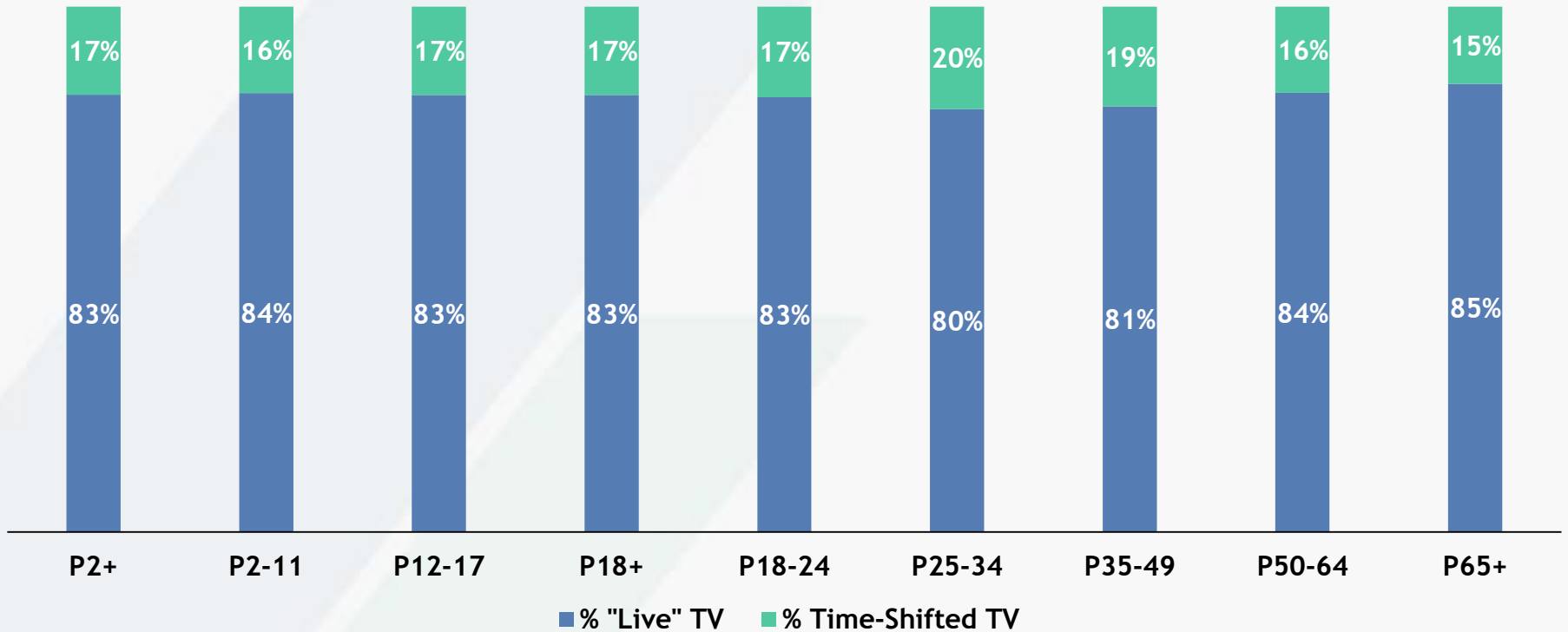
Source: comScore MediaMetrix, multiplatform media trend data, January-December 2017; comScore-defined sports category vs. custom created Sports TV Branded Website subcategory which includes digital platforms such as ESPN.com, Fox Sports, CBS Sports & NBC Sports.



“Live TV” Viewing Drives Online Social Conversations

The Vast Majority Of TV Viewing Across All Major Demos Is Done “Live”

“Live” vs. “Time-Shifted” Viewing Share 2Q ‘17 (Total Day)



THINK LOCALLY

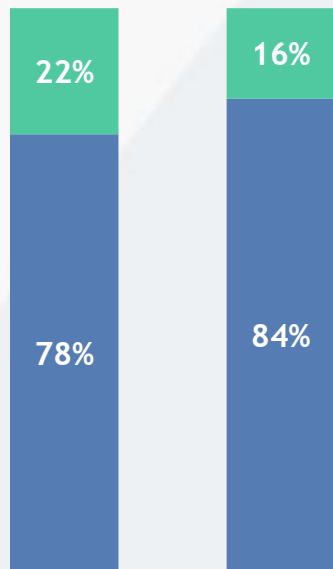
Source: VAB analysis of Nielsen Total Audience Report 2Q 2017, Total Day, based on average quarterly time spent.

Cable Has A Higher Share Of Live Viewing As A Percent Of Overall Time Spent During Primetime

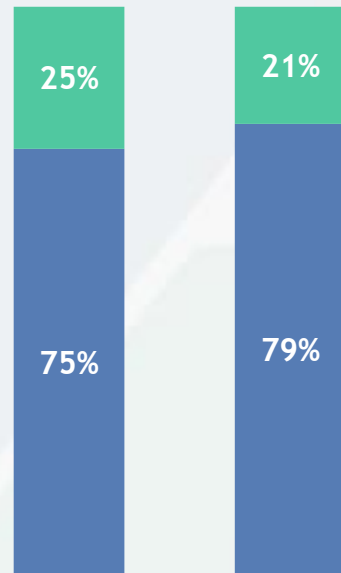
“Live” vs. “Time-Shifted” Viewing Share
2Q '17 (Primetime)

■ % "Live" TV ■ % Time-Shifted TV

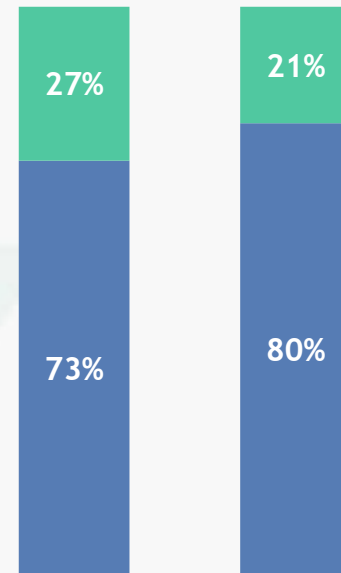
P18+



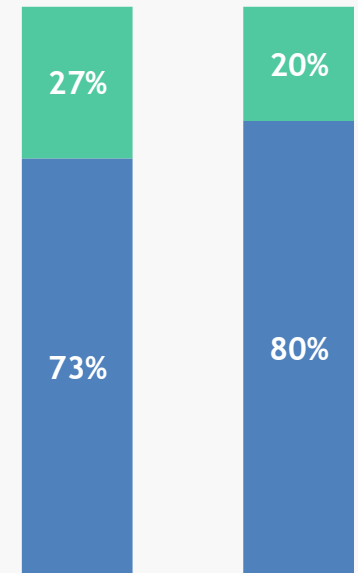
P18-34



P18-49



P25-54



Broadcast

Cable

Broadcast

Cable

Broadcast

Cable

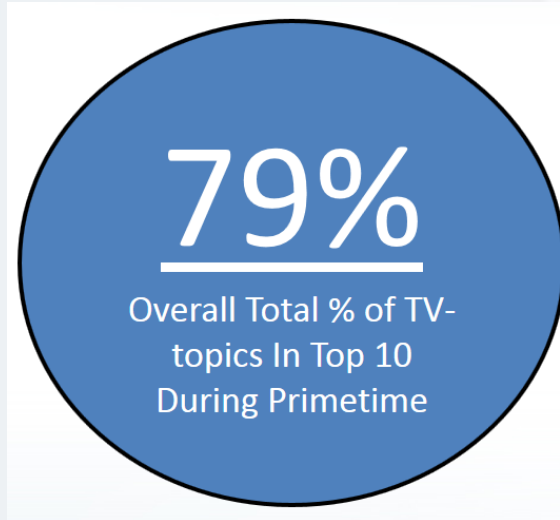
Broadcast

Cable

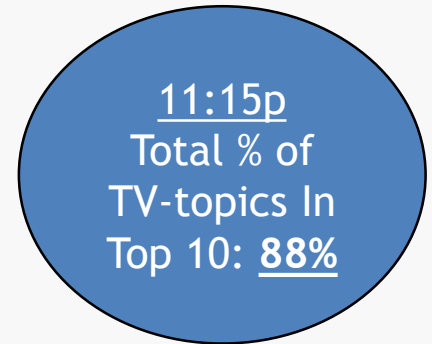
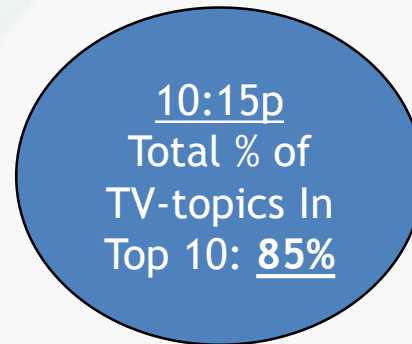
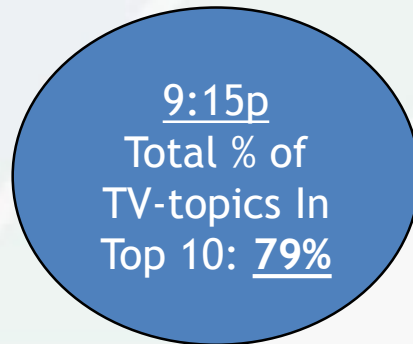
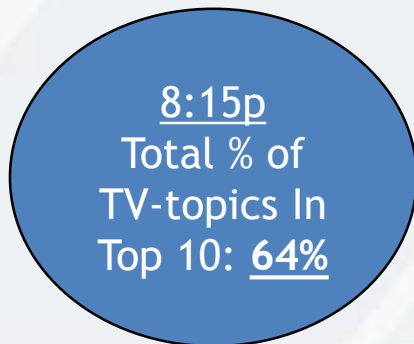
THINK LOCALLY

Source: VAB analysis of Nielsen NPower Time Period Report, 2Q 2017, Primetime, based on average quarterly time spent, Live vs. Live+7.

