The Future of Advertising

Adapting for an Uncertain Future

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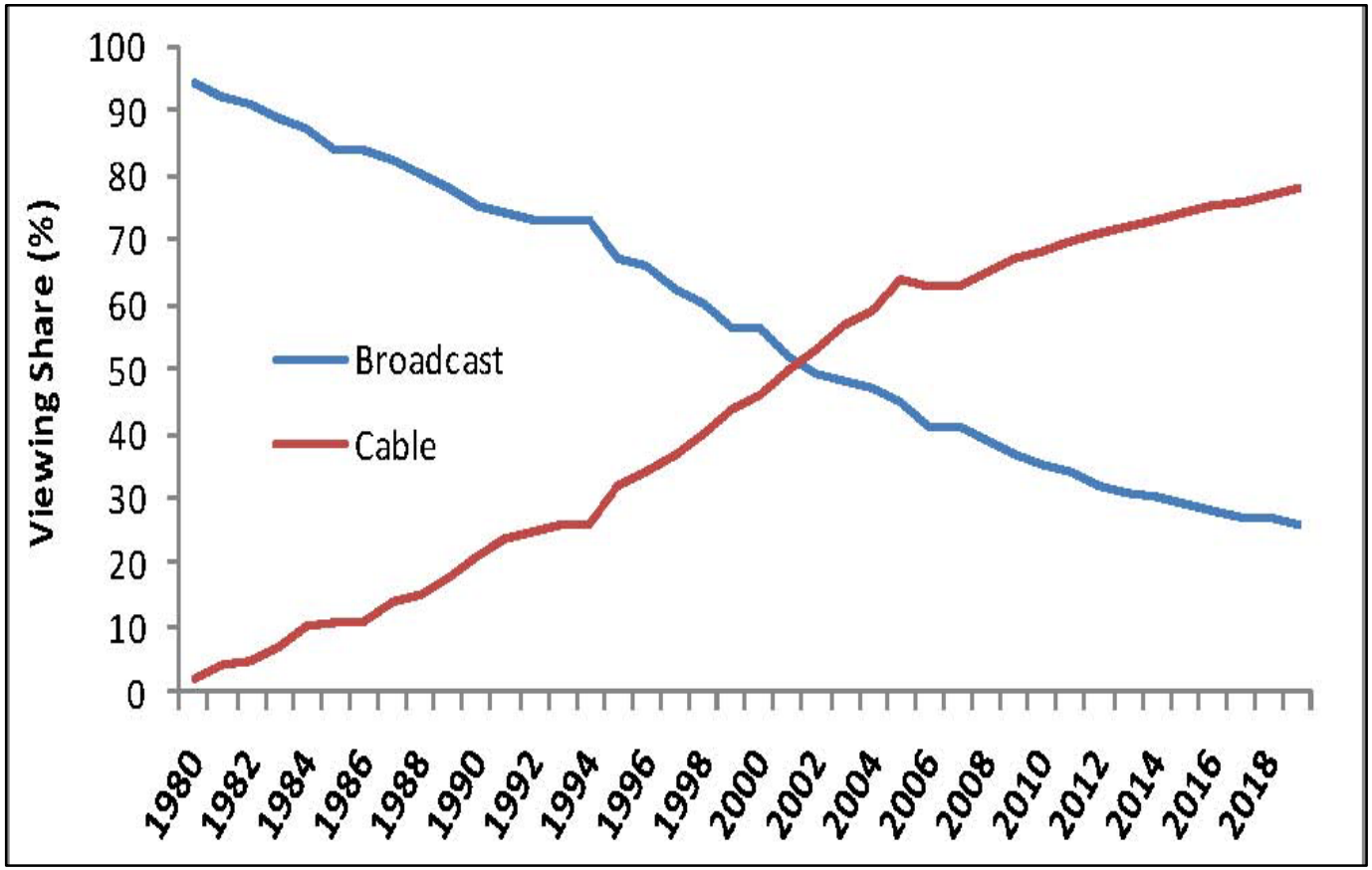
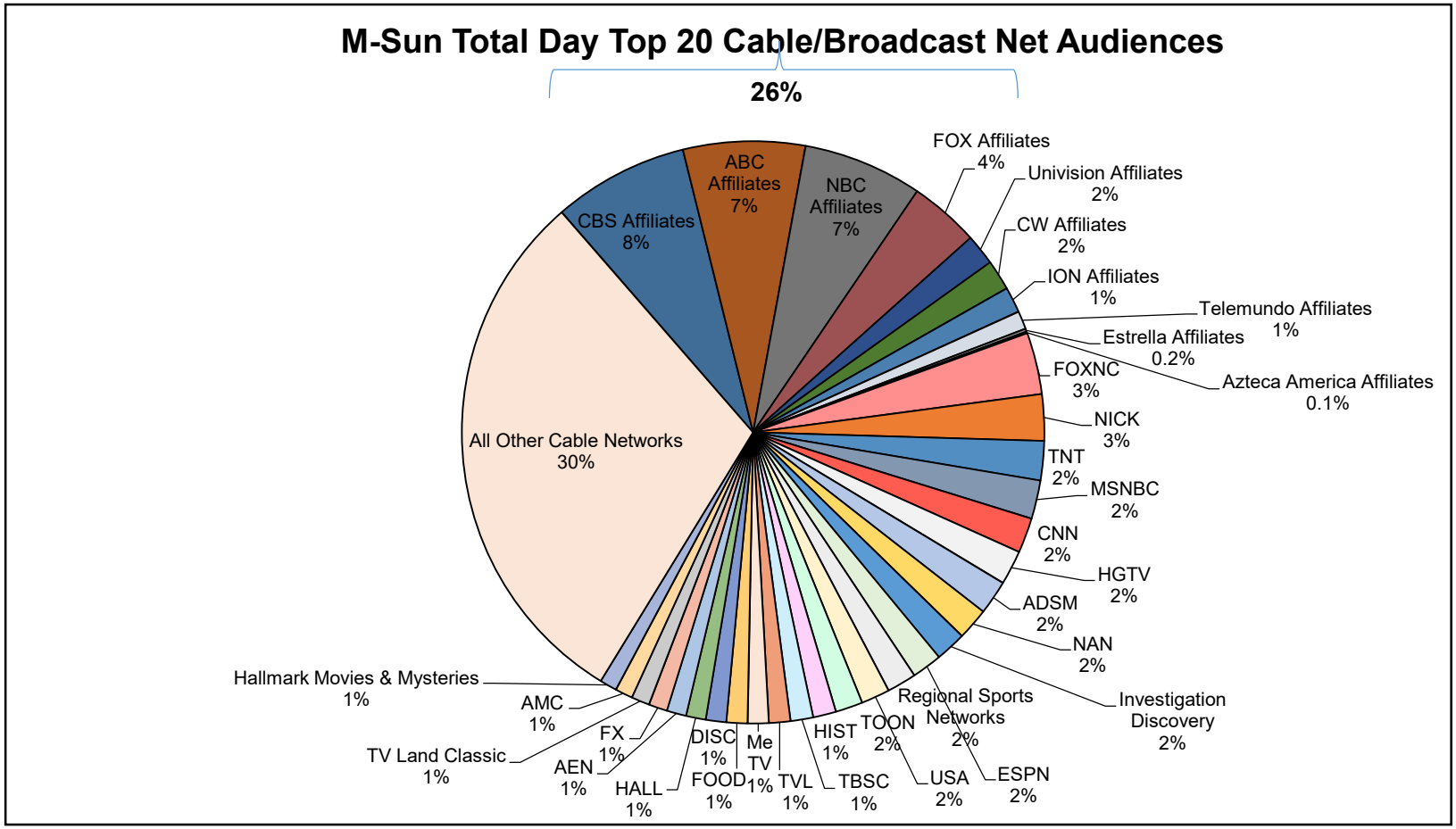
