

THE STATE OF PLAY

THE OUTLOOK OF PREMIUM STREAMING VIDEO IN CANADA

**Standard
Media
index**

**The Future of TV
Advertising Canada**

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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 captures 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%

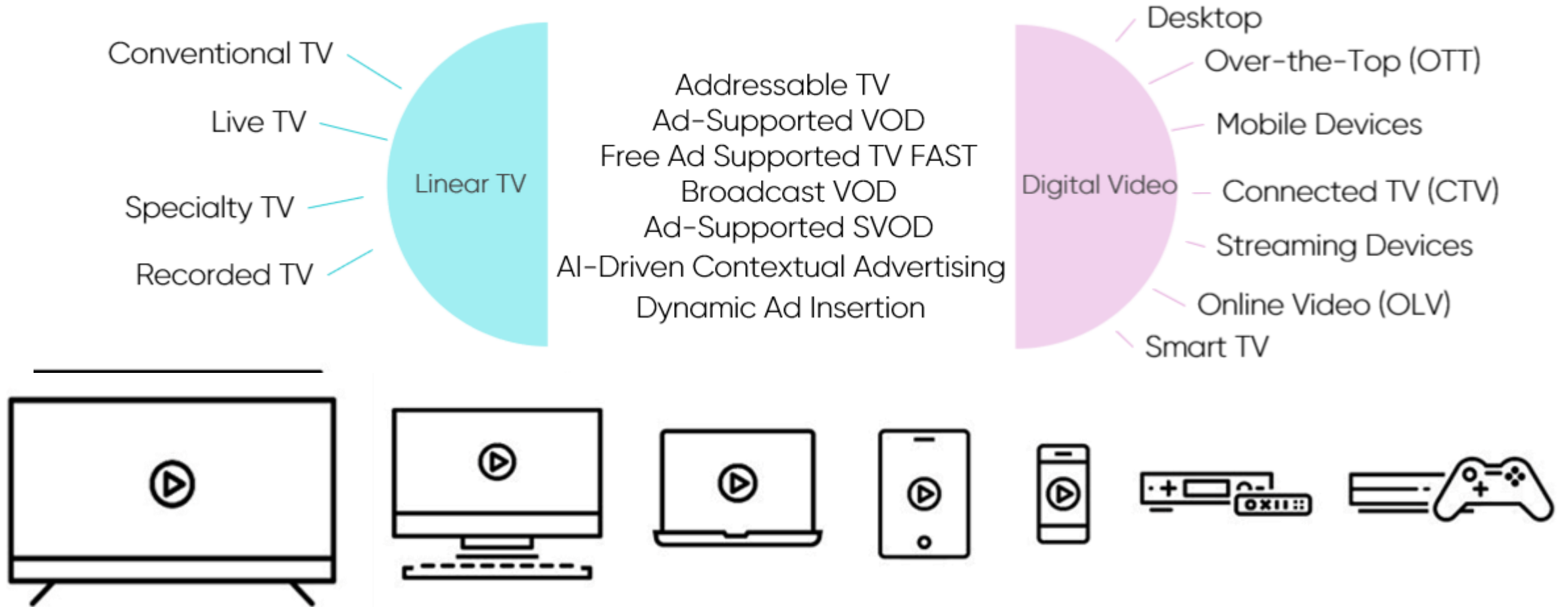
CANADIAN PARTNER AGENCIES

COVERING OVER \$6 BILLION IN AGENCY-TRANSACTIONED SPEND