Ad-Supported TV Accounts For Nearly 8 Of The Top 10 Trending Twitter Topics At Night In The Fall Between October & November

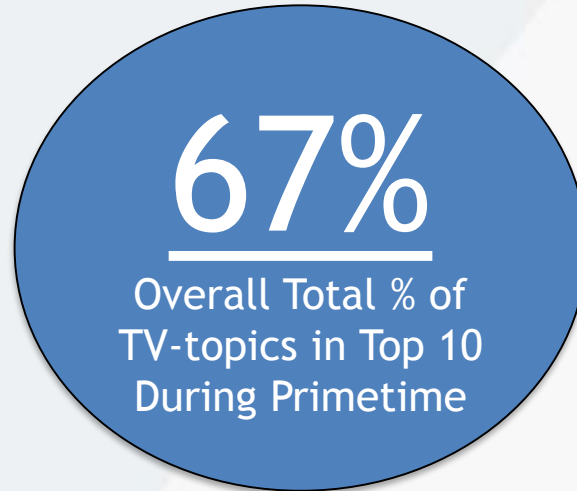


Even though this analysis was done during the lead-up to the 2016 election, a time of heavy political discussion across the U.S., ad-supported TV dominated the top conversations on Twitter

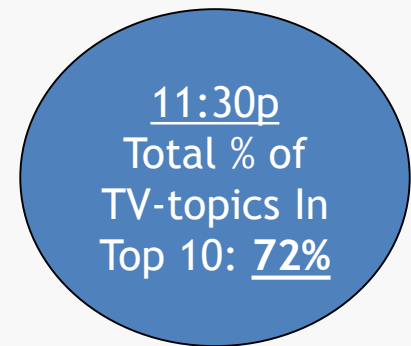
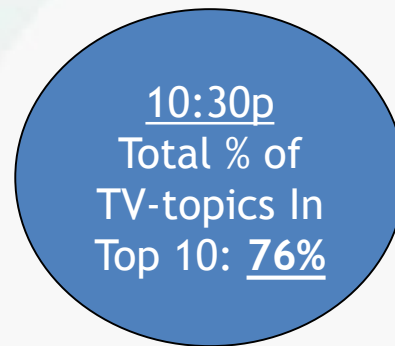
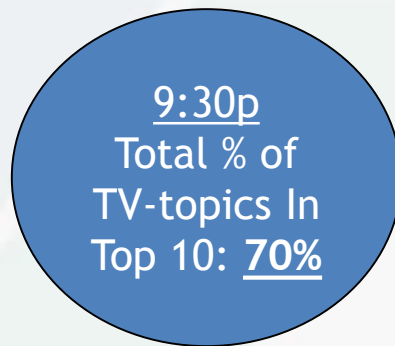
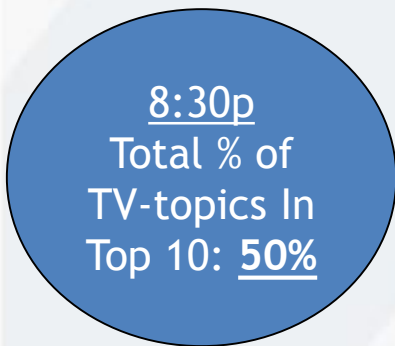


THINK LOCALLY

Ad-Supported TV Accounted For Nearly 7 Of The Top 10 Trending Twitter Topics At Night In The Summer Between May & June



Although this analysis was conducted as the summer season was getting underway between May-June, ad-supported TV continued to dominate the top social conversations on Twitter



THINK LOCALLY

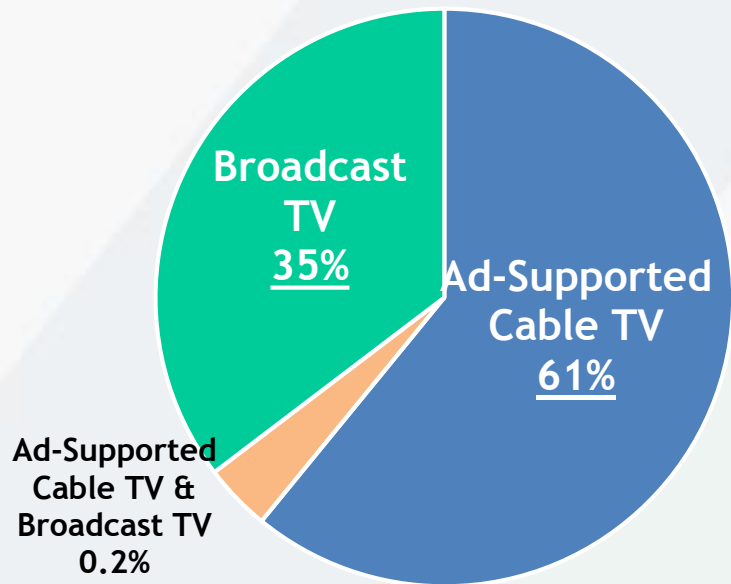
Source: VAB custom analysis of Top 10 trending Twitter Topics each night (8:30p, 9:30p, 10:30p, 11:30p) aggregated during 4-week time period (5/15/2017 - 6/11/2017). Results include both "direct" and "related" TV topics.

Typically, The Majority Of The Top 10 Trending Twitter TV Topics Involve Programming On Ad-Supported Cable TV

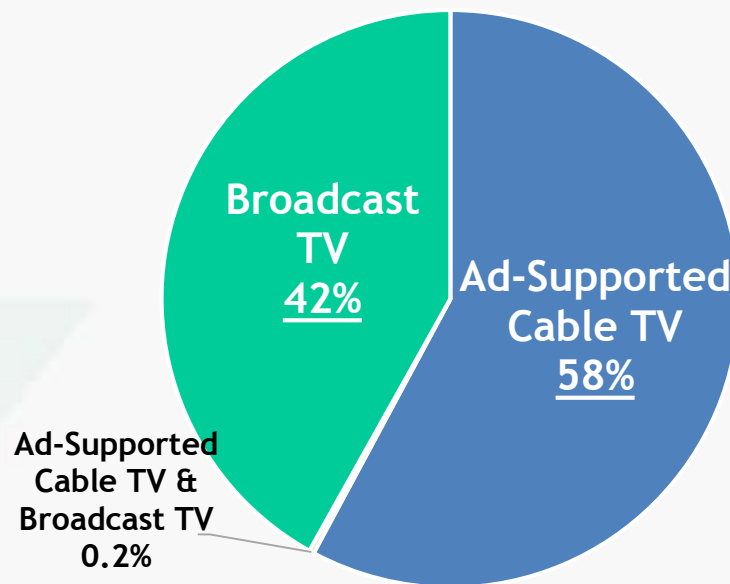
Four-Week Time Periods

% Breakout of Ad-Supported TV Topics By Medium

Oct-Nov '16



May-June '17



■ Ad-Supported Cable TV ■ Ad-Supported Cable TV & Broadcast TV ■ Broadcast TV

*Ad-Supported Cable TV & Broadcast TV includes programs or topics that aired, or were discussed, on multiple networks such as popular news or sports events.

Source: VAB custom analysis of Top 10 trending Twitter Topics each night (8:15p, 9:15p, 10:15p, 11:15p) aggregated during 4-week time period (10/10-2016 - 11/6/2016) & each night (8:30p, 9:30p, 10:30p, 11:30p) aggregated during 4-week time period (5/15/2017 - 6/11/2017) . Results include both "direct" and "related" TV topics.