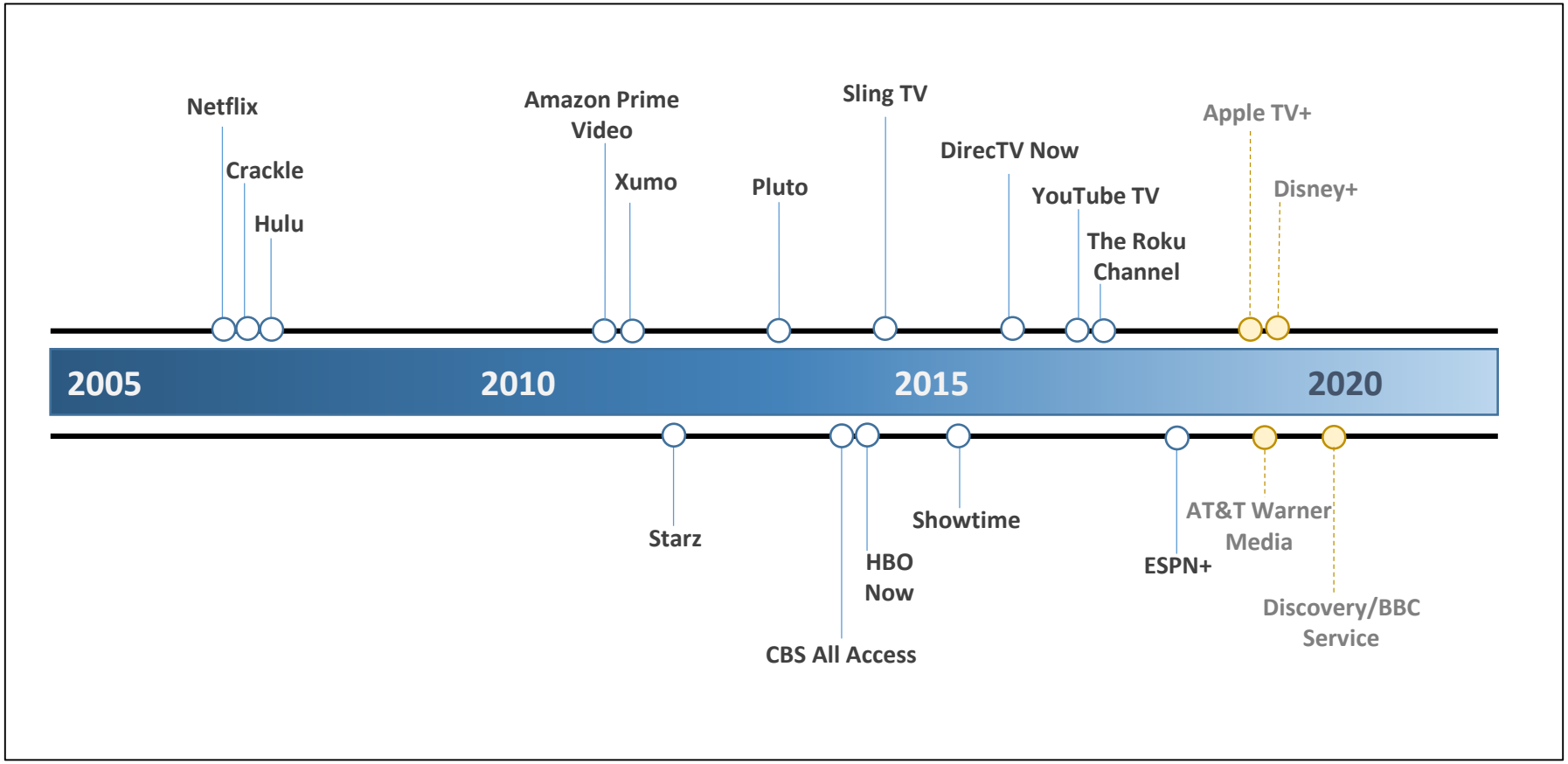
Over the last four decades, broadcast TV has lost most of its audience to cable



