QUARTERLY NATIONAL BRAND ADVERTISING SPEND

A BENCHMARKING REPORT FOR Q4 2021

February 8th, 2022

Excerpt taken from IAB's incoming Board Chair, Krishan Bhatia of NBCUniversal

1. We need to build trust
2. Streaming is the future of the ad-supported ecosystem
3. Invest more in First-Party data
4. Addressability at scale requires collaboration at scale
5. Invest in diverse talent

Source:

STANDARD MEDIA INDEX OVERVIEW

Global partnership model with major holding company agencies and leading independents. HQ'd in NYC since 2011, Canada launch in 2020.

Clean and harmonize client level data for faster and better reporting, insights, trends, and forward-pacing.

Produce category, spend and cost level insights which then becomes SMI data products. Clients include publishers, finance, consulting, brands and tech.

CANADIAN PARTNER AGENCY ROSTER

havas media

OmnicomMediaGroup

IPG MEDIABRANDS

dentsu

PUBLICIS GROUPE

horizonmedia

groupm

Coverage is 94% of agency market in Canada

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STANDARD MEDIA INDEX REPORTING

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CANADA VS. GLOBAL MARKETS

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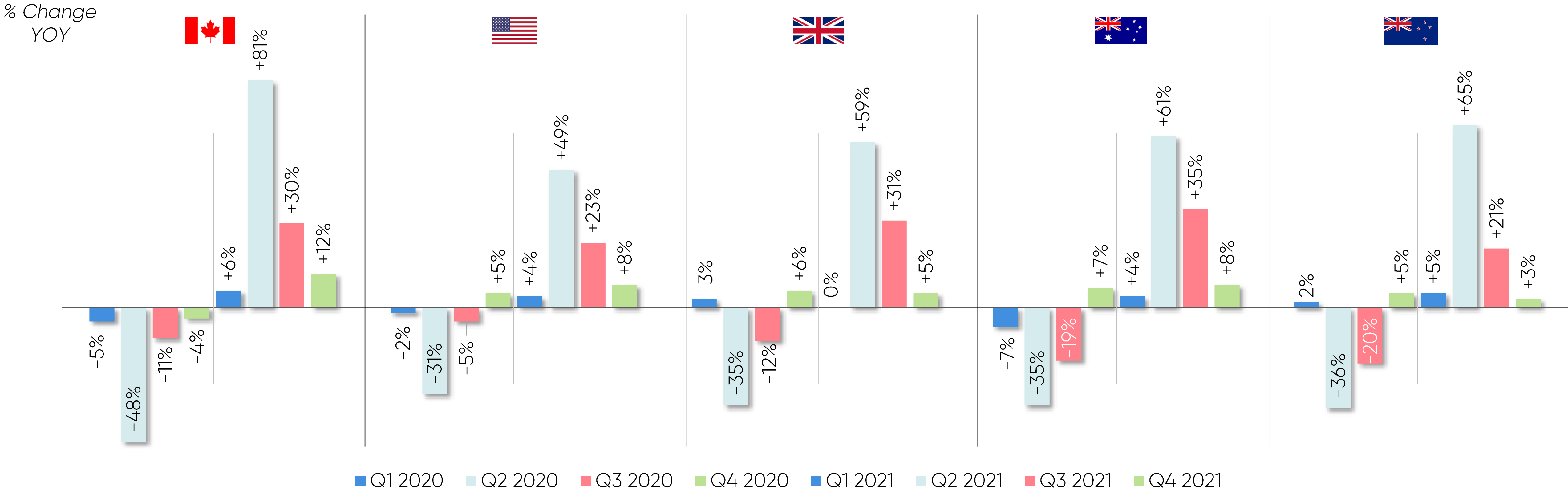
ALTHOUGH SLOWER IN RECOVERY THAN OTHER ENGLISH-LANGUAGE MARKETS, CANADA SAW YOY GROWTH IN EVERY QUARTER OF 2021

Cross-Media National Brand Ad Investment
Quarterly YoY Percent Change



Source: SMI Pool | Markets Include US, CA, UK, AU, NZ
Media Formats Include: TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital
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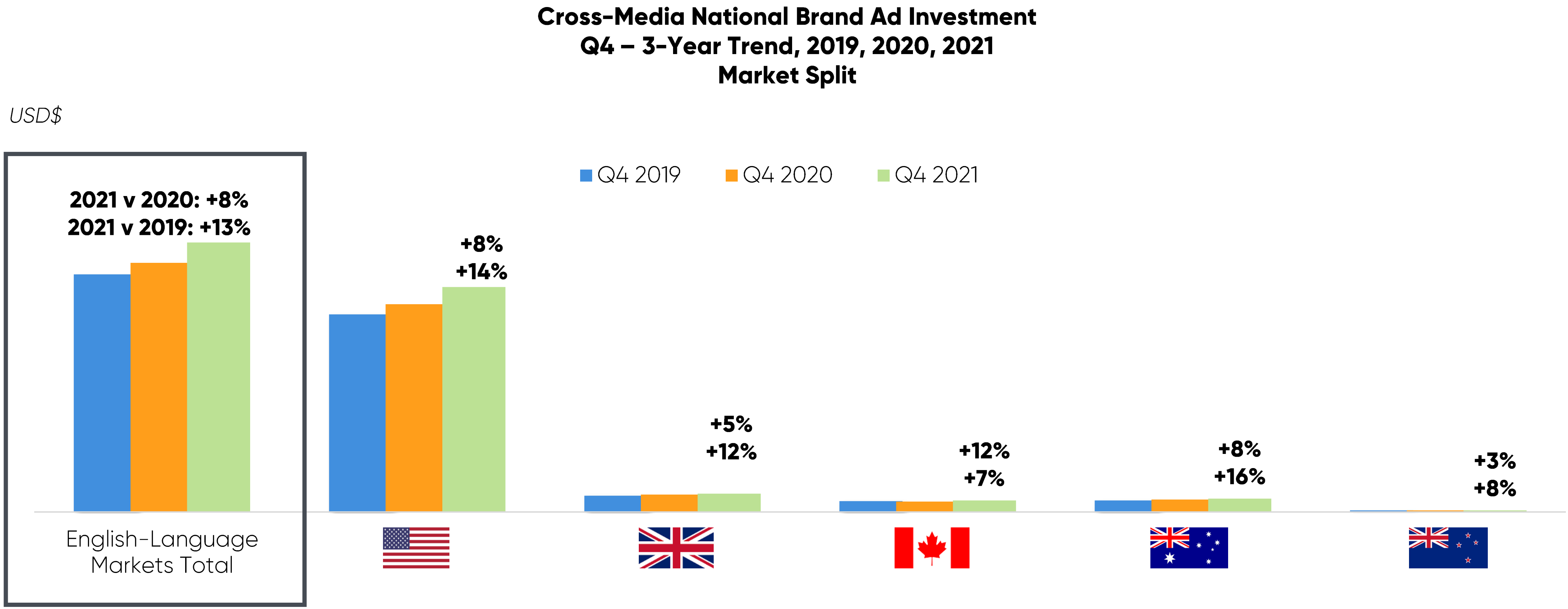
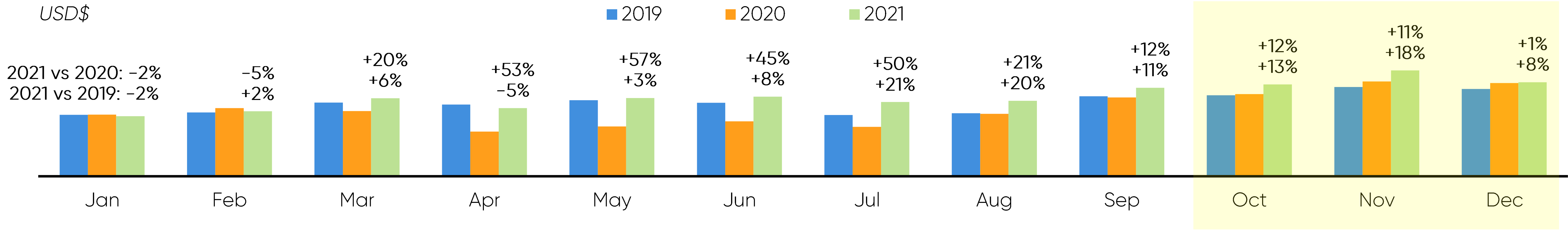
ENGLISH-LANGUAGE MARKETS FINISHED Q4 UP OVER BOTH 2020 AND 2019, CANADA WAS ON PAR

