



CANADIAN NATIONAL BRAND AD SPEND UPDATE

Q2 2021

August 2021

BACKGROUND

Standard Media Index, the most trusted and recognized global source of advertising revenue and pricing globally, is present in 5 markets – Australia, New Zealand, UK, US, and Canada.

SMI accesses actual spend from the world's largest media buying groups, as well as leading independents, and then harmonizes and structures that data to **create a clear, granular, and easy-to-use database for our clients and agency partners.**

COVERAGE OF NATIONAL BRAND AD SPEND



AUS

93%



NZ

99%



UK

60%



USA

90%



CAN

94%

CANADIAN PARTNER AGENCY ROSTER

COVERING ~\$6B IN TRANSACTION-LEVEL ACTUAL SPEND



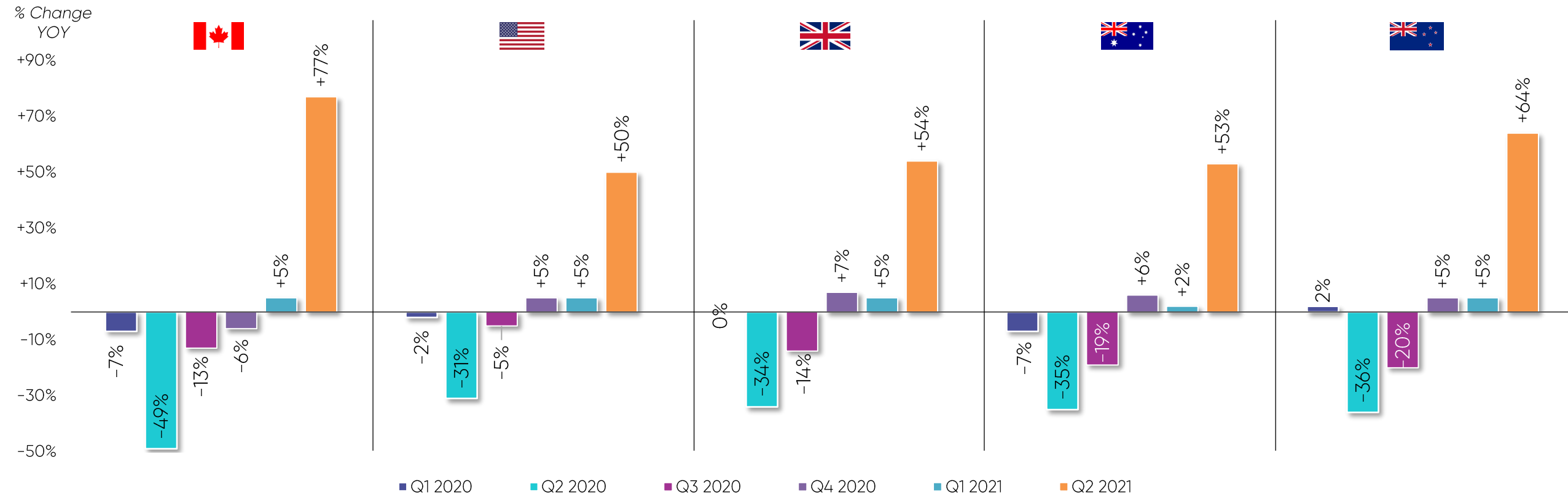
Coverage is **94%** of agency market in Canada

Source:

CANADA VS. GLOBAL MARKETS

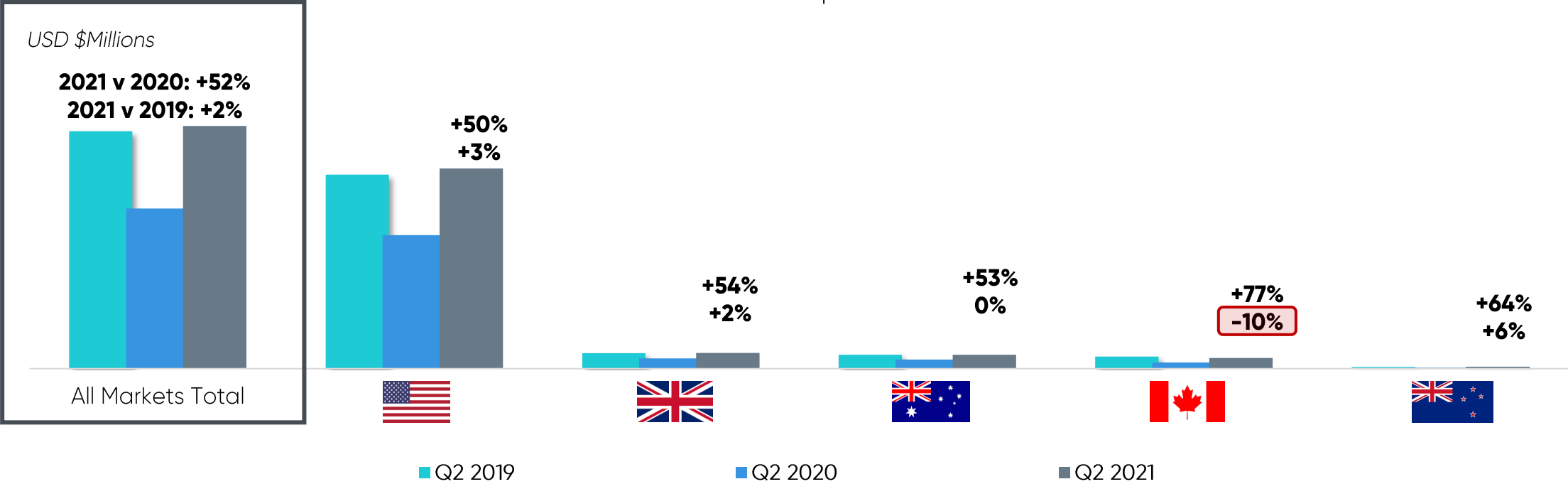
CANADA SAW THE BIGGEST DECLINES IN Q2 OF 2020 AND DID NOT SEE THE GROWTH IN Q4 THAT OTHER MARKETS EXPERIENCED. ON PAR WITH OTHER MARKETS IN Q1, CANADA IS SEEING THE LARGEST YOY GROWTH IN Q2 2021

Cross-Media National Brand Ad Investment
Quarterly YoY Percent Change



WHILE OTHER MARKETS ARE EXCEEDING OR FLAT TO Q2 2019 INVESTMENT, CANADA IS STILL NOT RECOVERED TO PRE-PANDEMIC LEVELS IN Q2

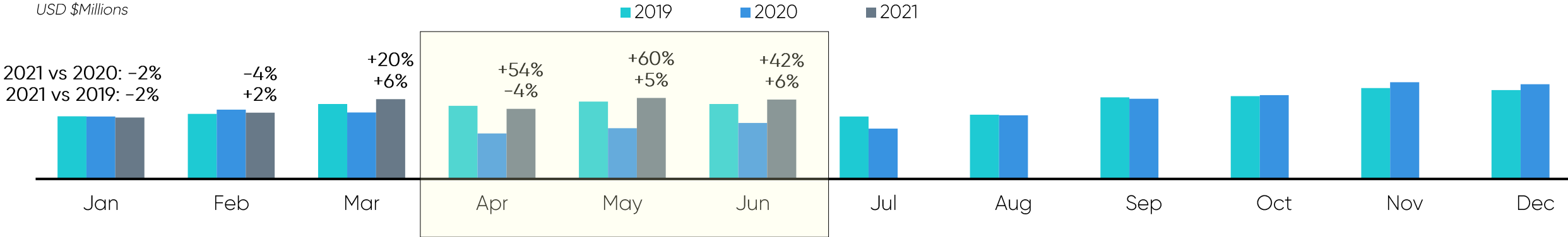
Cross-Media National Brand Ad Investment
Q2 - 2019, 2020, 2021
Market Split



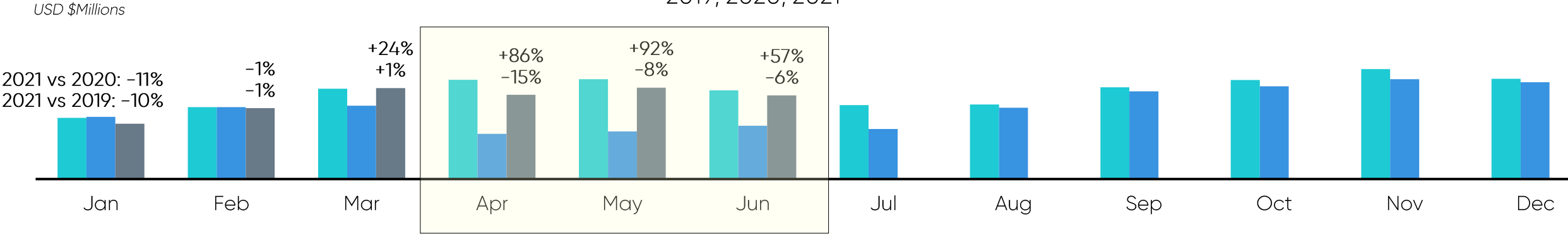
Source: SMI Pool | Markets include USA, UK, Canada, Australia, New Zealand
Media formats include TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital
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COMPARED TO OTHER MARKETS, CANADA IS UP BY MORE IN Q2 VS 2020.
 Q1 2021 SAW CANADA TRACKING SIMILARLY, HOWEVER, MAY & JUNE HAS ALL
 MARKETS UP VS 2019, WHILE CANADA STILL HASN'T MET THOSE 2019 LEVELS

