

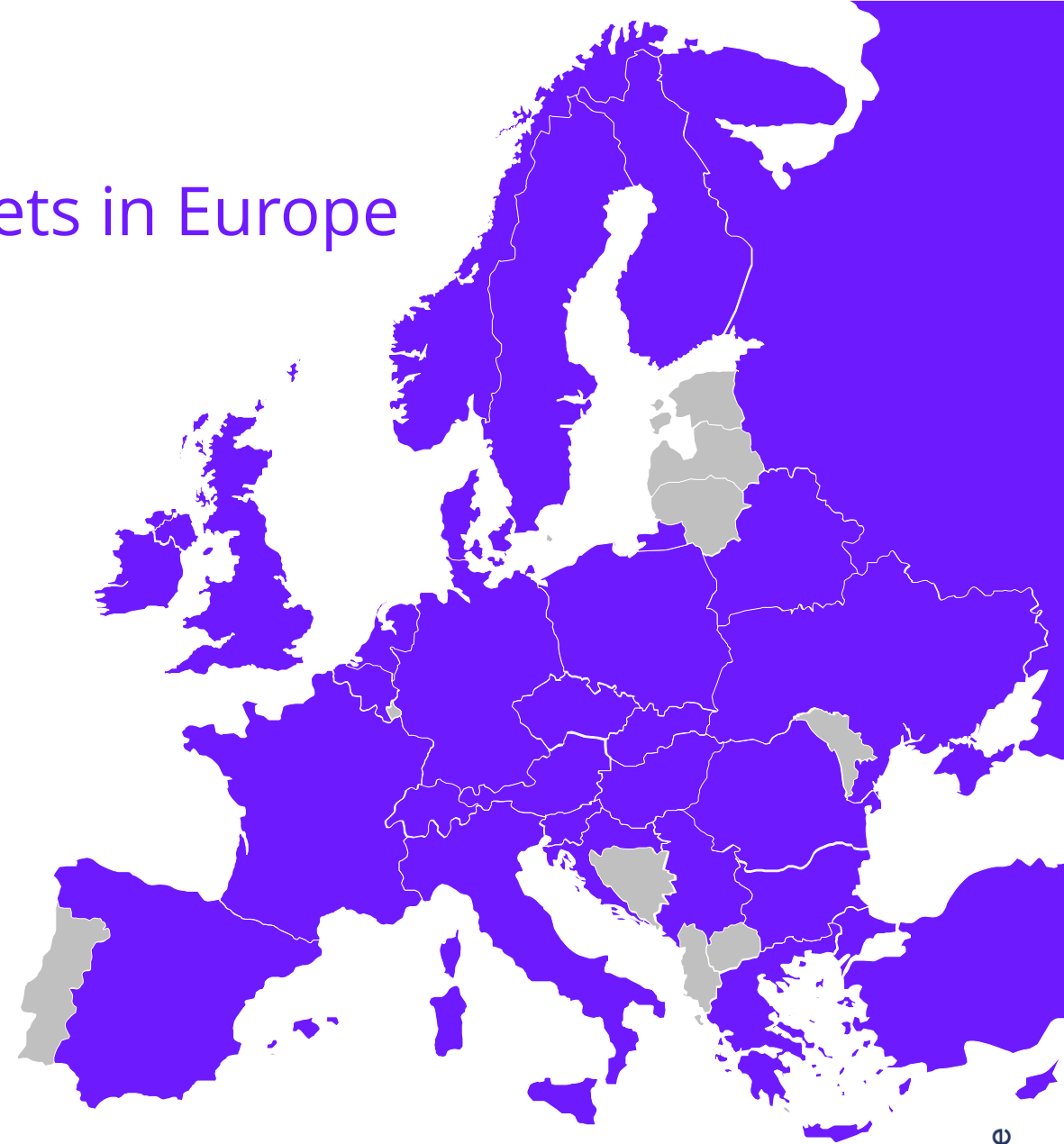


ADEX
BENCHMARK
2021
STUDY

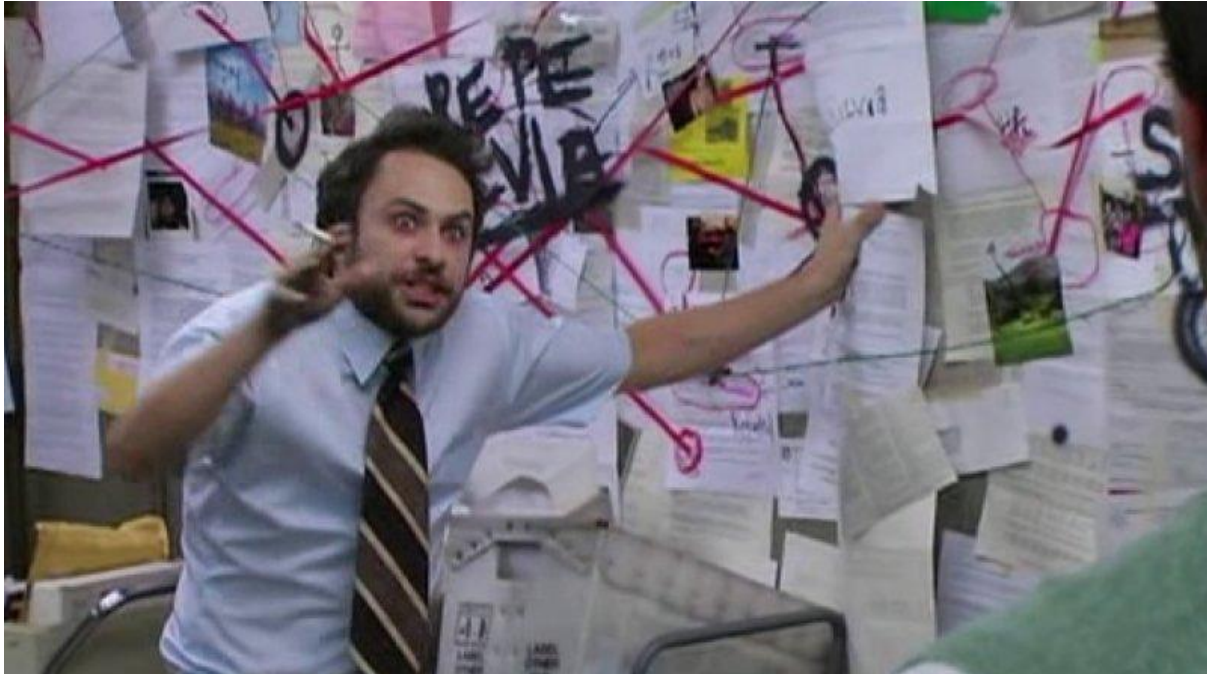
MAY 2022

Report Coverage- Analysis of 28 markets in Europe

- Austria
- Belarus
- Belgium
- Bulgaria
- Czech Republic
- Croatia
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Netherlands
- Norway
- Poland
- Russia
- Romania
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- UK
- Ukraine



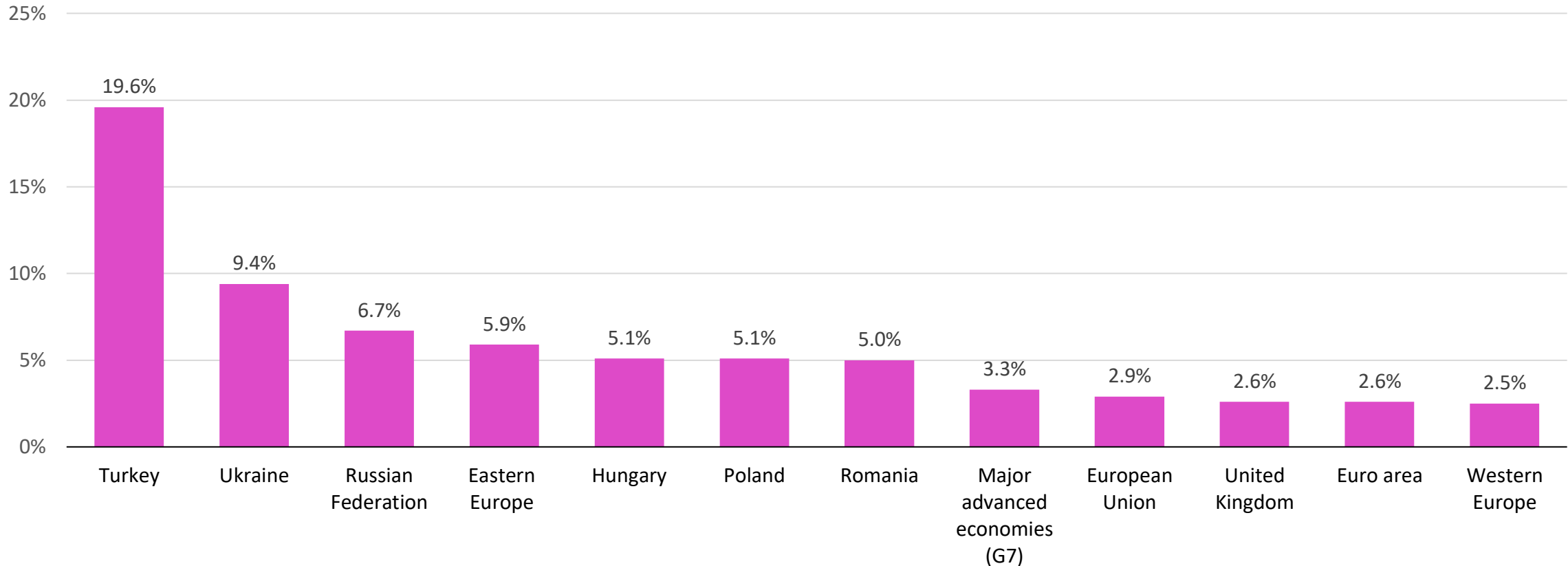
Methodology: increase in complexity to get accurate reading on markets



- Reporting standards, definitions and rates vary across markets
- Methods of data collection and estimations are specific to each market
- Long tail of spend not going through agencies is only partially accounted for
- Platform spend hard to capture by survey-based submissions
- We have increased our data auditing and modelling to harmonise data and fill in gaps to harmonise captured spend between countries

The spectre of inflation already came knocking in 2021, demanding caution in interpreting outlier growth markets

2021 annual inflation rate: Adex countries with +5% inflation & international comparisons