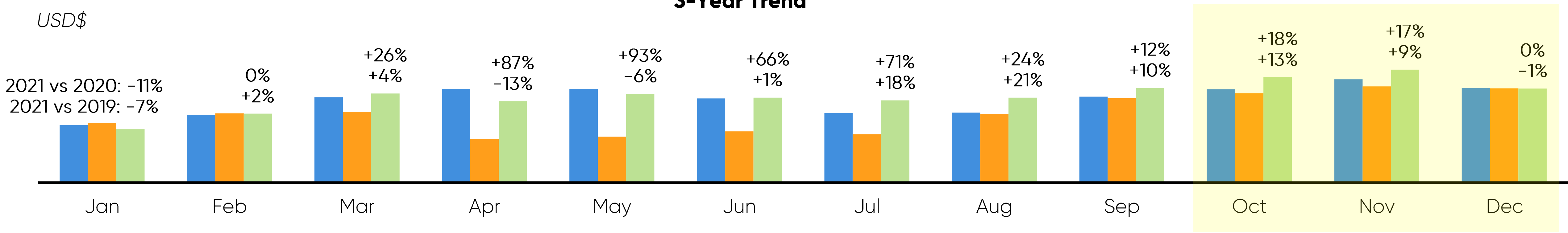


ENGLISH-LANGUAGE MARKETS SAW EIGHT CONSECUTIVE MONTHS OF GROWTH VS BOTH 2020 & 2019, CANADA WASN'T FAR BEHIND WITH SIX

English-Language Markets – Cross Media Investment Seasonality
3-Year Trend



CANADA Market – Cross-Media Investment Seasonality
3-Year Trend



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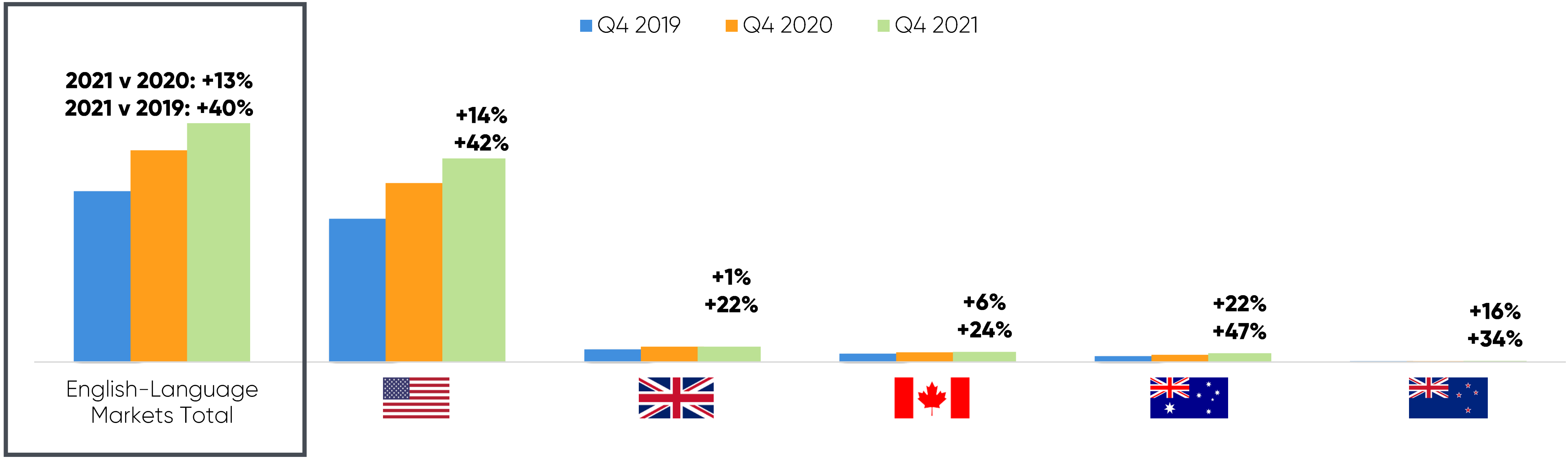
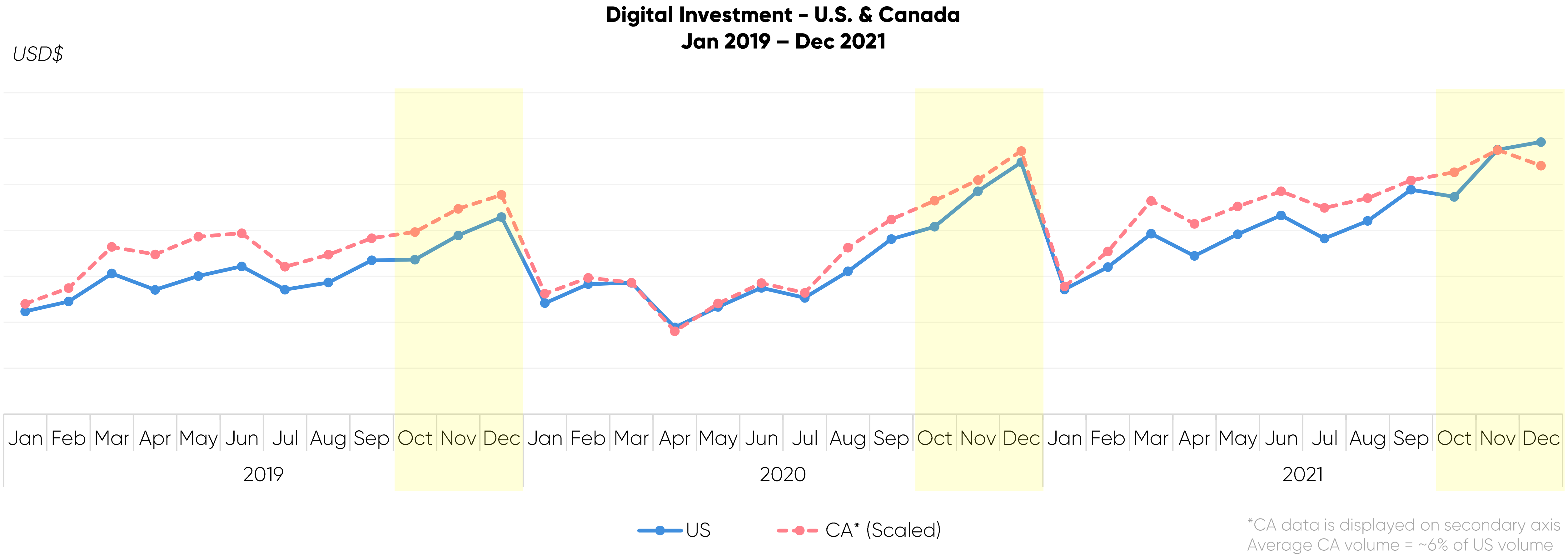
AS WITHIN CROSS-MEDIA, ENGLISH-LANGUAGE MARKETS ALSO FINISHED Q4 UP WITHIN THE DIGITAL SPACE

Digital National Brand Ad Investment
Q4 – 3-Year Trend, 2019, 2020, 2021
Market Split

USD$

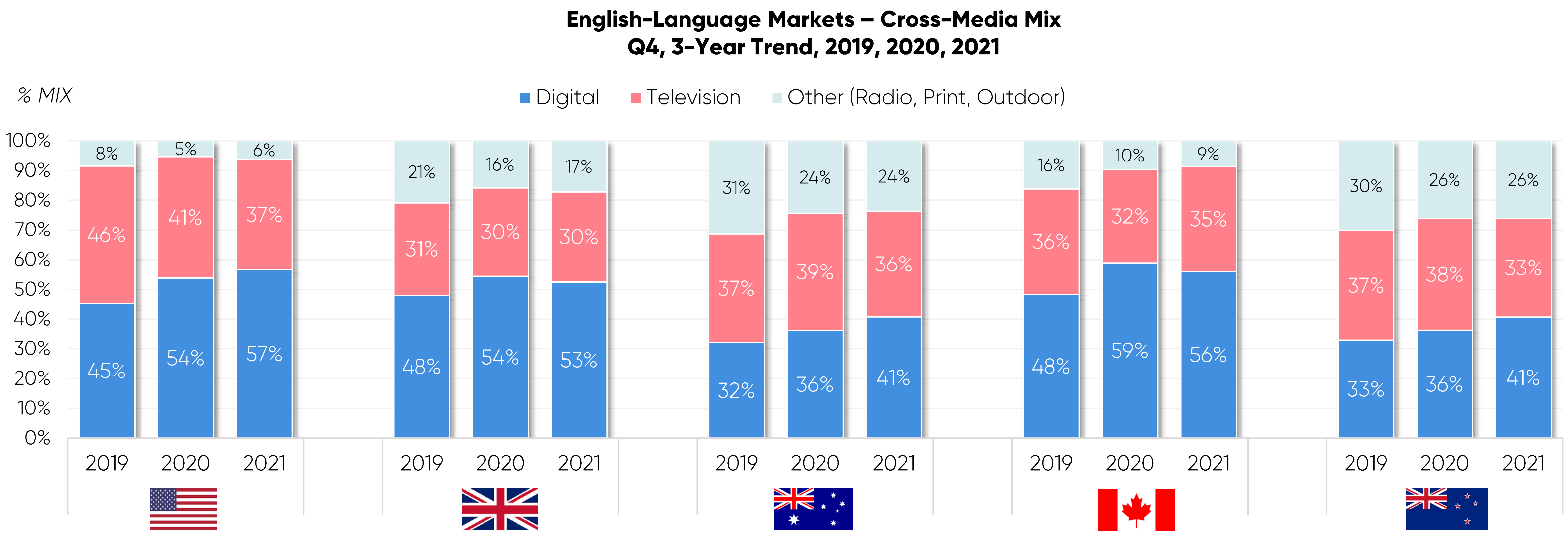


BUILDING ON A STRONG Q3, CANADA CONTINUED TO TRACK WELL VS THE U.S. IN Q4, HOWEVER CANADA HAD A SOFTER DECEMBER



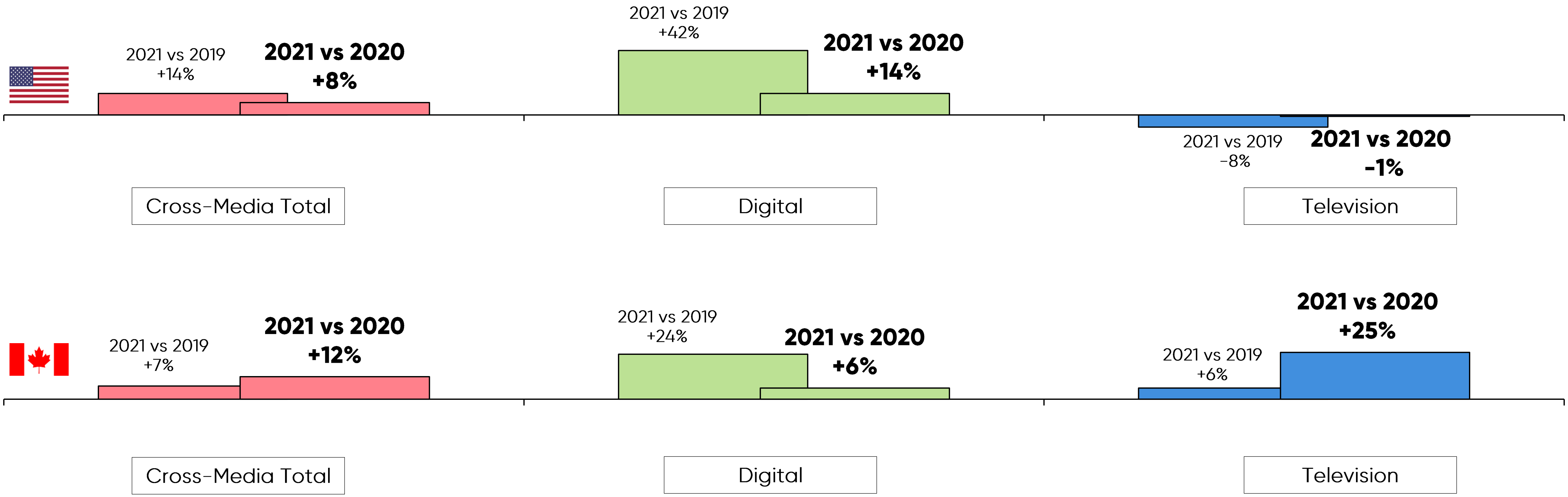
*CA data is displayed on secondary axis
Average CA volume = ~6% of US volume