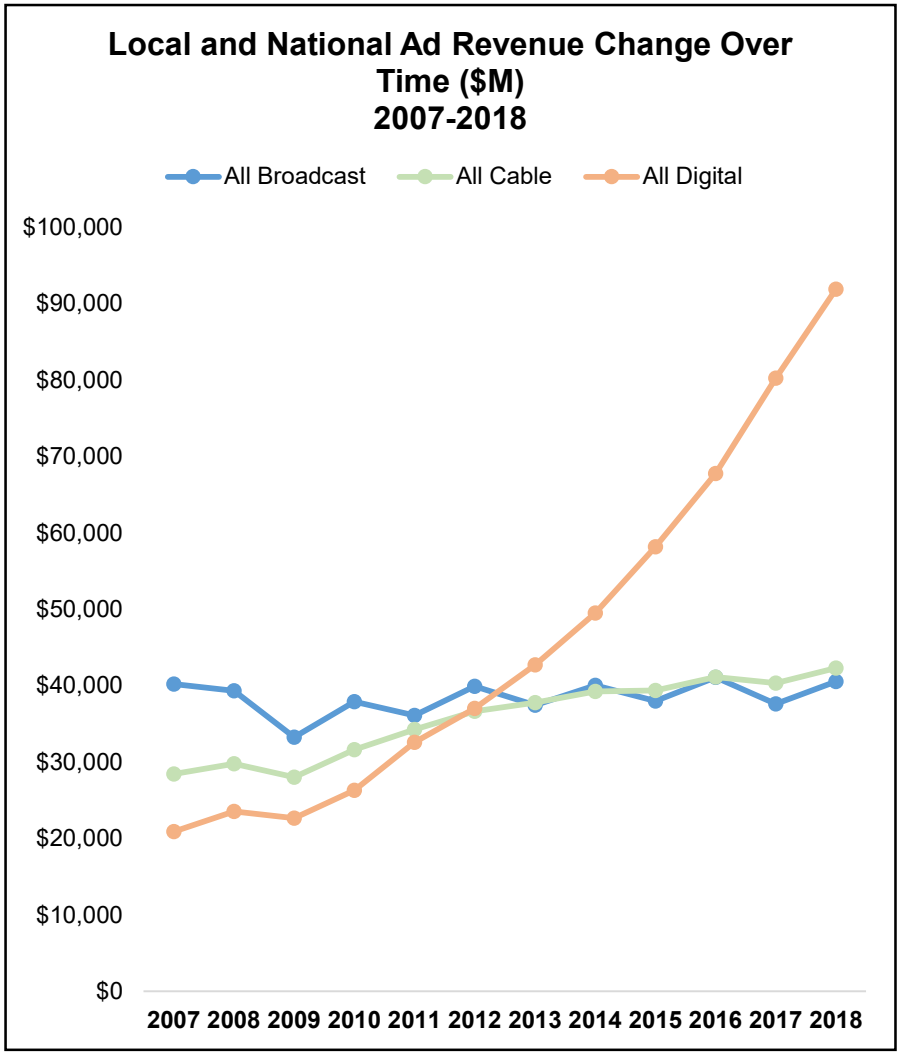
As result, the TV audience has become highly fragmented