All Markets – Cross Media Investment Seasonality
 2019, 2020, 2021



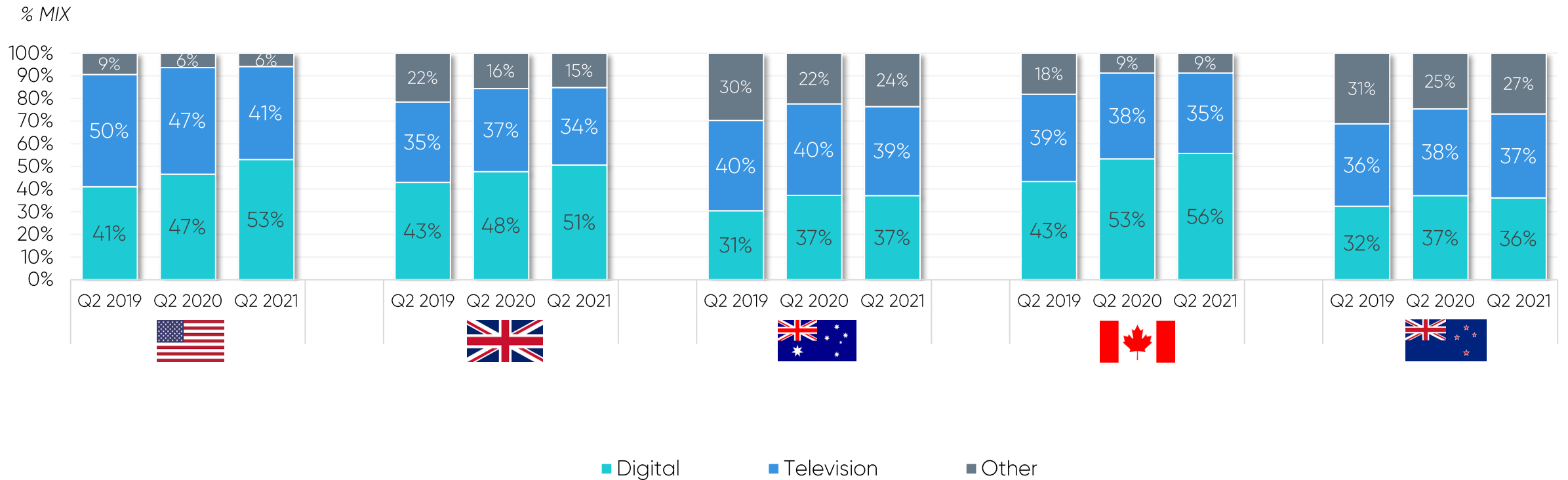
 CANADA Market – Cross-Media Investment Seasonality
 2019, 2020, 2021



Source: SMI Pool | Markets include USA, UK, Canada, Australia, New Zealand
 Media formats include TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital
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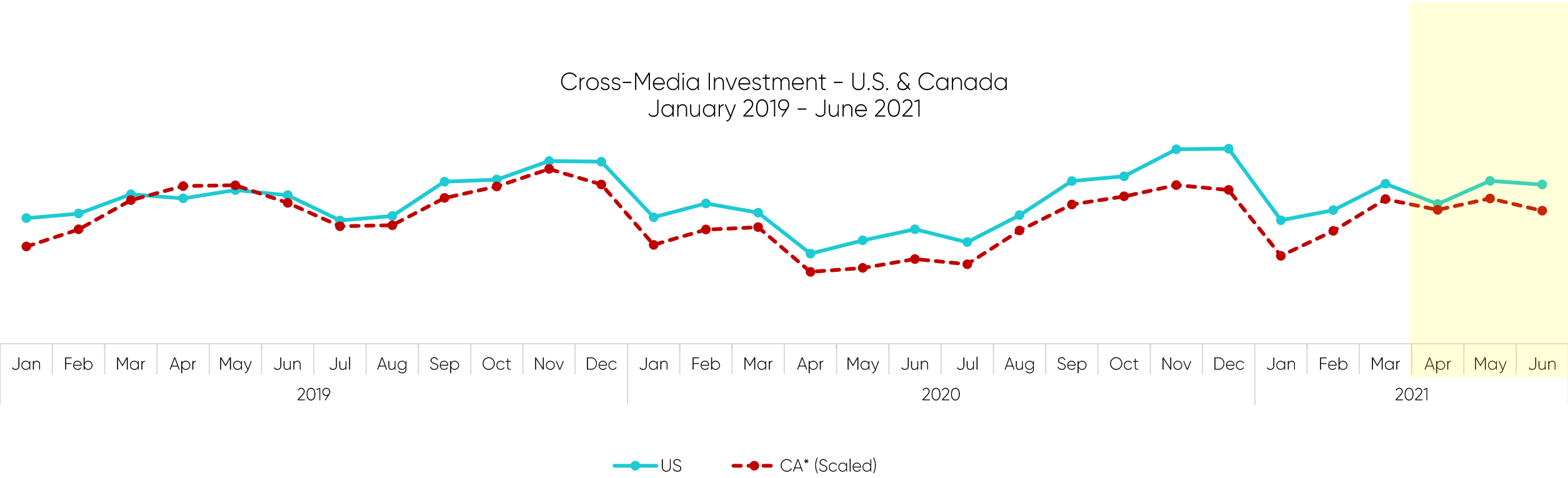
Q2 2021 DIGITAL SHARE IS STABLE OR GROWING ACROSS ALL MARKETS, WITH CANADA HOLDING THE LARGEST DIGITAL SHARE. ALONG WITH THE US AND UK, CANADA'S Q2 DIGITAL SHARE INCREASE CAME AT THE EXPENSE OF TV

All Markets – Cross-Media Mix
Q2 - 2019, 2020, 2021



HIT HARDER VS THE US WHEN THE PANDEMIC HIT, AND AGAIN IN Q1 WITH MORE RESTRICTIONS, CANADA HAD A STRONG Q2, WITH MAY SEEING THE HIGHEST INVESTMENT LEVELS OF THE QUARTER

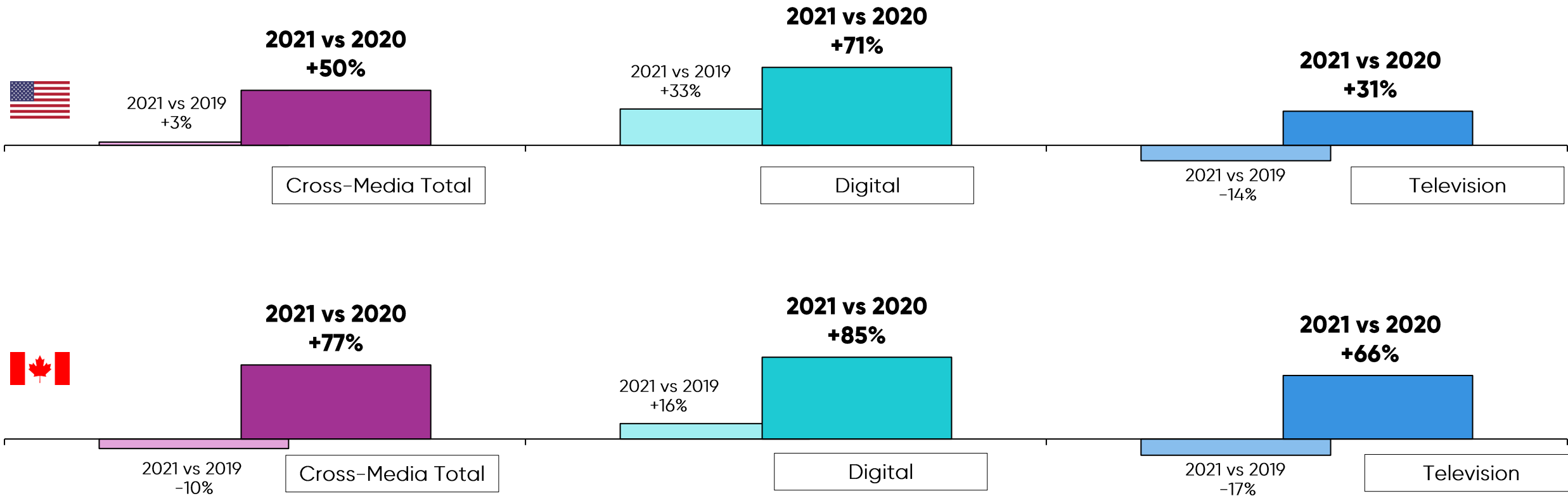
Cross-Media Investment - U.S. & Canada
January 2019 - June 2021



*CA data is displayed on secondary axis
Average CA volume = 5% of US volume

WITH Q2 CROSS-MEDIA UP YOY ACROSS NORTH AMERICAN MARKETS VS LY, DIGITAL ALSO SAW INVESTMENT INCREASES VS 2019, SOMETHING TV IS STILL STRUGGLING TO ACHIEVE

Digital vs Traditional Media
Cross-Media Investment Percent Change
Q2 (April – June) 2021 vs 2020 & 2019



KEY TAKEAWAYS



CANADA SEEING LARGEST Q2 GROWTH VS OTHER MARKETS

Canada is seeing the largest Q2 YoY growth compared to other markets at +77% but is still down -10% vs 2019. Other markets are flat or up vs pre-pandemic levels, indicating Canada's recovery is happening slower than other markets.