THE SHIFT TO DIGITAL MEDIA ACCELERATED BY THE PANDEMIC CONTINUED, CANADA WAS ON PAR WITH THE US FOR HIGHEST DIGITAL SHARE AMONG ENGLISH-LANGUAGE MARKETS



CANADIAN DIGITAL SAW LESS GROWTH COMPARED TO THE US, DUE TO CANADA SEEING LINEAR TV GROWTH THAT WAS NOT EXPERIENCED IN THE US

Digital vs Traditional Media
Cross-Media Investment Percent Change
Q4 2021 vs 2020 & 2019



SECTION TAKEAWAYS

ENGLISH-LANGUAGE MARKETS SOLIDIFIED THEIR PANDEMIC RECOVERY POSITION FINISHING Q4 +8% VS 2020 AND +13% VS 2019

DIGITAL FINISHED Q4 UP +13% VS 2020 AND UP +40% VS 2019 ACROSS ENGLISH-LANGUAGE MARKETS, SHARE WAS STABLE WITH CANADA AT 56%

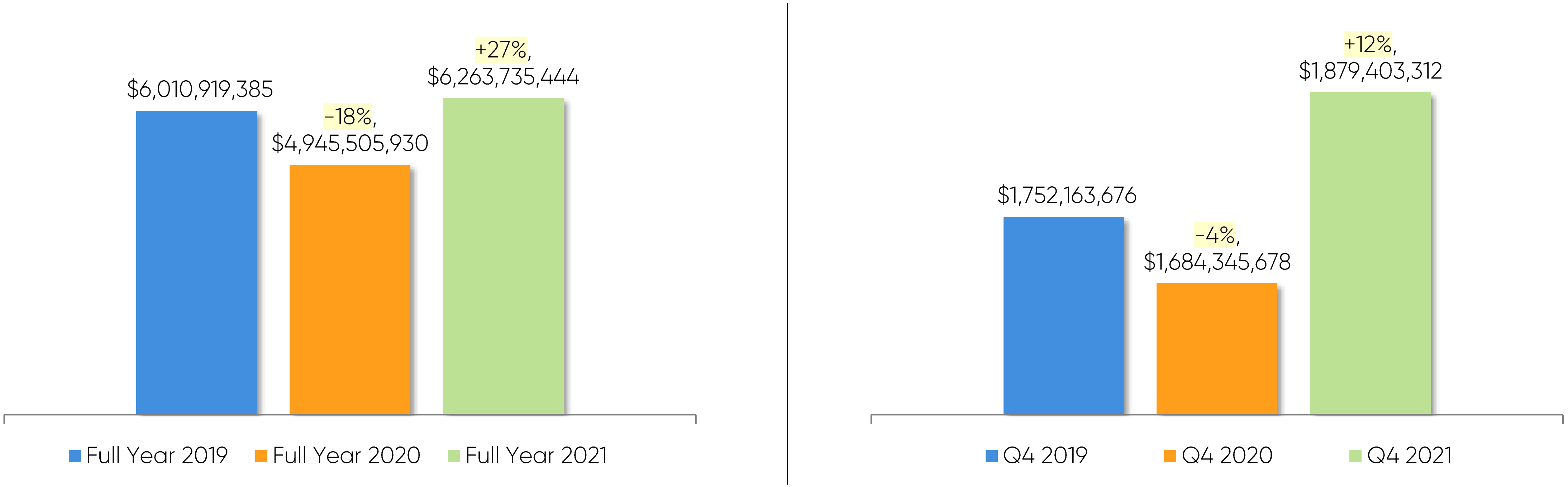
DECEMBER WAS SOFT FOR CANADA, ENDING THE MONTH FLAT TO 2020 AND DOWN -1% VS 2019, COMPARED TO ENGLISH-LANGUAGE MARKETS WHO SAW GROWTH VS BOTH YEARS

CANADIAN MARKET FOCUS

CANADIAN NATIONAL BRAND AD SPEND EXCEEDED BOTH PRIOR YEARS

Cross-Media National Brand Ad Investment
YoY Percent Change & Volume

Full Year and Q4 View



Source: SMI Pool | Markets Include Canada
Media Formats Include: TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital
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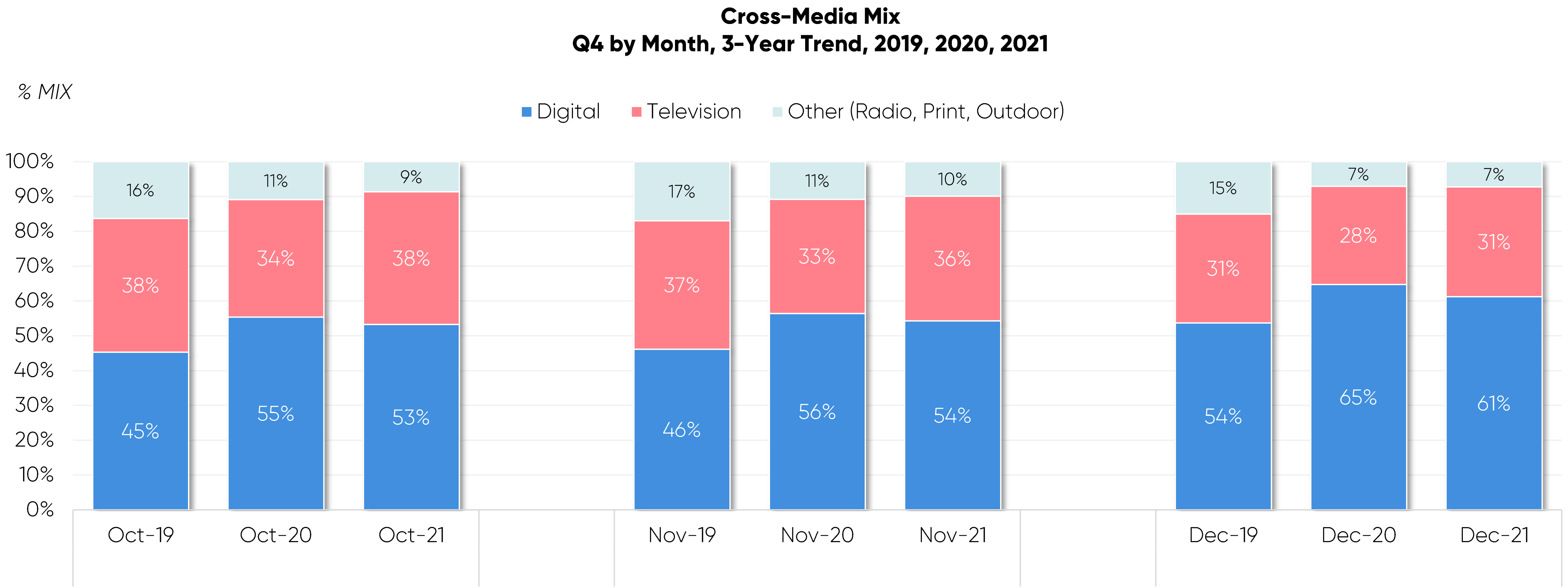
DIGITAL SHARE CROSSED THE 60% MARK AGAIN IN DECEMBER 2021



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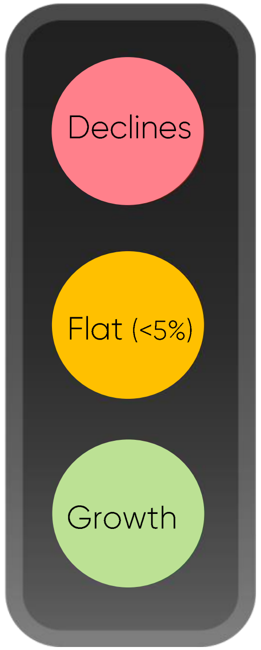
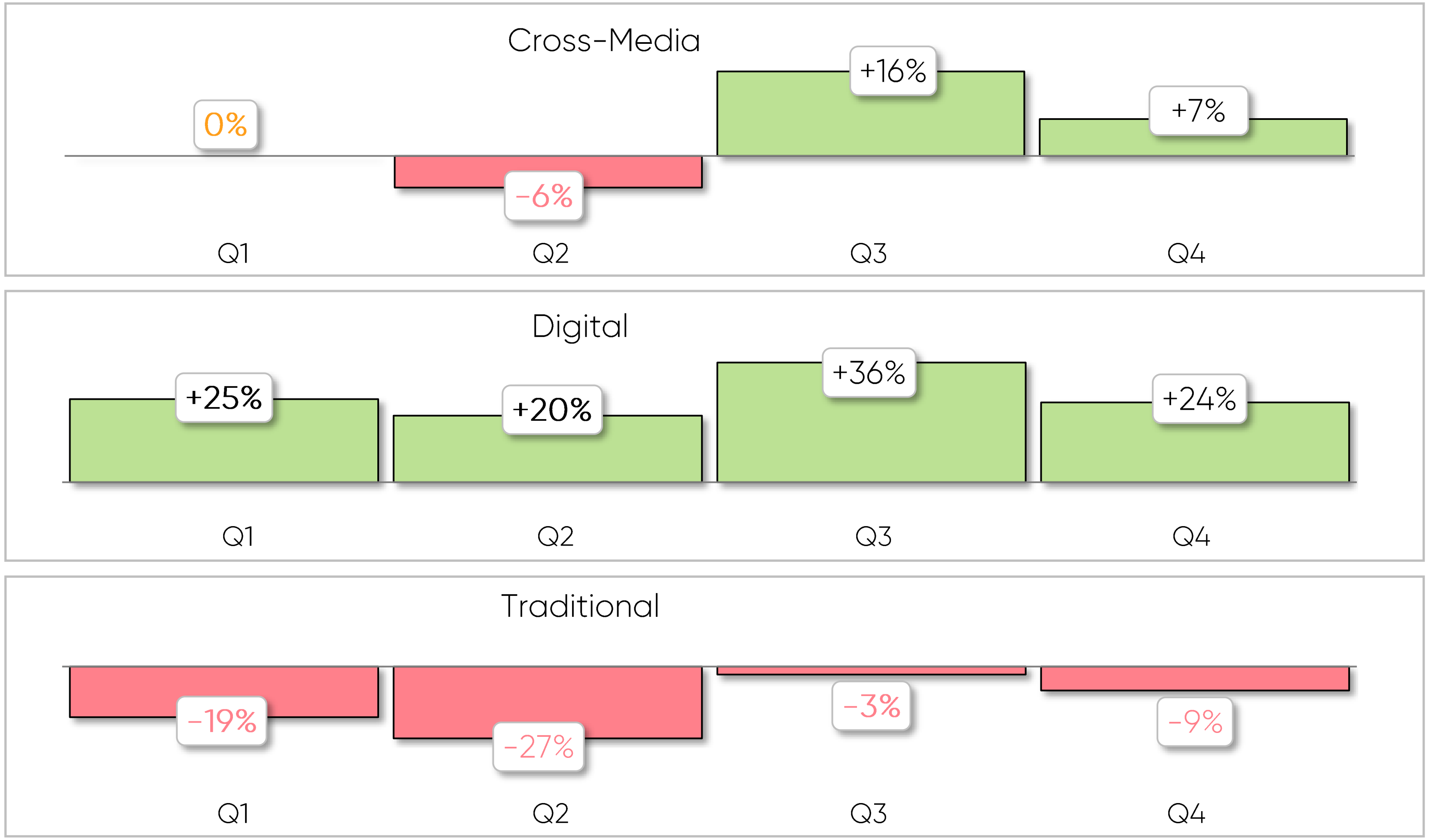
2021 SIGNALED THE START OF A RECOVERY FOR THE CANADIAN AD MARKET

