Clear Channel Outdoor Holdings 2023 Second Quarter Results

August 7, 2023

Safe harbor statement and other information

Forward-Looking Statements

Certain statements in this presentation constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Clear Channel Outdoor Holdings, Inc. and its subsidiaries (the "Company") to be materially different from any future results, performance, achievements, guidance, goals and/or targets expressed or implied by such forward-looking statements. The words "guidance," "believe," "expect," "anticipate," "estimate," "forecast," "goals," "targets" and similar words and expressions are intended to identify such forward-looking statements. In addition, any statements that refer to expectations or other characterizations of future events or circumstances, such as statements about our guidance, outlook, long-term forecast, goals or targets; our business plans and strategies; our expectations about the timing, closing, satisfaction of closing conditions, use of proceeds and benefits of the sales of our European businesses as well as expectations about certain markets and strategic review processes; industry and market trends; and our liquidity, are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this earnings release include, but are not limited to: the delay or failure to satisfy the conditions to divest any of our European businesses; the impact of the continued strategic reviews of our other European businesses and assets, including failure to realize their benefits; our inability to complete any other transactions with respect to our other European businesses and improve our portfolio; the difficulty, cost and time required to implement our strategy, including optimizing our portfolio, and the fact that we may not realize the anticipated benefits therefrom; continued economic uncertainty, an economic slowdown or a recession; financial and industry conditions such as volatility in the U.S. and global banking market; our ability to service our debt obligations and to fund our operations, business strategy and capital expenditures; the impact of our substantial indebtedness, including the effect of our leverage on our financial position and earnings; our ability to obtain and renew key contracts with municipalities, transit authorities and private landlords; competition; technological changes and innovations; regulations and consumer concerns regarding privacy and data protection; a breach of our information security measures; legislative or regulatory requirements; restrictions on out-of-home advertising of certain products; environmental, health, safety and land use laws and regulations, as well as various actual and proposed environmental, social and governance policies and regulations; the impact of future dispositions, acquisitions and other strategic transactions; third-party claims of intellectual property infringement, misappropriation or other violation against us or our suppliers; the risk that indemnities from iHeartMedia, Inc. will not be sufficient to insure us against the full amount of certain liabilities; risks of doing business in foreign countries, including the impact of geopolitical events, such as the war in Ukraine; fluctuations in exchange rates and currency values; volatility of our stock price; the impacts on our stock price as a result of future sales of common stock, or the perception thereof, and dilution resulting from additional capital raised through the sale of common stock or other equity-linked instruments; the effect of analyst or credit ratings downgrades; our ability to continue to comply with the applicable listing standards of the New York Stock Exchange; the restrictions contained in the agreements governing our indebtedness limiting our flexibility in operating our business; our dependence on our management team and other key individuals; continued scrutiny and changing expectations from investors, lenders, customers, government regulators and other stakeholders; and certain other factors set forth in our other filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this presentation. Other key risks are described in the section entitled "Item 1A. Risk Factors" of the Company's reports filed with the SEC, including the Company's Annual Report on Form 10-K for the year ended December 31, 2022. The Company does not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

Reportable Segments

The Company has four reportable segments, which it believes best reflect how the Company is currently managed: America, which consists of the Company's U.S. operations excluding airports; Airports, which includes revenue from U.S. and Caribbean airports; Europe-North, which consists of operations in the U.K., the Nordics and several other countries throughout northern and central Europe; and Europe-South, which consists of operations in France and Spain, and prior to their sales on March 31, 2023 and May 31, 2023, respectively, Switzerland and Italy. The Company's remaining operations in Latin America and Singapore are disclosed as "Other."

Segment Adjusted EBITDA

Segment Adjusted EBITDA is the profitability metric reported to the Company's chief operating decision maker for purposes of making decisions about allocation of resources to, and assessing performance of, each reportable segment. Segment Adjusted EBITDA is a GAAP financial measure that is calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs. Restructuring and other costs include costs associated with cost savings initiatives such as severance, consulting and termination costs and other special costs.

Non-GAAP Financial Information

This presentation includes information that does not conform to U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA, Adjusted Corporate expenses, Funds From Operations ("FFO") and Adjusted Funds From Operations ("AFFO"). The Company presents this information because the Company believes these non-GAAP measures help investors better understand the Company's operating performance as compared to other out-of-home advertisers, and these metrics are widely used by such companies in practice. This presentation also includes financial information that excludes the impact foreign exchange rates and sold businesses because the Company believes these non-GAAP measures facilitate period-to-period comparisons of business performance and provide useful information to investors. Please refer to the Appendix located at the end of this presentation for a description and reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measure.

This presentation should be read in conjunction with the Company's most recent Annual Report on Form 10-K, Form 10-Qs and Form 8-Ks, which are available at investor.clearchannel.com.


TESCO Metro
27 °C
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WELCOME TO AUS
Ground
Transportation
Restrooms
Airline Clubs
Gates 1 - 26
Baggage Claim
Terminal Exit
25
26
plazavea
JUNETEENTH
CELEBRATE FREEDOM
STOCKFLETHS
SALG
MOMENTS OF PRIDE
2021
Secretary
Pete Buttigieg:
1st openly gay
Cabinet member

Overview

2Q 2023 Consolidated revenue up 3.5% and in line with our guidance, excluding movements in FX and sold businesses[1]

- Digital revenue up 7.3%, excluding movements in FX and sold businesses[1]
- America revenue up, higher revenue in most markets partially offset by San Francisco
- Airports business rebounded robustly
- Continued strength in Europe-North, including Belgium and the U.K.

Notable progress on strategic plan

- Entered into partnerships aimed at integrating our RADAR® data platform with best-in-class Data Clean Rooms, which we believe will increase the range of advertisers we can pursue
- Completed divestiture of business in Italy, announced sale agreement for business in Spain and entered into exclusive discussions to sell business in France

Annual financial guidance

- Remain within our annual financial guidance ranges after adjusting for sold businesses and tightening the high-end of the guidance range

[1] Non-GAAP financial measure. See Appendix for definition and reconciliation to most closely comparable GAAP measure.