DIGITAL APPROACHING 60% OF 2021 CANADIAN MEDIA MIX

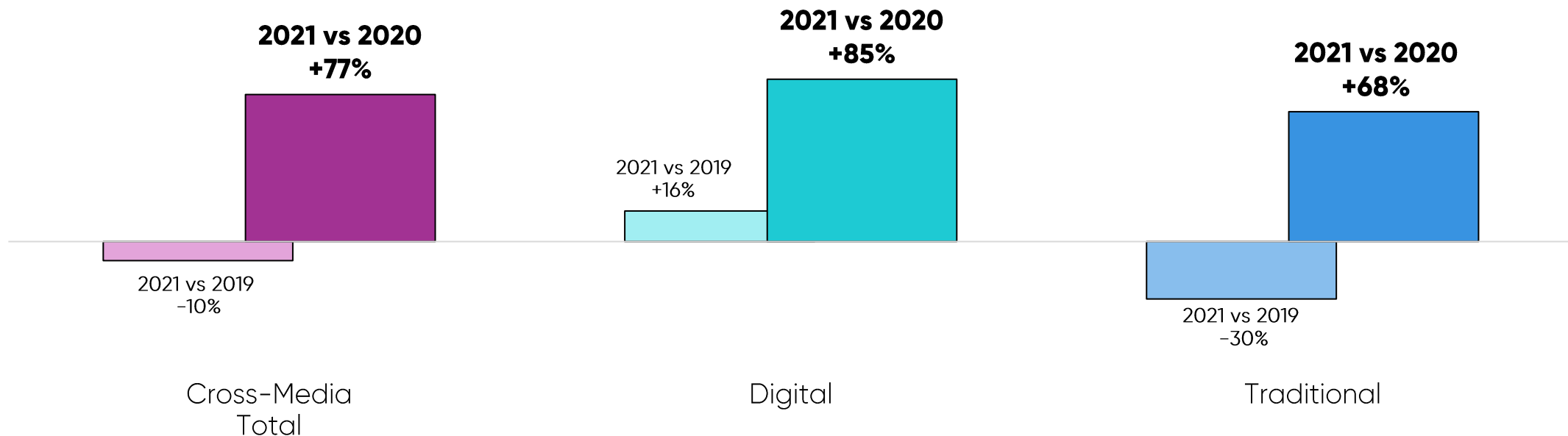
Canada saw an +3pt increase in Digital share vs same time last year. Like the U.S., Canada's shift to Digital was at the expense of TV. Will Canada's digital share continue to grow in Q3, or will we see investment grow in Other media types as restrictions continue to ease?



FOCUS ON CANADA

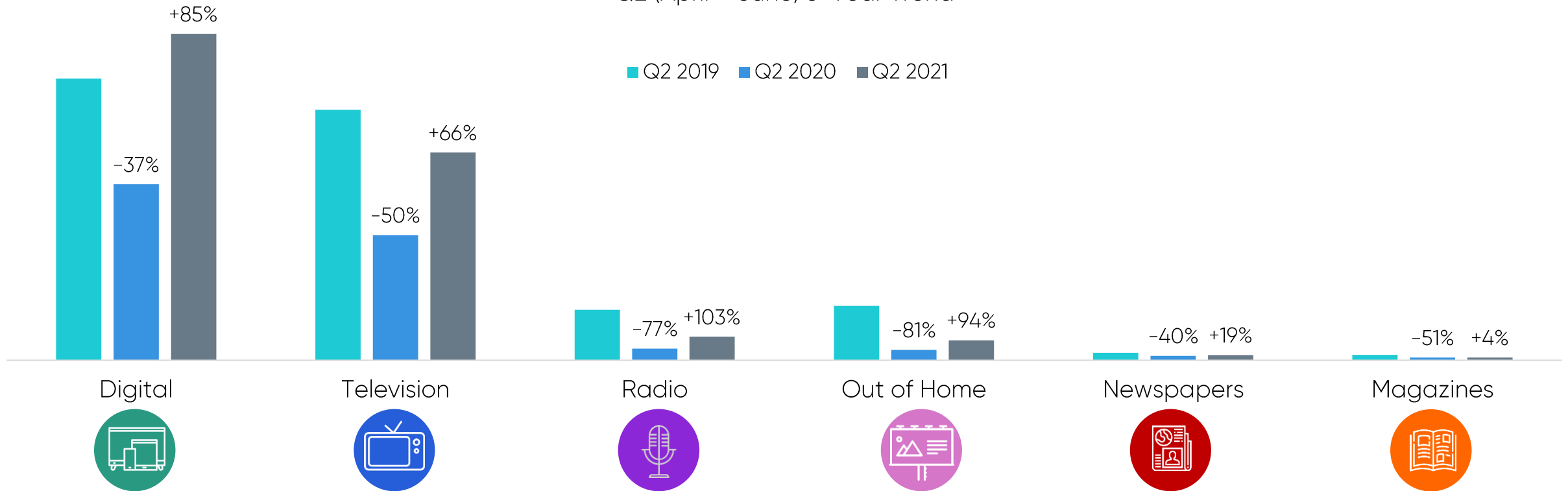
WITH CROSS-MEDIA DOWN 10% VS PRE-PANDEMIC, DIGITAL WAS THE ONLY MEDIA CHANNEL TO SEE INVESTMENT INCREASES VS 2019

Digital vs Traditional Media
Cross-Media Investment Percent Change
Q2 (April – June) 2021 vs 2020 & 2019



TRADITIONAL MEDIA IS UP +68% VS LAST YEAR BUT STILL DOWN VS 2019, WITH ALL TRADITIONAL CHANNELS STRUGGLING TO MEET Q2 2019 LEVELS