WITH MEDIA INVESTMENT LEVELS SITTING WELL BELOW THE NORM IN 2020, COMPARING TO 2019 IS THE REAL BENCHMARK FOR GROWTH

Canada's Recovery Journey

National Brand Ad Spend
2021 vs 2019, YoY Percent Change by Quarter





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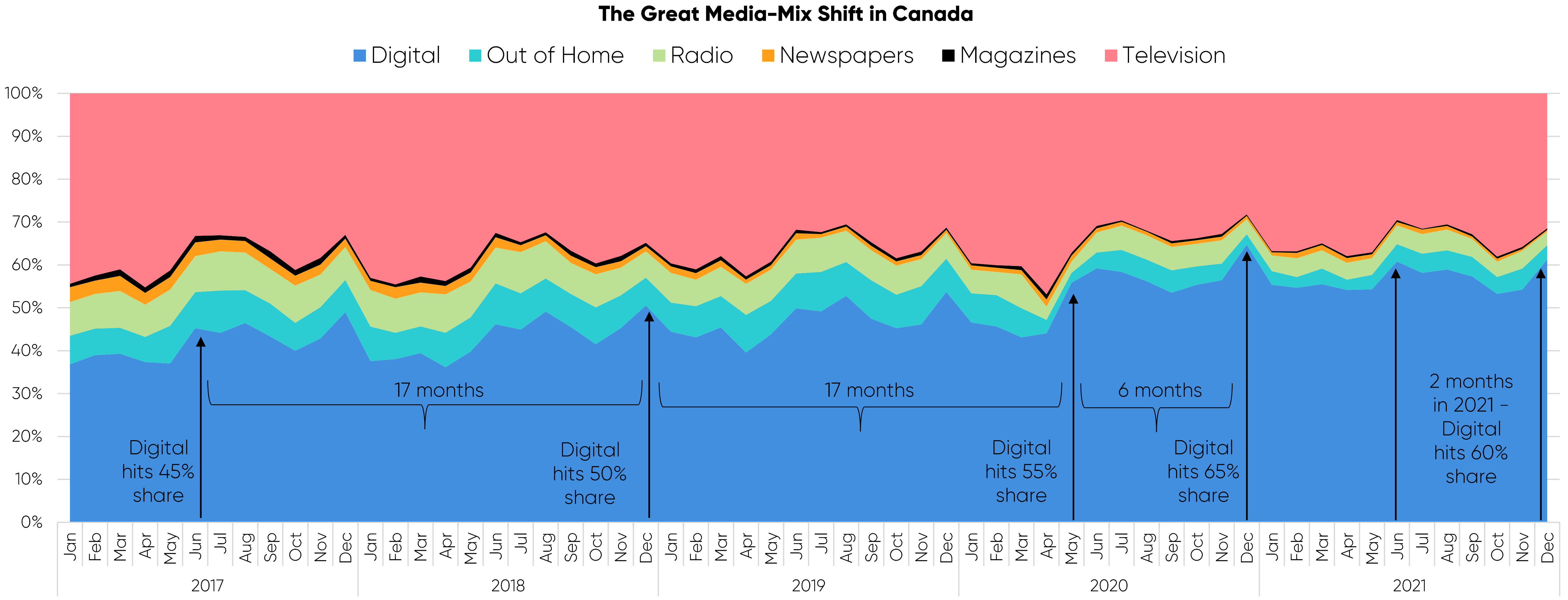
DIGITAL SHARE HAS BEEN GROWING STEADILY SINCE 2017 BUT WAS GREATLY ACCELERATED BY THE PANDEMIC, PEAKING IN DECEMBER OF 2020



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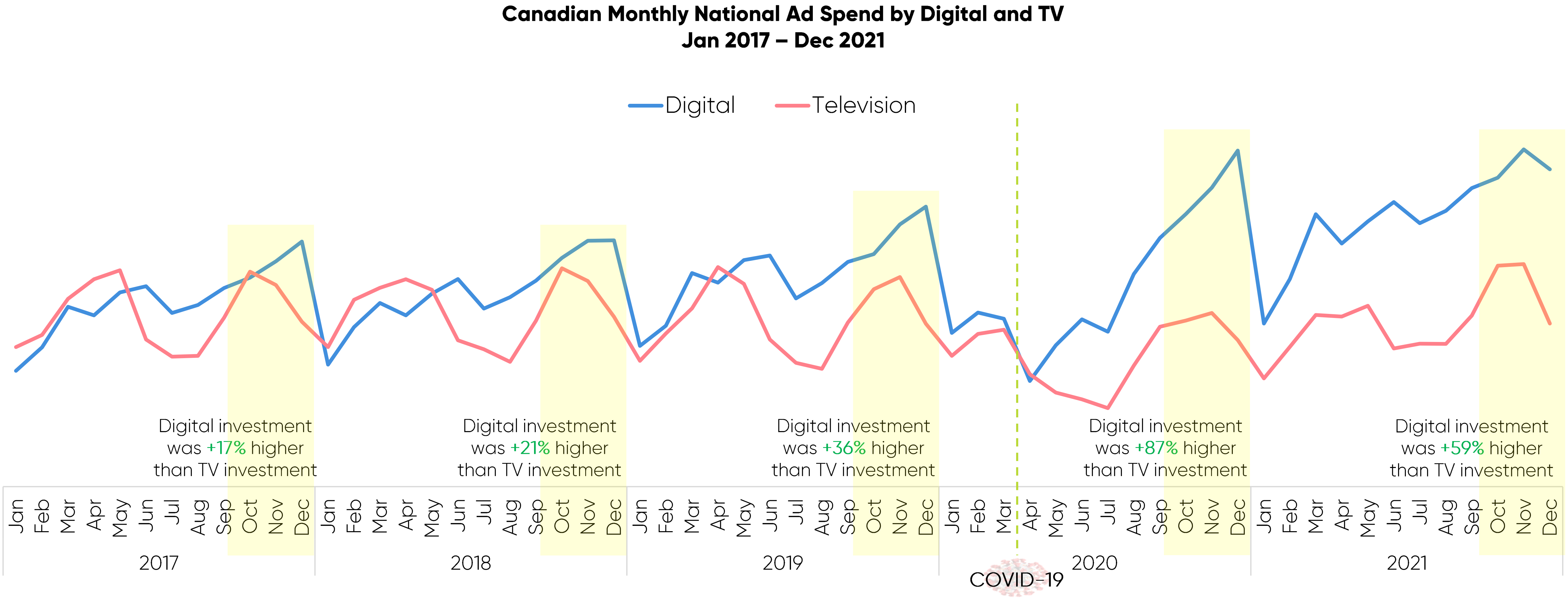
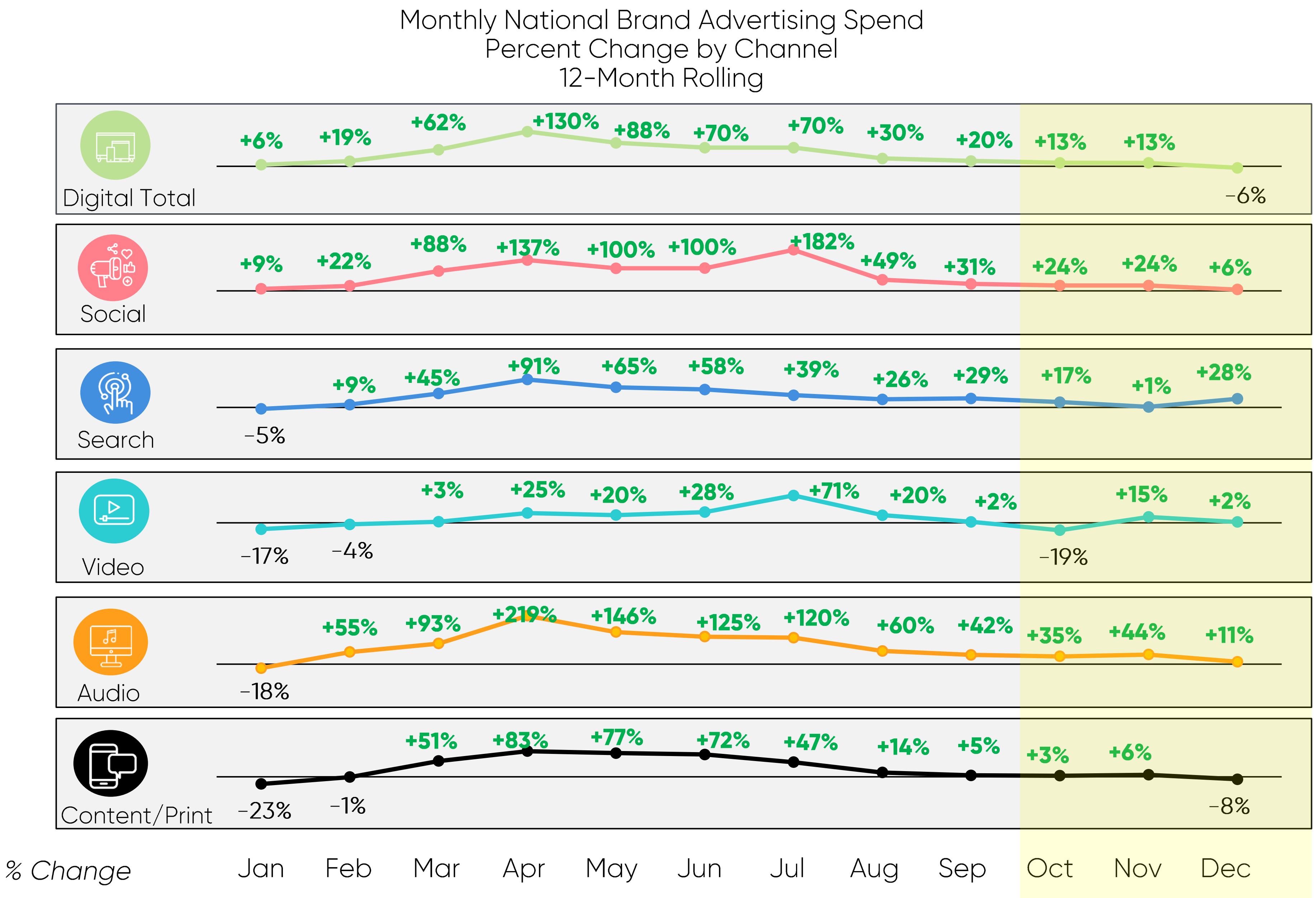
DIGITAL SPEND HAS BEEN HIGHER THAN TV SPEND SINCE AT LEAST 2017, BUT THE PANDEMIC CREATED A DELTA THAT ISN'T GOING AWAY