Key financial highlights

2Q 2023:

- **Revenue**: $637 million (down 1.0%)
  - Up 3.5% excluding movements in FX and sold businesses[1]
- **Net Loss:** $37 million (improved from $65 million in prior year)
- **Adjusted EBITDA**[1]: $146 million (down 10.9%)
  - Down 7.2% excluding movements in FX and sold businesses[1]
- **AFFO**[1,2]: $31 million

Note: Comparisons are to the same period of 2022.

[1] Non-GAAP financial measure. See Appendix for definition and reconciliation to most closely comparable GAAP measure.

[2] The Company is not a Real Estate Investment Trust (“REIT”). However, the Company competes directly with REITs that present the non-GAAP measure of Adjusted Funds from Operations ("AFFO") and, accordingly, believes that presenting such measure will be helpful to investors in evaluating the Company’s operations with the same terms used by the Company’s direct competitors.

Financial results: America

(USD, in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Variance[3]
Revenue	$ 288	$ 285	0.9 %
Direct operating and SG&A expenses[1]	158	151	4.4 %
Segment Adjusted EBITDA[2]	130	134	(3.3)%

[1] Includes restructuring and other costs that are excluded from Segment Adjusted EBITDA.
[2] Calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs.
[3] Variance percentages are calculated based on actual amounts.

Second Quarter:

- **Revenue:** Up 0.9%, or $2.5 million
  - Higher revenue in most markets partially offset by impact of weakness in San Francisco/Bay Area market
  - Digital revenue up 2.4% to $98 million from $96 million
  - National sales comprised 35.0% of America revenue, compared to 35.9% in the prior year

- **Direct operating and SG&A expenses:** Up 4.4%, or $7 million
  - Site lease expense up 6.8% to $86 million from $80 million driven by lease renewals and amendments, as well as lower rent abatements (down $1.5 million)

Financial results: Airports

(USD, in millions)	Three Months Ended June 30, 2023	2022	Variance[2]
Revenue	$ 71	$ 61	16.3 %
Direct operating and SG&A expenses	55	46	18.1 %
Segment Adjusted EBITDA[1]	16	15	10.5 %

[1] Calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs.
[2] Variance percentages are calculated based on actual amounts.

Second Quarter:

- **Revenue:** Up 16.3%, or $10 million
  - Driven by increased demand due to recovery of air travel after COVID-19 and timing of campaign spending
  - Digital revenue up 22.5% to $42 million from $34 million
  - National sales comprised 59.7% of Airports revenue, compared to 52.7% in the prior year

- **Direct operating and SG&A expenses:** Up 18.1%, or $8 million
  - Site lease expense up 24.7% to $43 million from $34 million driven by lower rent abatements (down $5 million) and higher revenue

Financial results: Europe-North

	Three Months Ended June 30,					
				Excluding movements in FX		
(USD, in millions)	2023	2022	Variance[3]	2023	2022	Variance[3]
Revenue	$ 150	$ 146	2.9 %	$ 152	$ 146	4.5 %
Direct operating and SG&A expenses[1]	124	118	5.1 %	126	118	6.9 %
Segment Adjusted EBITDA[2]	26	28	(5.8)%	26	28	(5.0)%

[1] Includes restructuring and other costs that are excluded from Segment Adjusted EBITDA.
[2] Calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs.
[3] Variance percentages are calculated based on actual amounts.

Second Quarter:

- **Revenue (excluding movements in FX):** Up 4.5%, or $7 million
  - Driven primarily by higher street furniture revenue
  - Higher revenue in most countries, most notably Belgium, the U.K. and Denmark; partially offset by lower revenue in Sweden and Norway
  - Digital revenue up 5.0% to $80 million from $76 million; digital revenue, excluding movements in FX, up 6.2%

- **Direct operating and SG&A expenses (excluding movements in FX):** Up 6.9%, or $8 million
  - Higher rental costs related to additional digital displays
  - Higher labor costs and electricity prices
  - Site lease expense up 0.9% to $58 million; site lease expense, excluding movements in FX, up 3.4% to $60 million from $58 million driven by higher revenue and new contracts

Financial results: Europe-South

(USD, in millions)	Three Months Ended June 30, 2023	2022	Variance[3]	Excluding movements in FX 2023	2022	Variance[3]
Revenue	$ 106	$ 131	(18.8)%	$ 104	$ 131	(20.6)%
Direct operating and SG&A expenses[1]	104	115	(9.7)%	102	115	(11.7)%
Segment Adjusted EBITDA[2]	2	17	(85.7)%	2	17	(86.2)%

[1] Includes restructuring and other costs that are excluded from Segment Adjusted EBITDA.

[2] Calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs.

[3] Variance percentages are calculated based on actual amounts.

Second Quarter:

- **Revenue (excluding movements in FX):** Down 20.6%, or $27 million
  - Sales of former businesses in Switzerland and Italy resulted in an FX-adjusted decrease of $28 million
  - Higher revenue from Spain related to continued recovery from COVID-19, partially offset by lower revenue from France due to weaker demand as a result of civil unrest and protests, as well as billboard takedowns

- **Direct operating and SG&A expenses (excluding movements in FX):** Down 11.7%, or $13 million
  - Sales of former businesses in Switzerland and Italy resulted in an FX-adjusted decrease of $21 million
  - Direct operating and SG&A expenses up in France and Spain driven by higher site lease expense mainly related to new contracts

Clear Channel International B.V. Statements of Income (Loss)

(USD, in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Revenue	$ 261	$ 280
Operating expenses:		
Direct operating expenses[1]	181	180
Selling, general and administrative expenses[1]	51	56
Corporate expenses[1]	11	13
Depreciation and amortization	17	19
Other operating income, net[2]	(11)	(3)
Operating income	13	16
Interest expense, net	(11)	(10)
Other income (expense), net	13	(33)
Income (loss) before income taxes	14	(27)
Income tax expense	(1)	(4)
Consolidated net income (loss)	13	(31)
Less amount attributable to noncontrolling interest	—	—
Net income (loss) attributable to the Company	$ 13	$ (31)

(1) Excludes depreciation and amortization.