Canada Cross-Media Investment Percent Change
Q2 (April – June) 3-Year Trend

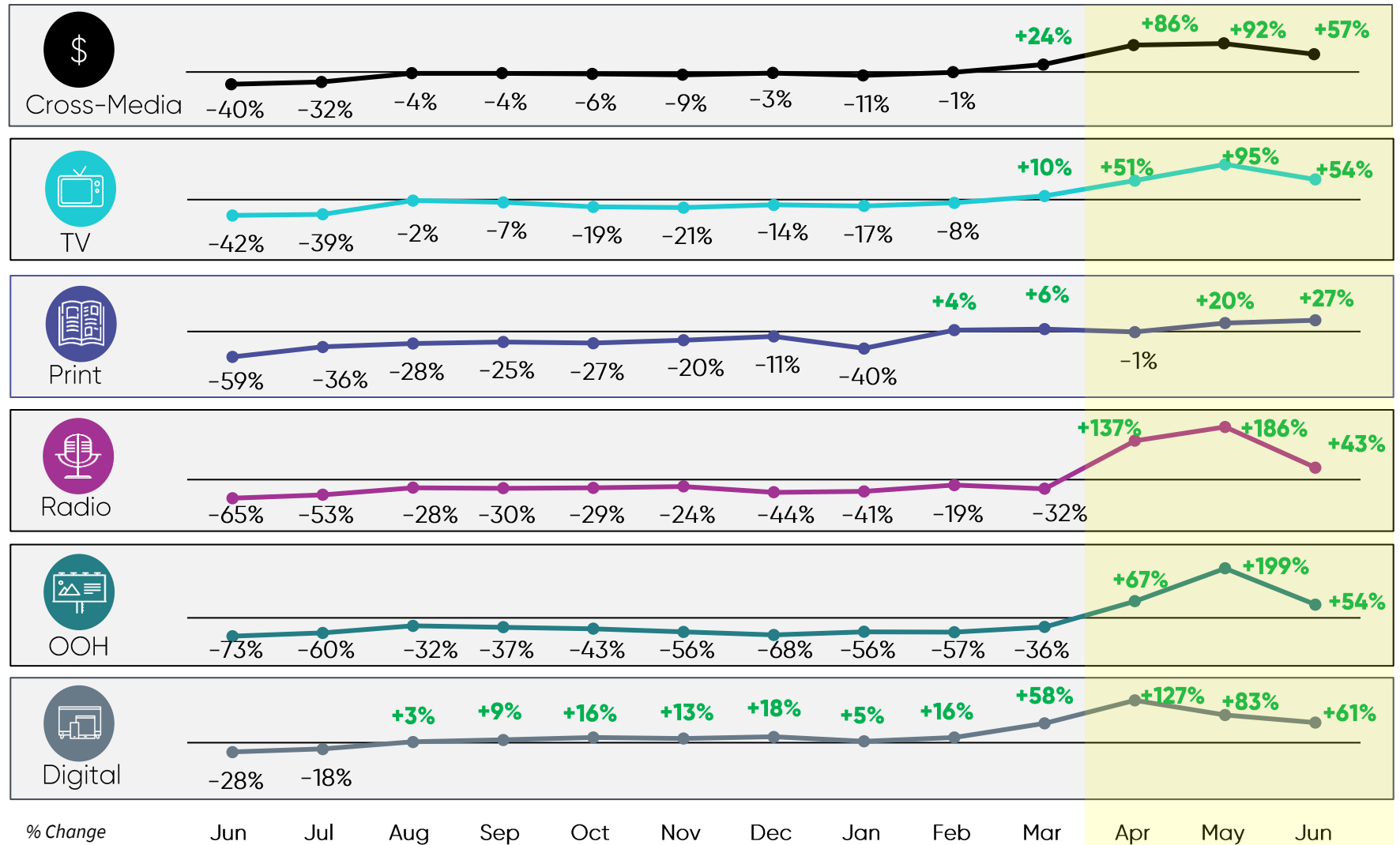


WITH THE EXCEPTION OF PRINT IN APRIL, EVERY MEDIA CHANNEL SAW YOY GROWTH IN EACH MONTH OF Q2

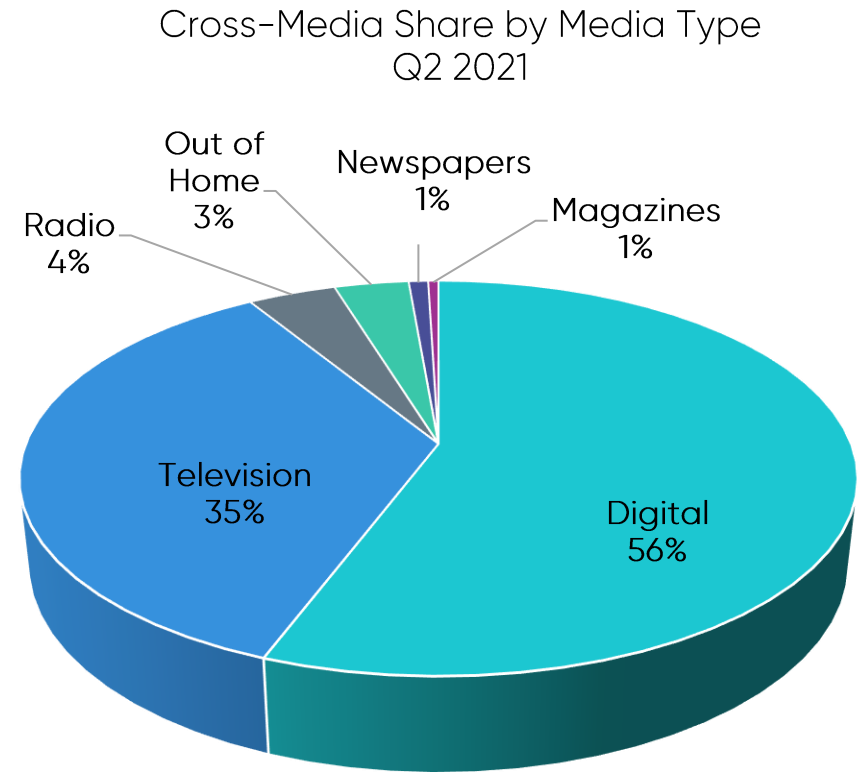
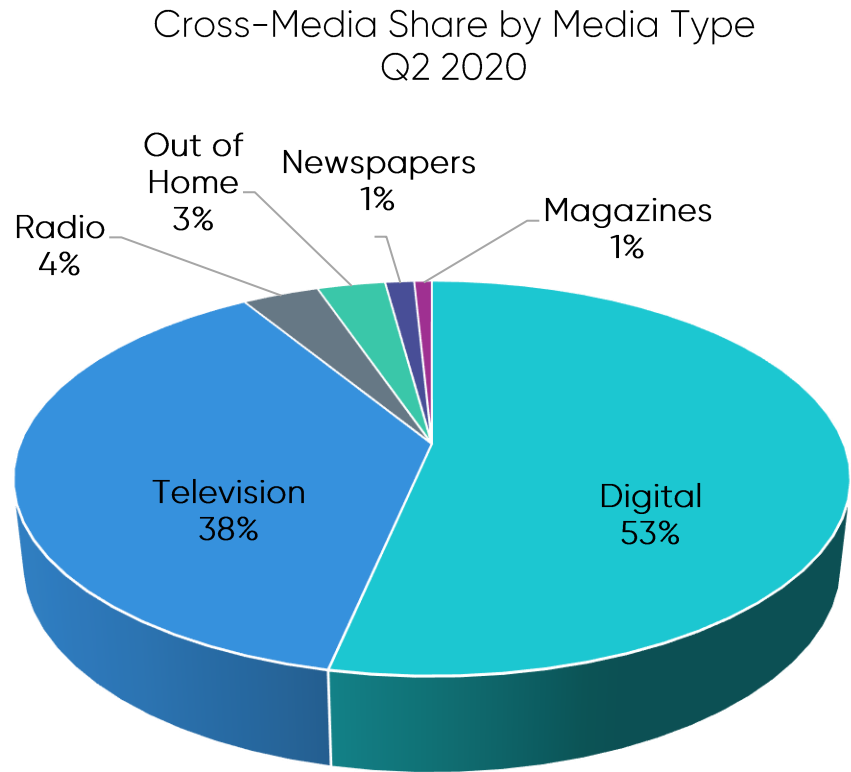
RADIO AND OOH WERE HIT ESPECIALLY HARD IN Q2 OF 2020 AS IN-CAR TUNING AND FOOT TRAFFIC DRASTICALLY DECREASED DUE TO PANDEMIC RESTRICTIONS

THIS YEAR Q2 IS SHOWING YOY INCREASES FOR THESE MEDIA CHANNELS VS LAST YEAR WITH RADIO UP +103%, AND OOH UP +94%

Monthly Cross-Media Advertising Percent Change By Channel
13-Month Rolling



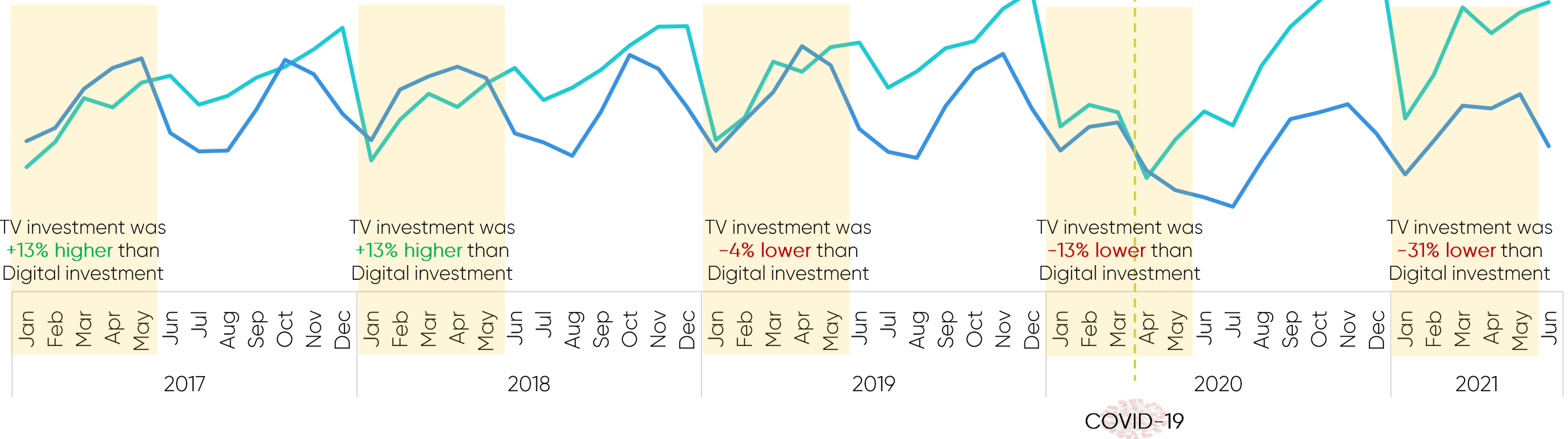
CANADA'S Q2 DIGITAL SHARE CAME AT THE EXPENSE OF TV WHILE ALL OTHER MEDIA TYPES MAINTAINED THEIR SHARE FROM Q2 LAST YEAR



DIGITAL BEGAN SEPARATING FROM TV IN Q1 2019, WAS ACCELERATED BY THE PANDEMIC, AND THE DELTA CONTINUES TO GROW EVEN AS CANADA'S AD MARKET RECOVERES

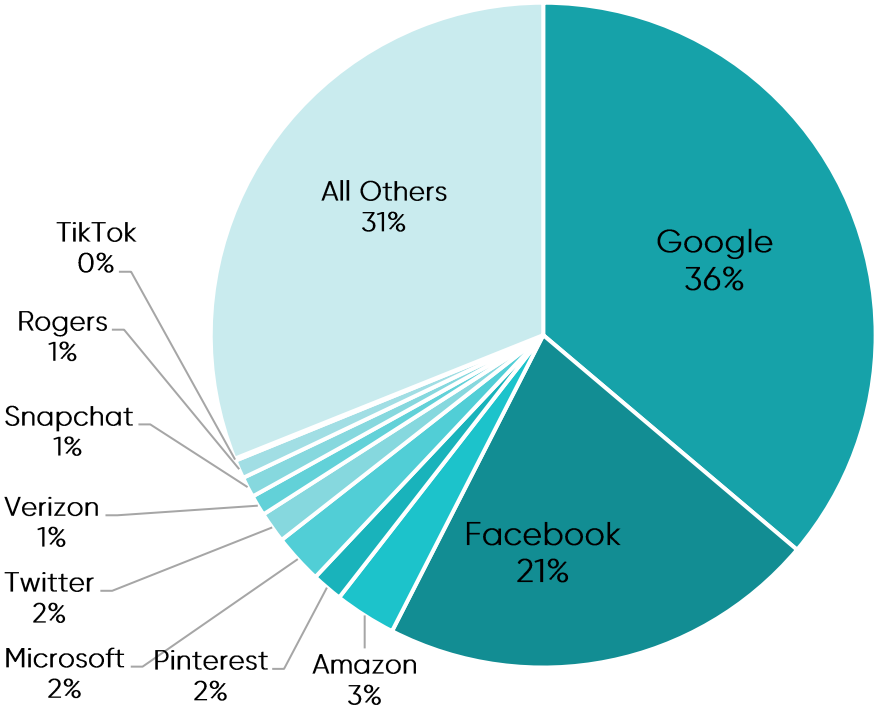
Canadian Monthly National Ad Spend by Digital and TV
January 2017 – June 2021