THE DECEMBER YOY DECLINES IN THE DIGITAL SPACE WERE DRIVEN BY CONTENT/PRINT, AS WELL AS THE UNUSUALLY HIGH LEVELS OF DIGITAL SPEND WE SAW IN THE MARKET IN DECEMBER 2020

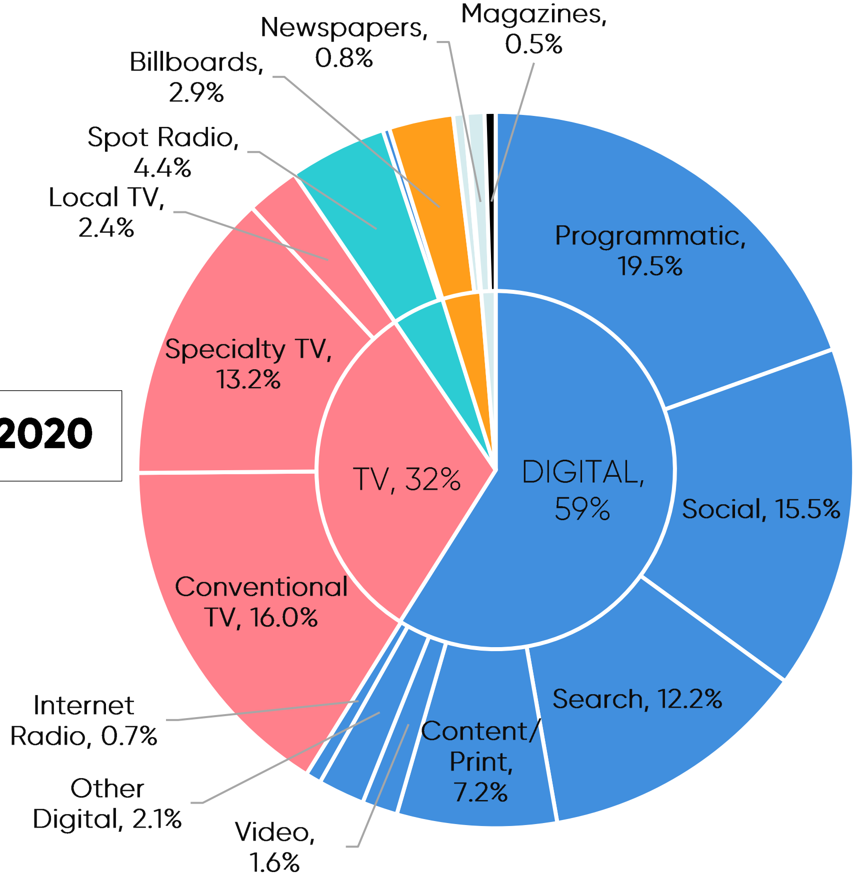
THESE WERE NOT AS PRONOUNCED IN 2021 DUE TO MARKET NORMALIZATION



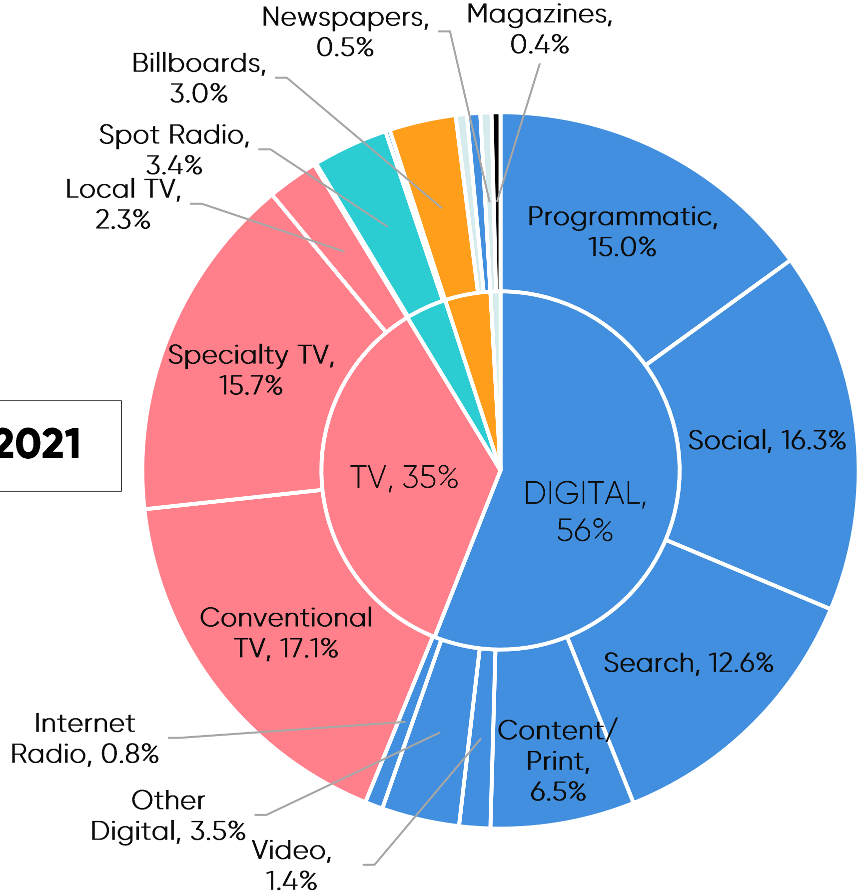
OVERALL DIGITAL SHARE DECREASED AS LINEAR TV NORMALIZED, BUT SEARCH AND SOCIAL STILL MANAGED TO GAIN SHARE

Cross-Media National Brand Ad Spend, Share by Media Sub-Type Q4 2021 vs 2020

Q4 2020



Q4 2021



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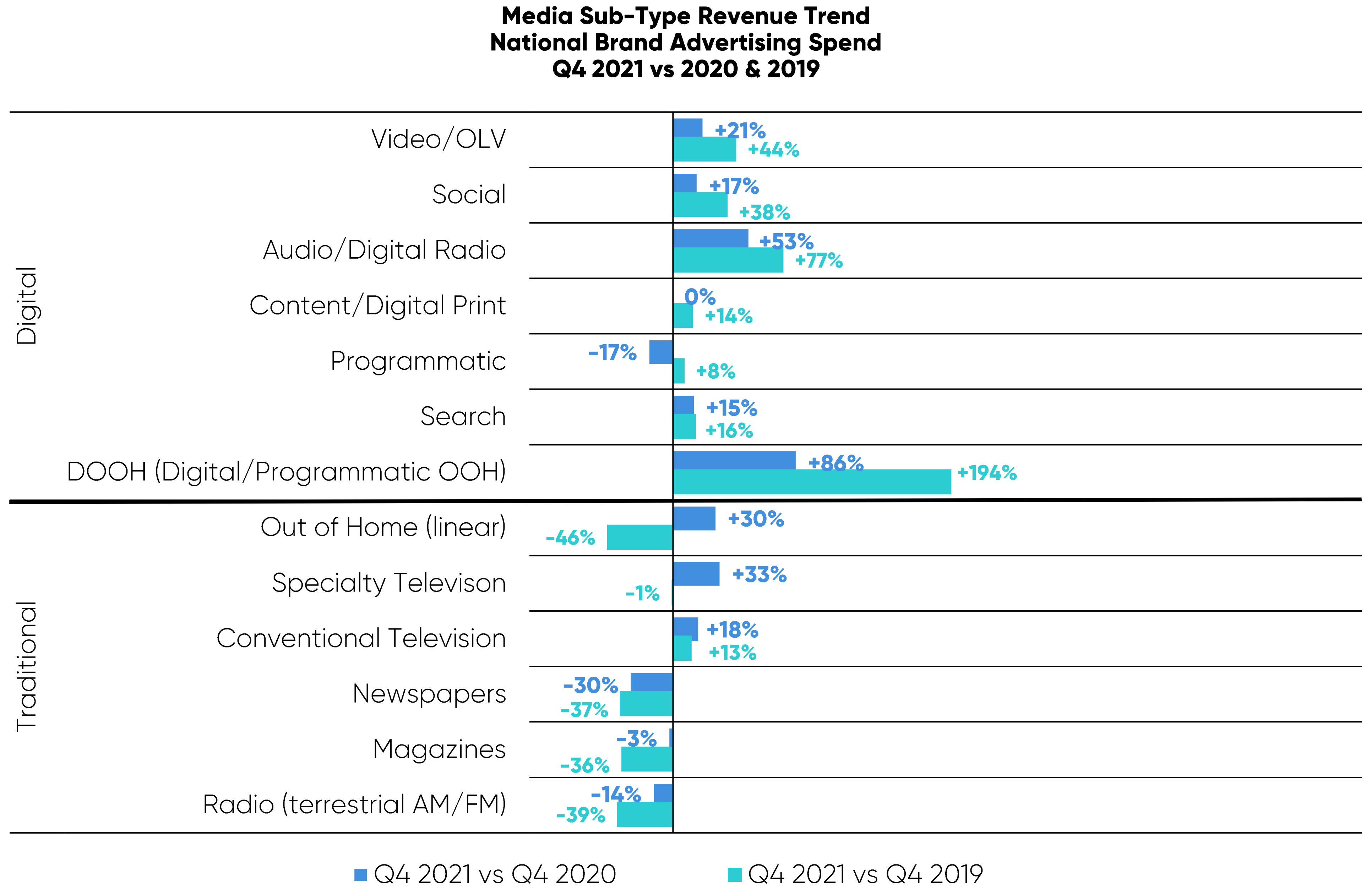
ALL DIGITAL SUB-TYPES SAW GROWTH VS PREVIOUS TWO YEARS EXCEPT FOR PROGRAMMATIC VS 2019