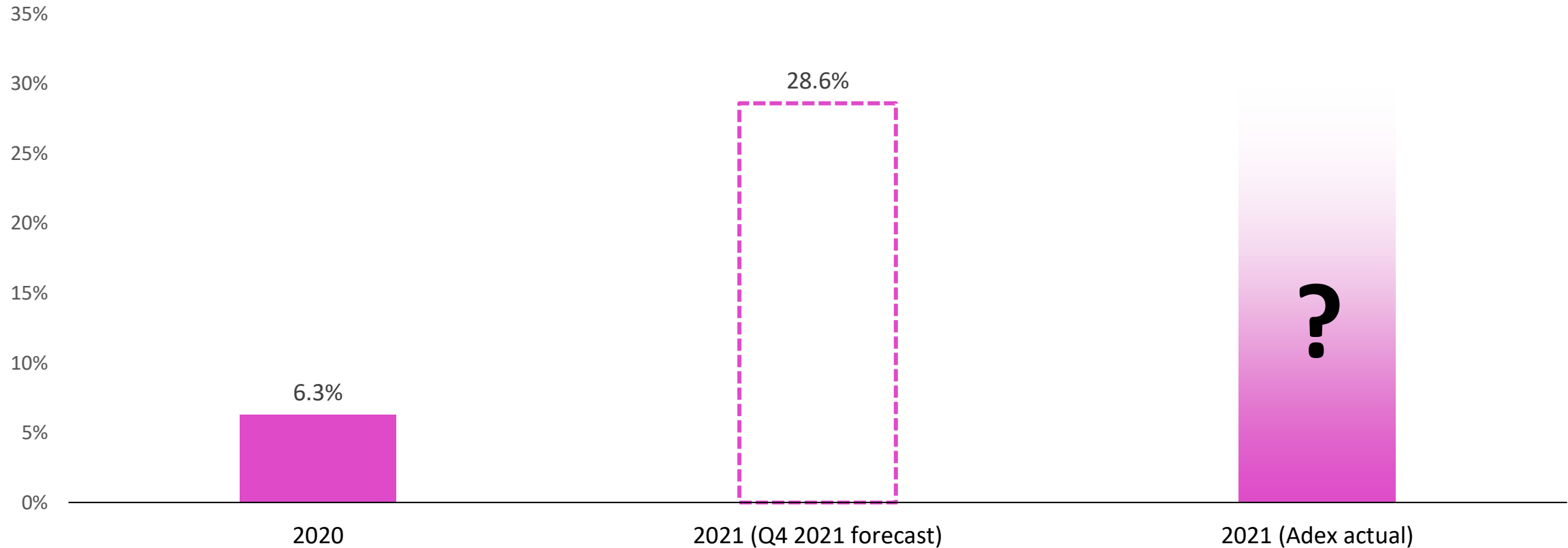


Source: IMF, April 2022 update

MARKETS

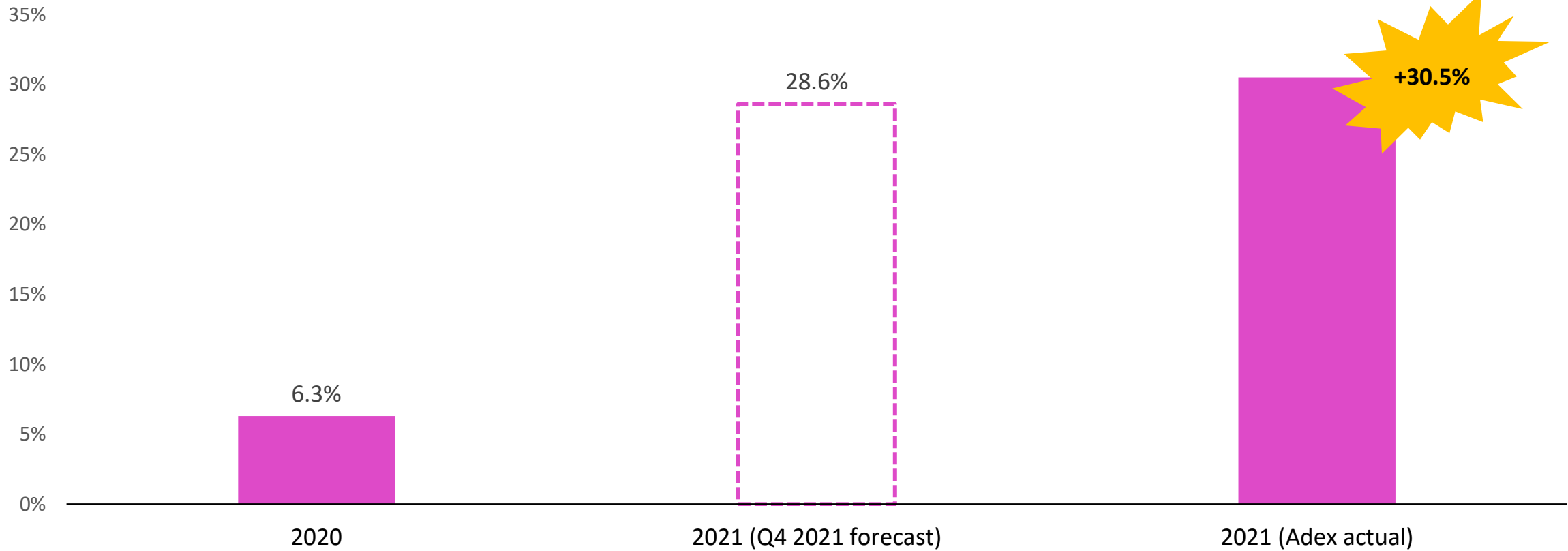
We forecast a strong market recovery in 2021...

Europe: 2021 Digital Ad Spend Forecast & Actual



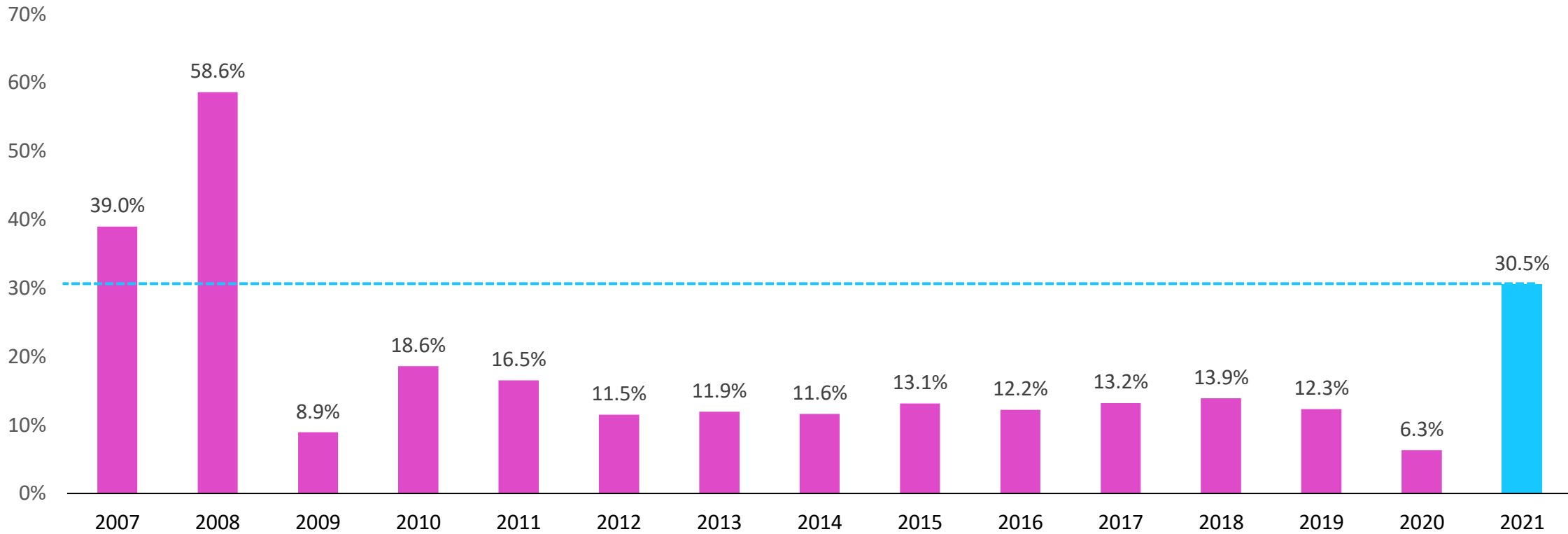
...and markets surged...

Europe: 2021 Digital Ad Spend Forecast & Actual



...propelling digital ad spend to the highest growth since 2008

Europe: Digital Ad Spend Growth Over Time



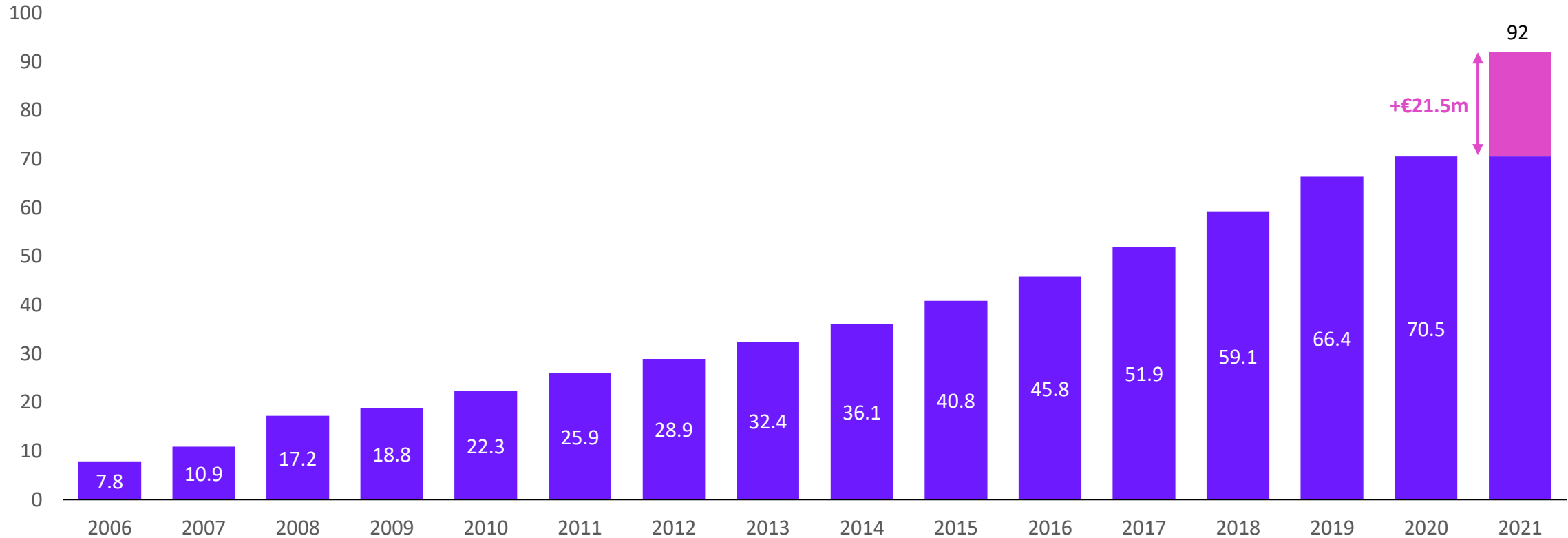
Digital share of all media advertising: 19.2% → ≈59%