Coverage is 94% of agency market in Canada

THE FUTURE OF TV: ALL VIDEO IS TV



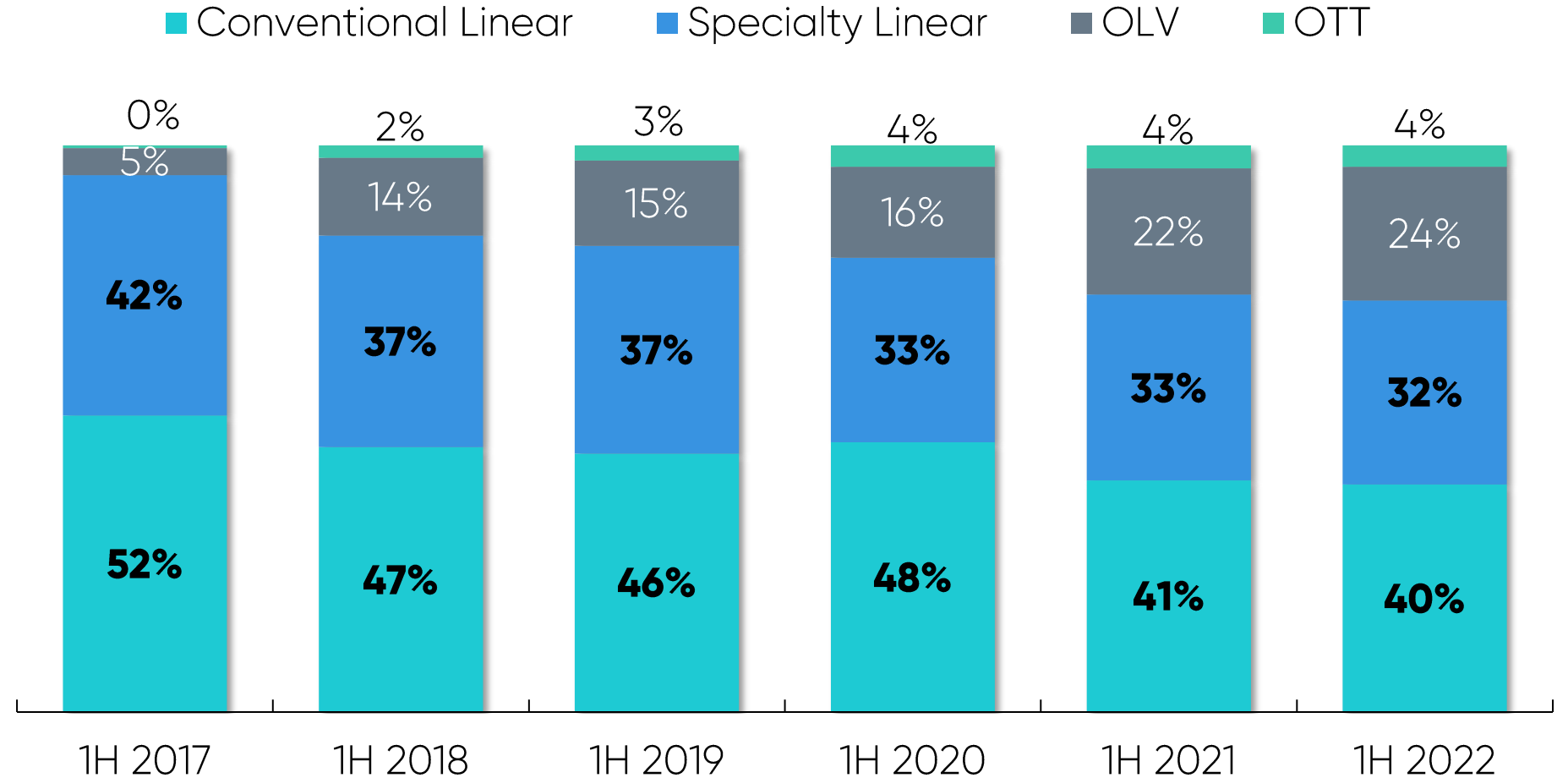


THE CHANGING AD-SUPPORTED VIDEO UNIVERSE

LINEAR TV STILL MAKES UP THE OVERWHELMING MAJORITY OF VIDEO SPEND IN CANADA

(72% IN 1H 2022) BUT
HAS SHOWN A -23
PNT SHARE DECLINE
SINCE 2017 AT THE
EXPENSE OF DIGITAL
VIDEO

VIDEO INVESTMENT SHARE 1H (JAN-JUN) 6-YEAR TREND