(2) Other operating income, net, for the three months ended June 30, 2023 includes a gain of $11.2 million from the sale of the Company's former business in Italy.

Note: Due to rounding, totals may not equal the sum of the items in the table above.

Capital expenditures

Capital expenditures primarily relate to construction and sustaining activities for billboards, street furniture and other out-of-home advertising displays, including digital displays.

	Three Months Ended June 30,		
(USD, in millions)	2023	2022	$ Change
America	$ 19	$ 24	$ (5)
Airports	3	7	(4)
Europe-North	4	5	(1)
Europe-South	6	6	—
Other	1	—	1
Corporate	4	3	1
Total Capex	$ 37	$ 45	$ (9)

Note: Variances are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the line items in the table above.

Key Driver:

- Decrease in capex driven by timing

Capital structure and select balance sheet metrics

(USD, in millions)	June 30, 2023	March 31, 2023	$ Change
Cash and Cash Equivalents[1]	$ 233	$ 340	$ (107)
Availability under Credit Facilities[2]	223	205	18
Liquidity[3]	$ 456	$ 545	$ (89)
Debt	$ 5,591	$ 5,592	$ (1)
Weighted Average Cost of Debt	7.4 %	7.2 %	
First Lien Leverage Ratio[4]	5.52x	5.25x	

	Three Months Ended June 30,		
(USD, in millions)	2023	2022	$ Change
Cash Paid for Interest	$ 130	$ 110	$ 21

Notes: Variances are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the line items in the table above.

(1) As of June 30, 2023, we had $233 million of cash on our balance sheet, including $141 million of cash held outside the U.S.

(2) In June 2023, we amended our credit facilities, extending the maturity date on each from August 23, 2024 to August 23, 2026. Pursuant to these amendments, the credit commitments under the Receivables-Based Facility were increased from $125 million to $175 million through the extended maturity date of August 23, 2026. The credit commitments under the Revolving Credit Facility were reduced from $175 million to $150 million, with the full $150 million of credit commitments available through August 23, 2024. After this date, the credit commitments under the Revolving Credit Facility will reduce to $115.8 million through the extended maturity date of August 23, 2026.

(3) Liquidity represents cash and cash equivalents plus availability under our Receivables-Based Credit Facility and Revolving Credit Facility.

(4) Refer to the Appendix for calculation of the First Lien Leverage Ratio, which is below the covenant threshold of 7.1x.

2023 Guidance

3Q 2023:

(USD, in millions)		Low		High
Consolidated Revenue[1]	**$**	**570**	**$**	**600**
America		273		283
Airports		73		78
Europe-North[1]		132		142

FY 2023:

(USD, in millions)		Low		High
Consolidated Revenue[1]	**$**	**2,465**	**$**	**2,535**
America		1,095		1,115
Airports		285		295
Europe-North[1]		590		610
Adjusted EBITDA[1,2]		**522**		**552**
AFFO[1,2]		**62**		**82**
Capital Expenditures		**163**		**183**
Cash Interest Payments		**Approx.**	**$**	**416**

[1] Excludes movements in FX

[2] Non-GAAP financial measure. See Appendix for definition and reconciliation to most closely comparable GAAP measure.

Appendix

Announcements

America and Airports:

- CCO America entered into several partnerships aimed at integrating the RADAR® data platform with best-in-class Data Clean Room, or DCR, applications and services to enable brands to utilize first party-data matching for out-of-home in the U.S. The marketers that leverage DCRs, and the budgets that fund these first party-data driven programs, typically are separate from OOH budgets, and many of the users of DCRs are not traditional buyers of OOH. We believe these integrations will open more doors for us with digital-first brands by allowing them to leverage our scale and creative impact to run the most relevant ads and understand and analyze audience behaviors, all in a privacy-conscious and secure manner.

- CCO Airports announced a new long-term 10-year contract with Austin-Bergstrom International Airport (AUS) beginning April 1, 2023, which continues CCO's commitment to revolutionizing advertising and sponsorships at AUS.

Europe-North and Europe-South:

- Clear Channel Norway was awarded a 10-year contract extension, which includes further digital expansion in existing malls and adds three new malls in partnership with Thon, the market leader in real estate in Norway. This extension means Clear Channel Norway has a current digital footprint in more than 70 malls.

- Clear Channel Ireland received two awards at the annual All Ireland Media Awards, silver in the Best Research Initiative category and bronze in the Best Use of Data & Analytics category for their launch of RADAR.

- Clear Channel Latvia launched the new OOH network "Street Digital," a network of roadside, free-standing digital screens. In addition to featuring animations by artists Kristine Luize Avotina and Martins Vamzis, the displays provide key sustainability messages to the public.

Environmental and social initiatives

America & Airports

- CCO America and Airports celebrated Asian American and Pacific Islander (AAPI) Heritage Month with the creative, "Leading the Way," highlighting AAPI leaders in business, sports and entertainment, as well as civil rights.

- CCO America and Airports celebrated Juneteenth by running Juneteenth-inspired creative across our digital network for the day to observe the inclusion of all enslaved people in emancipation, as well as to celebrate Black and African American culture.

- CCO America and Airports celebrated Pride Month across our nationwide digital network. The "Moments of Pride" campaign honored important milestones responsible for driving forward the LGBTQ+ equal rights movement and has continued to inspire pride, hope and equality.

- CCO America launched a month-long campaign across Texas with the Texas Center for the Missing and National Center for Missing and Exploited Children to call attention to the ongoing searches for local missing children. The campaign highlighted different missing children's cases in Dallas, Houston and San Antonio to help generate leads.

- CCO America partnered with the Out of Home Advertising Association of America and the United Service Organizations to encourage civilians to support the U.S. military community.

- CCO America announced the winners of the 12th annual Project Yellow Light scholarship competition, a unique opportunity in which students create TV, radio and billboard PSAs to educate their peers about the dangers of distracted driving. The winning PSAs were showcased on a digital billboard in Times Square.