The value of digital ad spend in Europe

€92.0bn

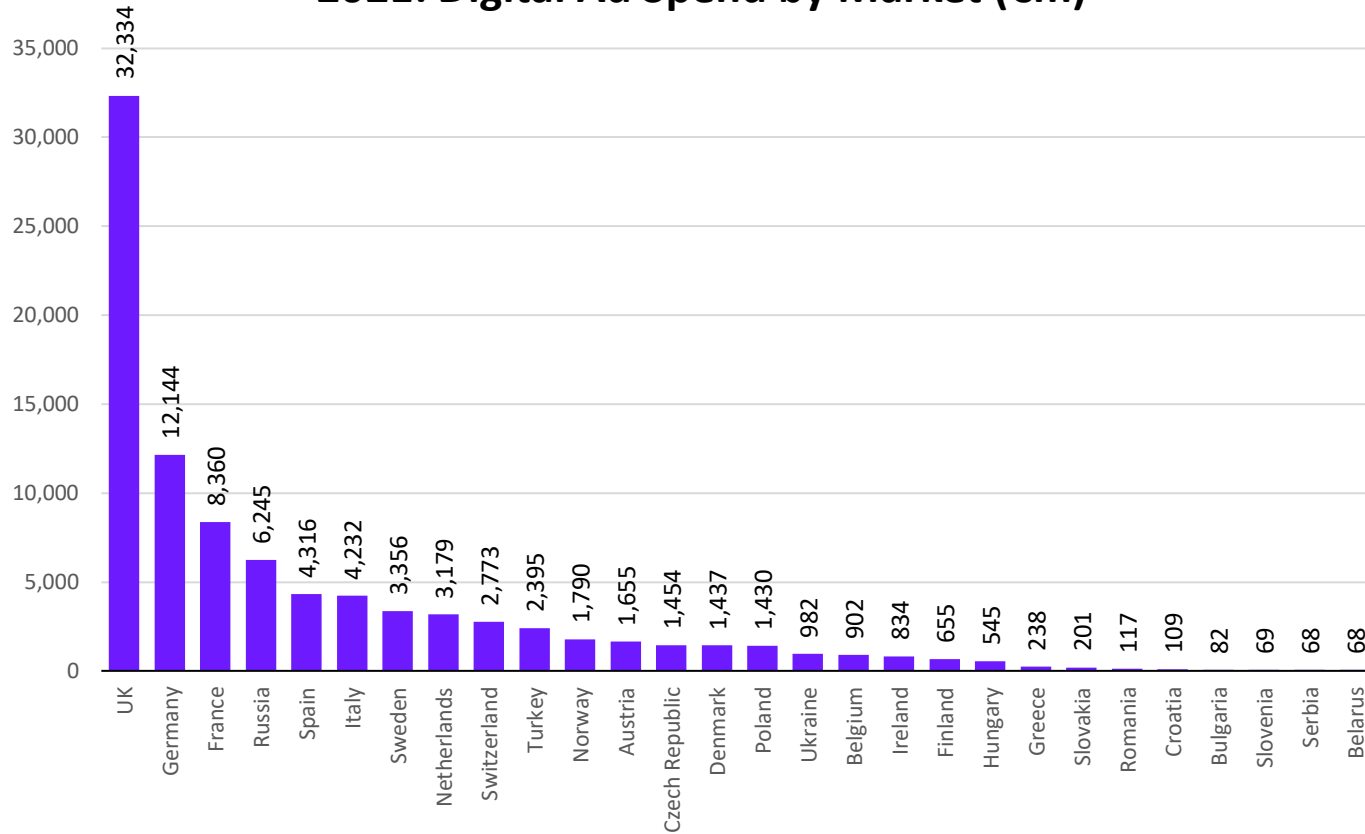
2021 added nearly the entire volume of the 2010 digital ad market

Europe: Total digital ad spend (€bn)

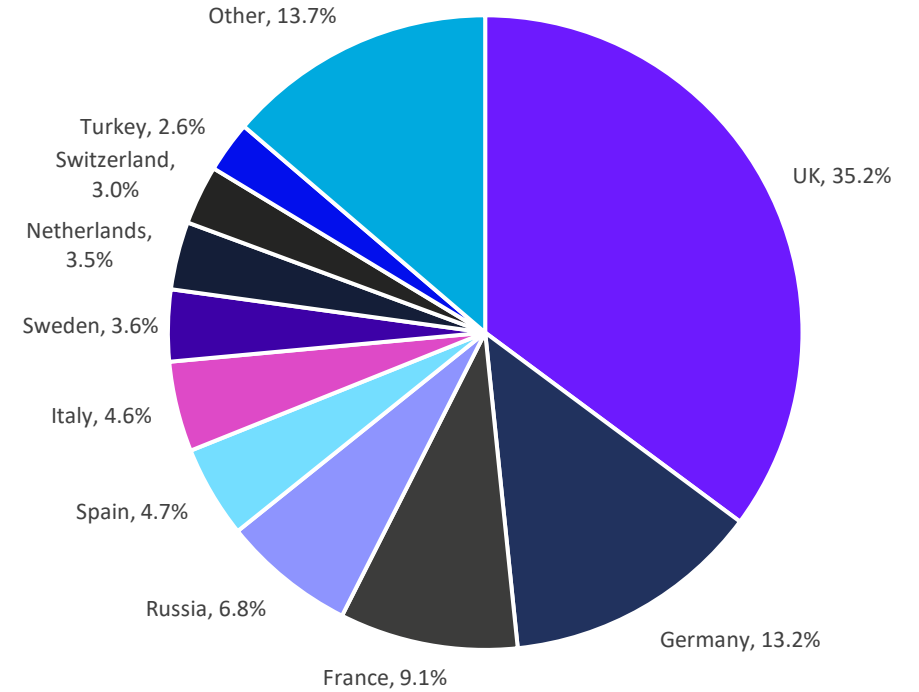


Top 3 markets have over 50% share of total European digital ad spend

2021: Digital Ad Spend by Market (€m)

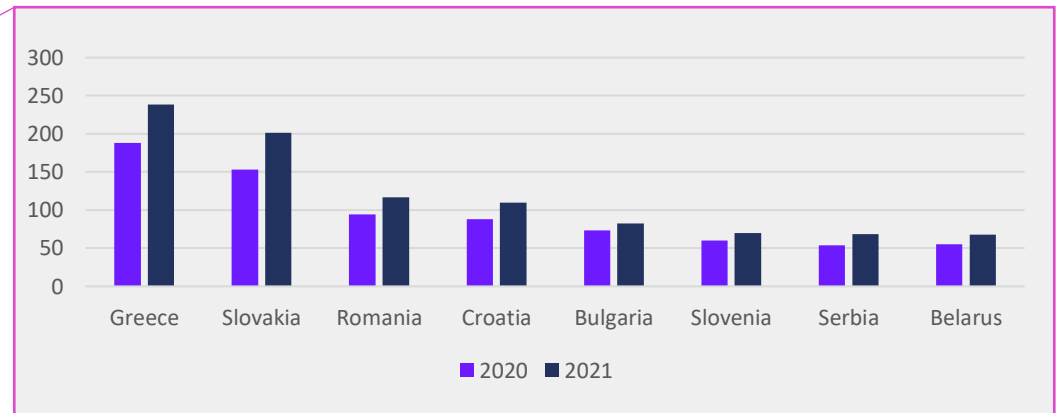
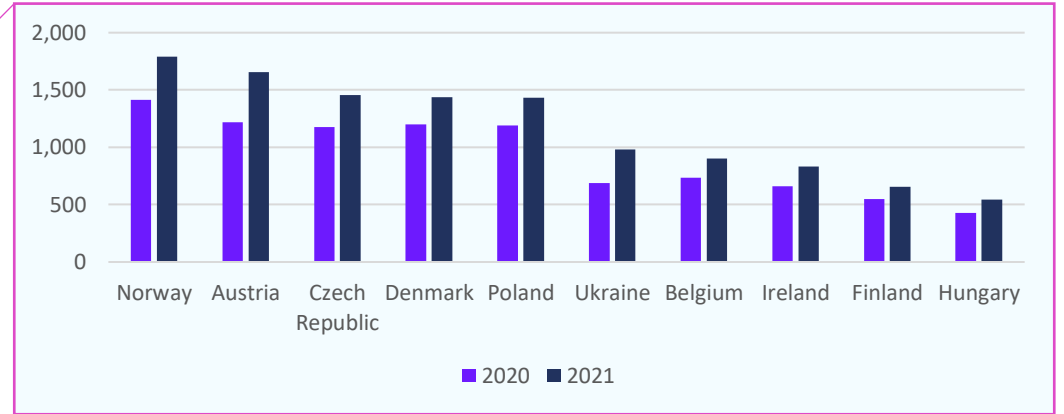
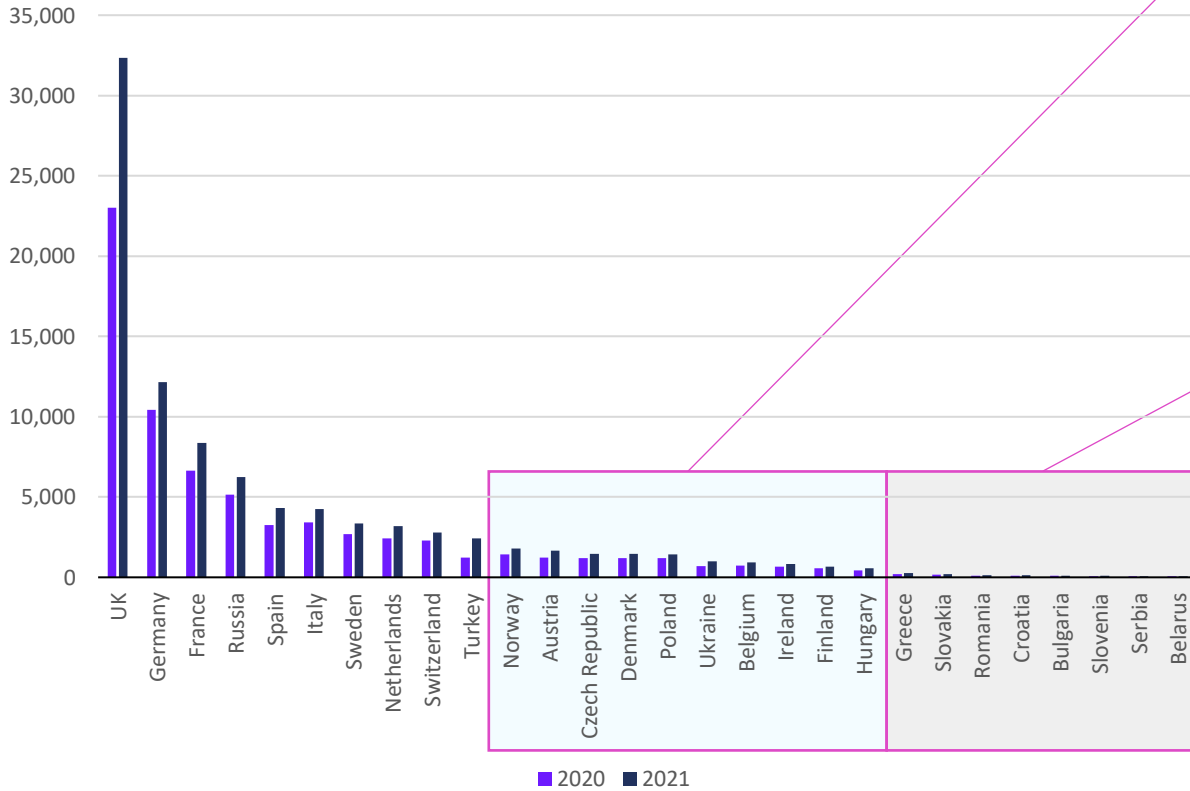