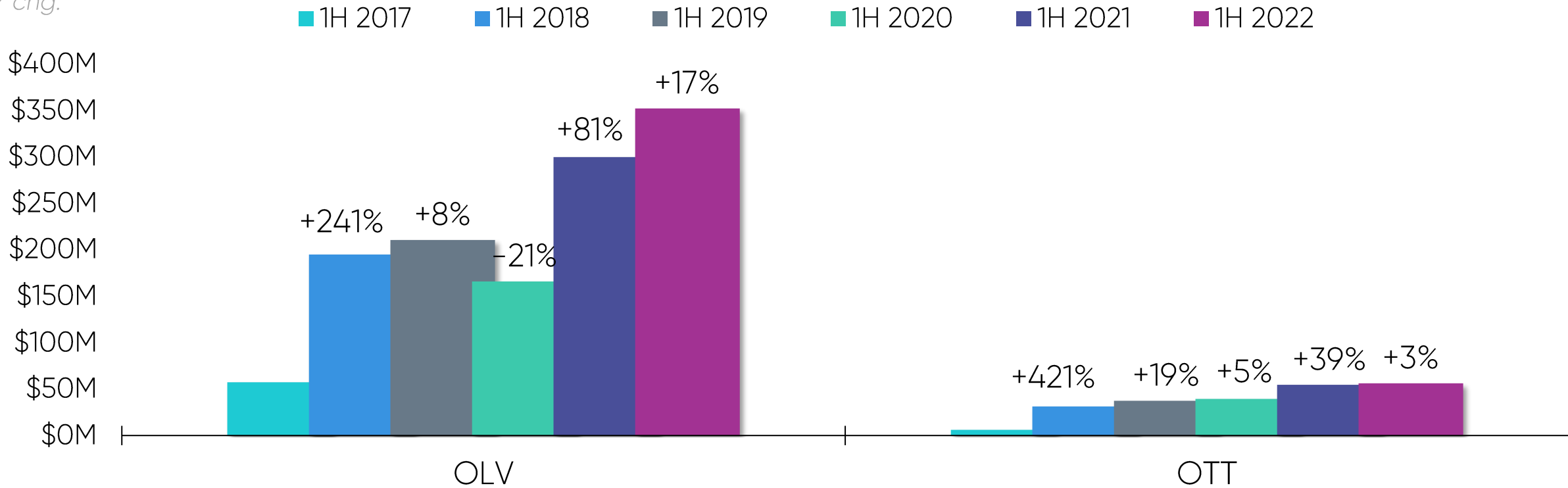


WHILE INVESTMENT IN DIGITAL VIDEO IS GROWING, THE MAJOR DRIVER FOR VOLUME GROWTH IS COMING FROM OLV

DIGITAL VIDEO INVESTMENT YOY VOLUME 1H (JAN-JUN) 6-YEAR TREND

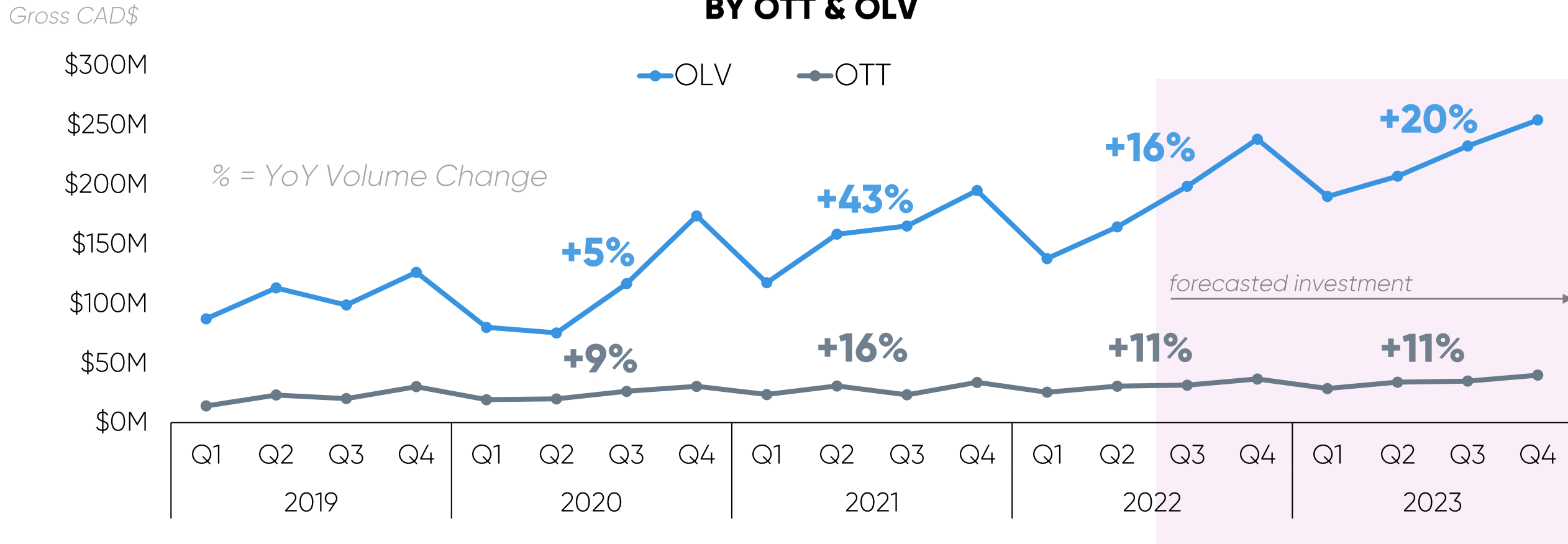
Gross CAD\$

% = YoY chg.



INCREASED INVESTMENT IN OLV IS EXPECTED TO CONTINUE, CROSSING THE \$1B MARK IN 2024. MORE MODEST GROWTH WILL BE SEEN ACROSS OTT, SITTING AT \$140MM IN 2023.