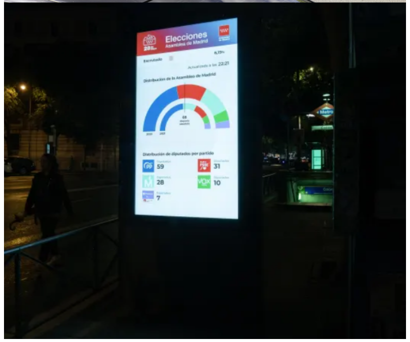
Environmental and social initiatives

Europe-North & Europe-South

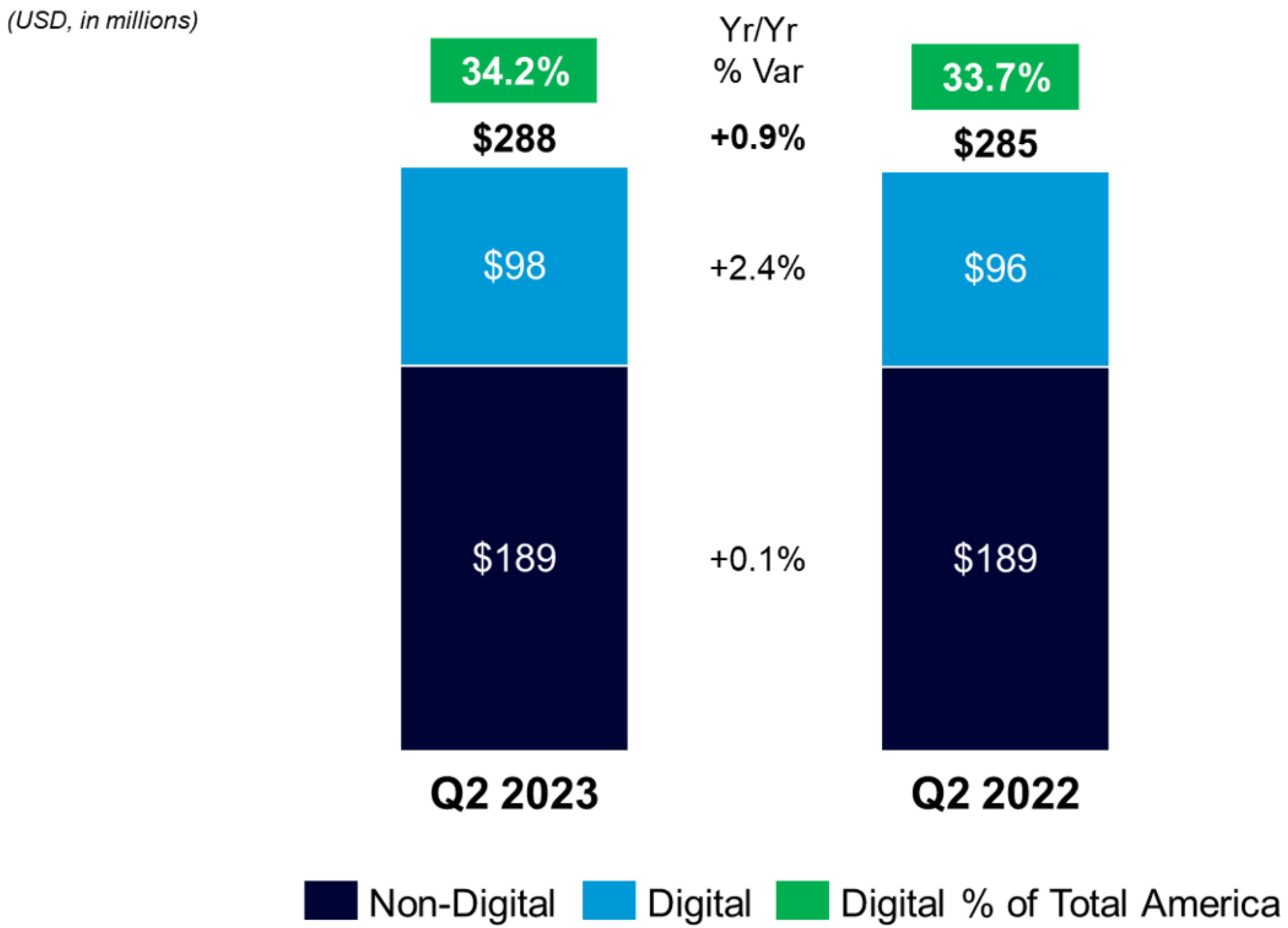
- Clear Channel UK launched a nationwide campaign, in partnership with the Ideas Foundation, as part of its Coronation Generation Poster Design challenge. The winning campaign featured a student's design that explored themes such as community, diversity, sustainability and youth to celebrate the Coronation. Additionally, Clear Channel UK displayed the official Coronation artwork supplied by the Cabinet Office.

- Clear Channel UK celebrated the 75th anniversary of the HMT Empire Windrush arriving in Britain by announcing a new collaboration to bring to life an OOH campaign featuring nine portraits of the Windrush Generation commissioned by His Majesty The King.

- Clear Channel Spain brought real-time election updates to the public across 400 screens in Madrid in collaboration with Indra for the Ministry of the Presidency of the Community of Madrid.

