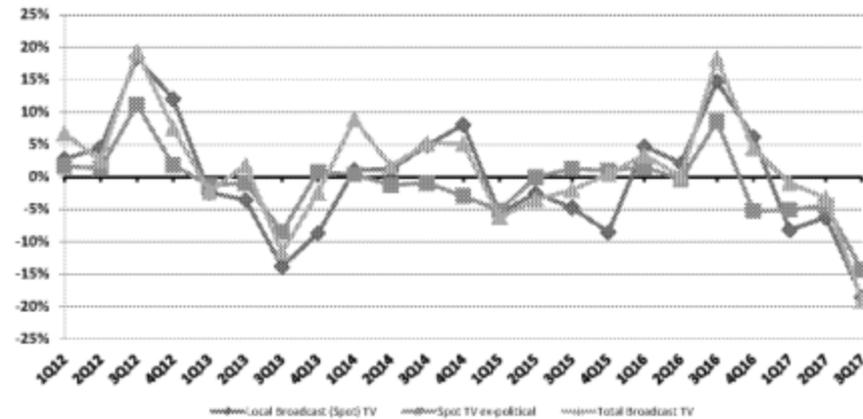




- **Advertising Trends:** As the chart depicts, 2017 was not a great year for spot advertising spend. Declining viewership, plateauing auto sales, challenges for the retail category, lack of cyclical events, and digital siphoning share all contributed.

TV Industry Revenue Trends (Y-o-Y % Change)



Note: Time spent watching is live & time-shifted on TV set (18+)  
 Source: TVB, Kantar, Nielsen, Deutsche Bank estimates

While the aforementioned changes in viewing habits may impact core growth in the future, we still expect core local broadcast growth to hold in the flat to down LSD context.

The good news for 2018 is that the trifecta of political, Olympics, and World Cup all cycle back. While Olympics and World Cup ratings may come up short of last cycle, political spending is expected to be up given the current heated political environs (more on this below). Broadcast TV advertising overall (nat'l + local) could rise MSD, with Local getting a bigger boost approaching double-digits.