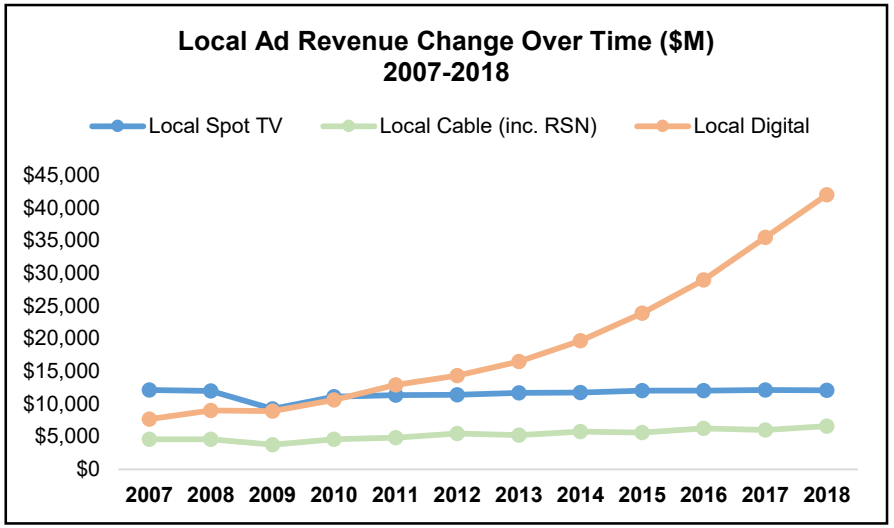


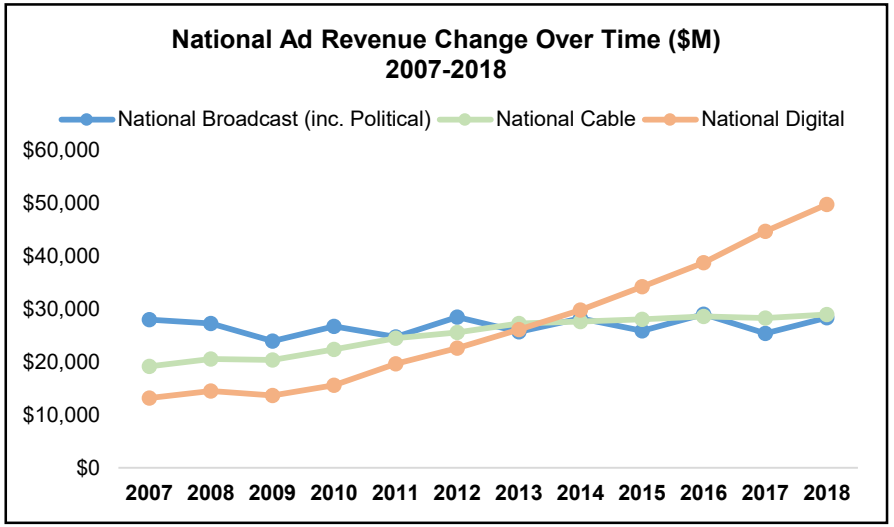
Timeline of Popular OTT Streaming Services



Digital advertising is skyrocketing while broadcast TV advertising is stagnant







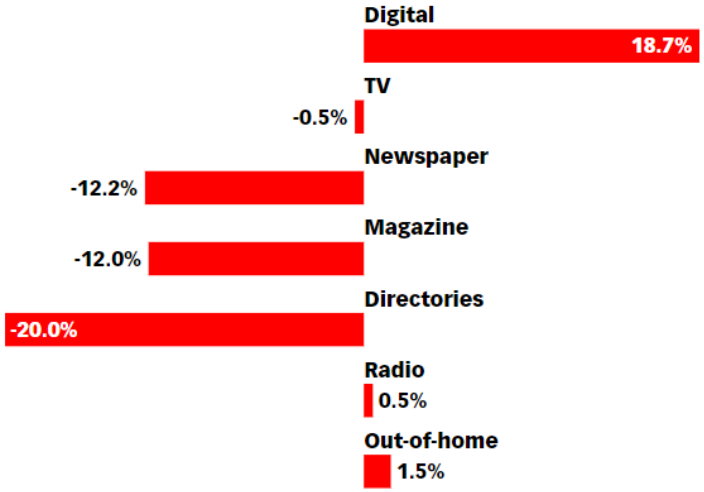
Digital video ad spending is fastest growing form of digital advertising

US TV* and Digital Video Ad Spending, 2016-2021**
billions, % change and % of total media ad spending

	2016	2017	2018	2019	2020	2021
TV*	**$71.29**	**$71.65**	**$71.93**	**$72.22**	**$74.03**	**$74.17**
—% change	3.5%	0.5%	0.4%	0.4%	2.5%	0.2%
—% of total media ad spending	36.6%	34.9%	33.5%	31.9%	30.8%	29.4%
Digital video**	**$10.70**	**$13.23**	**$15.42**	**$17.56**	**$19.81**	**$22.18**
—% change	39.2%	23.7%	16.5%	13.9%	12.8%	12.0%
—% of total media ad spending	5.5%	6.5%	7.2%	7.8%	8.3%	8.8%

*Note: *includes broadcast (network, spot and syndication) and cable TV; **includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; includes advertising that appears before, during or after digital video content in a video player*
Source: eMarketer, Aug 2017