Ad-Supported TV Even Dominate Twitter's Top 10 Trending Topics On Key Holidays During The 4th Quarter

75% of the aggregated top 10 trending topics across the five monitored holiday time periods were ad-supported TV-related topics



Thanksgiving Day
(11:45a-11:45p)

Christmas Eve
(8:45p-11:45p)

Christmas Day
(11:45a-11:45p)

New Year's Eve
(8:45p-11:45p)

New Year's Day
(8:45p-11:45p)

75%

75%

73%

78%

75%

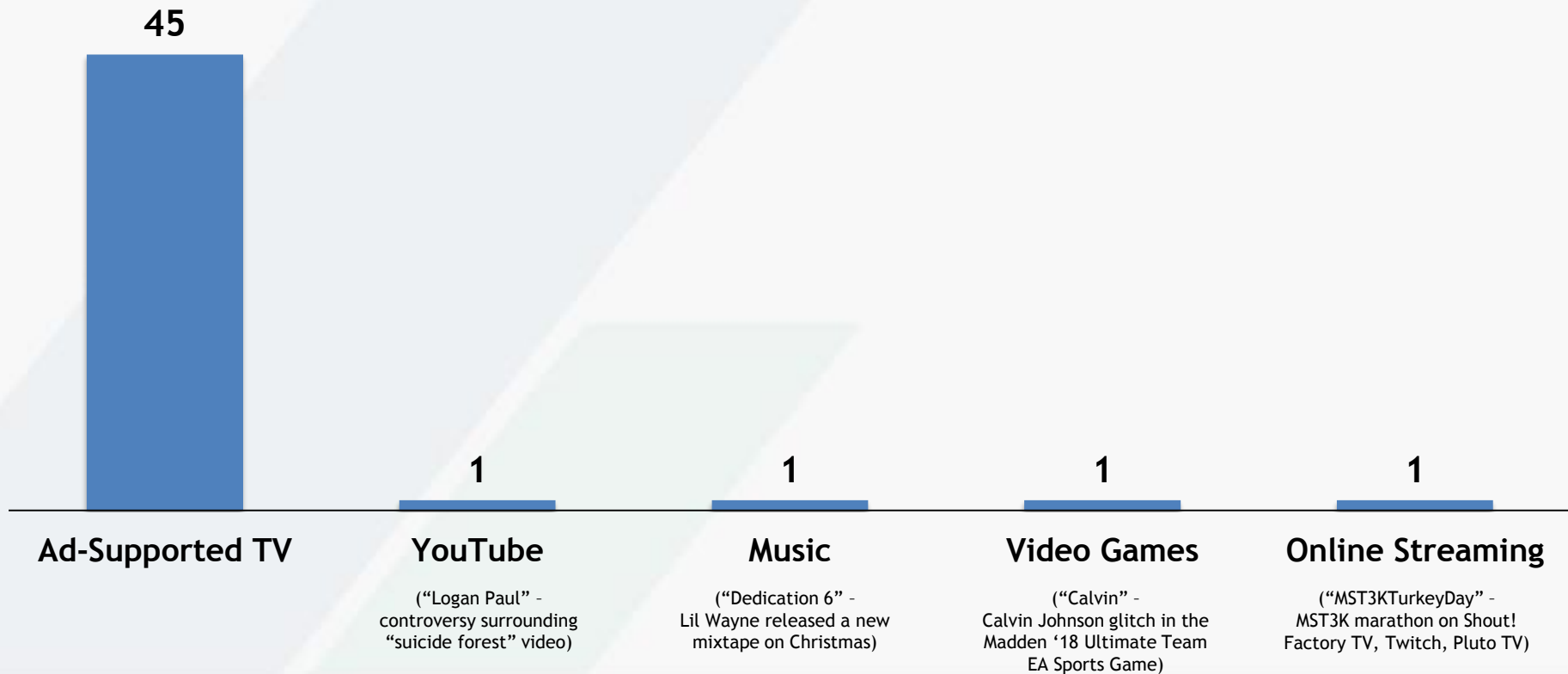
← % of Overall Top 10 Trending Topics on Twitter that were ad-supported TV-related during each measurement time period →

THINK LOCALLY

Source: VAB custom analysis of Top 10 trending Twitter Topics (United States) each night on the :45's aggregated over each hour between 11a - 11p (11:45a-11:45p) during 11/23/2017, 12/25/17, 1/1/18 and on the :45's of each primetime hour between 8p-11p (8:45p-11:45p) during 12/24/17 & 12/31/17.

During The Holidays, Just Like The Rest Of The Year, Nothing Else Gets People Talking Online Like Ad-Supported TV Programs

Five-Holiday Monitored Time Period # of Top 10 Trending Programs / Content By Platform



THINK LOCALLY

Source: VAB custom analysis of Top 10 trending Twitter Topics (United States) each night on the :45's of each hour between 11a - 11p (11:45a-11:45p) during 11/23/2017, 12/25/17, 1/1/18 and on the :45's of each primetime hour between 8p-11p (8:45p-11:45p) during 12/24/17 & 12/31/17.

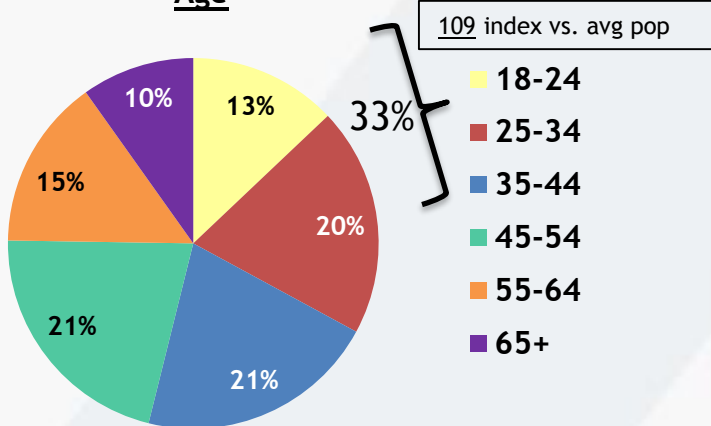


**Video On Demand:
The Ultimate Platform For Consumer
Choice**

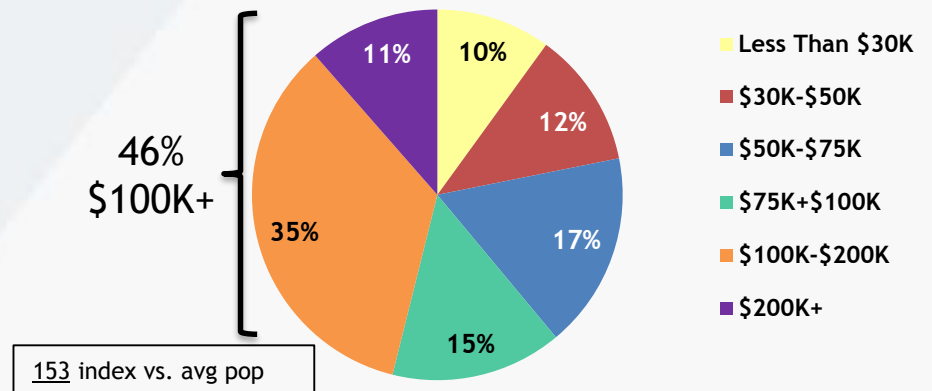
MVPD VOD Users Tend To Be More Educated And Affluent