2021: Share of European Digital Ad Spend by Market



Zoom-in reveals nuances in size between markets

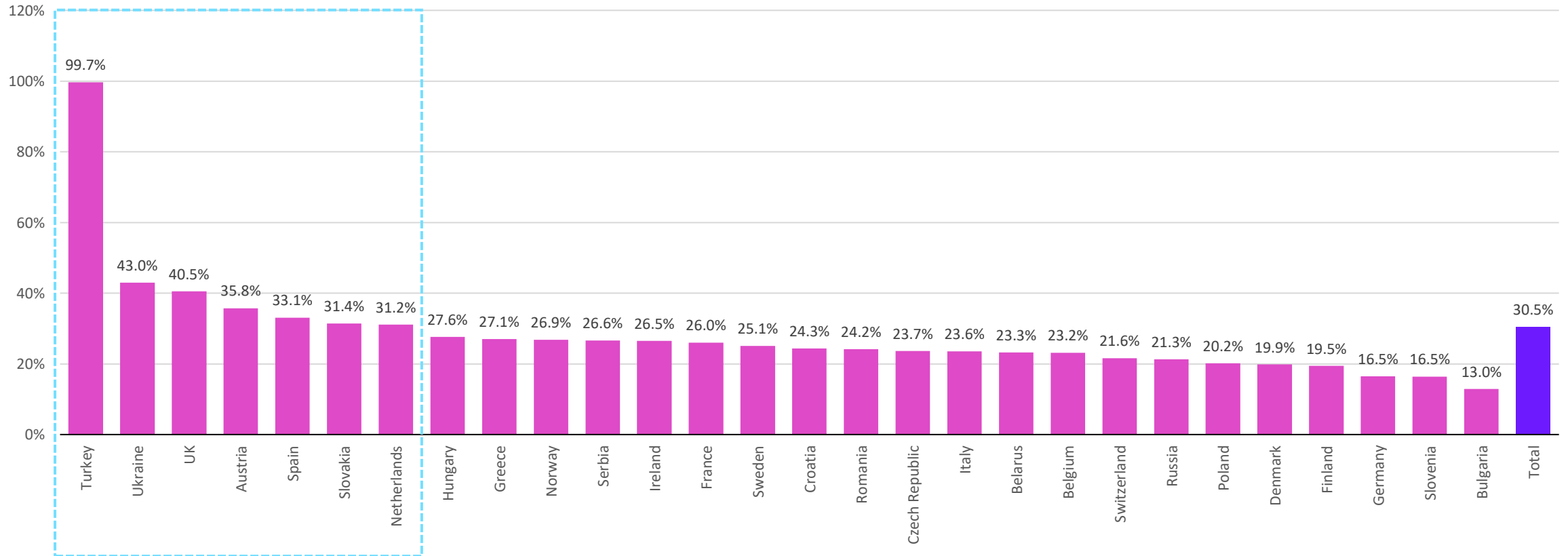
2021: Digital Ad Spend by Market (€m)



All markets grew double-digit, many within a narrow range of mid 20ies

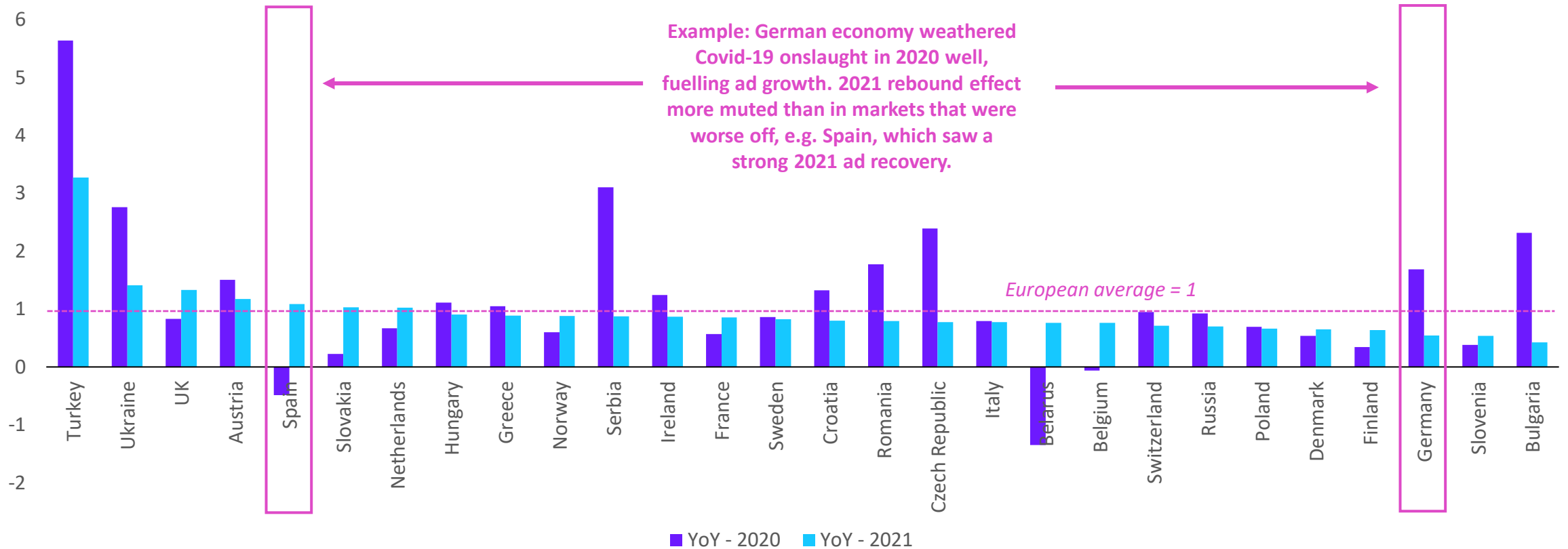
7 markets grew above European Average

Europe: Digital Ad Growth 2020-2021 (YoY)



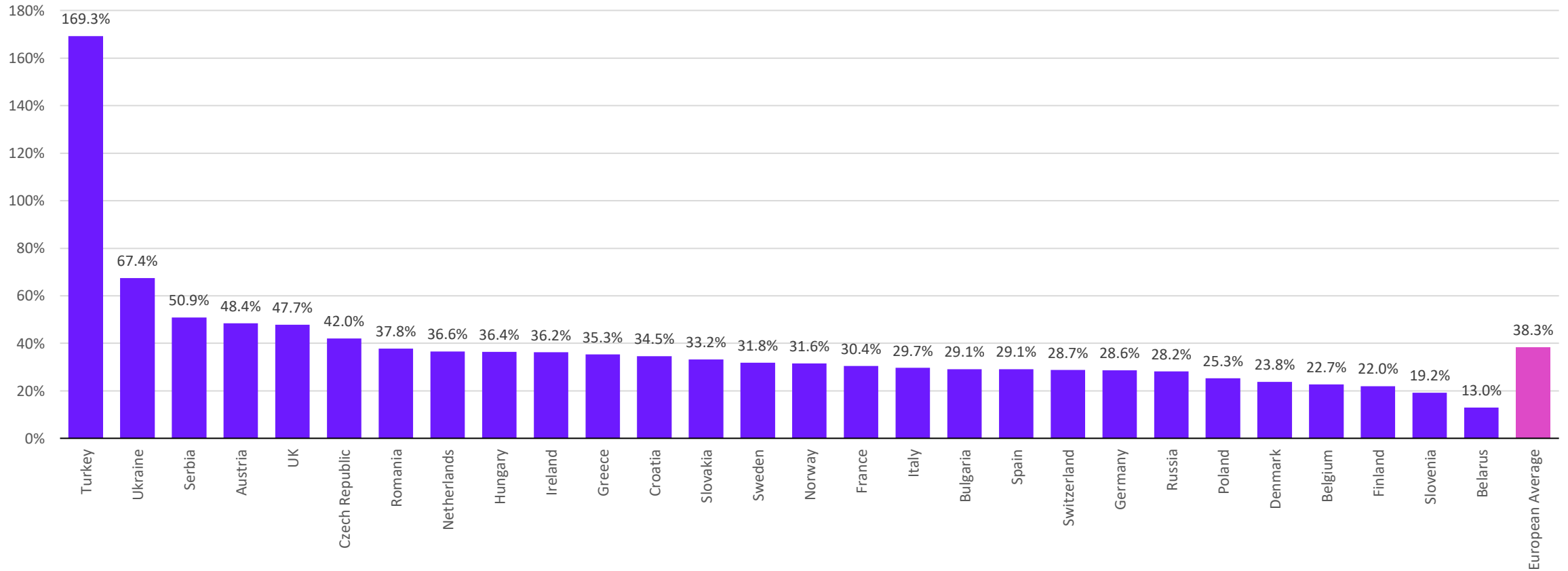
Tale of 2 recoveries: 2020 resilience meant slower 2021 growth and vice versa