DIGITAL VIDEO TREND BY QUARTER BY OTT & OLV

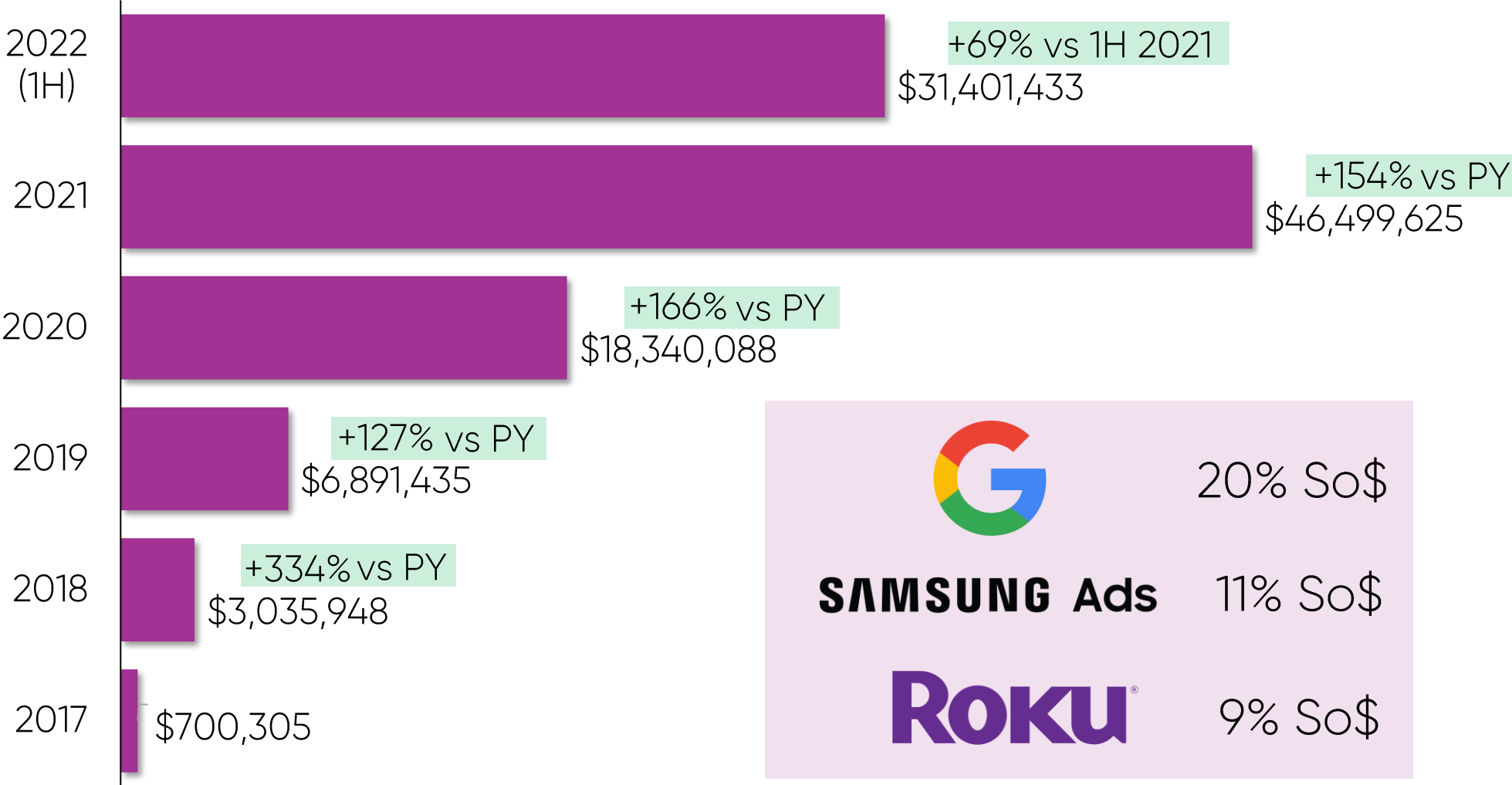



2021 WAS THE YEAR OF GROWTH IN CANADA, WITH FY 2022 EXPECTED TO EXCEED PY LEVELS.

TOP PLAYERS GOOGLE, SAMSUNG, AND ROKU MAKE UP 40% OF ALL CTV SPEND IN CANADA.

WITH LIMITED INVENTORY AND CAPABILITY VS THE US WILL CTV CONTINUE TO SEE TRIPLE-DIGIT GROWTH?

CONNECTED TV INVESTMENT CANADA, 6-YEAR TREND



	20% So\$
SAMSUNG Ads	11% So\$
ROKU	9% So\$

Source: SMI Core 2.0 Canada



WHO'S CUTTING AND WHO'S GROWING? THE FACTS ON ADVERTISING CATEGORIES ACROSS VIDEO





CPG



Retail



Entertainment &
Media



Technology