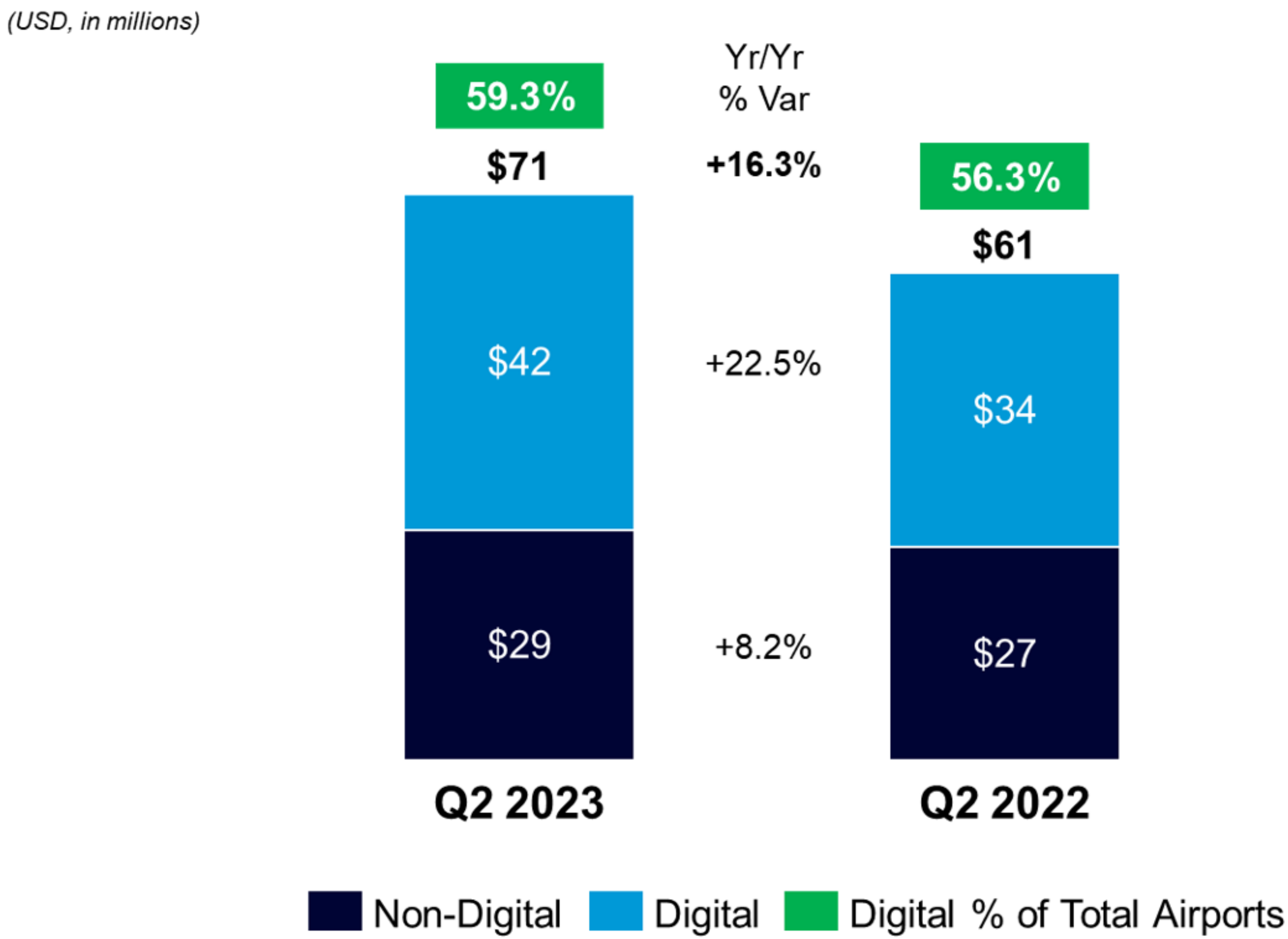


Revenue detail: America



Note: Percentages are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the items in the chart above.

Revenue detail: Airports



Note: Percentages are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the items in the chart above.

Trailing twelve months Europe-North results

(in thousands)	Trailing Twelve Months Ended June 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022
Europe-North:					
Revenue	**$ 576,715**	$ 149,909	$ 128,503	$ 162,781	$ 135,522
Segment Adjusted EBITDA	**102,227**	26,234	7,172	44,623	24,198
Capital Expenditures	**33,686**	4,081	7,066	11,580	10,959

Financial results: Other

(USD, in millions)	Three Months Ended June 30, 2023	2022	Variance[2]	Excluding movements in FX 2023	2022	Variance[2]
Revenue	$ 22	$ 20	9.3 %	$ 21	$ 20	3.8 %
Direct operating and SG&A expenses	19	19	1.2 %	18	19	(2.9)%
Segment Adjusted EBITDA[1]	4	2	91.8 %	3	2	71.3 %

[1] Calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs.
[2] Variance percentages are calculated based on actual amounts.

Second Quarter:

- **Revenue (excluding movements in FX):** Up 3.8%, or $1 million
    - Higher advertising revenue offset by termination of public bicycle rental program

- **Direct operating and SG&A expenses (excluding movements in FX):** Down 2.9%, or $1 million
    - Lower expenses related to termination of public bicycle rental program

Rent abatements

(USD, in millions)	2023		2022			
	Q1	Q2	Q1	Q2	Q3	Q4
Rent Abatements[1]:						
America	$ 1.2	$ 2.1	$ 3.7	$ 3.6	$ 3.8	$ 3.8
Airports	5.5	4.5	4.6	9.5	11.7	6.4
Europe-North	0.5	0.3	0.7	0.5	0.5	0.3
Europe-South	—	—	0.6	—	0.2	0.1

[1] Represents reductions of site lease expense in lease and non-lease contracts due to rent abatements.

Items impacting comparability

(USD, in millions) **Consolidated FX Impact:**		**Q2 2023**
Revenue	$	1.1
Direct Operating and SG&A Expenses		0.9
Adjusted EBITDA		0.3
AFFO		—

Non-GAAP financial information

In order to provide a more comprehensive understanding of the information used by the Company's management team in financial and operational decision making, the Company supplements its GAAP consolidated financial statements with certain non-GAAP financial performance measures. The Company presents Adjusted EBITDA, Adjusted Corporate expenses, Funds From Operations ("FFO") and Adjusted Funds From Operations ("AFFO") because the Company believes these non-GAAP measures help investors better understand the Company's operating performance as compared to other out-of-home advertisers, and these metrics are widely used by such companies in practice. Please refer to the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measure within this Appendix.