Digital Ad Spend Growth Multiple vs European Average



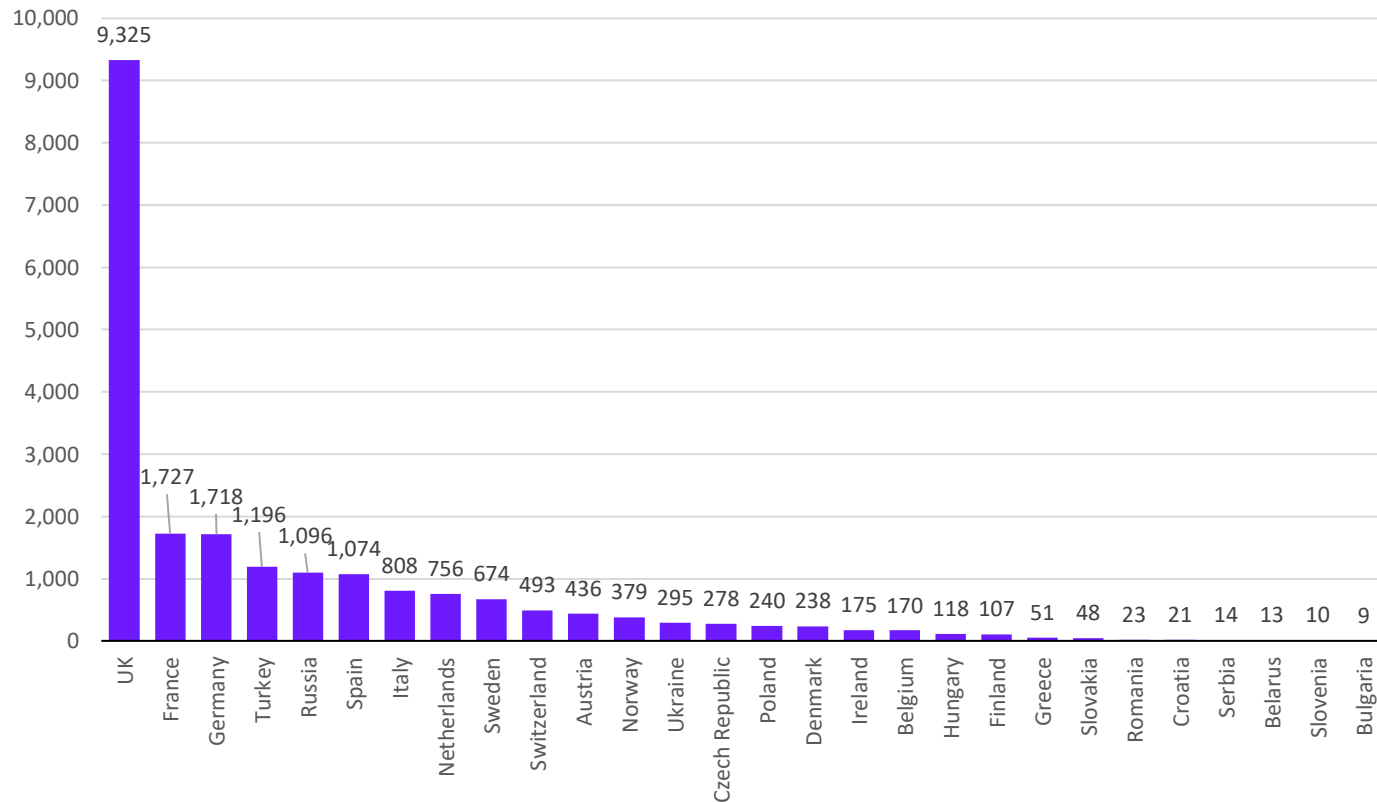
2019 to 2021 growth gives better picture of 'true' recovery

Europe: Digital Ad Spend Growth 2019-2021

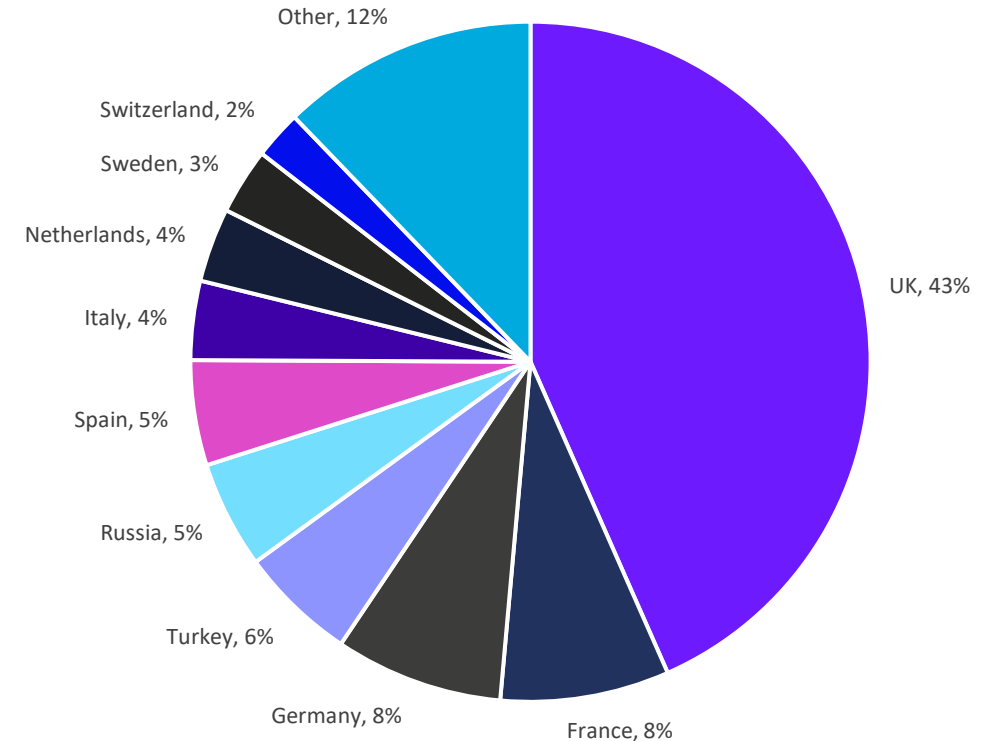


6 markets deliver ¾ of revenue gains 2021 vs 2020

2021: Digital ad Spend increase vs 2019 (€m)

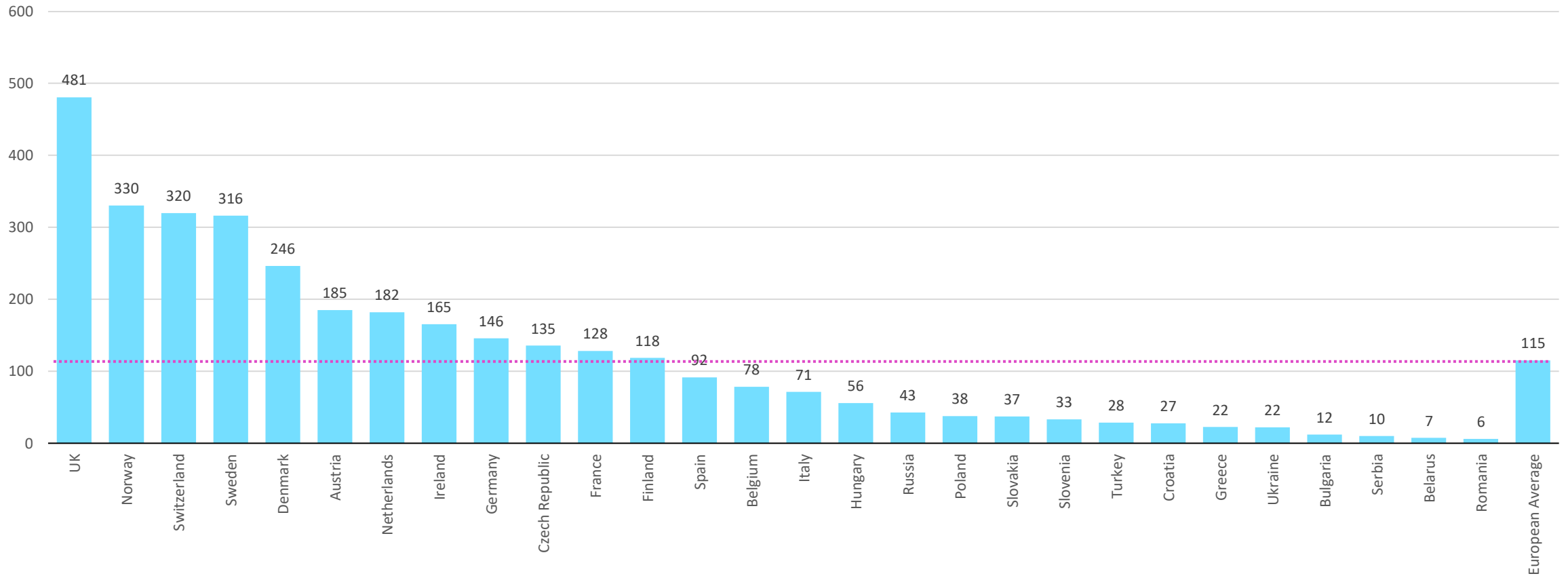


Contribution to digital ad growth (share of 2021 revenue gains)