Pharma



Financial Services



General Business

How many categories grew their total ad spending in 2022 (1H) vs the last 5 years?



Automotive



Restaurants



Travel Services



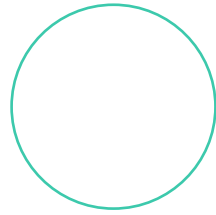
Apparel &
Accessories



Wellness



CPG



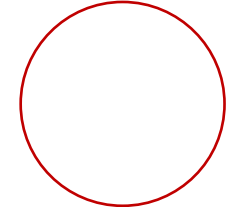
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Technology



Pharma

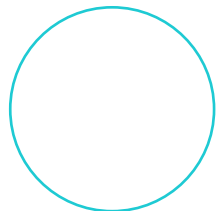


Financial Services



General Business

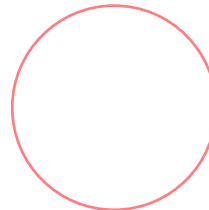
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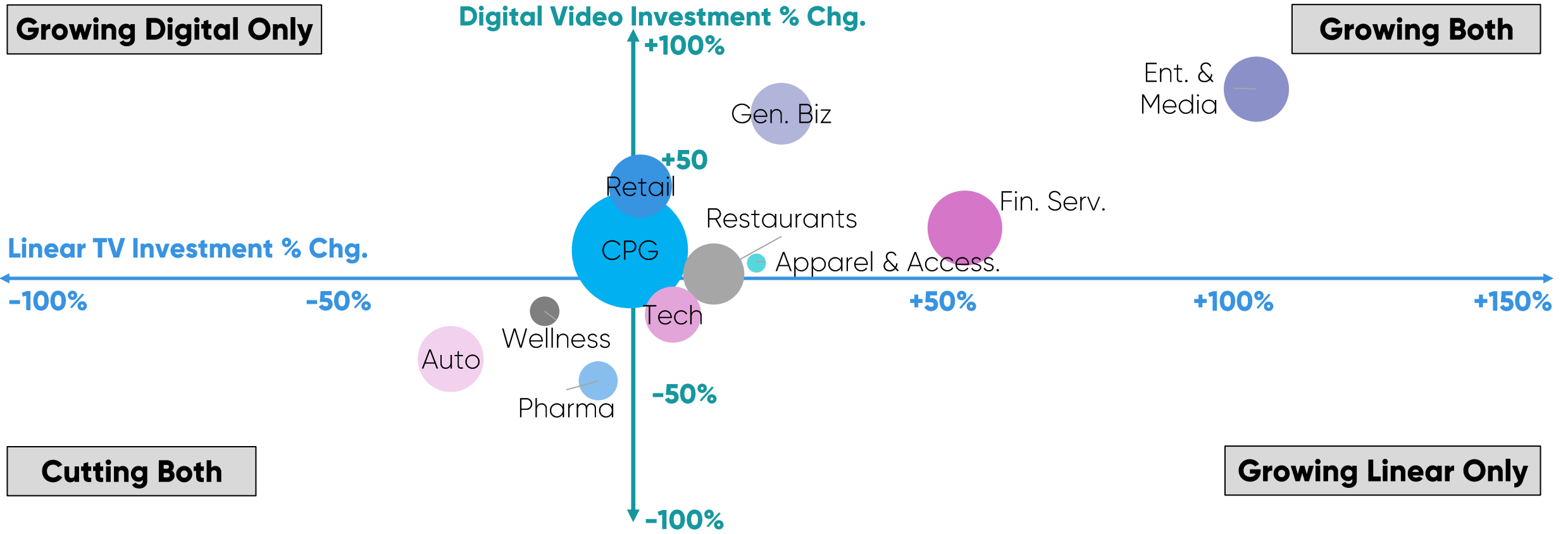