DIGITAL AUDIO & DOOH SAW THE GREATEST INCREASES

MOST TRADITIONAL MEDIA TYPES FACED DECLINES VS 2019 EXCEPT FOR LINEAR TELEVISION



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The Digital portion of OOH includes the representative programmatic OOH DSPs. The volume amount has been removed from Programmatic to avoid duplication – please reach out to SMI for the owners that were included

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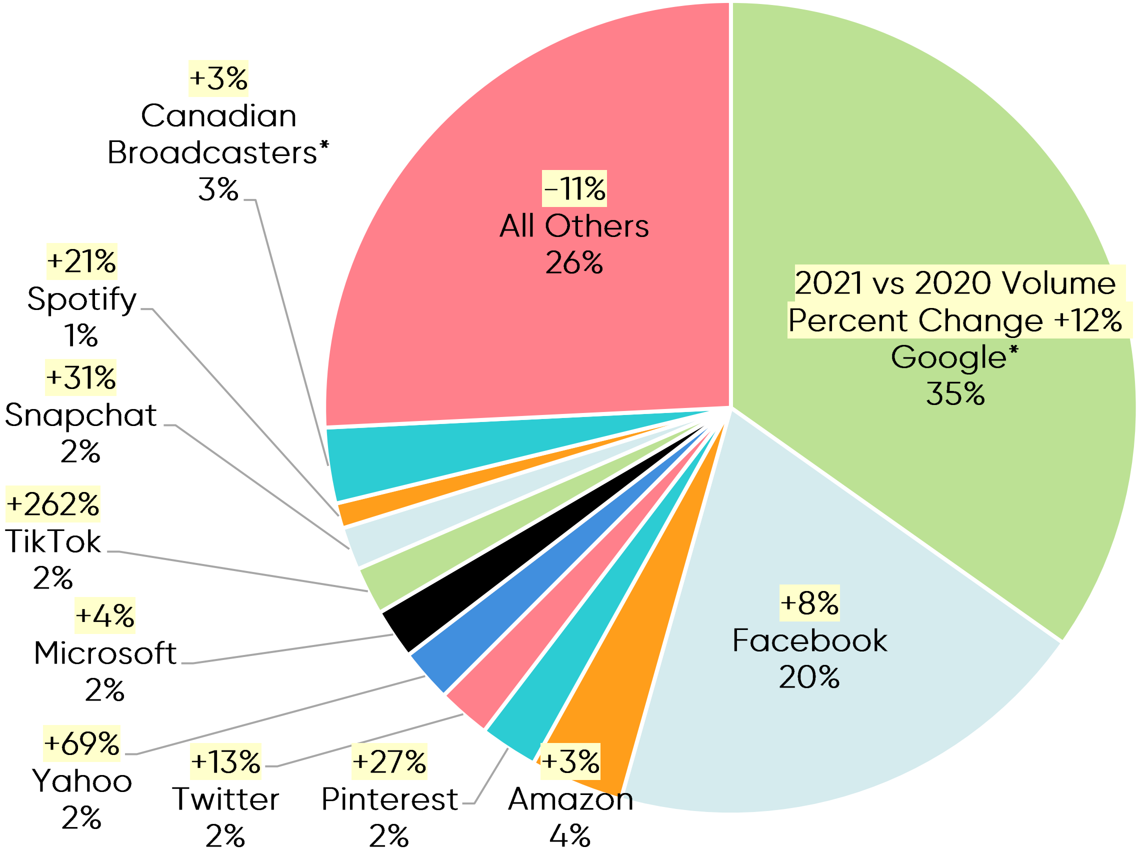
THE BIGGEST DIGITAL MEDIA OWNERS GOT BIGGER, TAKING SHARE FROM THE LONG-TAIL, SMALLER-SHARE OWNERS

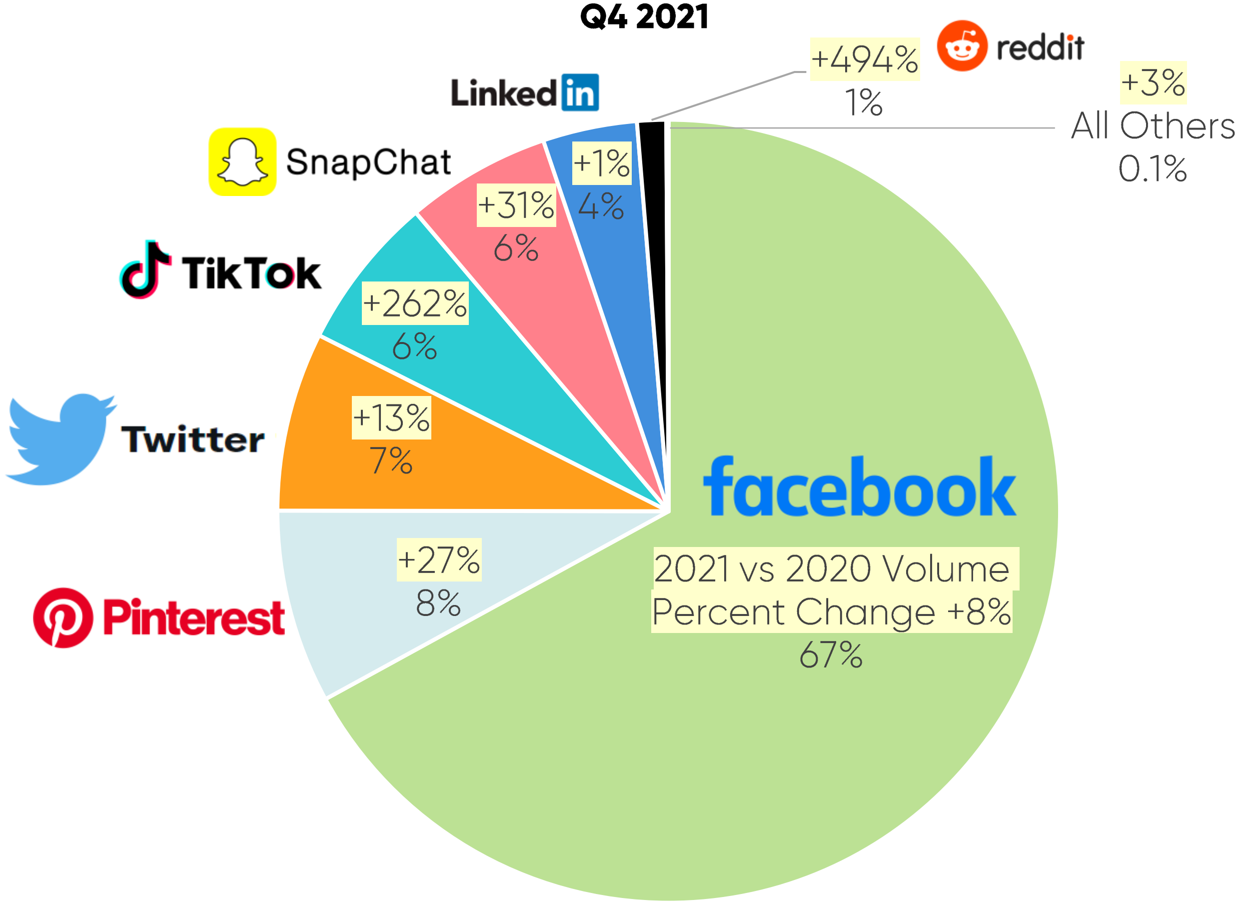
Digital Top 10 Master Owner Share of Digital
Q4 2021