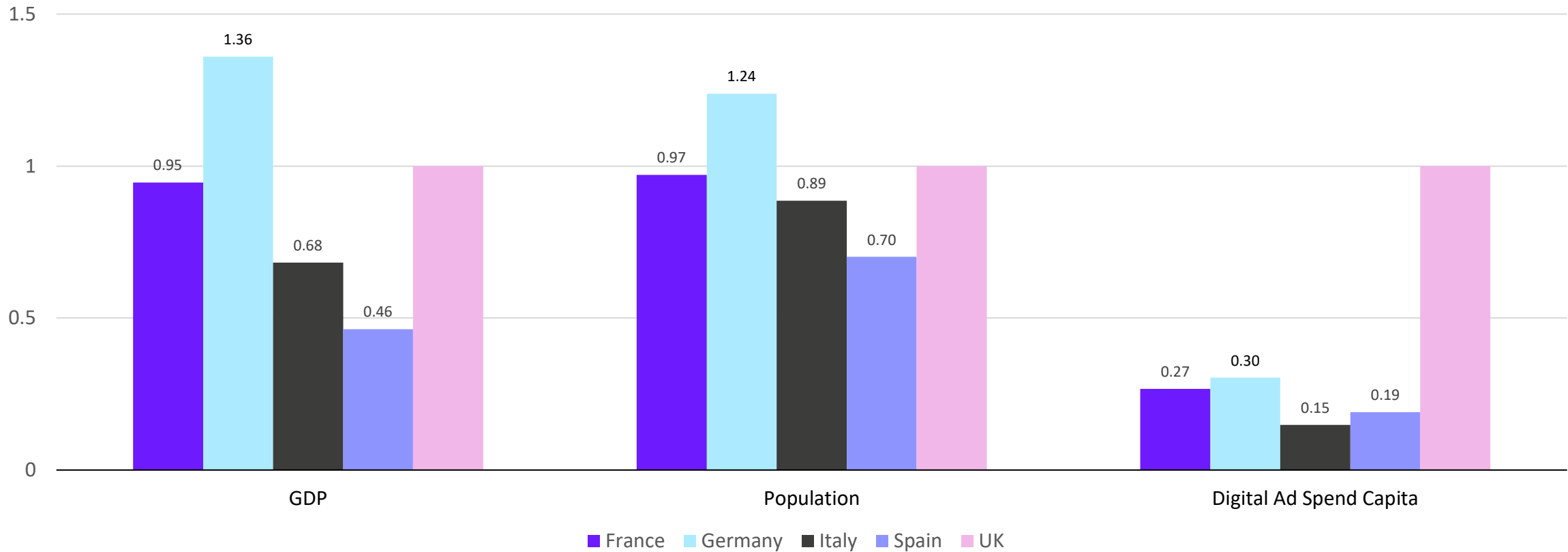
Headroom for growth: key markets still lag behind digital ad spend per head

Digital Ad Spend Per Capita (€)



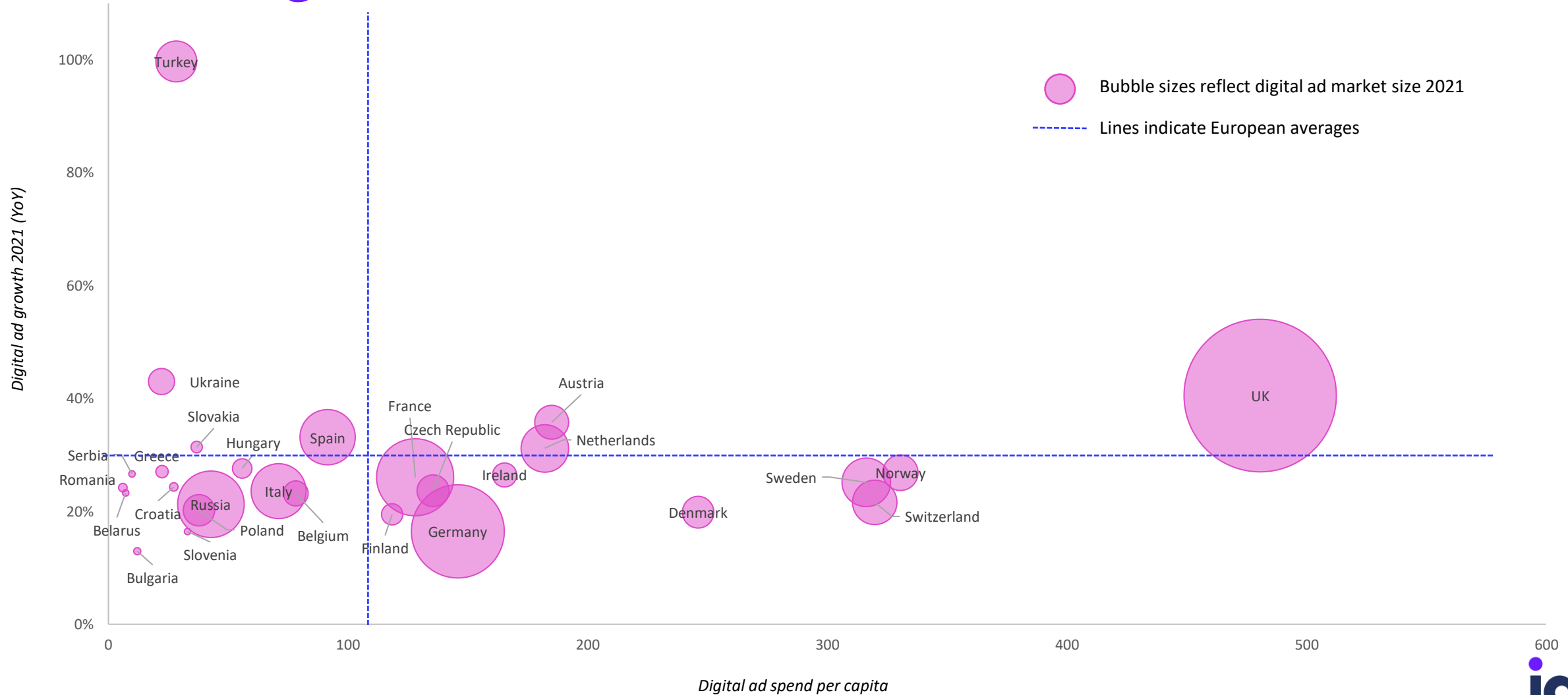
Example: European 'Big 5': Significant market potential to close gap with UK

“Big 5” European Economies: Digital Ad Spend vs Key Macro Metrics



Source & Notes: GDP and population data: World Bank. While digital ad spend comparisons need to factor in total ad spend across media channels and digital infrastructure, this comparison intends to illustrate the potential.

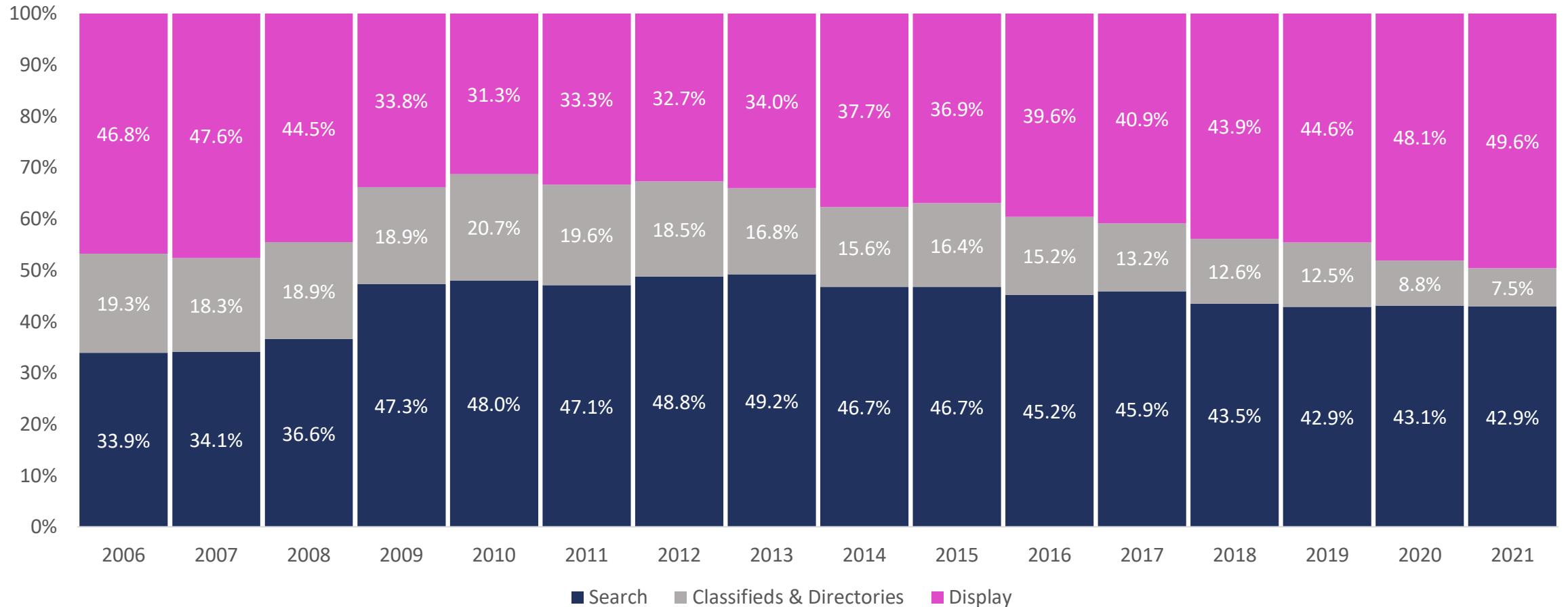
Markets vary in growth & maturity – but more mature does not mean less growth



FORMATS

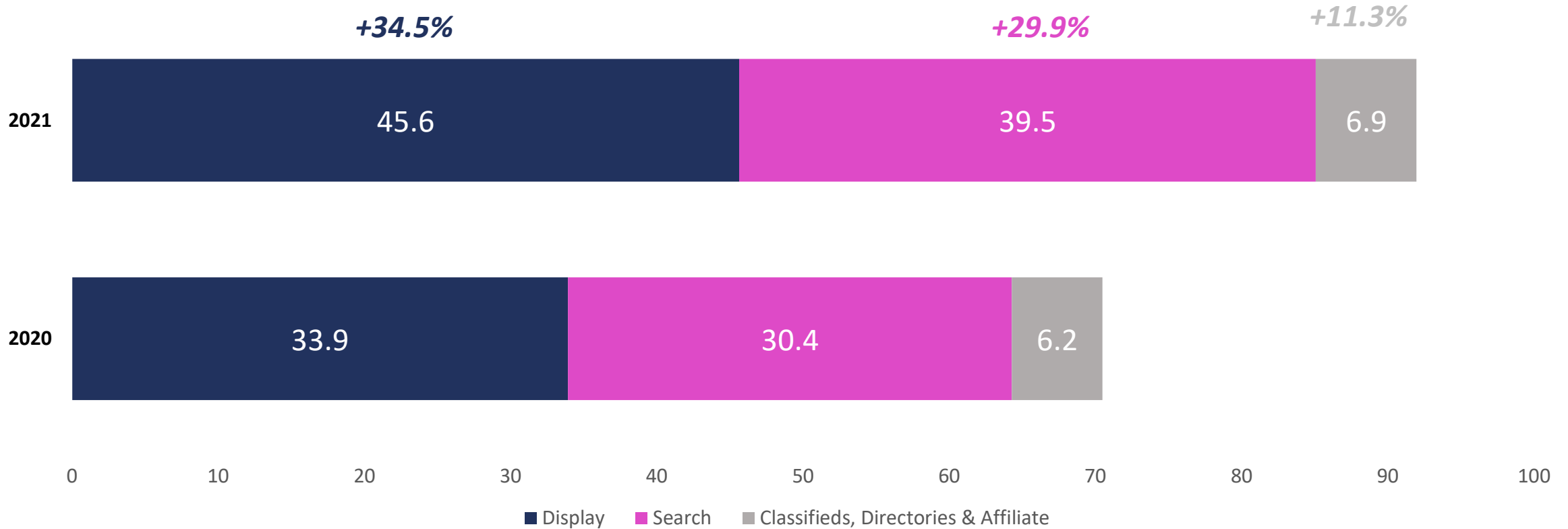
Display formats continued share gain after 2020 surge...