Wellness

MOST **CATEGORIES ARE GROWING OVERALL VIDEO INVESTMENT**, WHILE THREE CATEGORIES ARE DECREASING SPEND ACROSS BOTH LINEAR AND DIGITAL VIDEO

**VIDEO INVESTMENT: MATRIX BY PRODUCT CATEGORY
1H 2022 VS 1H 2021 (JAN-JUN)**

Travel Serv. ●

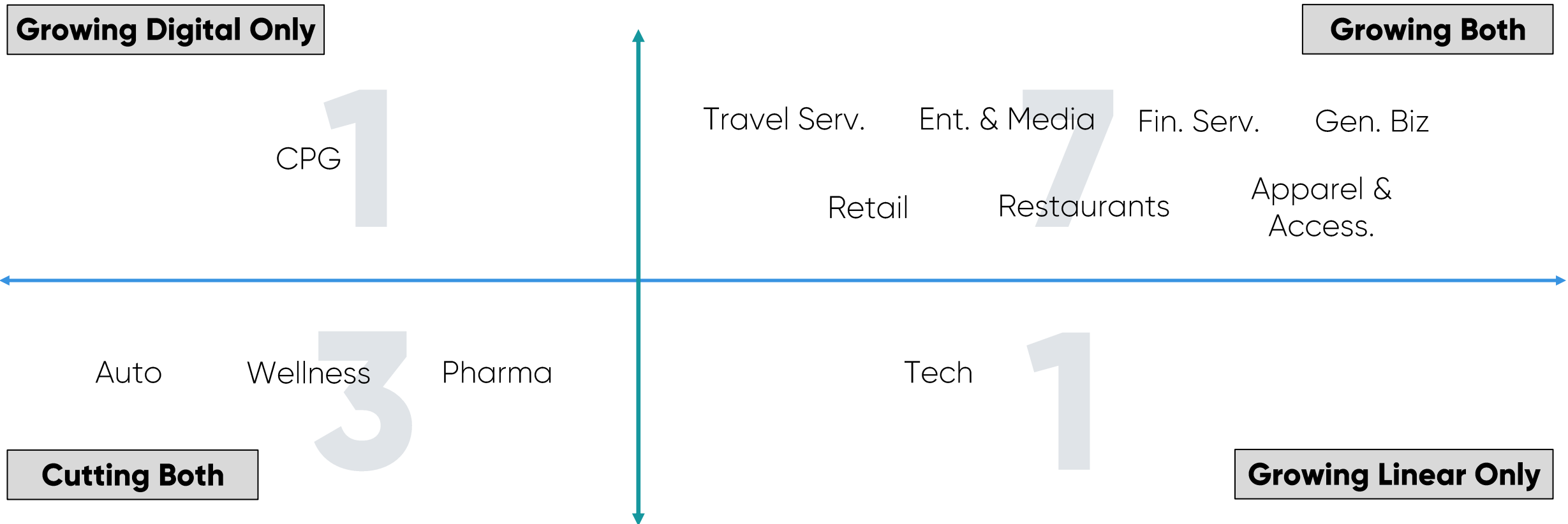


Source: SMI Core | SMI Core 2.0 Canada

*Bubbles scaled to All Video Investment in 1H 2022

