



PO Box 22099 East York PO

Toronto, ON, M4H 1N9, CANADA

March 23, 2022

Good afternoon,

As we move into another spring season - what a difference two years have made! We began authoring these marketplace updates weekly during the height of the pandemic in March 2020, eventually shifting to monthly once the market stabilized. The ad market has evolved, and we are now in a position where we have completely rebounded from the lows we saw during the pandemic. Some categories continue to be affected but overall ad spend is up year over year – more on that below.

I mentioned in the last update that we would have more detailed information on Olympic audiences, please see below for top level highlights related to Linear and Digital performance:

Source: CBC/Numeris

Television

- CBC delivered the highest all-day audience share of any English-language network in Canada for all 16 days of the Olympic Winter Games Beijing 2022, among audiences 25-54.
- Adults 25-54 made up 31% of CBC's Olympic audience, higher than the 2021/22 season average for English television (24%).
- ICI TÉLÉ and RDS reached 6.2 million viewers, or 83% of Quebec's French-speaking population at one point, slightly above Tokyo 2020 (81%).
- The most watched competition was on Day 12 - Wednesday, February 16: 2.7 million watched Team Canada take on Team USA in the women's hockey gold medal game at 11:41 p.m. ET (CBC, TSN and Sportsnet).

Digital

- Canadians streamed nearly half a billion minutes (468 million minutes) of Beijing 2022 video content across all CBC digital platforms, up 11 percent over PyeongChang 2018.
- Beijing 2022 ranks as the most-streamed Games ever on CBC Gem, with Canadians spending 276 million minutes on the streaming platform, up 19 percent over Tokyo 2020.
- The Radio-Canada website, mobile app, and ICI TOU.TV generated 5.6 million live and on-demand video hits.
- Live content saw a 44% increase compared to PyeongChang 2018.

Shifting to the media marketplace, as of April 4th Ontario will open single sports betting to the private market. It is estimated that \$14billion annually is spent on websites outside of Canada's jurisdiction (*source: Toronto Star*). With legalization comes greater consumer protection and the ability to shift some of this investment into the Canadian economy. Legalization will also increase demand for ad inventory (with a focus on sports) as new entrants to the marketplace begin cross channel advertising. Many of the rules and regulations related to this category are still being worked out but this will have a marked impact on the media landscape.



PO Box 22099 East York PO

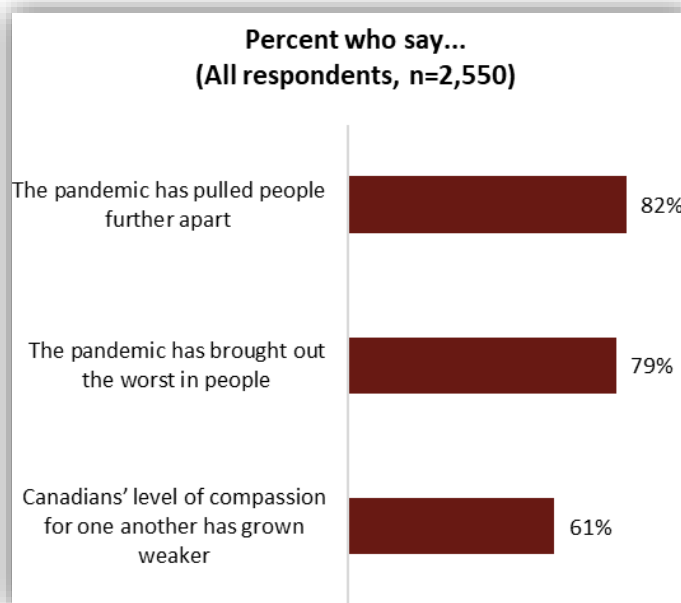
Toronto, ON, M4H 1N9, CANADA

Also related to ad spend, based on the most recent (February) release from SMI, here are some of the topline ad spending highlights:

- February Canadian cross-media investment was up vs 2021 by +6%.
- Digital continued to see YoY growth in February, up +3% vs February 2021. TV Network-Digital saw triple-digit growth vs February 2021, up +315%, driven by CBC's online coverage of the 2022 Winter Olympics.
- Linear TV also finished February in an overall growth position vs LY, with ad investment up +11%.
- After a strong January, Print and OOH both had a strong February as well. Print investment was up +9%, and OOH investment was up +26% vs the same month in 2021.
- Radio was down -6% vs February 2021, but was flat MoM, maintaining January 2022 investment.
- CPG was the top-spending category in February 2022, followed by Financial Services. The Financial Services category saw double digit growth against both 2021 (+23%) and 2020 (+28%).
- Automotive continues to face supply chain issues. It is the third-largest spending category in February although it is down -30% vs 2021 and 2020.

To conclude this week, please find attached the Consumer Insights Round Up courtesy of our Where & Why Team.