Europe: Digital Ad Spend Split by Format



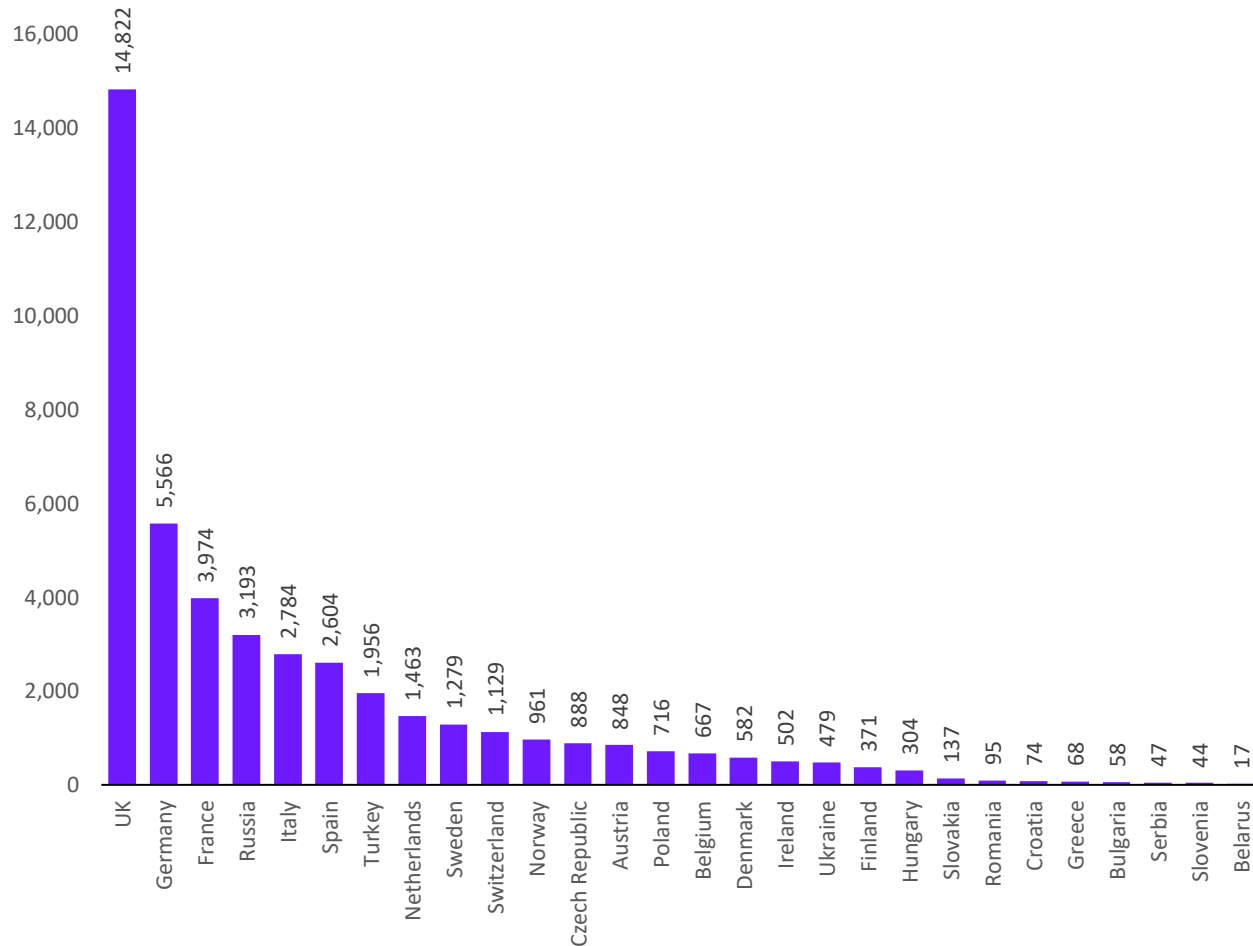
...exceeding €40bn driven by video and social

Europe: Digital Ad Spend Size by Format (€bn)



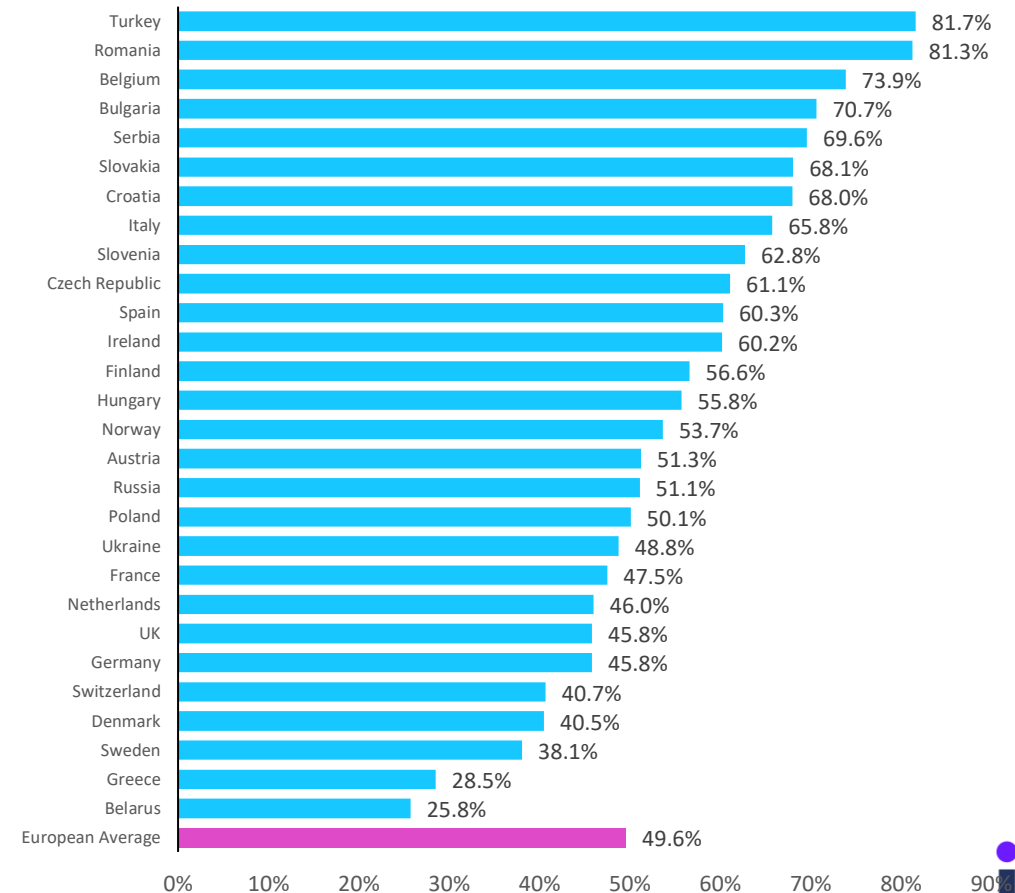
Display is over 50% of digital ad spend in a majority of markets

Digital Display Ad Spend in 2021 (€m)



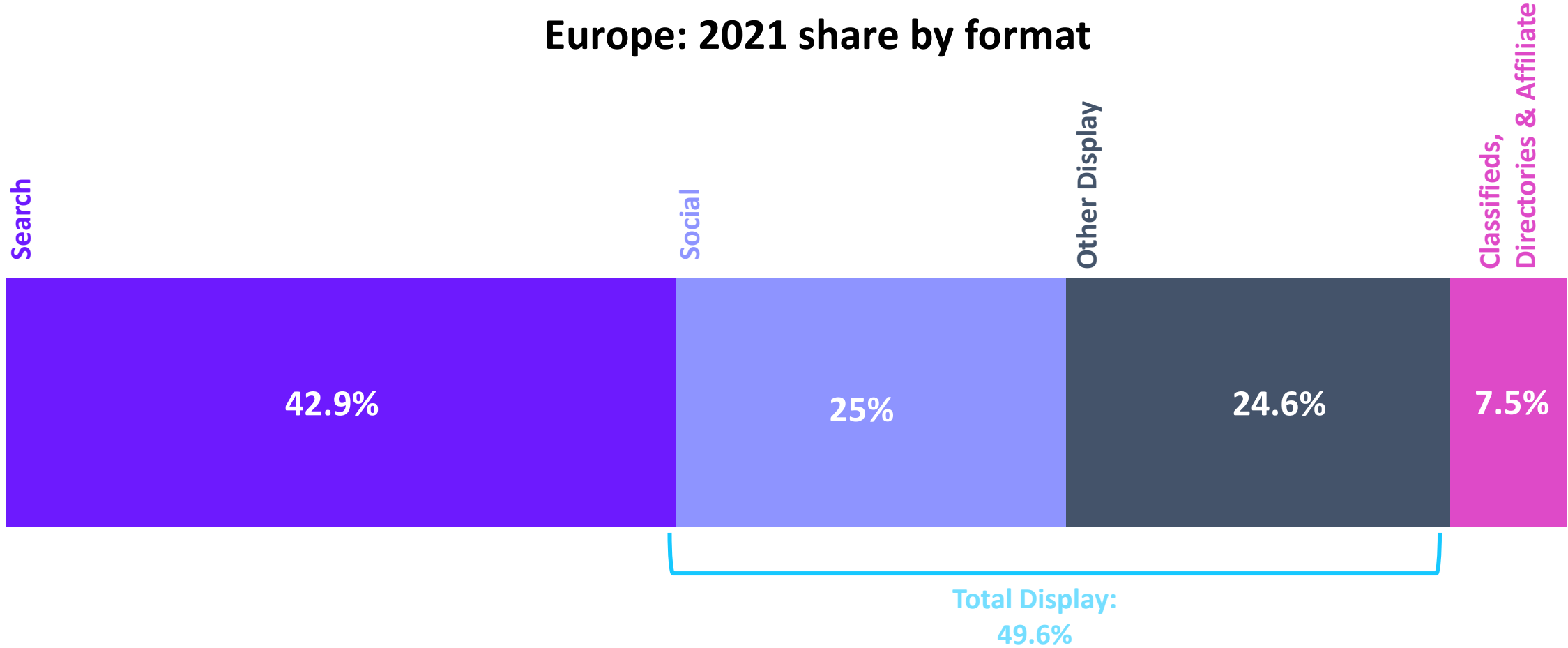
Note: includes social

Display Share of Total Digital Ad Spend (2021)