Watched Movies or TV Shows on VOD

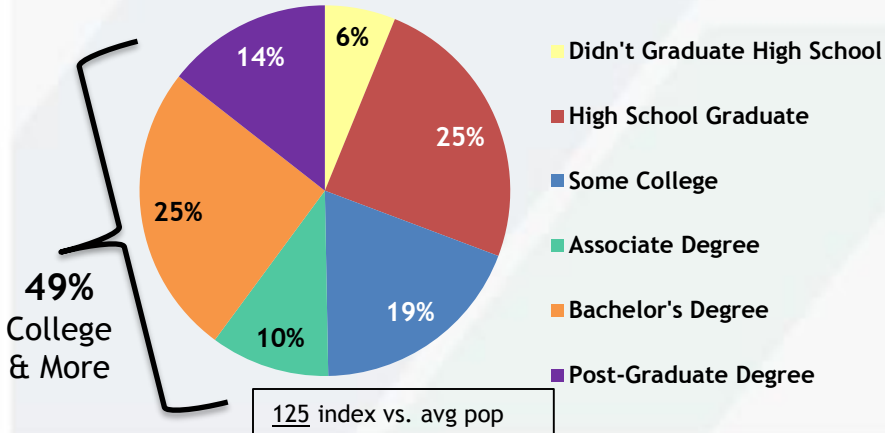
Age



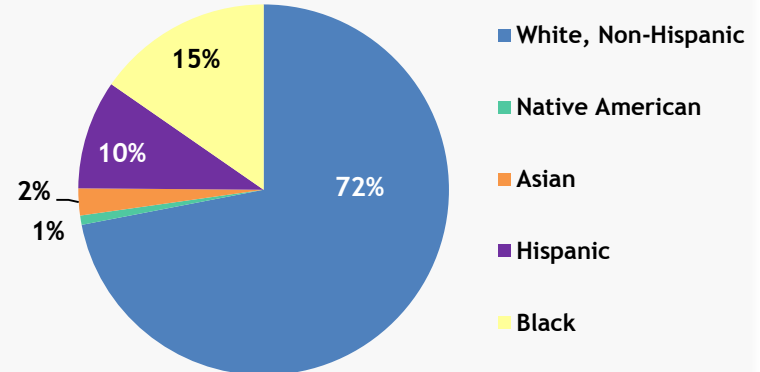
HHI



Education



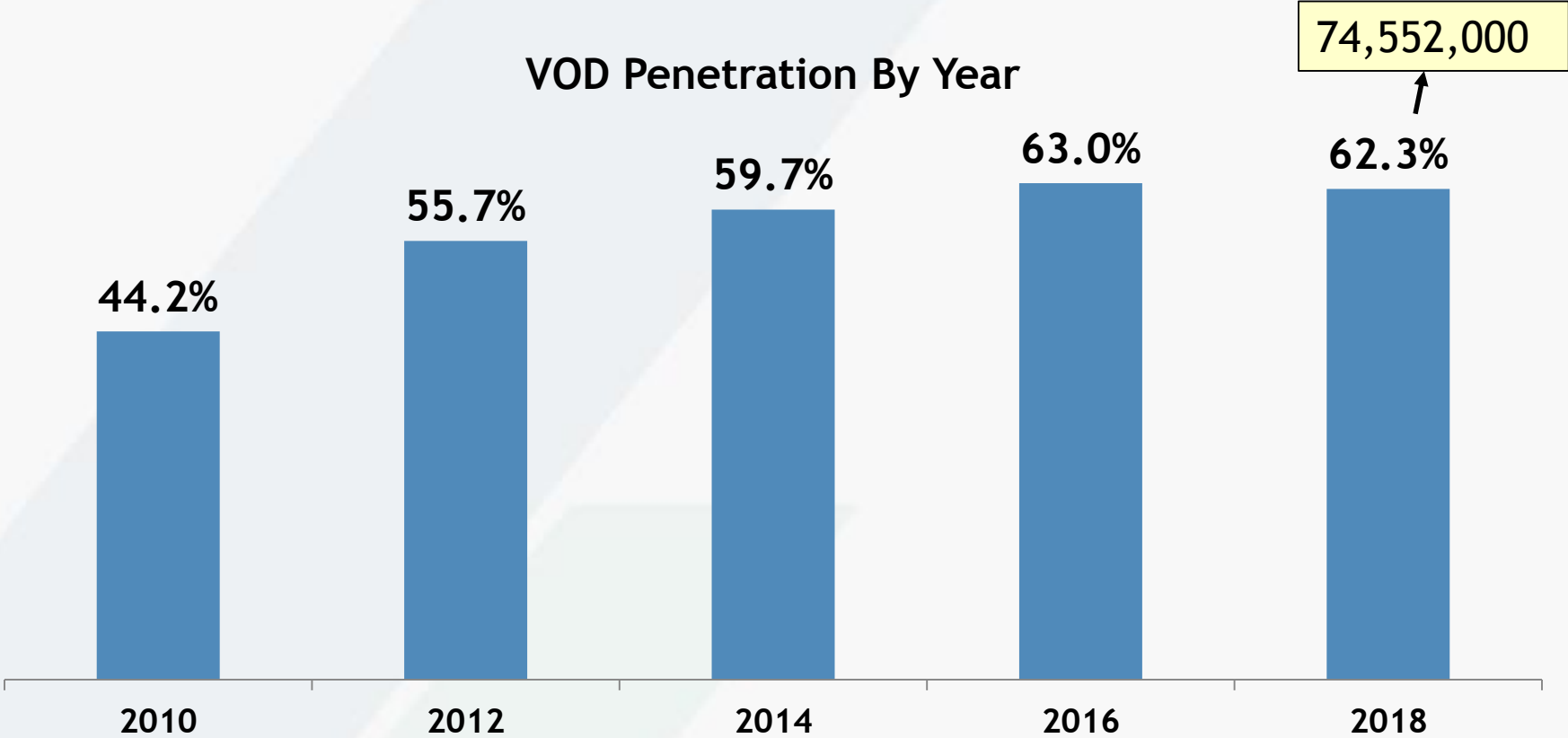
Ethnicity



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Almost 75 Million Consumers Have Access To MVPD VOD

VOD Penetration By Year

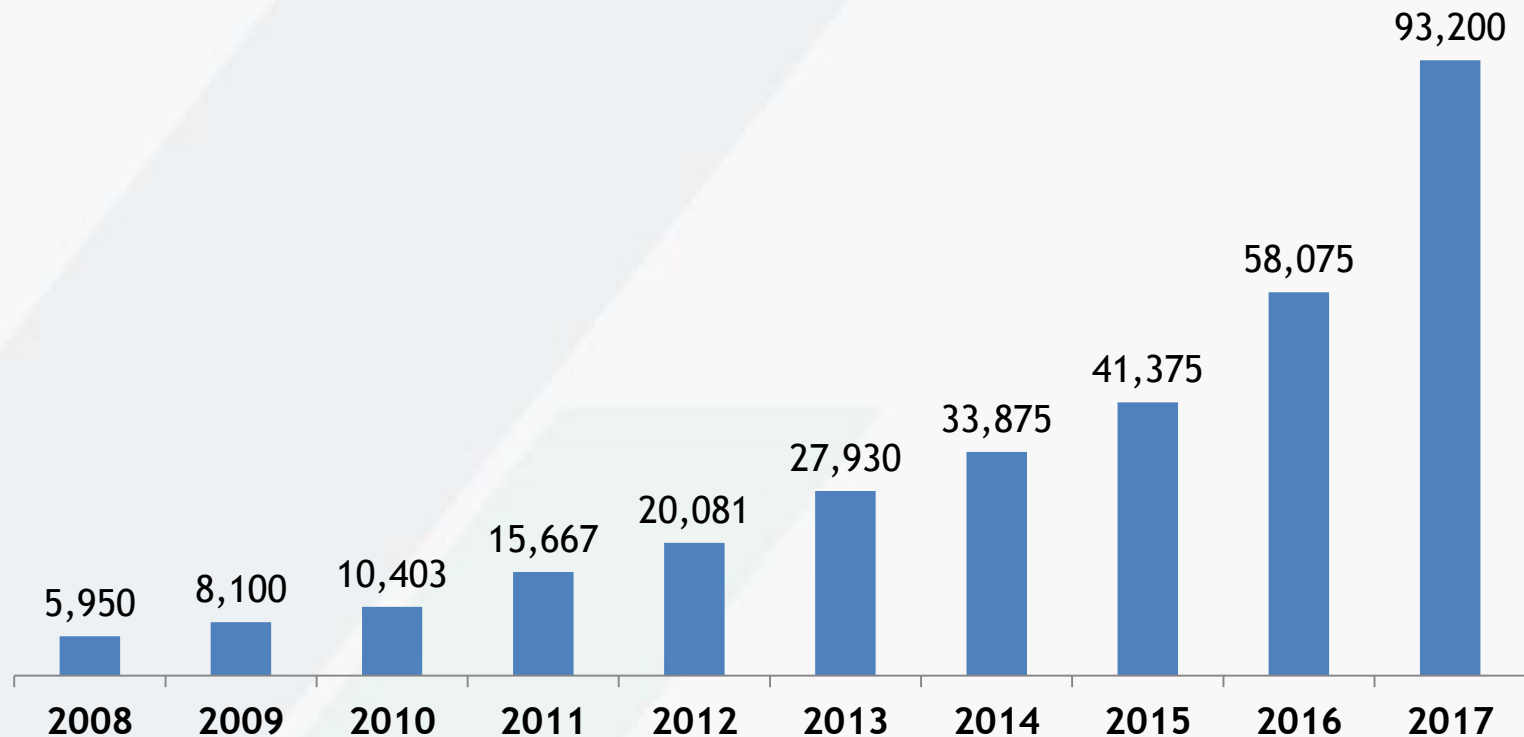


THINK LOCALLY

Source: Nielsen VOD penetration; January of each year, MVPD VOD.