— Digital — Television

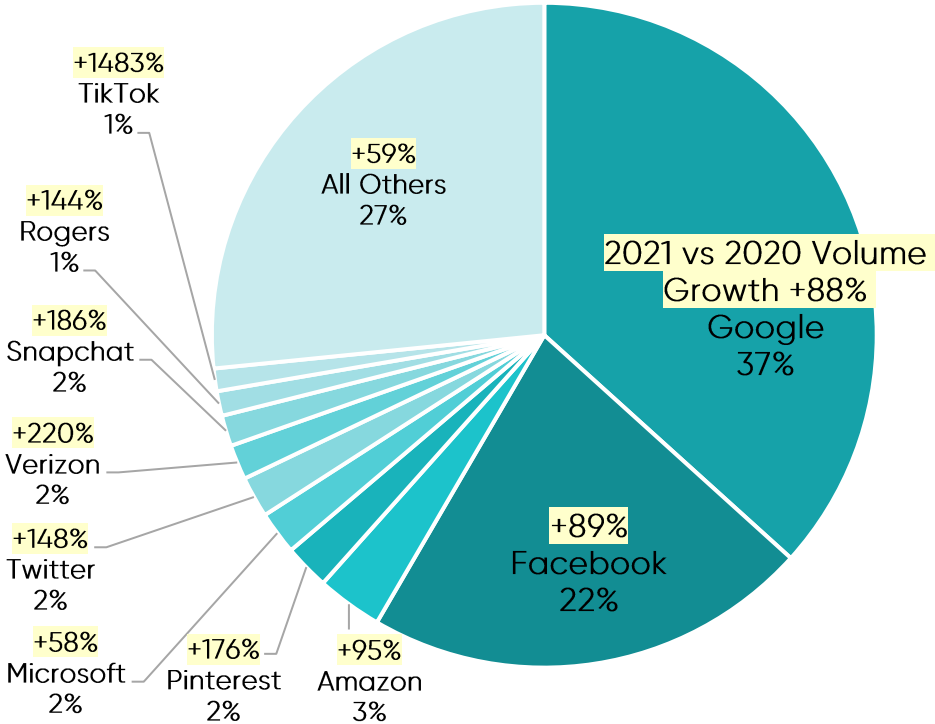


THE TOP TEN DIGITAL MEDIA OWNERS HOLD A COMBINED 74% SHARE OF DIGITAL SPEND, EACH ONE SHOWING GROWTH VS 2020. SMALLER-SHARE SOCIAL MEDIA PLAYERS ARE SEEING THE LARGEST INCREASES IN BOTH VOLUME & SHARE WHEN COMPARED TO LY

Digital Top 10 Master Owner Share of Digital Q2 2020



Digital Top 10 Master Owner Share of Digital Q2 2021



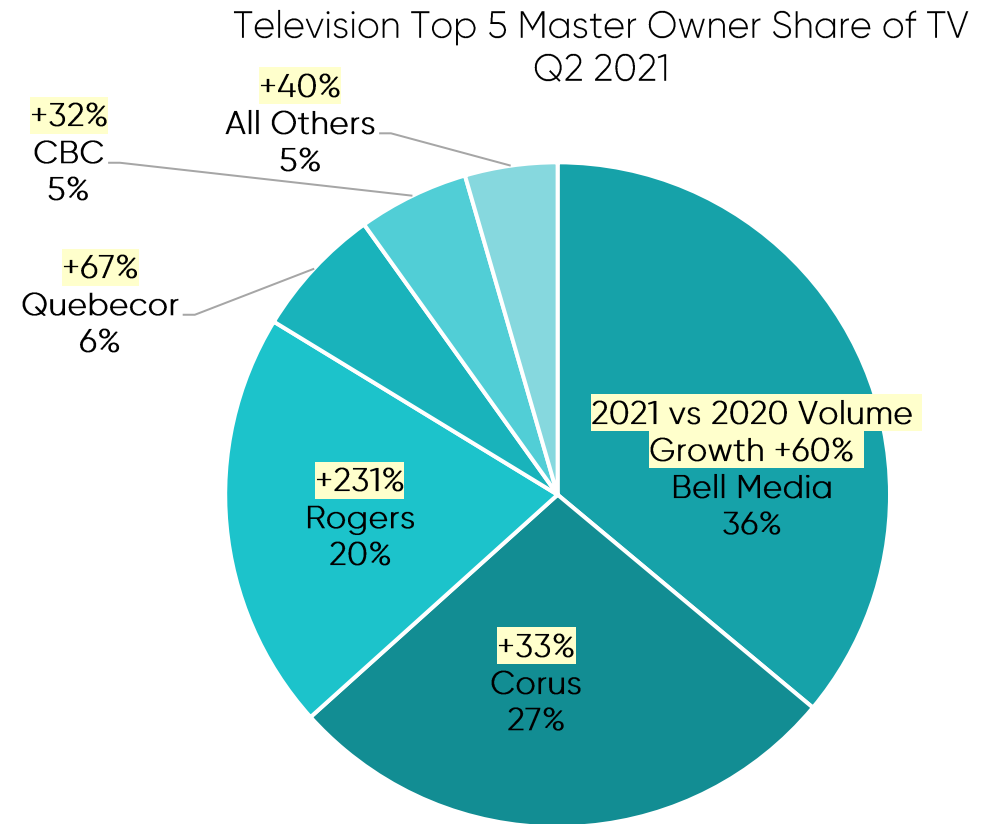
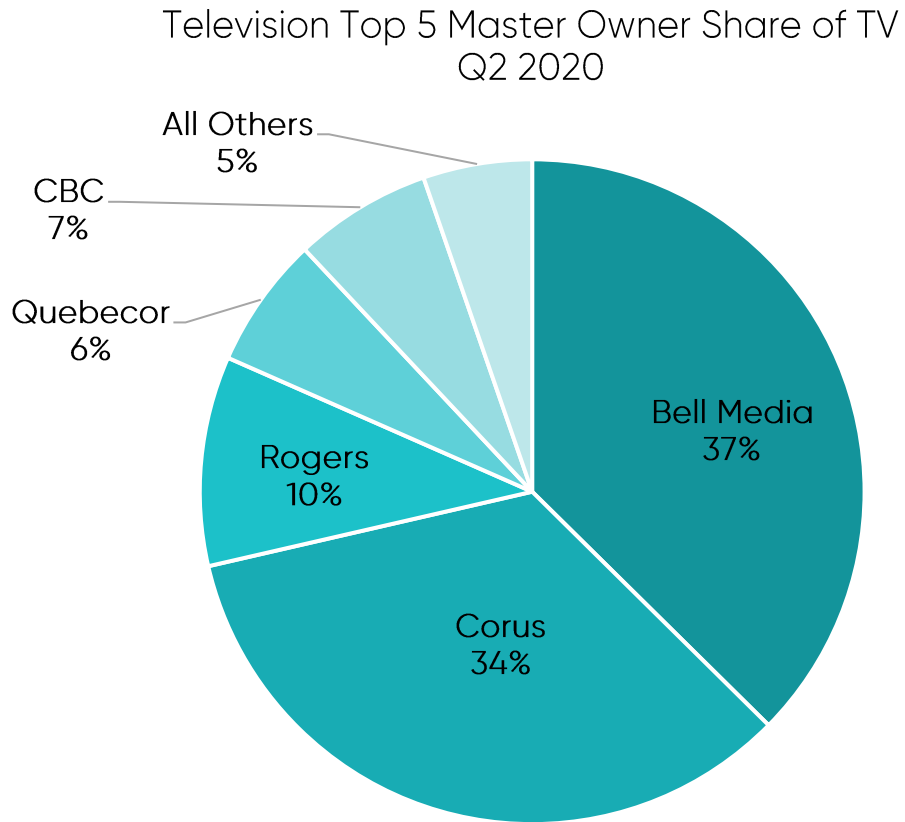
Source: SMI Pool | Canada