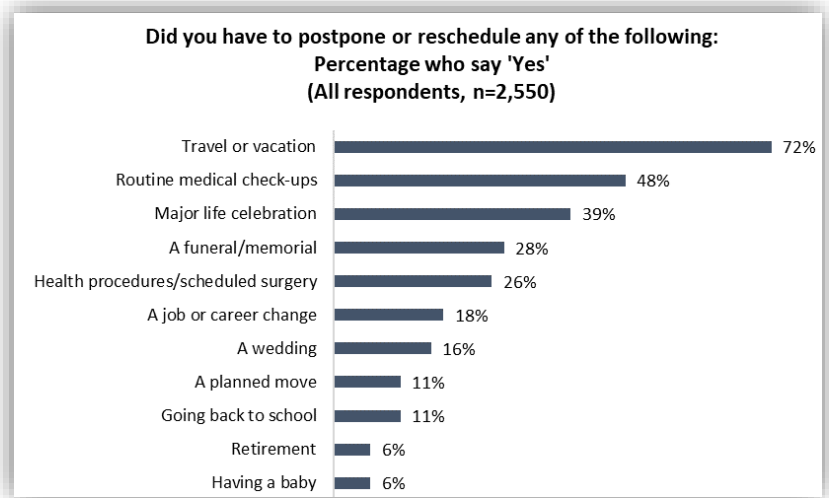
As we enter the third year of the pandemic, witnessed major protests in Ottawa, are currently experiencing the global repercussions of the Russian invasion, Canadians have been feeling the heat. In turn, their perceptions of how the pandemic has changed society today has been starkly affected. (70%) of Canadians say they are “thankful to be living in Canada” through this time. But (82%) believe the pandemic has pulled people apart as opposed to bringing them together. About the same number (79%) say this period has brought out the worst, not the best in people.





LIFTING RESTRICTIONS & STATE OF PANDEMIC

Recently Provincial leaders have announced plans to completely lift COVID-19 restrictions and Canadians are all ready to go out & about. With tighter restrictions in the past, Canadians have missed out on a lot. In fact, Seven-in-ten Canadians (72%) postponed travel at some point during the past two years. Half (48%) delayed medical appointments, while one-quarter (26%) delayed a more serious medical procedure or surgery.



Now (32%) of Canadians think governments should lift the COVID-19 restrictions, an increase of (12%) from previous month and 46% of Canadians think the worst of the COVID-19 crisis is behind us, an increase of (22%) from previous month. There is still a sense of caution among Canadians and (43%) think we should be careful about how quickly we ease safety measures.

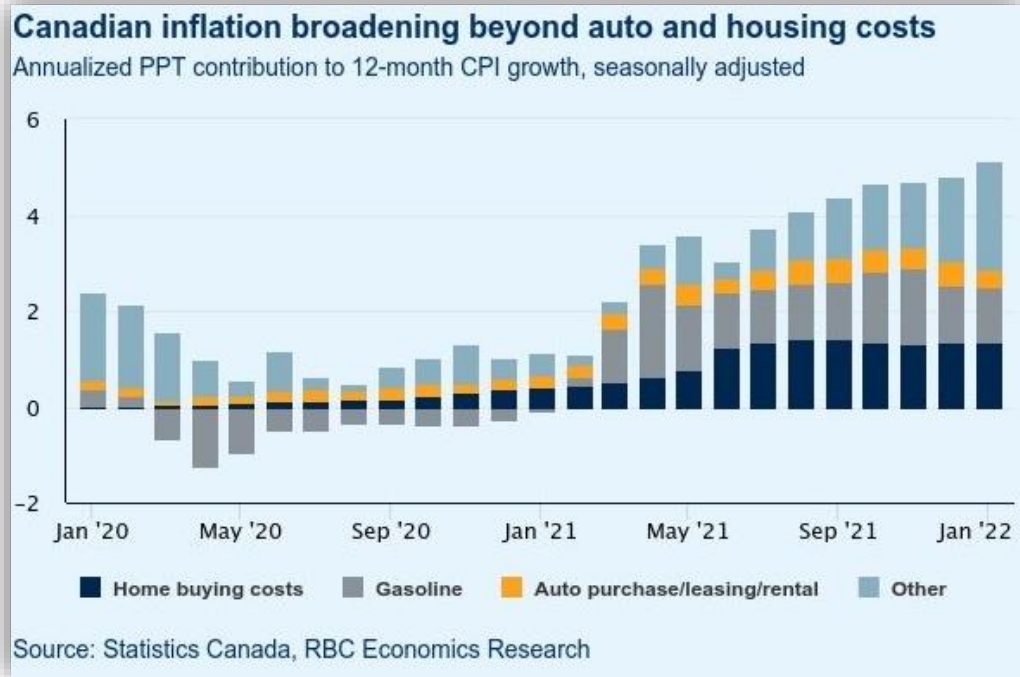
ECONOMIC SITUATION/RECOVERY

The Bank of Canada increased its target for the overnight rate to 0.5%, with the Bank rate at 0.75% and the deposit rate at 0.5%. CPI inflation which sits at 5.1%, remains above the target range while core measures have continued to rise. Poor harvests and increase in transportation costs have pushed up food prices. Meanwhile, tensions from the Russo-Ukrainian conflicts have also put upward pressure on prices for both energy and food-related commodities. Therefore, its expected for inflation to be higher in the near term. At 6.7%, economic growth in the final quarter of 2021 was stronger than the Bank’s projection, which confirms their view that slack in the economy has been absorbed. As the economic recovery continues the inflationary pressures remain elevated for Canadians.



PO Box 22099 East York PO

Toronto, ON, M4H 1N9, CANADA



Sources: Angus Reid March 10th, 2022; Leger North American Tracker, February 10th, 2022; The Conference Board of Canada; RBC Economics Research

HOW CAN THIS IMPACT BRANDS?

There are two opposing forces here.

Canadians are eager to return to activities upended by COVID, but a sense of financial restraint may also make some people think twice before buying non-essentials. Where does your brand sit in Canadian consumers' hierarchy of needs? Learn more about your consumer's perception in light of these recent turn of events.

Contact wherewhy_ca@horizonmedia.com to learn how we can help you answer some of your burning questions through a quick online survey or in-depth social listening exercise.

Best regards,

Jenny Croswell | EVP, Head of Investment & Agency Operations