MVPD VOD Libraries Have Been Rapidly Expanding To Meet The Desires Of Consumers Searching For Content At Any Time

Average U.S. Operator VOD Titles Per Month



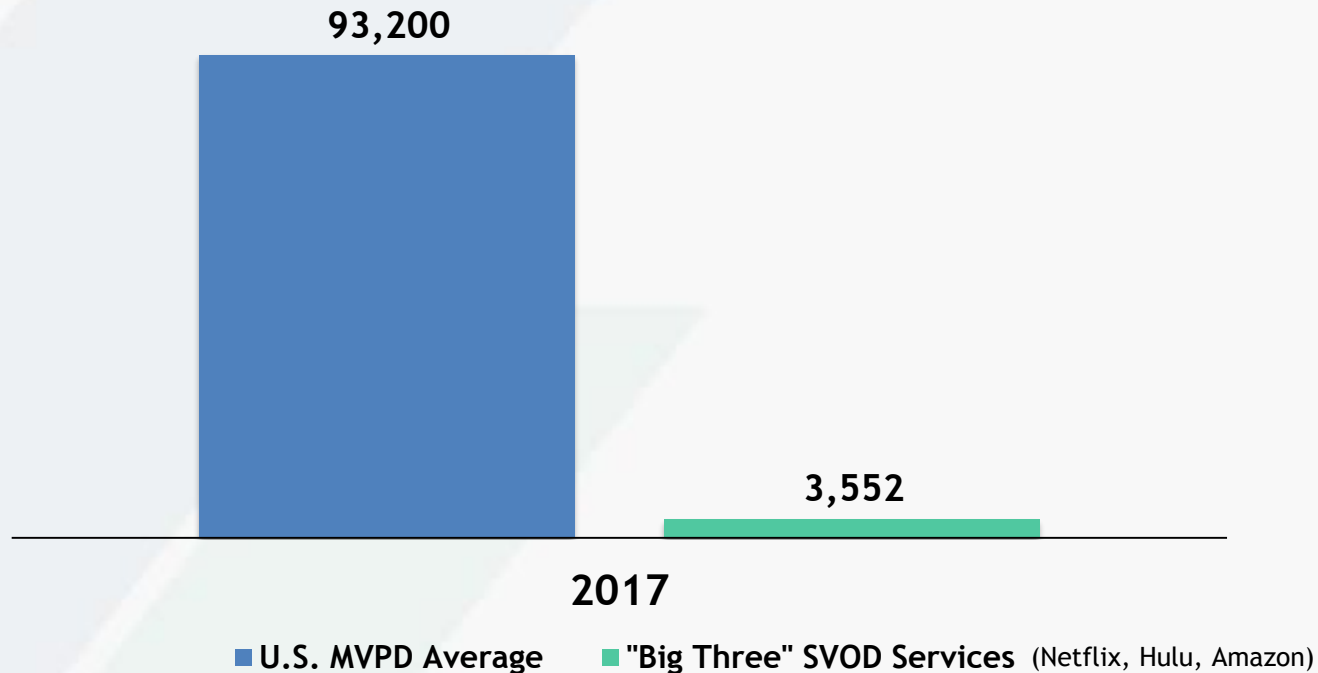
THINK LOCALLY

Source: SNL Kagan Multichannel Market Trends; Count represents avg monthly selection, reflecting turnover and refreshed content and are not comparable to average titles available simultaneously. 2/17

In Fact, MVPD VOD Catalogues Easily Dwarf The Limited Libraries Of The Three Major SVOD Services

With something available on-demand for everyone, MVPD's content variety truly is unmatched and only continues to grow

Average U.S MVPD vs. Average SVOD Library Comparison
of Titles Available (monthly average)



Source: VAB analysis of SNL Kagan February 2018 data estimates (MVPD catalogs reflect cable and telco MVPDs, excludes satellite MVPDs) for end of year 2017, title counts represent reported average monthly selections at year end unless noted as an estimate, counts reflect turnover and refreshed content and are not comparable to average titles available simultaneously. SVOD data represents the latest month with available data in 2017: Netflix (May), Hulu (September) & Amazon (November). 2018 S&P Global Market Intelligence.



Saying “Yes” To Addressability: Capitalizing On Cable TV’s Advanced Targeting Capabilities

Addressable TV's Precision Targeting Delivers Unrivaled Relevancy For Advertisers

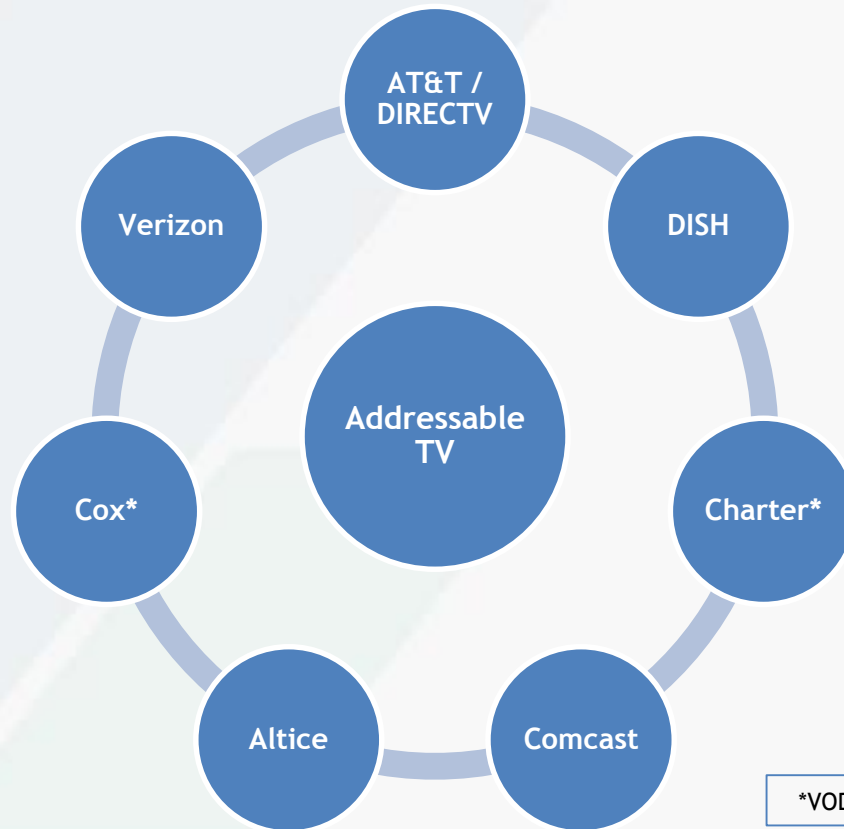
What Is Addressable TV?

The ability of an advertiser to deliver household-level TV advertising via the set-top box based on a defined audience-target developed through first-, second-, and/or third-party data. Under this method, the advertiser buys the audience and not specific networks or programs.

Addressable TV is a means of delivering the right ad to the right person by combining the unmatched reach of Television with the targeting precision and measurement capabilities of “one-to-one” marketing.

Approximately 64 Million U.S. Households Have Addressable TV Capabilities

- As of early 2018, there are 64MM addressable TV HHs across the U.S., representing more than 54% of TV HHs

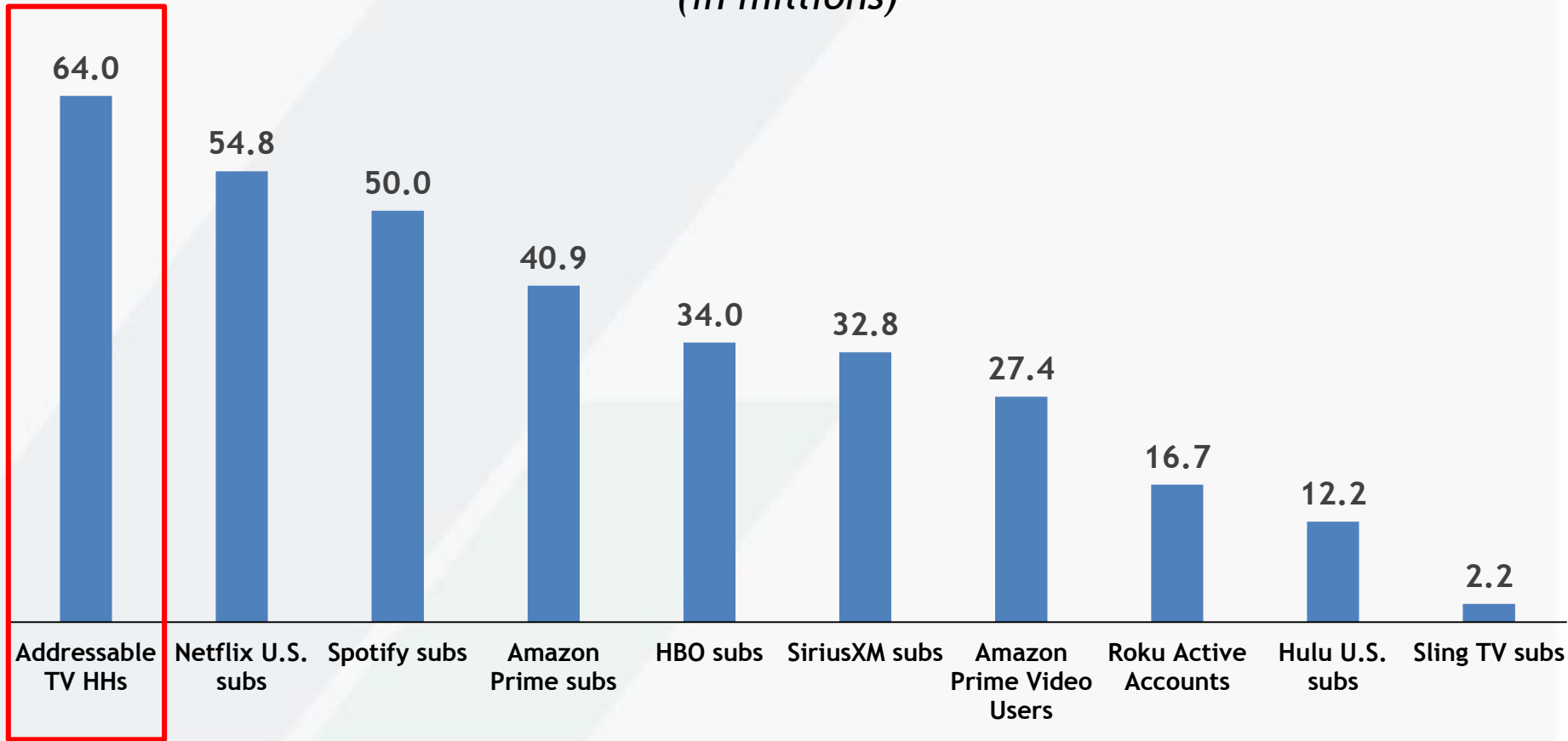


THINK LOCALLY

Source: IAB Advanced TV Targeting Primer based on TV provider shared data updated as of February 2018.