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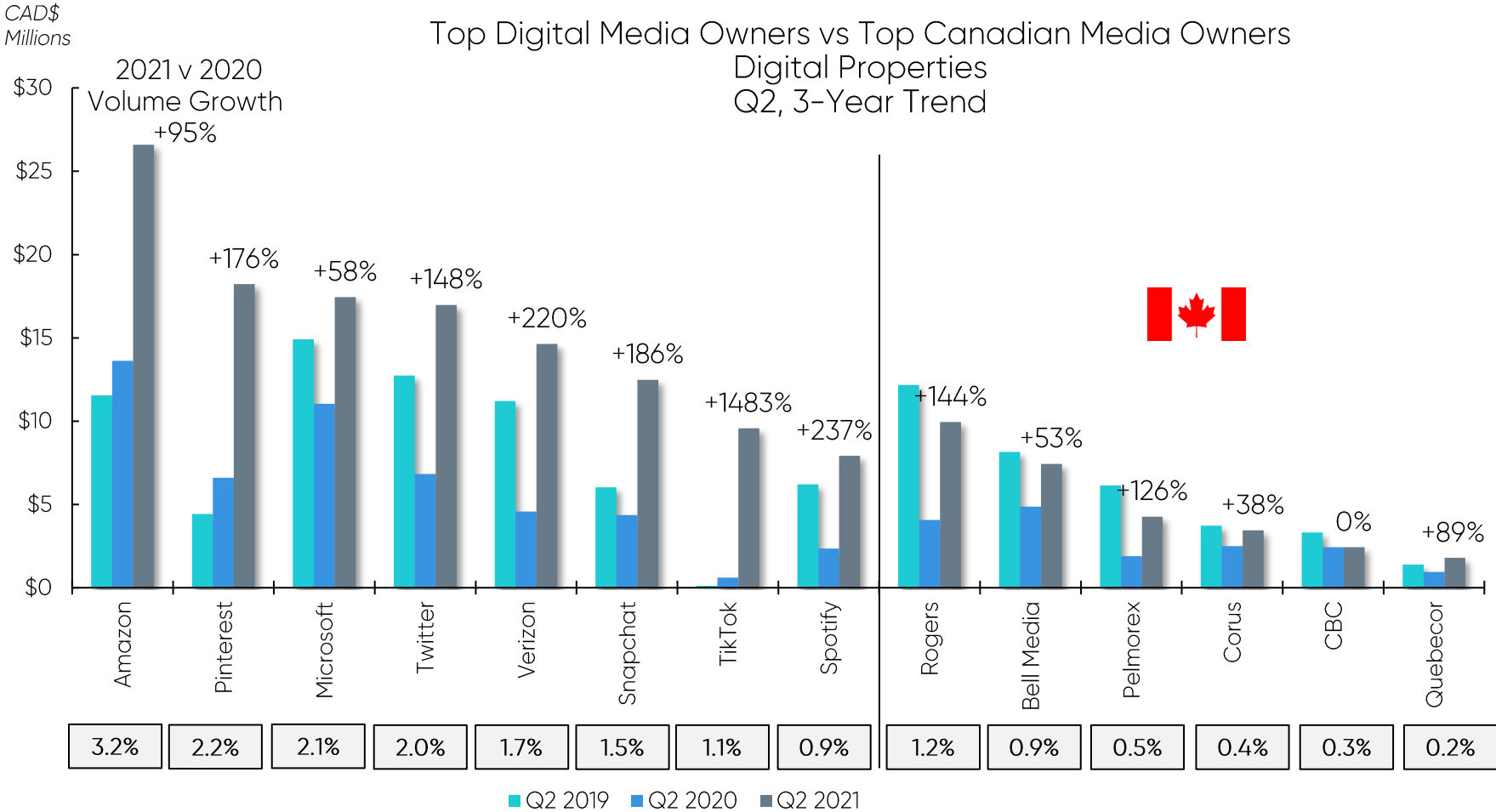
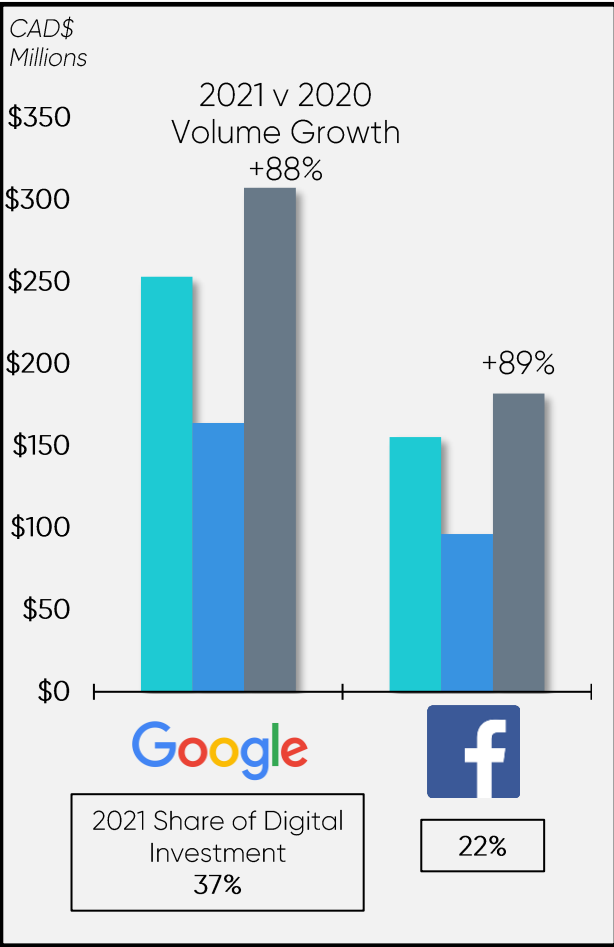
CAD\$
% is Share of Digital Media



TV'S TOP 5 MEDIA OWNERS ARE ALL SHOWING YOY VOLUME GROWTH BUT HAVE LOST SHARE TO ROGERS



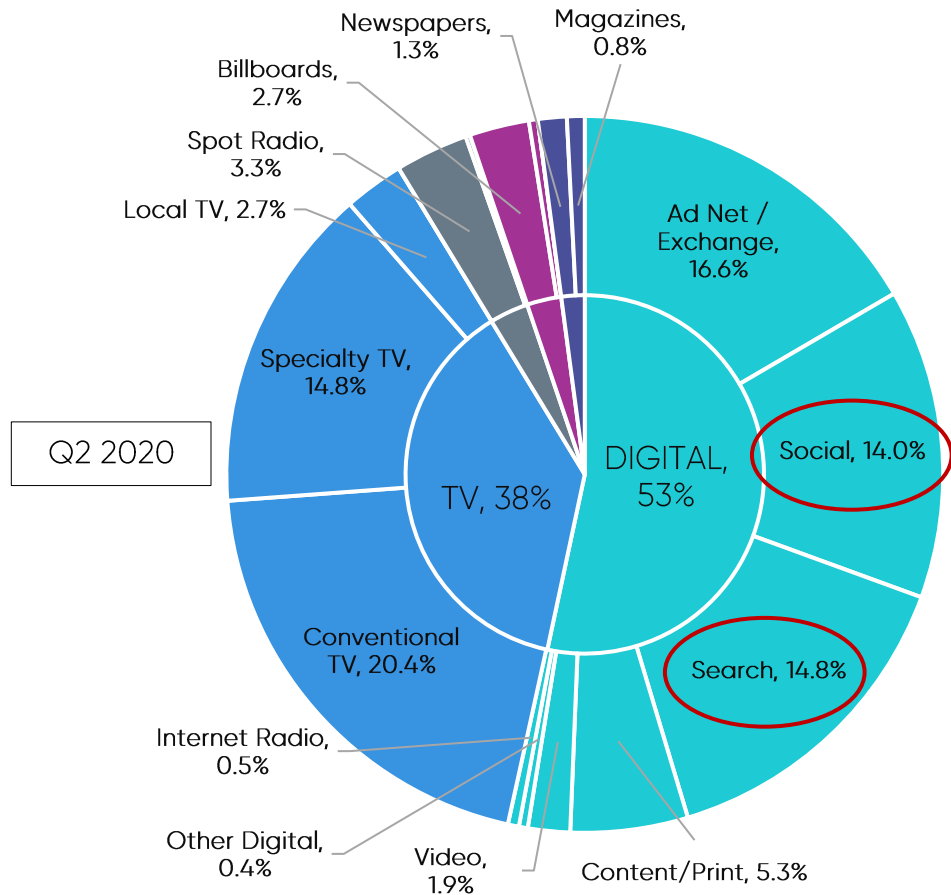
GOOGLE & FACEBOOK STILL DOMINATE DIGITAL WITH A COMBINED 59% SHARE, AND ALONG WITH SMALLER PLAYERS, ARE SEEING GROWTH VS 2019 AND 2020. TOP CANADIAN MEDIA OWNERS HAVE YET TO GROW THEIR DIGITAL INVESTMENT VS 2019