Since these non-GAAP financial measures are not calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, the most directly comparable GAAP financial measures as an indicator of operating performance or, in the case of Adjusted EBITDA, FFO and AFFO, the Company's ability to fund its cash needs. In addition, these measures may not be comparable to similar measures provided by other companies. This data should be read in conjunction with the Company's most recent Annual Report on Form 10-K, Form 10-Qs and Form 8-Ks. These reports are available on the Investor Relations page of the Company's website at investor.clearchannel.com.

Adjusted EBITDA
Adjusted EBITDA is defined as consolidated net income (loss), plus: income tax expense (benefit); all non-operating expenses (income), including other expense (income) and interest expense, net; other operating expense (income), net; depreciation, amortization and impairment charges; share-based compensation expense included within corporate expenses; and restructuring and other costs included within operating expenses. Restructuring and other costs include costs associated with cost savings initiatives such as severance, consulting and termination costs and other special costs.

The Company uses Adjusted EBITDA as one of the primary measures for the planning and forecasting of future periods, as well as for measuring performance for compensation of Company executives and other members of Company management. The Company believes Adjusted EBITDA is useful for investors because it allows investors to view performance in a manner similar to the method used by Company management and helps improve investors' ability to understand the Company's operating performance, making it easier to compare the Company's results with other companies that have different capital structures or tax rates. In addition, the Company believes Adjusted EBITDA is among the primary measures used externally by the Company's investors, analysts and peers in its industry for purposes of valuation and comparing the operating performance of the Company to other companies in its industry.

Adjusted Corporate Expenses
As part of the calculation of Adjusted EBITDA, the Company also presents the non-GAAP financial measure of "Adjusted Corporate expenses," which the Company defines as corporate expenses excluding share-based compensation expense and restructuring and other costs.

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO")
The Company uses the National Association of Real Estate Investment Trusts ("Nareit") definition of FFO, which is consolidated net income (loss) before: depreciation, amortization and impairment of real estate; gains or losses from the disposition of real estate; and adjustments to eliminate unconsolidated affiliates and noncontrolling interest. The Company defines AFFO as FFO before: maintenance capital expenditures; straight-line rent effects; depreciation, amortization and impairment of non-real estate; amortization of deferred financing costs and discounts; share-based compensation expense; deferred taxes; restructuring and other costs; transaction costs; foreign exchange transaction gain or loss; non-service related pension costs or benefits; and other items, including adjustment for unconsolidated affiliates and noncontrolling interest and nonrecurring infrequent or unusual gains or losses.

The Company is not a Real Estate Investment Trust ("REIT"). However, the Company competes directly with REITs that present the non-GAAP measures of FFO and AFFO and, accordingly, believes that presenting such measures will be helpful to investors in evaluating the Company's operations with the same terms used by the Company's direct competitors. The Company calculates FFO in accordance with the definition adopted by Nareit. Nareit does not restrict presentation of non-GAAP measures traditionally presented by REITs by entities that are not REITs. In addition, the Company believes FFO and AFFO are already among the primary measures used externally by the Company's investors, analysts and competitors in its industry for purposes of valuation and comparing the operating performance of the Company to other companies in its industry. The Company does not use, and you should not use, FFO and AFFO as an indication of the Company's ability to fund its cash needs or pay dividends or make other distributions. Because the Company is not a REIT, the Company does not have an obligation to pay dividends or make distributions to stockholders and does not intend to pay dividends for the foreseeable future. Moreover, the presentation of these measures should not be construed as an indication that the Company is currently in a position to convert into a REIT.

Financial Information Excluding Movements in Foreign Exchange ("FX") Rates and Sold Businesses
A significant portion of the Company's advertising operations is conducted in foreign markets, principally Europe, and Company management reviews the results from its foreign operations on a constant dollar basis. The Company presents the GAAP measures of revenue, direct operating and SG&A expenses, corporate expenses and Segment Adjusted EBITDA, as well as the non-GAAP financial measures of Adjusted EBITDA, Adjusted Corporate expenses, FFO and AFFO, excluding movements in foreign exchange rates because Company management believes that viewing certain financial results without the impact of fluctuations in foreign currency rates facilitates period-to-period comparisons of business performance and provides useful information to investors. These measures, which exclude the effects of foreign exchange rates, are calculated by converting the current period's amounts in local currency to U.S. dollars using average monthly foreign exchange rates for the same period of the prior year.

The Company sold its former businesses in Switzerland and Italy on March 31, 2023 and May 31, 2023, respectively. The Company presents certain financial metrics, such as revenue and Adjusted EBITDA, excluding the impact of sold businesses because Company management believes that viewing certain financial results without results from former businesses that have been sold facilitates period-to-period comparisons of business performance and provides useful information to investors. These measures, which exclude the impact of sold businesses, are calculated by removing results attributable to the Company's former businesses in Switzerland and Italy for all periods presented.

Segment operating results

(In thousands)	Three Months Ended June 30, 2023	2022	Variance
Revenue			
America	$ 287,517	$ 285,026	0.9 %
Airports	71,045	61,106	16.3 %
Europe-North	149,909	145,718	2.9 %
Europe-South	106,419	131,081	(18.8)%
Other	22,349	20,449	9.3 %
Consolidated Revenue	**$ 637,239**	**$ 643,380**	**(1.0)%**
Direct Operating and SG&A Expenses (Excluding Depreciation and Amortization)[1]			
America	$ 158,004	$ 151,339	4.4 %
Airports	54,711	46,329	18.1 %
Europe-North	123,987	117,969	5.1 %
Europe-South	104,203	115,364	(9.7)%
Other	18,838	18,618	1.2 %
Consolidated Direct Operating and SG&A Expenses	**$ 459,743**	**$ 449,619**	**2.3 %**
Segment Adjusted EBITDA[2]			
America	$ 129,513	$ 133,977	(3.3)%
Airports	16,334	14,777	10.5 %
Europe-North	26,234	27,859	(5.8)%
Europe-South	2,368	16,542	(85.7)%
Other	3,511	1,831	91.8 %
Total Segment Adjusted EBITDA	177,960	194,986	(8.7)%
Adjusted Corporate expenses[3]	(31,678)	(30,727)	3.1 %
Adjusted EBITDA[4]	**$ 146,282**	**$ 164,259**	**(10.9)%**

[1] Direct Operating and SG&A Expenses refers to the sum of direct operating expenses (excluding depreciation and amortization) and selling, general and administrative expenses (excluding depreciation and amortization).