At 64MM HHs, Addressable TV Has A Larger Footprint Than Netflix & Other Popular Subscription Platforms

How Big Is Addressable TV? *(in millions)*

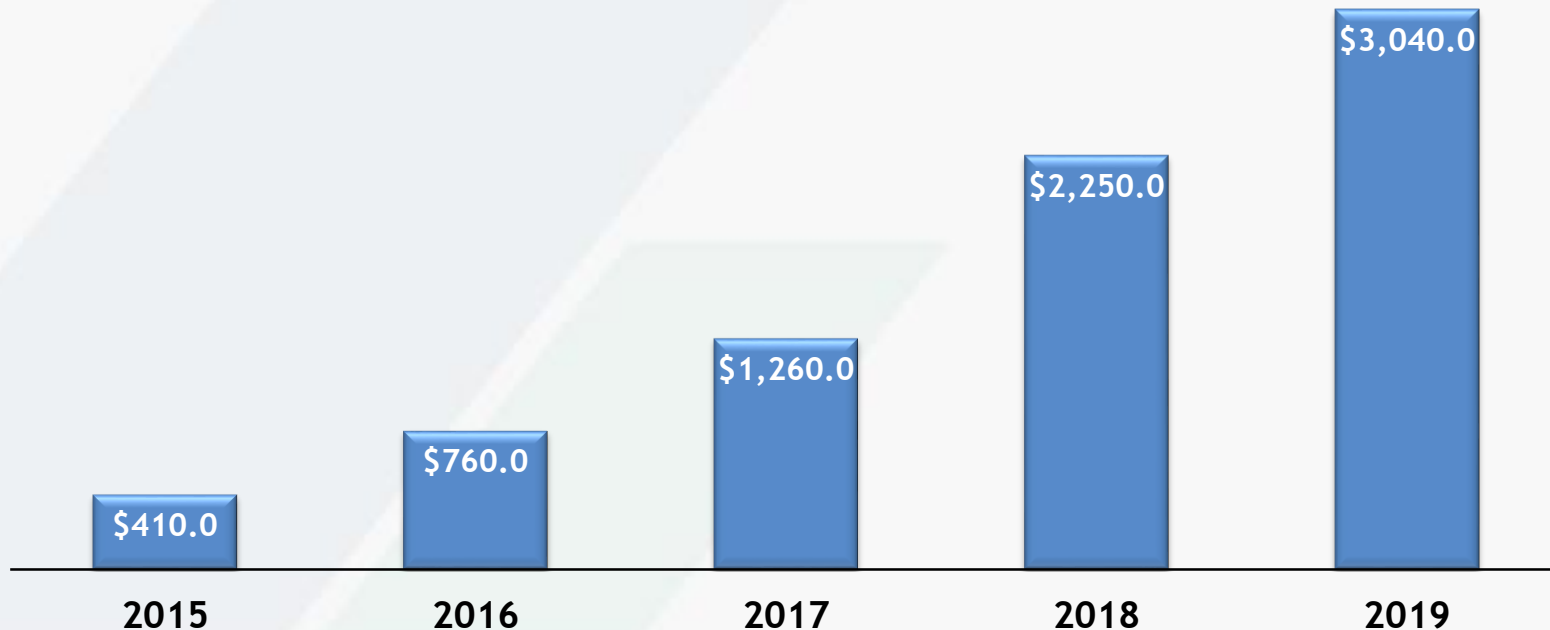


Source: Addressable TV HHs - IAB Advanced TV Targeting Primer based on TV provider shared data updated as of February 2018. Netflix - company financial reports for Dec '17. Spotify - March '17 data from SNL Kagan. Amazon Prime - Q4 '16 data from SNL Kagan published March '17; Amazon Prime Video users estimated based on SNL Kagan's Feb '16 online consumer survey (72% of Prime subscribers use Prime video). HBO - Q2 '17 data from SNL Kagan (includes cable, DBS, Telco & OTT). SiriusXM - estimated based on SNL Kagan Dec '16 data. Roku - Nov '17 data from SNL Kagan (Roku defines active accounts as the number of distinct user accounts that have streamed content on the platform in the last 30 days). Hulu - paid subscribers only, Q1 '17 data from SNL Kagan published June '17. Sling TV - Q4 '17 data published by TechCrunch 2/20/18.

By The End of 2019, Addressable Is Expected To Grow To A \$3 Billion Segment Of TV Advertising

Addressable TV is projected to *grow 642%* over a three year period

U.S. Addressable TV Ad Spending Projections 2015 - 2019 (in millions)



THINK LOCALLY

Source: eMarketer, July 2017. Note: targeted TV ads delivered on a home-by-home basis via cable and satellite boxes; includes VOD; excludes connected TV, smart TV and OTT

Right Ads Reaching The Right People: The Benefits of Addressable TV

Major benefits of Addressable TV:

Precision

- Goes beyond the traditional Nielsen demographics of age and sex to develop more precise targets based on granular demographics, geography, transactional / consumption & behavioral activities

Customized Creative / Tracking

- Ability to develop creative for different target segments then learn which HHs respond to which message in order to craft future messages in a more personal & relevant way

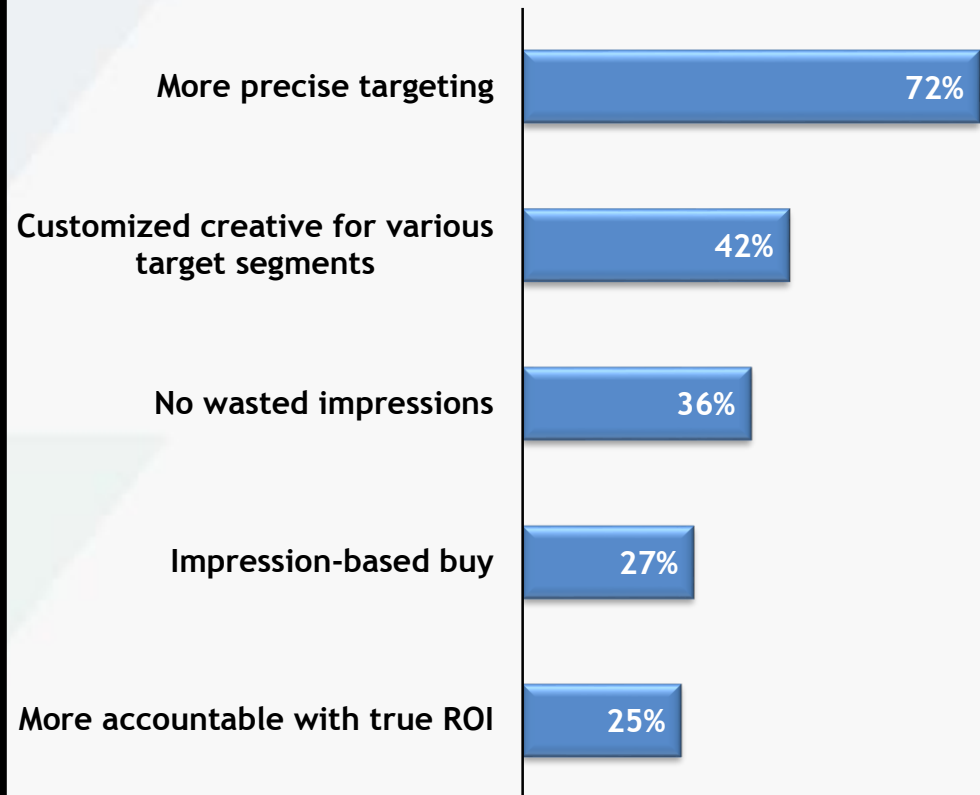
Relevancy

- Reduction of non-targeted ad impressions by eliminating ads seen by viewers who are unlikely to take action on an advertiser's product or service while also allowing advertisers to frequency cap to avoid message wear-out

ROI Measurement & Testing

- In-depth post-campaign reporting with attribution tracking through media partners and third-party data providers