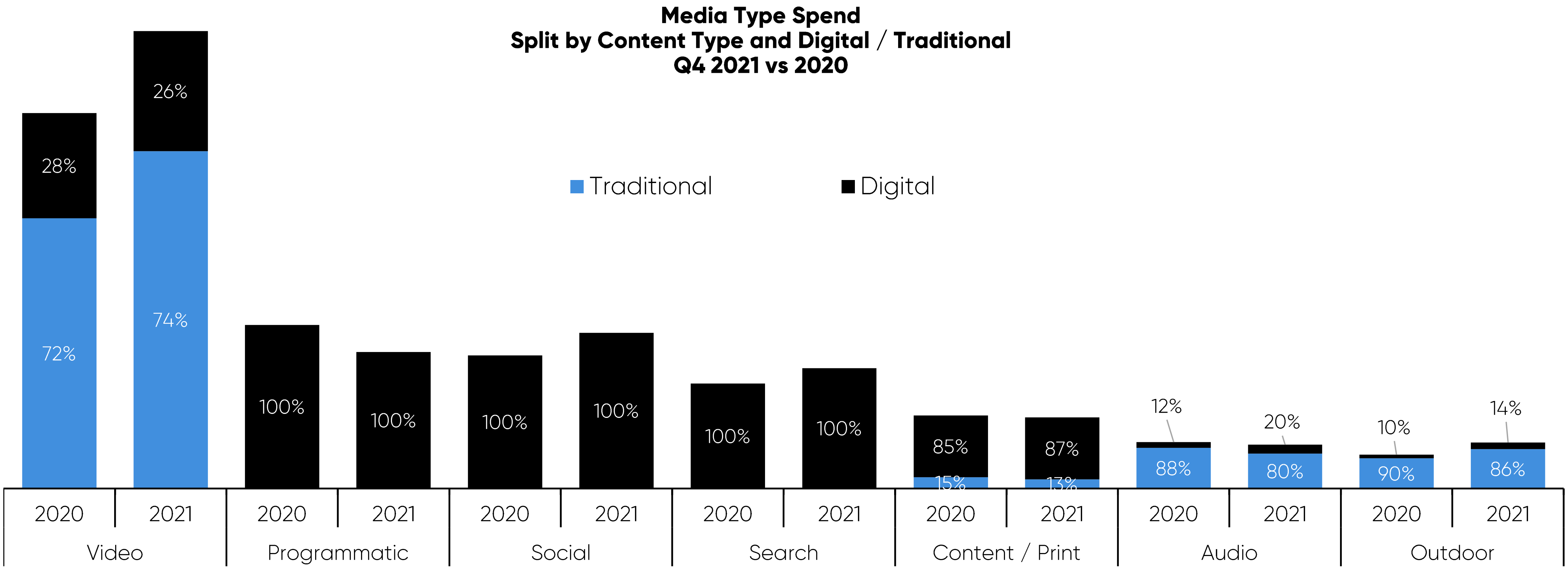
*Spend on Google is inclusive of revenues via DV360
*Canadian Broadcasters includes Rogers, CBC, Bell, Pelmorex, Corus, and Quebecor

MOST SOCIAL PLAYERS GREW IN VOLUME, WITH SMALLER PLAYERS LIKE TIKTOK AND SNAP TAKING SHARE FROM TWITTER AND FACEBOOK

Social Top 10 Master Owner Share of Social
Q4 2021



VIDEO INVESTMENT WAS LARGELY LINEAR BUT SAW VOLUME GROWTH, DESPITE DIGITAL SHARE DECREASING



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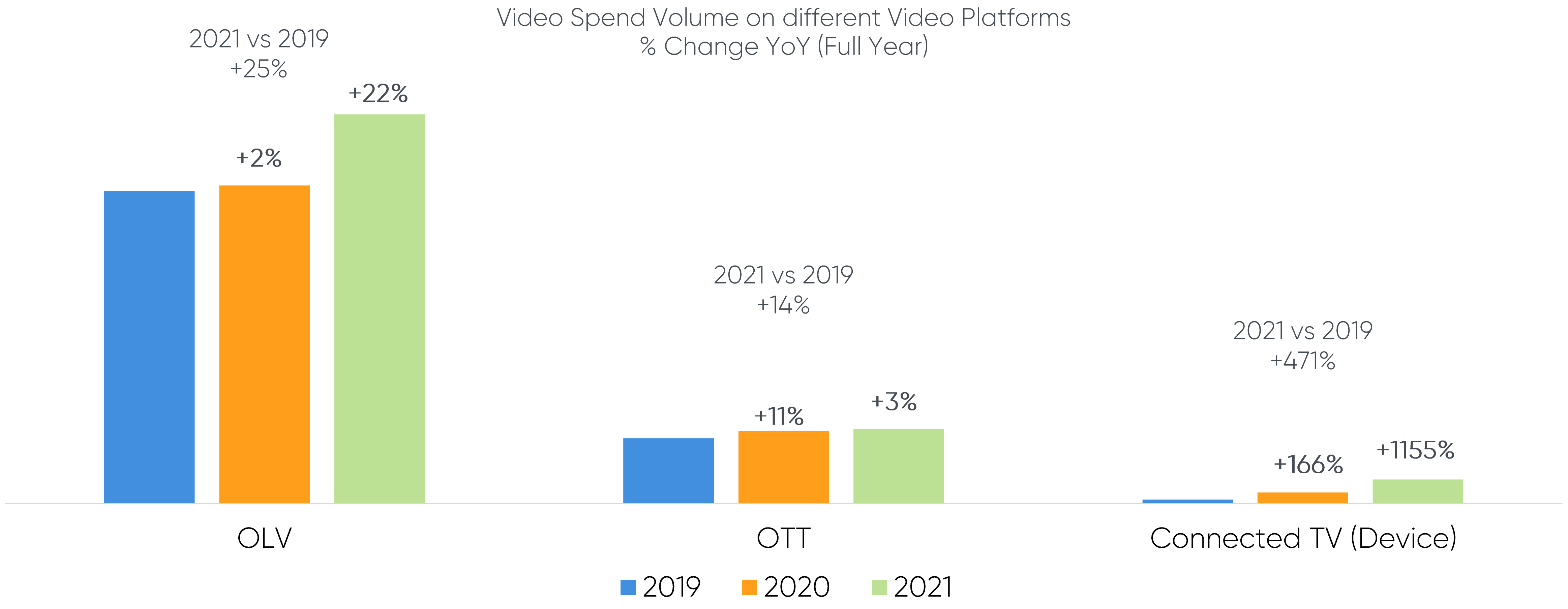
DIGITAL VIDEO PLATFORMS CONTINUE TO GROW AT HIGH RATES



SECTION TAKEAWAYS

CANADA FINISHED Q4 UP VS BOTH 2020 & 2019, WITHIN BOTH CROSS-MEDIA AND DIGITAL

DIGITAL FINISHED Q4 UP +6% VS Q4 OF 2020 AND UP +24% VS Q4 OF 2019, OVERALL DIGITAL SHARE LOWER THAN Q4 OF 2020 AT 56%

DIGITAL VIDEO INVESTMENT CONTINUES TO CLIMB; ALL TOP DIGITAL MEDIA OWNERS SAW AD REVENUE INCREASES VS Q4 2020

PRODUCT CATEGORY ANALYSIS

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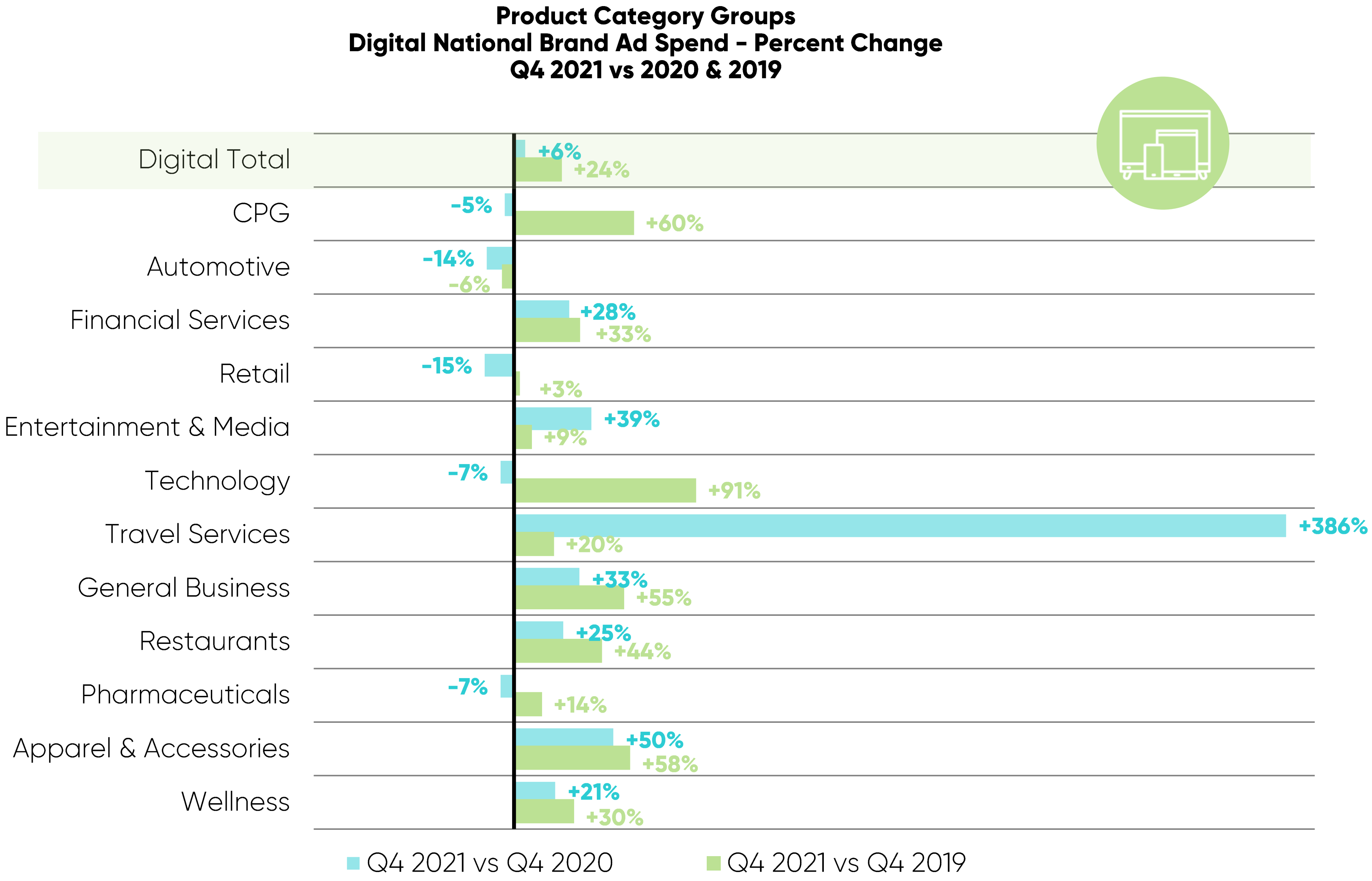
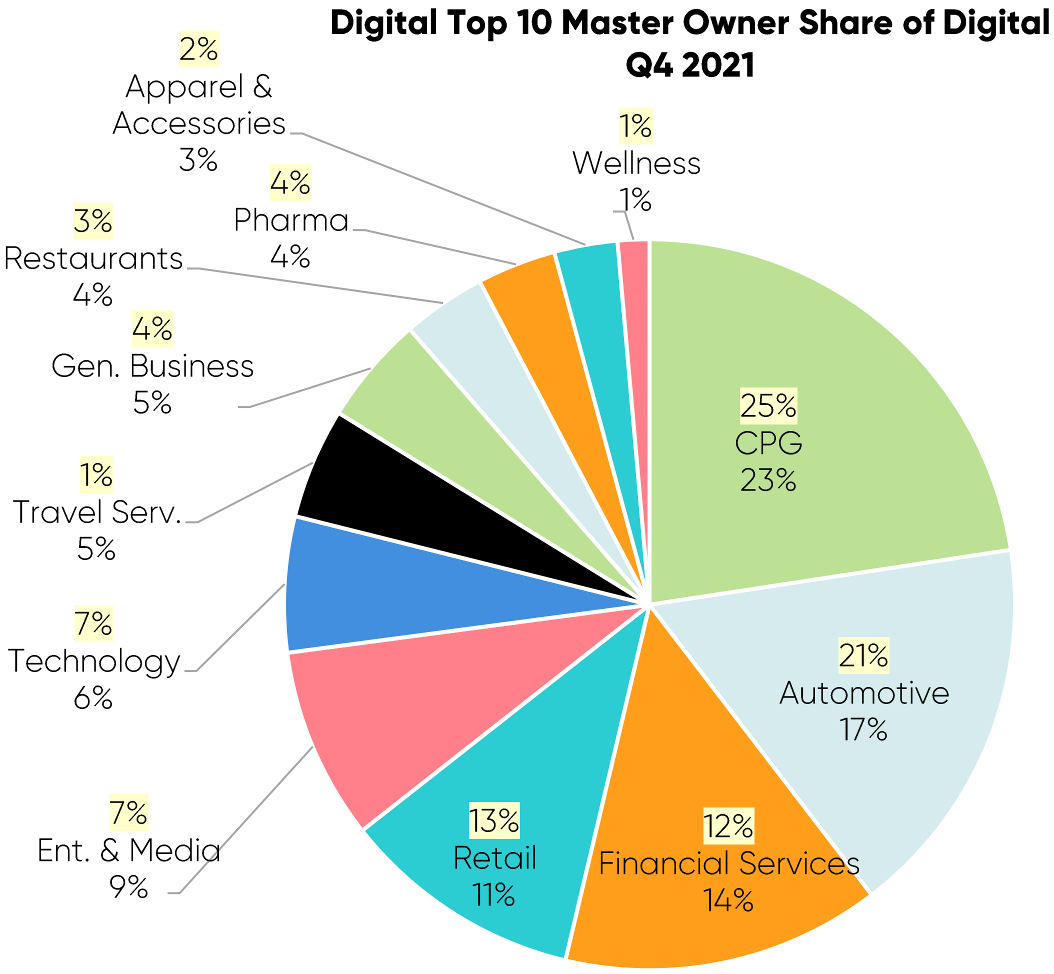
WITHIN DIGITAL, ELEVEN OF SMI'S TWELVE TRACKED PRODUCT CATEGORY GROUPS FINISHED Q4 IN A GROWTH POSITION VS Q4 2019