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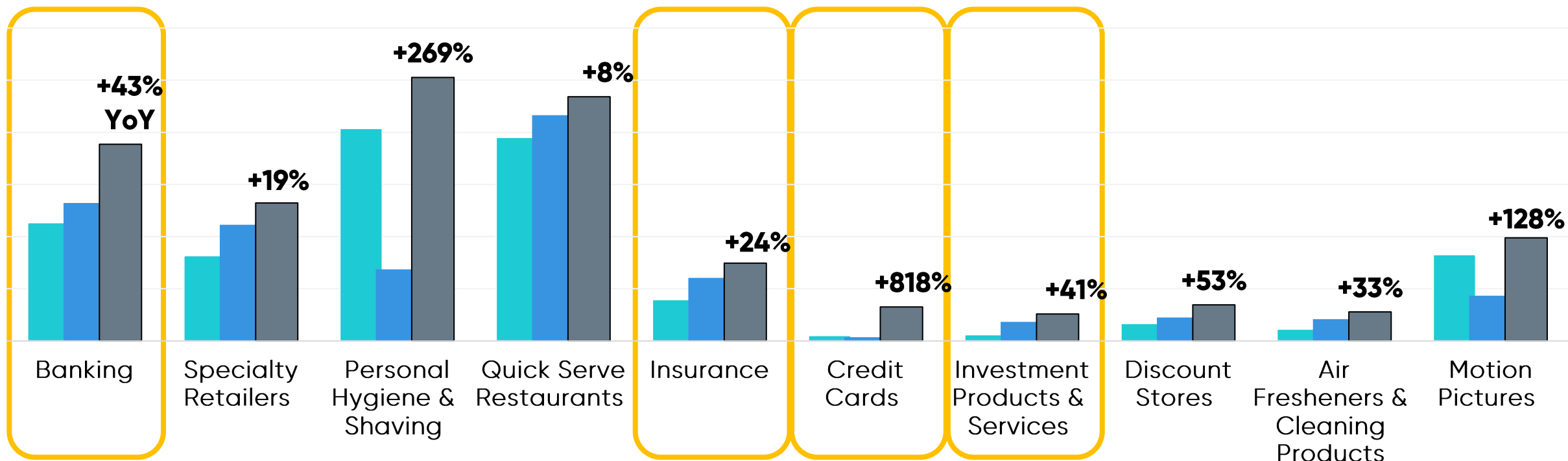
**VIDEO INVESTMENT: MATRIX BY PRODUCT CATEGORY
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CREDIT CARDS INVESTMENT GREW AD SPEND FASTEST OF SUBCATEGORIES IN FIRST HALF 2022 VS. 2021

LINEAR TV + DIGITAL VIDEO INVESTMENT: TOP PRODUCT SUB CATEGORIES 1H 2022 VS 1H 2021 (JAN - JUN)