Marketer's Perceived Benefits of Addressable TV

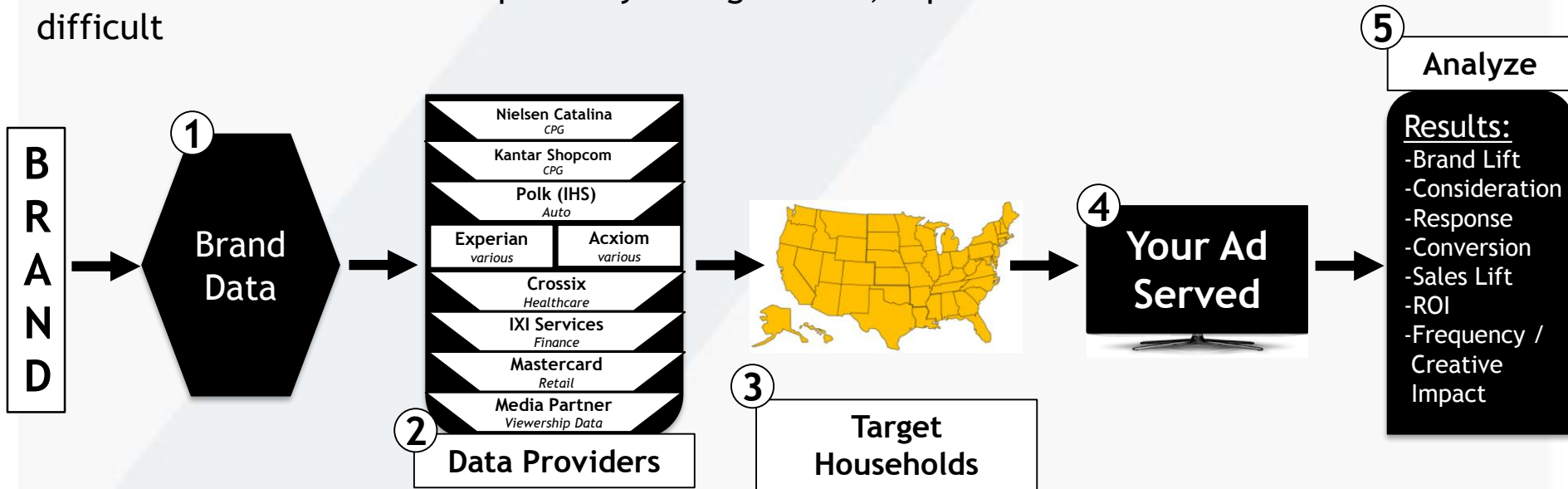


THINK LOCALLY

Source: Based on a survey of media buyers and product marketers conducted by Adweek Brandshare on behalf of AT&T AdWorks. All 158 respondents had oversight of or involvement in purchasing advertising or media or were involved in marketing a specific product or service. All respondents were located in the U.S.

How Addressable TV Works

Addressable TV is not as complex as you might think; sophistication doesn't have to mean difficult



1 Brand works with media partner on the objectives of campaign and provides relevant first-party data if available.

2 The brand information is matched with the relevant third-party data provider who offer anonymized in-depth, vertical-specific knowledge in a privacy compliant manner.

3 Based on the matching data, the data provider / media partner finds the specific households the brand wants to reach. Then they pinpoint and identify those households within the addressable TV footprint.

4 The brand's ad is delivered only to the households in the target segment with zero waste.

5 After the addressable campaign is complete, the media partner / data provider analyzes the results of the campaign and provides the brand with post-buy media details and insights such as impact on brand awareness, purchase consideration and even sales conversion.

An Addressable Advertiser Can Mine Data From Different Sources To Determine Their Target Audience

A precise, desired audience can be developed through first-, second- or third party data

First Party Data

- Advertiser's data about its own customers, prospects and website users
- Potentially made up of purchase history, registered profiles, email subscribers
- Can be completed and enriched by third party data

Second Party Data

- Data elements from partners or affiliates that a brand works with
- Advertiser may share a customer who they would like to co-market to
- Example: credit card company wants to target individuals who frequently travel on a specific airline

Third Party Data

- Data an advertiser acquires from other companies such as Experian or Axciom
- Important to vet that third party data has both scale and accuracy
- Can be used on its own, or with first and second party data to enrich targeting and segmentation

Third-party data is particularly useful for prospecting campaigns and can help “fill in the holes” of a marketer's own customer database to build meaningful scale

THINK LOCALLY

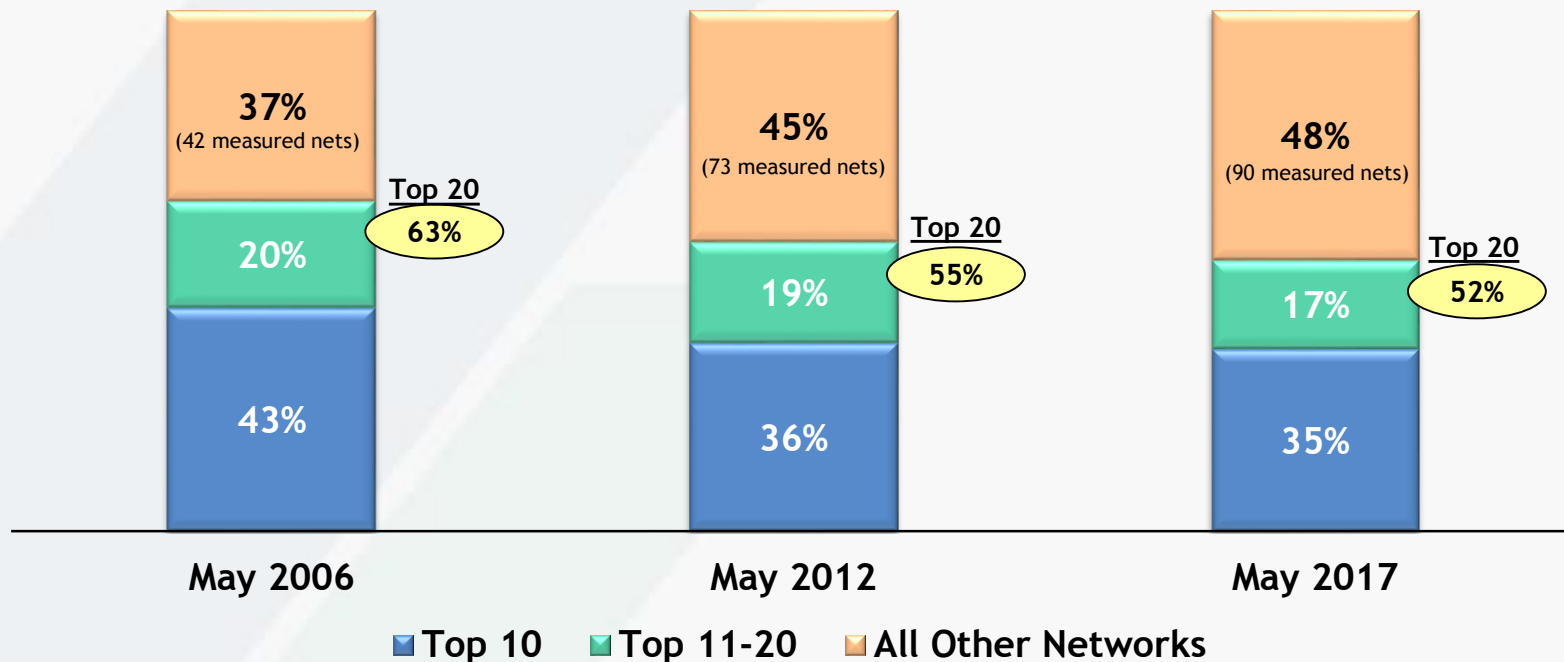
When Implementing Addressable, Buying Audiences Across A Wider Range of Networks Would Further Increase Reach

Almost 50% of total time spent with ad-supported cable TV now happens outside of the top 20 nets as new networks have launched and program viewing further fragments

- With this “one-to-one” targeting, value can be found in any program on any network

“Total Minutes Viewed” Breakout By Cable TV Network

Networks ranked by total minutes viewed



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How TV Fuels Business Outcomes

TV Expenditures Drive Website Traffic Across Categories

9 Reports in Total → 20 Categories → 400+ Brands

“The Market Changer’s Playbook”

(Various Disruptors)



35 Brands

90%

“Shifting Gears”

(Automotive)



20 Brands

75%

“What’s Appn’ing”

(Mobile Apps)



60 Brands

77%**

“Ignition Point”

(Call-To-Action Categories*)



125 Brands

82%

“What’s Driving Digital”

(“Pure Play” Digital Brands)



75 Brands

85%

← TV Spend Vs. Website Traffic Correlation →

THINK LOCALLY

*Ignition Point - “Call-To-Action” categories include restaurants, retail, travel, telco, financial & insurance. **What’s Appn’ing - 86% correlation for gaming app subcategory. % reflect that percentage of brands that saw a correlation between their TV spend & website traffic

Digital-Native “Disruptor” Brands See Their Website Traffic Skyrocket As Soon As They Launch A TV Campaign

Each company below saw an immediate double-digit lift in website visits once their TV campaign launched

Monthly Website Unique Visitors Comparison

Based Within A Three-Year Time Period (Mar ‘14 - Feb ‘17)