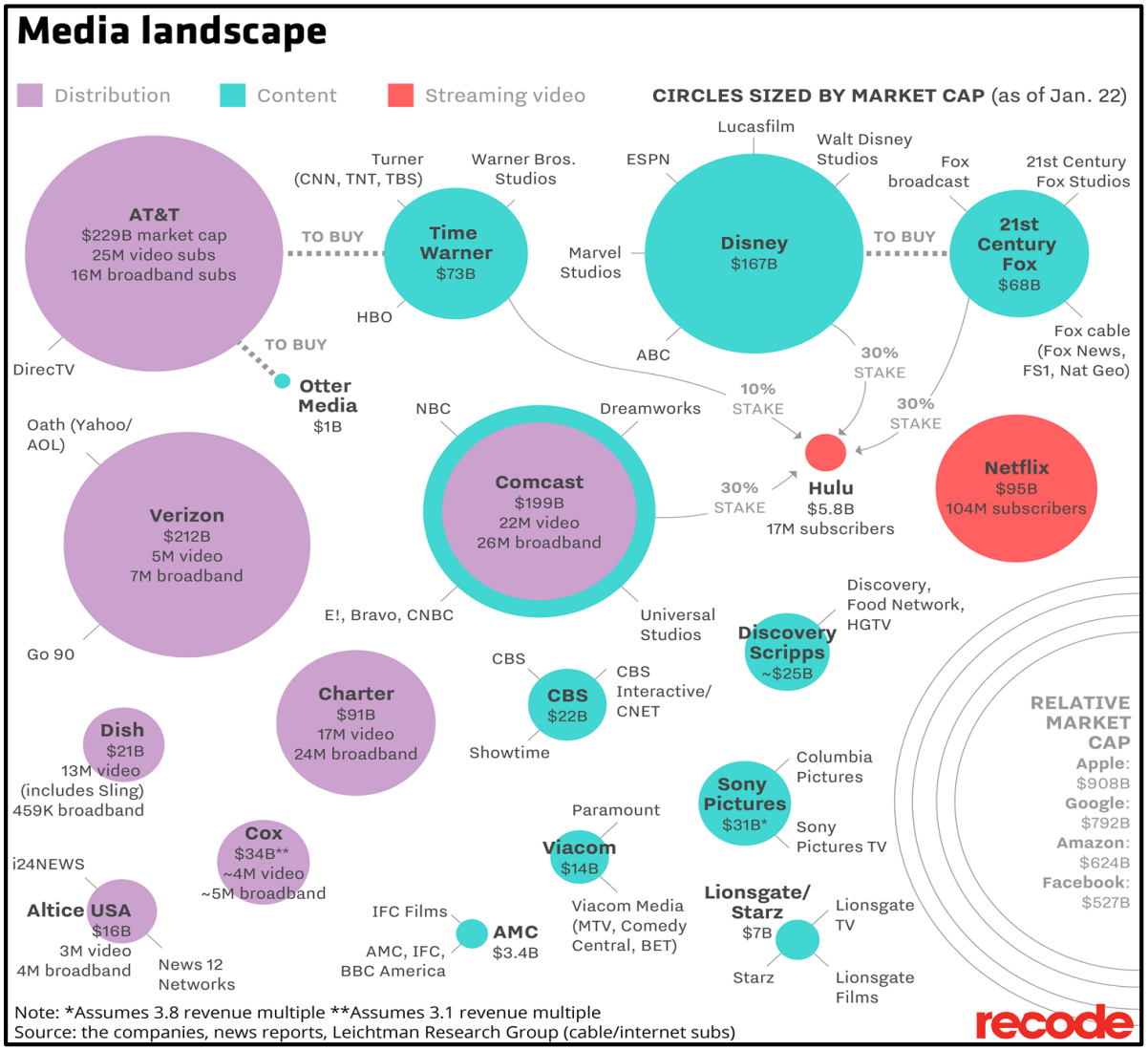
Total Media Ad Spending Growth, by Media
US, 2018, % change



Source: eMarketer, March 2018 (see below for notes and methodologies).

Source: eMarketer August 2017. eMarketer March 2018.

Because of overly restrictive government regulation, broadcast station groups remain pygmies in a land of giants



What are we at Sinclair doing to stay relevant?

- Improving our broadcast news and entertainment programming
  - Making it available on multiple platforms (e.g., NewsOn).
- Deploying ATSC 3.0
  - We are finalizing deployment plans to make 3.0 available in in 20-to-30 markets at the end of this year..
- Expanding into cable
  - Tennis Channel
  - Regional Sports Networks
- Expanding into digital
  - Earlier this year, we launched a free OTT ad-supported video streaming service called STIRR with a wide range of programming, including local news.
  - We are now using our local sales force to sell local ads on third-party OTT video streaming services.