CPG, AUTO, RETAIL, TECH, AND PHARMA WERE UNABLE TO MEET Q4 2020 DIGITAL INVESTMENT LEVELS

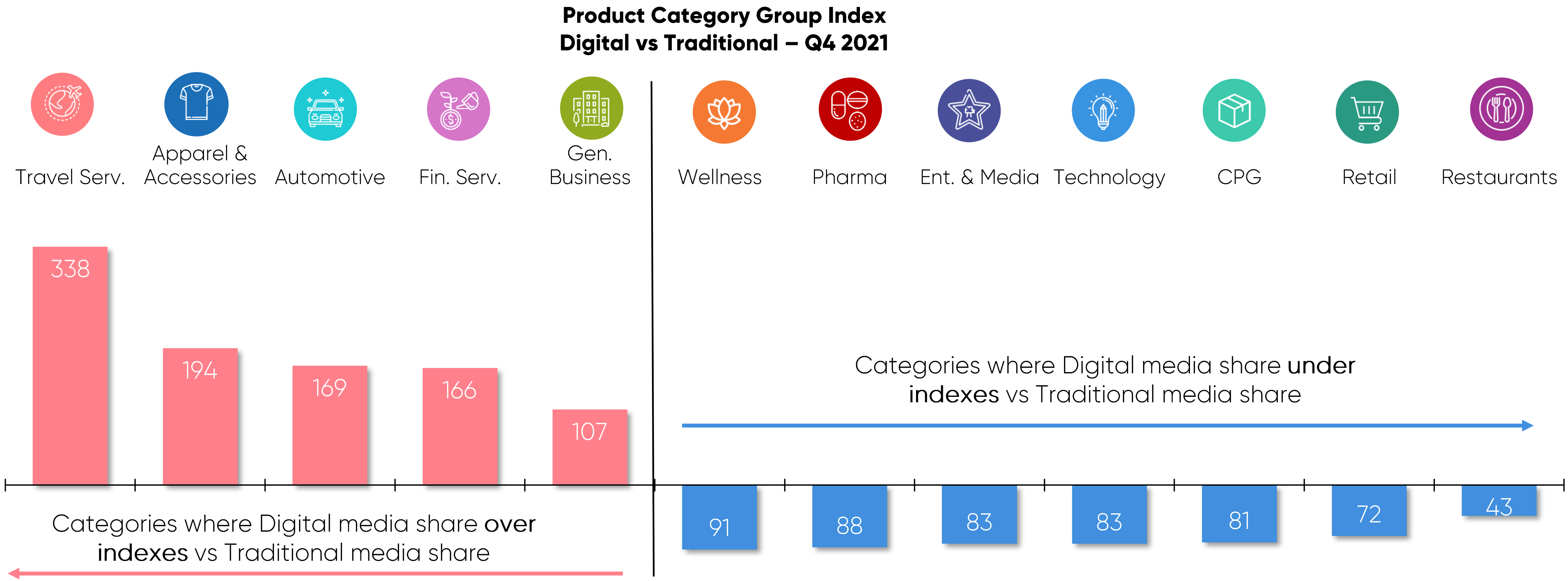


THE TOP THREE CATEGORY GROUPS MADE UP 54% OF ALL DIGITAL INVESTMENT IN Q4 2021, A 4.0-POINT DECLINE VS Q4 OF 2020 AS DIGITAL SPEND DIVERSIFIED ACROSS CATEGORY GROUPS



Yellow indicates PY (2020) Share

TRAVEL AND APPAREL LEANED MORE HEAVILY ON DIGITAL IN Q4 2021



IN Q4 2021 ALMOST ALL CATEGORIES SPENT MORE ON SEARCH AND SOCIAL THAN THEY DID IN Q4 OF 2020

	Q4 2021 Index to Q4 2020				
	Digital Total	Search	Social	Video	Audio
Apparel & Accessories	150	284	142	72	93
Accessories	132	175	125	0	13
Apparel & Footwear	158	354	149	91	263
Automotive	86	118	131	51	125
Automotive Aftermarket Parts & Services	97	94	150	155	73
Automotive Vehicles & Dealerships	86	120	130	48	132
CPG	95	113	111	105	70
Alcoholic Beverages	98	113	136	158	64
Food	92	122	97	89	77
Household Supplies	97	150	97	174	0
Non-Alcoholic Beverages	110	138	134	41	108
Personal Care	88	76	109	186	40
Entertainment & Media	139	133	136	135	209
Entertainment	145	194	127	145	226
Media	143	95	155	99	163
Toys & Games	121	111	150	80	144
Financial Services	128	163	108	135	198
Banking and Investments	125	179	95	125	162
Credit Cards	171	221	150	180	NA
Insurance	109	93	158	93	81

IN Q4 2021 ALMOST ALL CATEGORIES SPENT MORE ON SEARCH AND SOCIAL THAN THEY DID IN Q4 OF 2020

	Q4 2021 Index to Q4 2020				
	Digital Total	Search	Social	Video	Audio
General Business	**133**	**314**	**118**	**304**	**47**
General Products	142	343	129	401	16
General Services	116	210	102	205	725
Pharmaceuticals	**93**	**92**	**98**	**111**	**150**
OTC Medicines & Remedies	86	96	99	126	276
Prescription Drugs	105	84	96	46	116
Restaurants	**125**	**92**	**162**	**68**	**160**
Quick Serve Restaurants	125	92	162	68	160
Retail	**85**	**76**	**91**	**94**	**179**
Department Stores	163	7	118	NA	0
Online Retailers	194	154	295	87	222
Other Stores	46	36	72	60	206
Specialty Retailers	106	100	89	142	153
Technology	**93**	**128**	**100**	**74**	**51**
Consumer Electronics	75	121	72	60	101
Technology	164	162	309	252	46
Travel Services	**486**	**295**	**720**	**106**	**309**
Travel Services	486	295	720	106	309
Wellness	**121**	**119**	**145**	**28**	**556**
Health & Fitness	108	151	114	25	717
Medical Equipment & Facilities	133	86	172	55	471

SECTION TAKEAWAYS

MOST CATEGORY GROUPS FINISHED Q4 UP VS 2019, AND ONLY FIVE WERE UNABLE TO MEET Q4 2020 DIGITAL SPEND LEVELS

WITHIN DIGITAL, FINANCIAL SERVICES, ENTERTAINMENT & MEDIA, TRAVEL SERVICES, GENERAL BUSINESS, RESTAURANTS, AND APPAREL & ACCESSORIES ALL GAINED SHARE VS Q4 2020

MOST CATEGORIES SPENT MORE IN Q4 OF 2021 VS Q4 2020 ON SOCIAL AND DIGITAL AUDIO; TRAVEL AND ENTERTAINMENT ADVERTISERS TOOK TO ALL FORMS OF DIGITAL

SMI will continue its commitment to working with the IAB Canada to report ad spend trends in both the Canadian and global markets.

We hope to see you again for our continuing series of quarterly updates as well as previews of our new products.

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