<u>Company</u>	<u>Month Prior To TV Launch</u>	<u>Monthly Average: TV Launch - Feb ‘17</u>	<u>% Difference</u>
23andMe	421	968	+130%
Airbnb	1,442	5,872	+307%
Birchbox	1,122	2,221	+98%
Blue Apron	159	1,872	+1,075%
Casper	131	512	+292%
Fitbit	4,598	14,247	+210%
Letgo	N/A	10,201	↑
Lyft	7,920	13,048	+65%
Nest	N/A	1,576	↑
Simplisafe	145	557	+284%
Sling	2,143	3,842	+79%
SoFi	248	593	+139%
Uber	N/A	30,955	↑
Yelp	77,900	86,755	+11%

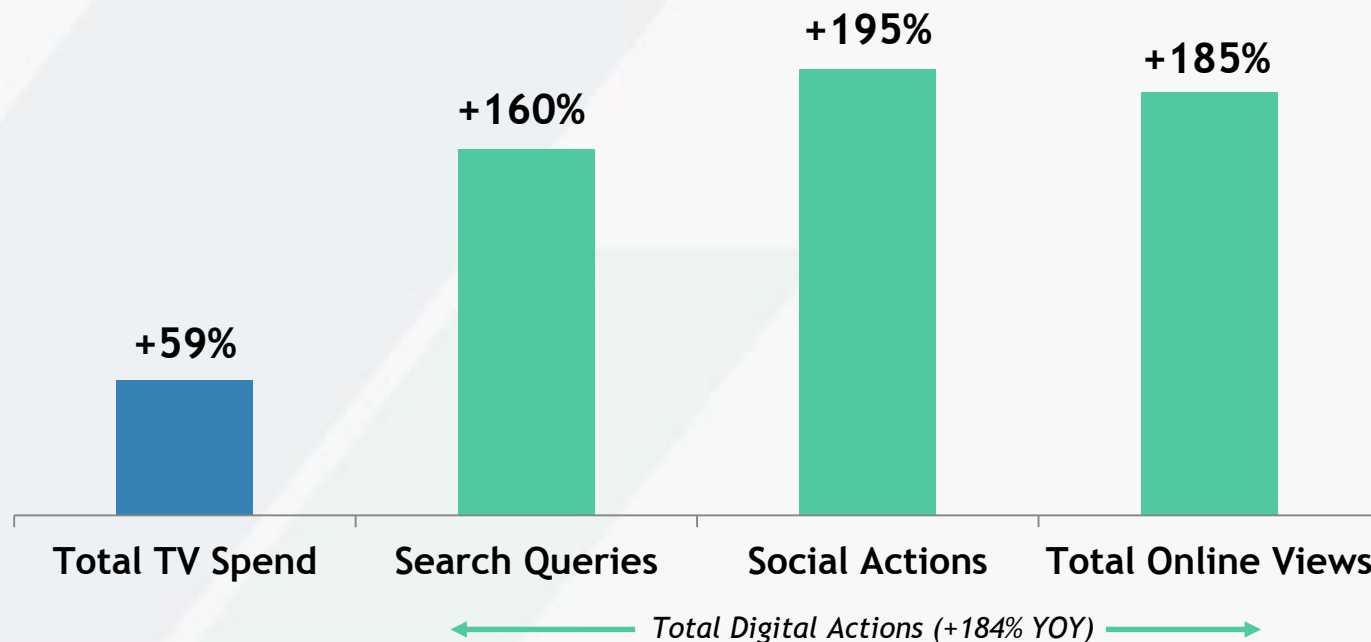
THINK LOCALLY

Source: comScore mediameatrix multiplatform media trend; Total audience (P2+), March ‘14 - February ‘17. Nielsen Ad Intel, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), March ‘14 - February ‘17. N/A = not enough traffic for comScore to measure.

TV Is The Catalyst That Jumpstarts Greater Conversation, Exploration & Online Video Viewing Of “Breakout” Brands

TV leads to increased searches, social actions and non-paid online video views of a brand’s TV ad. In fact, these digital actions far outpace the collective increase in TV spend across the 14 “disruptors” measured.





14 “Brand Building” Disruptors*: TV Spend vs. “Digital Actions” YOY % Increase 2015 vs. 2016



*Brands include: 23andMe, Airbnb, Birchbox, Blue Apron, Casper, Fitbit, Letgo, Lyft, Nest, Simplisafe, Sling, SoFi, Uber, Yelp

Source: TV spending based on Nielsen Ad Intel, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), CY 2015-2016. Digital actions based on iSpot.tv and reflects TV commercial-related searches (Google, Bing, Yahoo!), social actions (posts, likes, shares and comments related to TV ads on Facebook, Twitter, YouTube, iSpot.tv) and earned, not promoted, online video views of TV ads (YouTube, iSpot.tv). Digital actions are correlated to TV ad airing data.

Digital-Native “Disruptor” Brands Often See Their Revenues Take Off When They Launch A TV Campaign


<u>Company</u>		<u>Year Prior to TV Launch</u>	<u>1st Year with TV</u>	<u>2016</u>
 Zillow <i>Founded in 2005</i>	(5 Year TV Advertiser)	TV Spend (000):	---	\$1,608
		Revenue (000):	\$66,053	\$116,850 +77%
 vistaprint <i>Founded in 1999</i>	(7 Year TV Advertiser)	TV Spend (000):	---	\$5,712
		Revenue (000):	\$313,621	\$370,137 +18%
 DOLLAR SHAVE CLUB <i>Founded in 2011</i>	(4 Year TV Advertiser)	TV Spend (000):	---	\$11,551
		Revenue (000):	\$4,000	\$19,000 +375%
 grubHub seamless <i>Founded in 1999</i>	(5 Year TV Advertiser)	TV Spend (000):	---	\$526
		Revenue (000):	\$60,611	\$82,299 +36%


% = revenue increase between 1st year on TV and year prior


x = revenue increase between 2016 and year prior to TV launch


Source: Revenues reflect U.S. only and are based on company filings (10-K, etc) via SEC.gov (except for Dollar Shave Club which is based on market analyst projections and company guidance). Nielsen Ad Intel, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), CY 2010-CY 2016. All brands reflected had to have a continuous annual TV investment from Year 1 of TV through 2016.

Revenues Also Spike When “Growing” Brands Heavy-Up Their TV Investment As Well

<u>Company</u>		<u>Year Prior to TV Heavy-Up</u>	<u>TV Heavy-Up Year</u>	<u>2016</u>
 wayfair (TV Heavy-Up in 2013) <small>Founded in 2002</small>	TV Spend (000):	\$1,961	\$44,314	\$177,955
	Revenue (000):	\$542,736	\$857,001 +58%	\$3,110,497 5.7x

 DULUTH TRADING CO. (TV Heavy-Up in 2014) <small>Founded in 1989</small>	TV Spend (000):	\$8,261	\$15,354	\$26,446
	Revenue (000):	\$163,089	\$231,867 +42%	\$376,116 2.3x

 Care.com (TV Heavy-Up in 2012) <small>Founded in 2007</small>	TV Spend (000):	\$6,888	\$14,647	\$24,824
	Revenue (000):	\$22,000	\$45,514 +106%	\$147,830 8x

 Panera BREAD (TV Heavy-Up in 2011) <small>Founded in 1987</small>	TV Spend (000):	\$7,685	\$12,444	\$53,545
	Revenue (000):	\$1,542,489	\$1,822,032 +18%	\$2,795,365 1.8x



=revenue increase between 1st year on TV and year prior



=revenue increase between 2016 and year prior to TV Heavy-Up


Source: Revenues reflect U.S. only and are based on company filings (10-K, etc) via SEC.gov. Nielsen Ad Intel, TV spend (national cable TV, national broadcast TV, Spanish language broadcast TV, Spanish language cable TV, spot TV, syndication TV), CY 2010-CY 2016. All brands reflected had to have a continuous annual TV investment from Year 1 of TV through 2016.




Separately, We Also Found A Definitive Correlation Between TV Spend & Website Traffic Within The Automotive Category

15 of the 20 Automotive Manufacturers (75%) Analyzed Exhibited a Direct Correlation Between TV Spend & Website Traffic

15 Brands

11 Brands Were  In Both TV Spend & Monthly Unique Visitors

4 Brands Were  In Both TV Spend & Monthly Unique Visitors



5 Brands

Lack of correlation between TV Spend & Monthly Unique Visitors



THINK LOCALLY



Automotive Category: TV Spend Impact On Manufacturers With A Definitive Correlation

Shifts in automotive brands' TV spending aid in accelerating, or decelerating, their website traffic

15 Automotive Manufacturers: TV Spend vs. Unique Visitors "Year Over Year" Comparison (Aug '14 - Jul '15 vs Aug '15 - Jul '16)

TV Spend Up /
Uniques Up

11 Advertisers

On average:

+16% more TV Spend

+37% more Unique Visitors

TV Spend Down /
Uniques Down

4 Advertisers

On average:

-10% less TV Spend

-12% less Unique Visitors

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