[2] Segment Adjusted EBITDA is a GAAP financial measure that is calculated as Revenue less Direct operating expenses and SG&A expenses, excluding restructuring and other costs. Restructuring and other costs include costs associated with cost savings initiatives such as severance, consulting and termination costs and other special costs.

[3] Adjusted Corporate expenses is defined as corporate expenses excluding share-based compensation expense and restructuring and other costs. See reconciliation of corporate expenses to Adjusted Corporate expenses within these slides.

[4] Adjusted EBITDA is defined as consolidated net income (loss), plus: income tax expense (benefit); all non-operating expenses (income), including other expense (income) and interest expense, net; other operating expense (income), net; depreciation, amortization and impairment charges; share-based compensation expense included within corporate expenses; and restructuring and other costs included within operating expenses. See reconciliation of consolidated net loss to Adjusted EBITDA within these slides.

Segment operating results excluding movements in FX

(In thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Variance
Revenue Excluding Movements in FX[1]			
America	$ 287,517	$ 285,026	0.9 %
Airports	71,045	61,106	16.3 %
Europe-North	152,299	145,718	4.5 %
Europe-South	104,025	131,081	(20.6) %
Other	21,218	20,449	3.8 %
Consolidated Revenue Excluding Movements in FX	**$ 636,104**	**$ 643,380**	**(1.1)%**
Direct Operating and SG&A Expenses Excluding Movements in FX[1]			
America	$ 158,004	$ 151,339	4.4 %
Airports	54,711	46,329	18.1 %
Europe-North	126,133	117,969	6.9 %
Europe-South	101,889	115,364	(11.7) %
Other	18,082	18,618	(2.9) %
Consolidated Direct Operating and SG&A Expenses Excluding Movements in FX	**$ 458,819**	**$ 449,619**	**2.0 %**
Segment Adjusted EBITDA Excluding Movements in FX[1]			
America	$ 129,513	$ 133,977	(3.3) %
Airports	16,334	14,777	10.5 %
Europe-North	26,471	27,859	(5.0) %
Europe-South	2,285	16,542	(86.2) %
Other	3,136	1,831	71.3 %
Total Segment Adjusted EBITDA	177,739	194,986	(8.8) %
Adjusted Corporate Excluding Movements in FX[1]	(31,767)	(30,727)	3.4 %
Adjusted EBITDA Excluding Movements in FX[1]	**$ 145,972**	**$ 164,259**	**(11.1)%**

[1] These financial measures, which exclude the effects of foreign exchange rates, are calculated by converting the current period's amounts in local currency to U.S dollars using average foreign exchange rates for the comparable prior period. Refer to the previous slide for segment operating results before adjusting for movements in FX.

Consolidated revenue and digital revenue excluding effects of FX and sold businesses

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Variance
Revenue:			
Consolidated Revenue	$ 637,239	$ 643,380	(1.0)%
Effect of movements in FX	(1,135)	—	
Consolidated Revenue, excluding movements in FX	636,104	643,380	(1.1)%
Less: Revenue from sold businesses, excluding movements in FX	(9,800)	(38,174)	
Consolidated Revenue, excluding movements in FX and sold businesses	$ 626,304	$ 605,206	3.5 %
Digital Revenue:			
Consolidated Digital Revenue	$ 259,914	$ 248,721	4.5 %
Effect of movements in FX	(811)	—	
Consolidated Digital Revenue, excluding movements in FX	259,103	248,721	4.2 %
Less: Digital Revenue from sold businesses, excluding movements in FX	(3,209)	(10,133)	
Consolidated Digital Revenue, excluding movements in FX and sold businesses	$ 255,894	$ 238,588	7.3 %

Reconciliation of Consolidated net loss to Adjusted EBITDA and Adjusted EBITDA excluding effects of FX and sold businesses

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Variance
Consolidated net loss	**$ (36,579)**	**$ (65,317)**	(44.0)%
Adjustments:			
Income tax (benefit) expense	(1,758)	23,419	
Other (income) expense, net	(12,319)	26,235	
Interest expense, net	105,242	86,594	
Other operating (income) expense, net	(5,785)	1,367	
Impairment charges	—	21,805	
Depreciation and amortization	71,138	60,577	
Share-based compensation	6,179	6,876	
Restructuring and other costs	20,164	2,703	
Adjusted EBITDA	**$ 146,282**	**$ 164,259**	(10.9)%
Effect of movements in FX	(310)	—	
Adjusted EBITDA, excluding movements in FX	145,972	164,259	(11.1)%
Less: Contribution to Adjusted EBITDA from sold businesses, excluding movements in FX	(307)	(7,301)	
Adjusted EBITDA, excluding movements in FX and sold businesses	**$ 145,665**	**$ 156,958**	(7.2)%

Reconciliation of Corporate expenses to Adjusted Corporate expenses

(in thousands)	Three Months Ended June 30, 2023	2022
Corporate expenses	**$ (57,557)**	**$ (39,081)**
Share-based compensation	6,179	6,876
Restructuring and other costs	19,700	1,478
Adjusted Corporate expenses	**$ (31,678)**	**$ (30,727)**

Reconciliation of Consolidated net loss to FFO and AFFO

(in thousands)		Three Months Ended June 30, 2023
Consolidated net loss	**$**	**(36,579)**
Depreciation and amortization of real estate		62,880
Net gain on disposition of real estate (excludes condemnation proceeds)[1]		(10,248)
Adjustment for unconsolidated affiliates and non-controlling interest		(1,301)
Funds From Operations (FFO)	**$**	**14,752**
Capital expenditures–maintenance		(14,684)
Straight-line rent effect		1,580
Depreciation and amortization of non-real estate		8,258
Amortization of deferred financing costs and discounts		2,907
Share-based compensation		6,179
Deferred taxes		(4,001)
Restructuring and other costs		20,164
Transaction costs		6,024
Foreign exchange transaction gain		(12,547)
Other items		1,932
Adjusted Funds From Operations (AFFO)	**$**	**30,564**

1 Includes a gain of $11.2 million from the sale of our former business in Italy.

Note: The Company is not a REIT. However, the Company competes directly with REITs that present the non-GAAP measures of FFO and AFFO and, accordingly, believes that presenting such measures will be helpful to investors in evaluating the Company's operations with the same terms used by the Company's direct competitors. See additional information on slide 24.