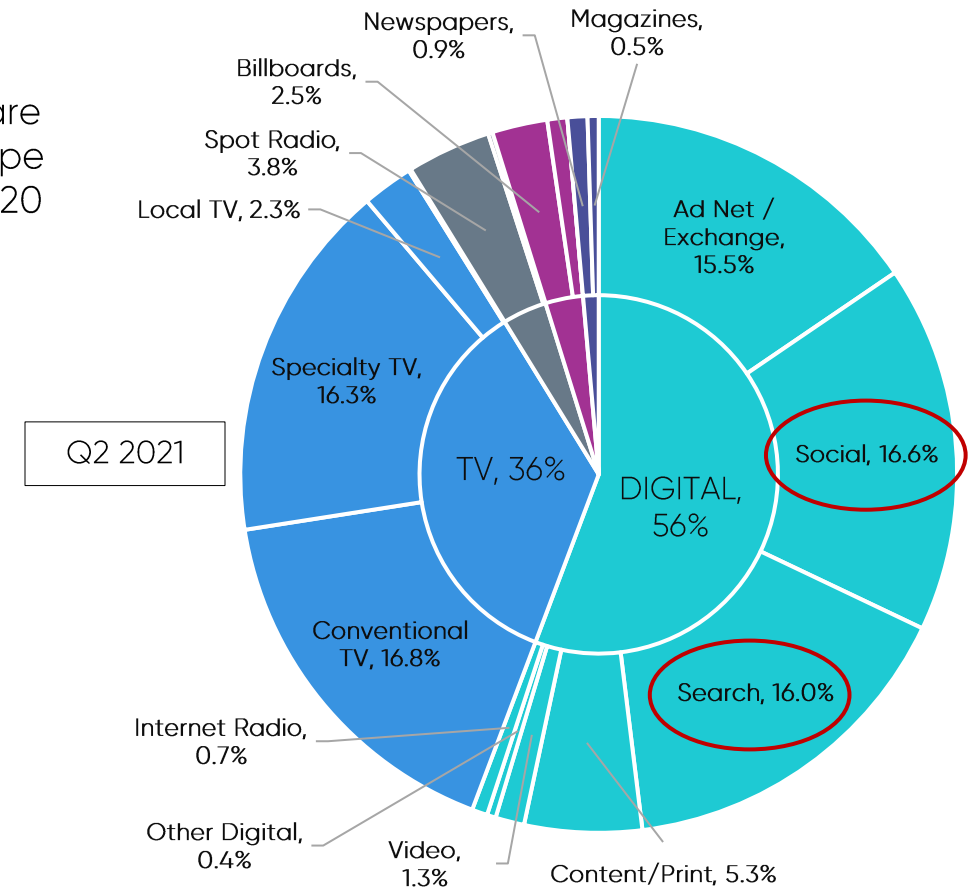
Source: SMI Pool | Canada

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DIGITAL SHARE IS UP +3 PTS IN Q2 2021, DRIVEN BY SEARCH & SOCIAL (UP +1.2 PTS AND +2.6 PTS RESPECTIVELY) THESE TWO DIGITAL MEDIA SUB-TYPES NOW REPRESENT ONE THIRD OF ALL CROSS-MEDIA SPEND



Cross-Media Share by Media Sub-Type Q2 2021 vs Q2 2020



OTHER DIGITAL MEDIA SUB-TYPES ARE MAKING BIG GAINS IN Q2 WITH DIGITAL OUT-OF-HOME AND INTERNET RADIO BOTH SEEING DRAMATIC INCREASES IN VOLUME AND SHARE IN Q2 2021



Digital

	Media Sub-Type	VOLUME INVESTMENT INDEX TO PRIOR YEAR				Share of Total Digital	
		Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2020	Q2 2021
Digital	Programmatic Digital	111	114	62	167	31.2%	27.8%
Digital	Pure Play - Search	86	117	65	192	27.9%	28.6%
Digital	Pure Play Social	107	132	65	209	26.5%	29.6%
Digital	Pure Play - Content	116	108	58	181	8.5%	8.3%
Digital	Pure Play - Video	95	91	57	126	3.5%	2.4%
Digital	Pure Play - Internet Radio	114	109	51	250	0.9%	1.2%
Digital	Digital Print	83	91	52	167	1.4%	1.3%
Digital/OOH	Digital OOH	182	2,205	25	1,576	0.1%	0.8%

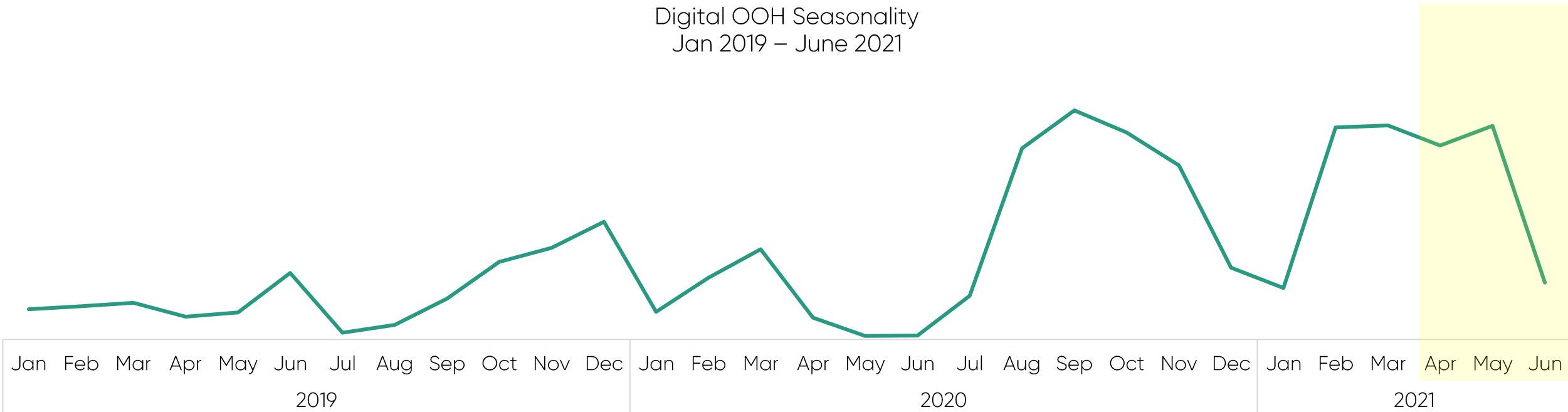
CAD\$



Digital

DIGITAL OUT-OF-HOME INVESTMENT HAS BEEN ON THE RISE SINCE AUGUST 2020 AND AS IS SEEING SIMILAR INVESTMENT LEVELS IN Q2 2021

Digital OOH Seasonality
Jan 2019 – June 2021



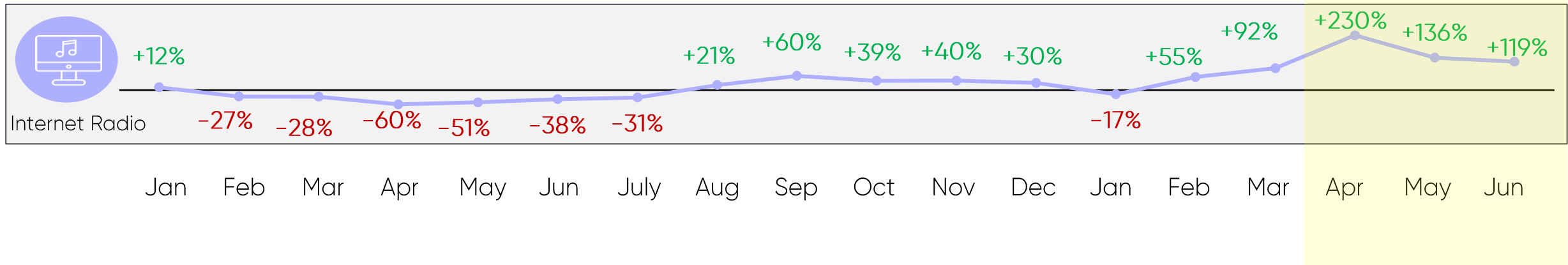
Source: SMI Pool | Canada

Media formats include Digital, Digital OOH includes the representative programmatic OOH DSPs. Please reach out to SMI for the owners that were included.

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LIKE DIGITAL OUT-OF-HOME, INTERNET RADIO HAS BEEN ON THE RISE SINCE AUGUST 2020 AND AS IS SEEING TRIPLE-DIGIT YOY INCREASES IN Q2 2021

Internet Radio
Monthly Percent Change By Channel
Rolling 17 Month YoY Jan 2020 – June 2021

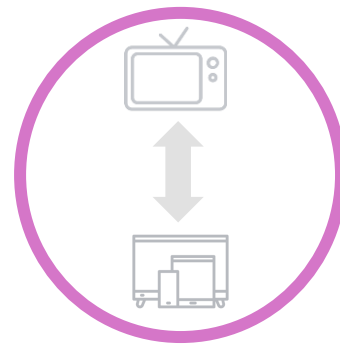


KEY TAKEAWAYS



CANADA IN RECOVERY MODE BUT STILL BEHIND 2019

Traditional Media is still not up to pre-pandemic levels while Digital continues to drive the Canadian market recovery



GAP BETWEEN TV AND DIGITAL CONTINUES TO GROW

Canadian TV Media owners need to increase their digital offerings to gain share within the digital space as we begin to see smaller share social players take share from Google and Facebook



SEARCH & SOCIAL DRIVING DIGITAL GROWTH

Search & Social make up one third of all cross-media investment in Q2 and are both up vs 2019, but Digital OOH and Internet Radio are channels to keep an eye on as we enter Q3