■ 1H 2020 ■ 1H 2021 ■ 1H 2022



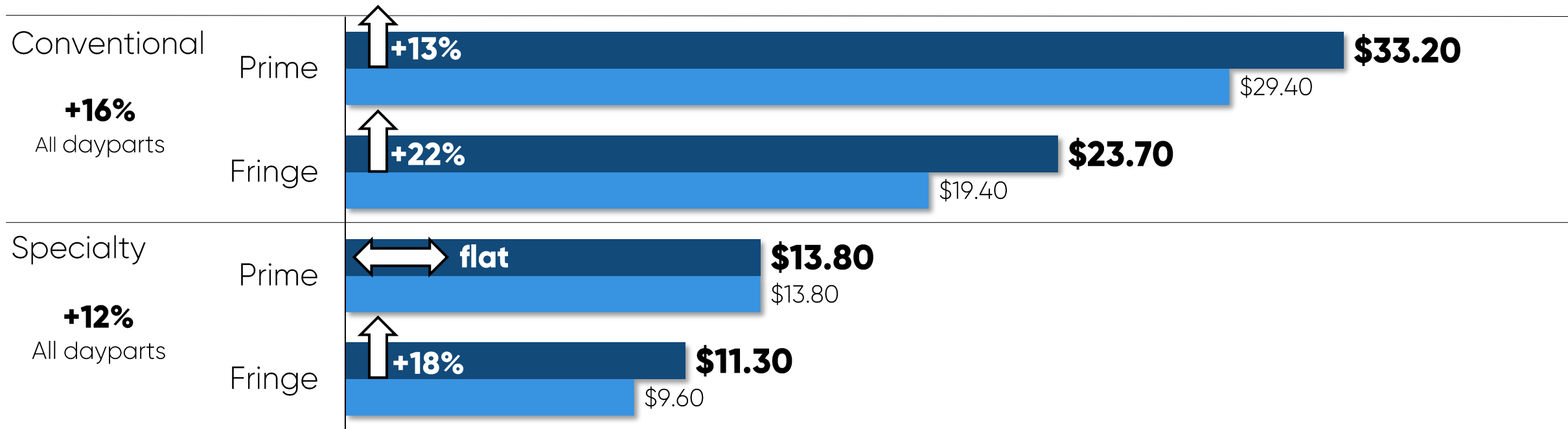


VIDEO AD SPEND AND PRICING DURING ECONOMIC UNCERTAINTY

WHILE PRIME INVENTORY COMMANDS A HIGHER eCPM, **FRINGE INVENTORY IS SEEING THE HIGHEST YOY INFLATION**

LINEAR TV A25-54 eCPMs PRIME/FRINGE 1H 2022 VS 1H 2021 (JAN-JUN)

■ 1H 2022 ■ 1H 2021



IN ECONOMIC UNCERTAINTY, **PRICING AND VALUE BECOMES PARAMOUNT** TO ADVERTISERS THAT WANT TO GROW SHARE OF CATEGORY

Social Video (e.g. TikTok, Snap)

CPM = \$6.22

-2% vs 2020
+2% vs 2021



Online Video OLV excl. Social (e.g. Vevo, YouTube)

CPM = \$16.91

-8% vs 2020
0% vs 2021



Free Ad Supported TV FAST Over-the-Top OTT Video (e.g. Roku, CBC Gem, DAZN)

CPM = \$24.88

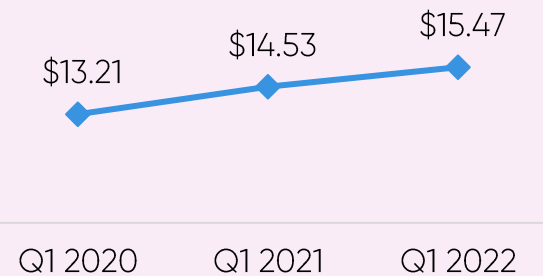
-10% vs 2020
0% vs 2021



Paid Spots on Linear TV for Persons 25-54 (e.g. CBC, TVA, Cottage Life)

ECPM = \$15.47

+17% vs 2020
+6% vs 2021



Source: SMI Apollo, Canada Digital CPM Pricing (Feb 2021 – Jan 2022) and Linear Pricing (Sep 2021 – May 2022)

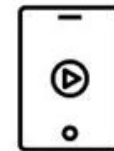
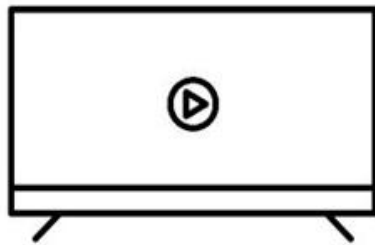
SMI Client Report | Cannot be Distributed Without SMI's Consent

THE FUTURE OF TV: ALL VIDEO IS TV

While Linear TV accounts for $\frac{3}{4}$ of video ad spending, the landscape is seeing double-digit growth of OTT and OLV ad spend, along with triple-digit growth in CTV.

7 categories are spending more on Linear TV and Digital Video, led by **Travel** and **Ent. & Media**. All **Financial Services** subcategories are hot, driven by healthy Linear TV spending.

Pricing and establishing the value of all video is paramount to driving share of category and share of voice. Ad supply, inflation, and economic uncertainty are real.



Standard Media index



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