Calculation of First Lien Leverage Ratio

First Lien Leverage Ratio:

- **5.52x** as of June 30, 2023 (below covenant threshold of **7.1x**)
- Calculated by dividing first lien debt by EBITDA (as defined by the Senior Secured Credit Agreement) for the preceding four quarters

First Lien Debt:

(In millions)		June 30, 2023
Term Loan Facility	$	1,925.0
Revolving Credit Facility		—
Receivables-Based Credit Facility		—
Clear Channel Outdoor Holdings 5.125% Senior Secured Notes Due 2027		1,250.0
Other debt		4.4
Less: Cash and cash equivalents[1]		(233.2)
First lien debt[2]	**$**	**2,946.2**

(1) Includes cash and cash equivalents of our business in Spain, which is held for sale on the Consolidated Balance Sheet at June 30, 2023.

(2) Due to rounding, the total may not equal the sum of the line items in the table above.

EBITDA:

- **$533.3 million** for the preceding four quarters
- Calculated as operating income (loss) before depreciation and amortization, impairment charges and share-based compensation; further adjusted for unusual or nonrecurring gains, losses, charges or expenses and any charges, expenses or reserves in respect of any restructuring, relocation, redundancy or severance expense or one-time compensation charges; and various other items, including adjustments related to sold businesses

Reconciliation of Bank EBITDA to Operating income and Net cash provided by operating activities

(In millions)	Four Quarters Ended June 30, 2023
EBITDA (as defined by the Senior Secured Credit Agreement)	**$ 533.3**
Depreciation and amortization, impairment charges and share-based compensation	(314.5)
Unusual or nonrecurring gain, loss, charge or expense and any charges, expenses or reserves in respect of any restructuring, relocation, redundancy or severance expense or one-time compensation charges(1)	(25.4)
Other items(2)	91.6
Operating income(3)	**285.0**
Interest expense, net; other income, net and income tax benefit	(296.3)
Adjustments to reconcile consolidated net loss to net cash provided by operating activities:	
Reconciling items for non-cash and non-operating activity(4)	439.4
Changes in operating assets and liabilities	(361.7)
Net cash provided by operating activities(3)	**$ 66.4**

(1) Includes accrual for estimated legal liability for the potential resolution of matters related to the investigation of the Company's former indirect, non-wholly owned subsidiary, Clear Media Limited.

(2) Includes gains on the sales of our former businesses in Switzerland and Italy of $96.4 million and $11.2 million, respectively.

(3) Due to rounding, the total may not equal the sum of the line items in the table above.

(4) Includes depreciation, amortization and impairment charges; non-cash operating lease expense; deferred taxes; share-based compensation; amortization of deferred financing charges and note discounts; credit loss expense; net gain on disposition of businesses and/or operating assets; foreign exchange transaction gain and other reconciling items.

Reconciliation of Consolidated net loss guidance to Adjusted EBITDA guidance

(in millions)	FY 2023			
	Low		High	
Consolidated net loss	**$**	**(98)**	**$**	**(73)**
Adjustments:				
Income tax expense		6		6
Other income, net		(23)		(25)
Interest expense, net		418		425
Other operating income, net		(98)		(98)
Depreciation and amortization		267		267
Share-based compensation		19		19
Restructuring and other costs		31		31
Adjusted EBITDA	**$**	**522**	**$**	**552**

Note: Guidance excludes movements in FX.

Reconciliation of Consolidated net loss guidance to FFO and AFFO guidance

(in millions)	FY 2023	
	Low	High
Consolidated net loss	**$ (98)**	**$ (73)**
Depreciation and amortization of real estate	233	233
Net gain on disposal of real estate (excludes condemnation proceeds)[1]	(110)	(110)
Adjustment for unconsolidated affiliates and non-controlling interest	(3)	(3)
Funds From Operations (FFO)	**$ 22**	**$ 47**
Capital expenditures–maintenance	(48)	(51)
Straight-line rent effect	5	5
Depreciation and amortization of non-real estate	34	34
Amortization of deferred financing costs and discounts	12	12
Share-based compensation	19	19
Deferred taxes	(6)	(6)
Restructuring and other costs	31	31
Foreign exchange transaction gain	(23)	(25)
Other items	16	16
Adjusted Funds From Operations (AFFO)	**$ 62**	**$ 82**

[1] Includes gains of $96.4 million and $11.2 million from the sales of our former businesses in Switzerland and Italy, respectively.

Note: Guidance excludes movements in FX.

Note: The Company is not a REIT. However, the Company competes directly with REITs that present the non-GAAP measures of FFO and AFFO and, accordingly, believes that presenting such measures will be helpful to investors in evaluating the Company's operations with the same terms used by the Company's direct competitors. See additional information on slide 24.

Clear Channel Outdoor

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About Clear Channel Outdoor Holdings, Inc.

Clear Channel Outdoor Holdings, Inc. (NYSE: CCO) is at the forefront of driving innovation in the out-of-home advertising industry. Our dynamic advertising platform is broadening the pool of advertisers using our medium through the expansion of digital billboards and displays and the integration of data analytics and programmatic capabilities that deliver measurable campaigns that are simpler to buy. By leveraging the scale, reach and flexibility of our diverse portfolio of assets, we connect advertisers with millions of consumers every month across more than 470,000 print and digital displays in 21 countries.

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