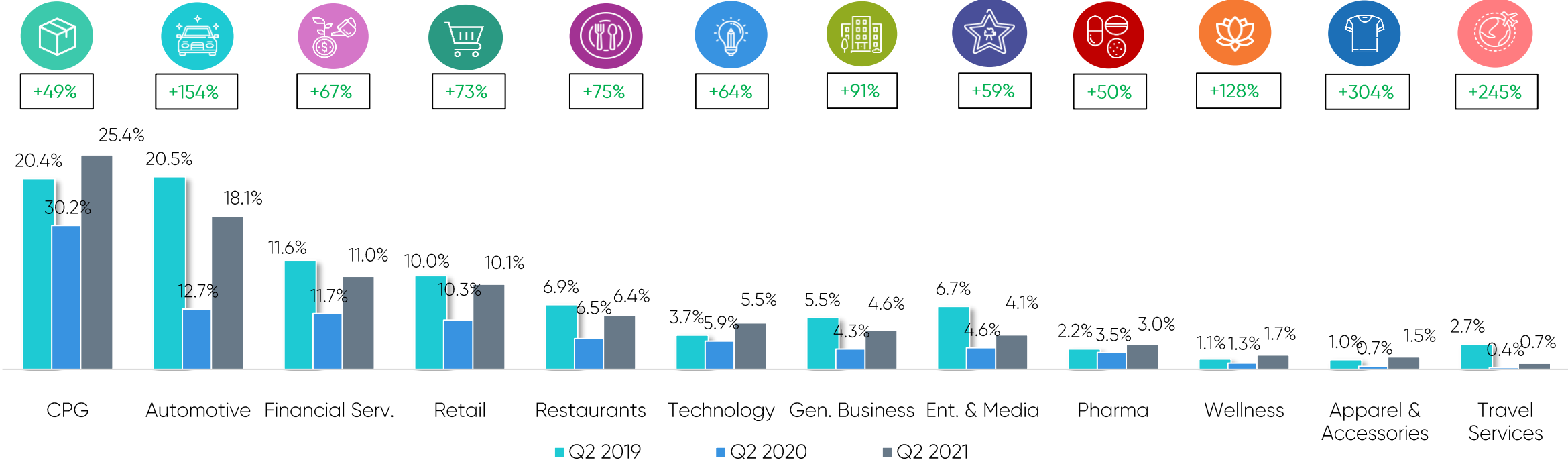
CANADA CATEGORY ANALYSIS

FULL Q2 2021 SHOWS ALL OF SMI'S TRACKED PRODUCT CATEGORY GROUPS GAINING WHEN COMPARED TO Q2 2020, WITH CPG, TECHNOLOGY, PHARMA, WELLNESS, AND APPAREL & ACCESSORIES ALSO SEEING VOLUME GAINS VS Q2 2019



2021 vs 2020
Volume Growth

Cross-Media - Q2 Category Investment 3-Year Trend



Source: SMI Core | Canada | Not Showing SMI Pool

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CAD\$
% is Share of All Media
Ranked on 2021 Share

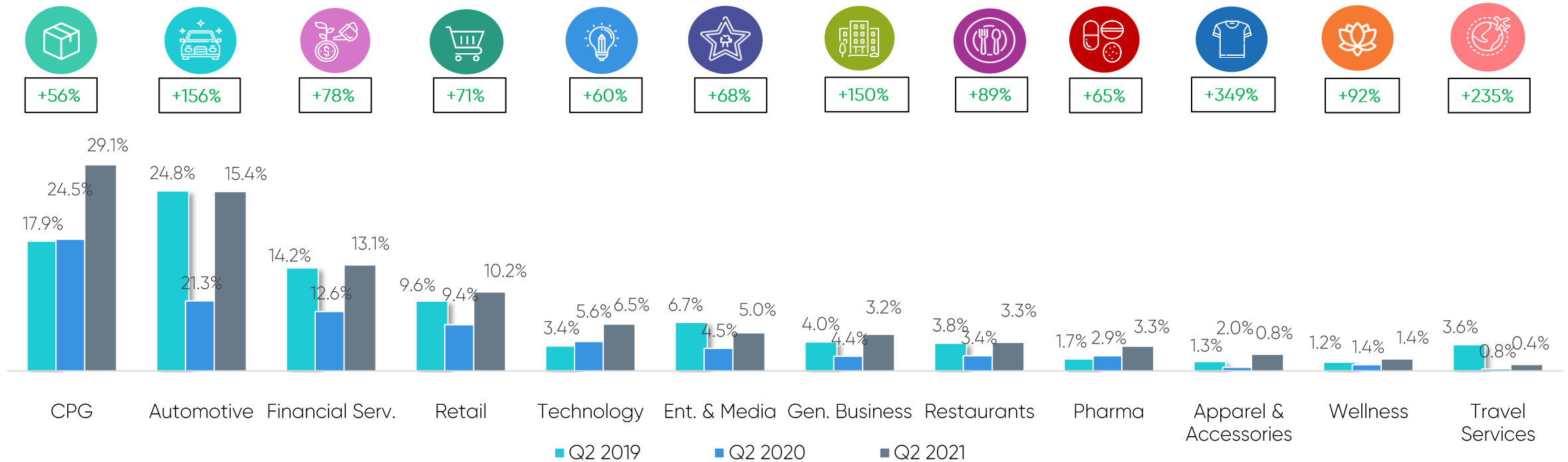


THE SAME CAN BE SAID WITHIN DIGITAL, WITH CPG, FINANCIAL SERVICES, RETAIL, TECHNOLOGY, GENERAL BUSINESS, RESTAURANTS, PHARMA, APPAREL & ACCESSORIES, AND WELLNESS ALSO SEEING VOLUME GAINS VS Q2 2019



2021 vs 2020
Volume Growth

Digital Media - Q2 Category Investment 3-Year Trend



WITHIN SEARCH AND SOCIAL, SOME OF THE HARDEST-HIT CATEGORIES ARE MAKING STRONG RETURNS WITH TRIPLE-DIGIT GROWTH VS Q2 2020



Social

	Index vs PY	
	Q2 2020	Q2 2021
Apparel & Accessories	95	180
Automotive	45	289
CPG	52	184
Entertainment & Media	55	212
Financial Services	46	201
General Business	130	207
Pharmaceuticals	41	349
Restaurants	53	169
Retail	47	455
Technology	131	205
Travel Services	101	203
Wellness	3	1298



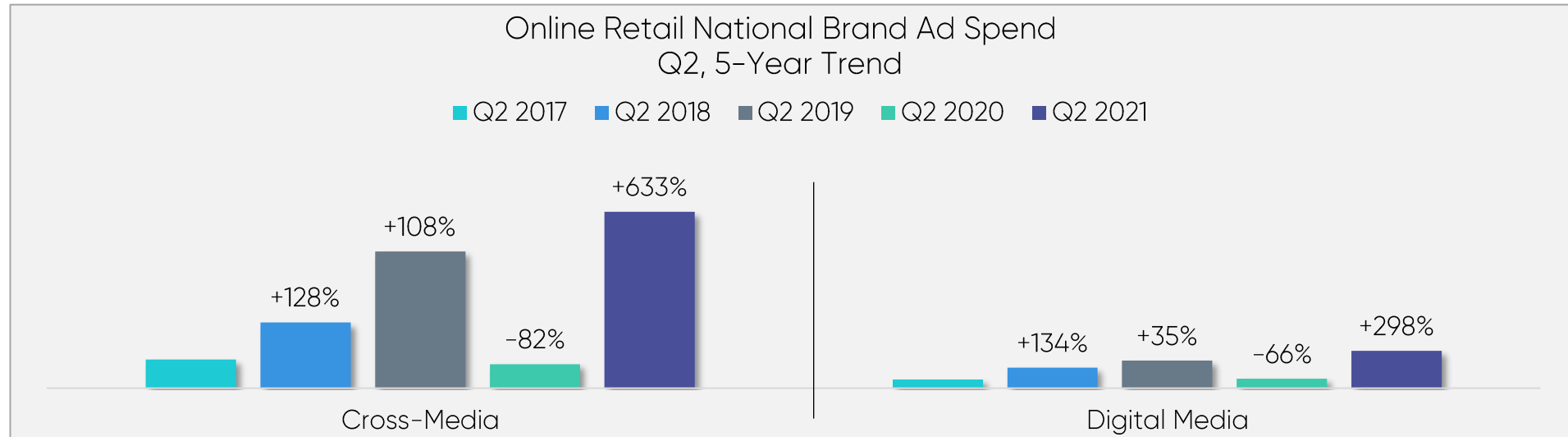
Search

	Index vs PY	
	Q2 2020	Q2 2021
Automotive	52	242
Retail	81	165
CPG	118	197
Financial Services	52	192
Technology	64	229
Entertainment & Media	69	115
General Business	73	239
Pharmaceuticals	87	190
Restaurants	60	157
Apparel & Accessories	23	655
Wellness	59	106
Travel Services	5	362

WITHIN RETAIL, ONLINE RETAIL AD SPEND IS SEEING TRIPLE DIGIT YOY VOLUME GROWTH IN BOTH CROSS-MEDIA AND DIGITAL, WITH SHARE EXCEEDING BOTH 2020 AND 2019 LEVELS, ESPECIALLY WITHIN THE SOCIAL SPACE



Online Retailers



	Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021
Share of Cross-Media	0.2%	0.4%	0.8%	0.3%	1.2%
Share of Retail Category (Cross-Media)	2.0%	4.4%	8.5%	2.8%	12.0%
Share of Digital Media	0.1%	0.3%	0.4%	0.2%	0.5%
Share of Retail Category (Digital Media)	1.7%	4.0%	4.1%	2.1%	4.9%
Share of Social Media	0.3%	0.3%	0.1%	0.2%	0.3%
Share of Retail Category (Social Media)	2.4%	2.6%	1.5%	2.7%	3.7%

KEY TAKEAWAYS



ALL CATEGORIES UP IN CROSS-MEDIA VS LY

Further indication of Canada's recovery in Q2, all categories are showing growth vs LY, with Automotive, Wellness, Apparel & Accessories, and Travel all seeing triple digit growth and a strong return to the market



ALL CATEGORIES SHOWING GROWTH WITHIN SEARCH & SOCIAL

Wellness, Retail, Pharma, Automotive, Technology, General Business, Apparel & Accessories, and one of the hardest-hit categories, Travel Services, all using leading Digital channels Search & Social to grow investment

WHAT'S NEXT?



“

SMI will continue its commitment to working with the IAB to keep on top of Q3 and 2H trends in the Canadian and global markets. We will see you again for our Q3 update to help inform the 2022 National Brand Ad Investment landscape.

”



Any Questions?

Thank you!

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