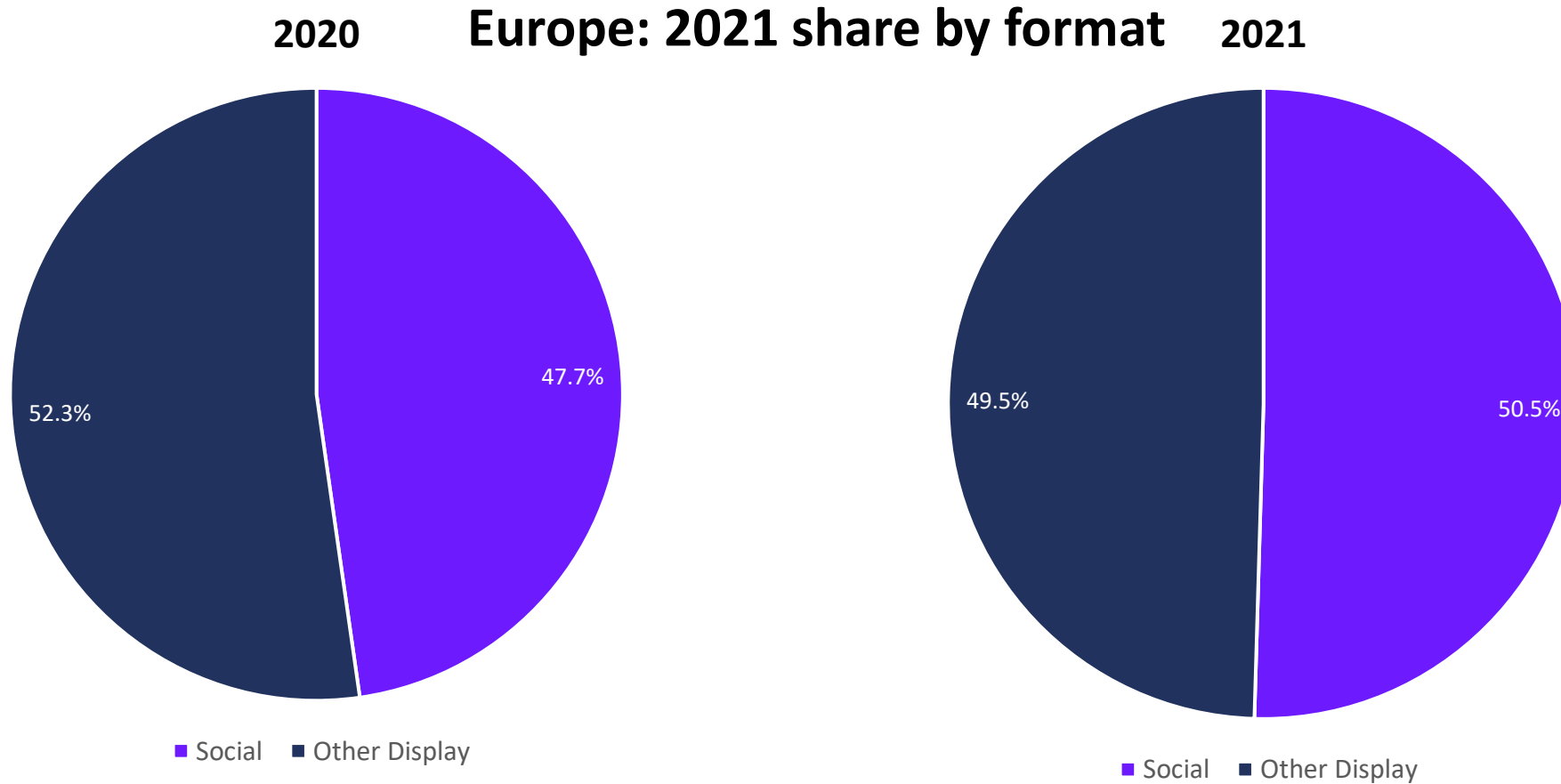


Social is 25% of all digital ad spend...

Europe: 2021 share by format



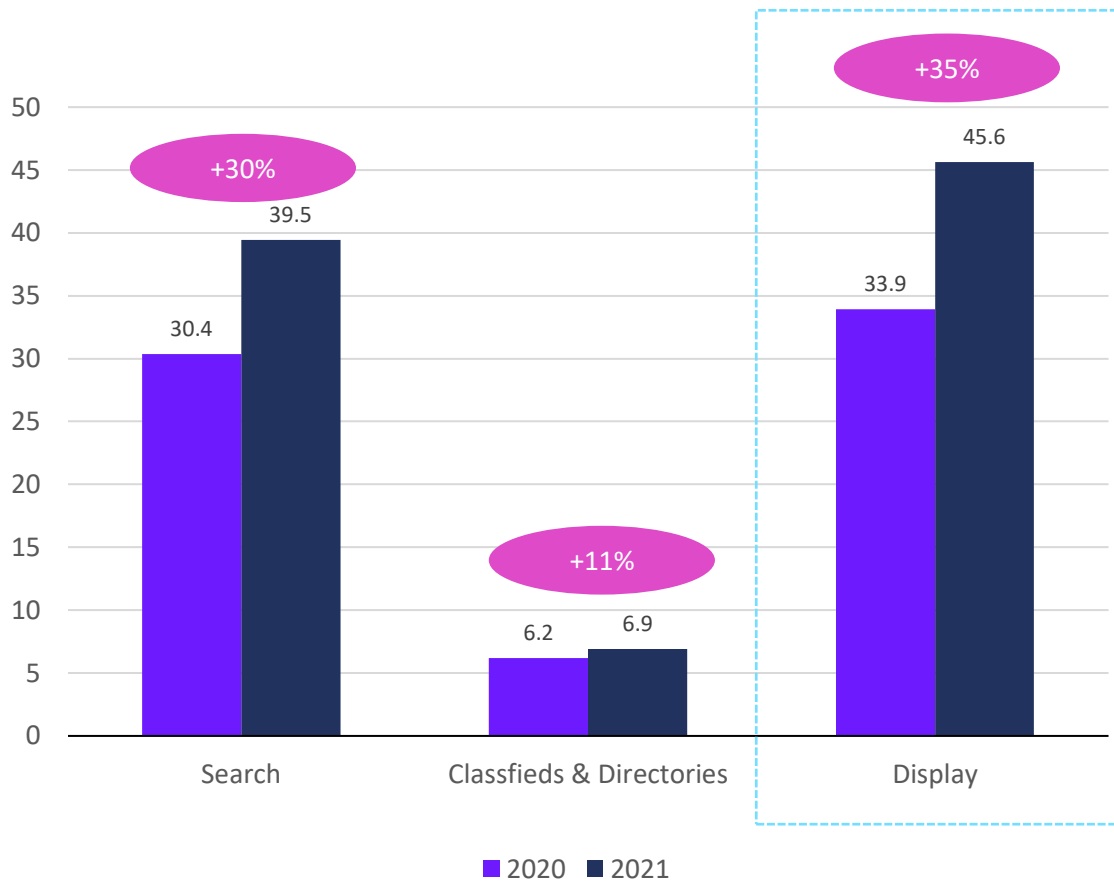
...and 50% of display spend



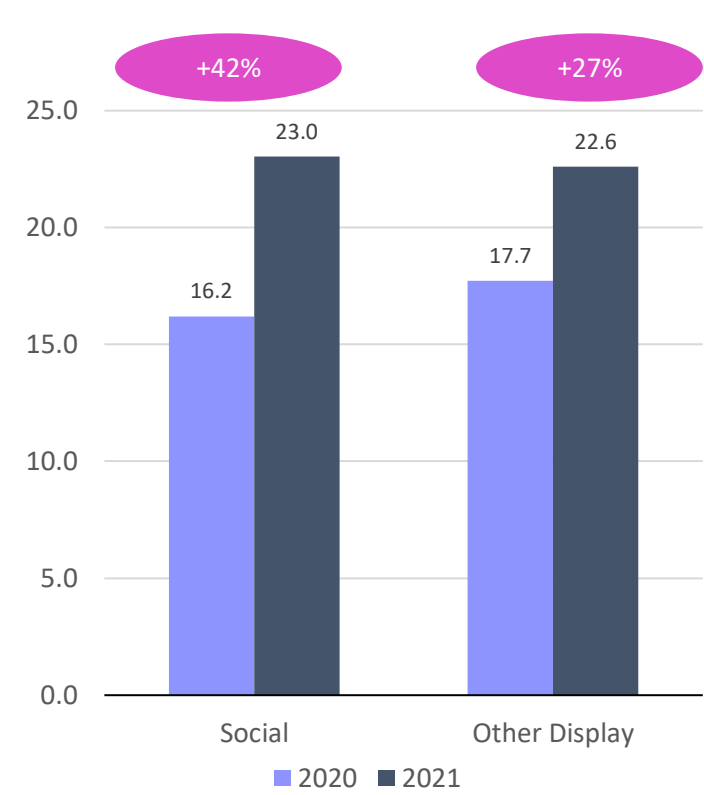
Note: Data on social share is not comparable with previous IAB Europe Adex Benchmark reports due to changes measurement of social and 'long-tail' display ad spend by national markets.

Social grew faster than other display, while search outperformed non-social display

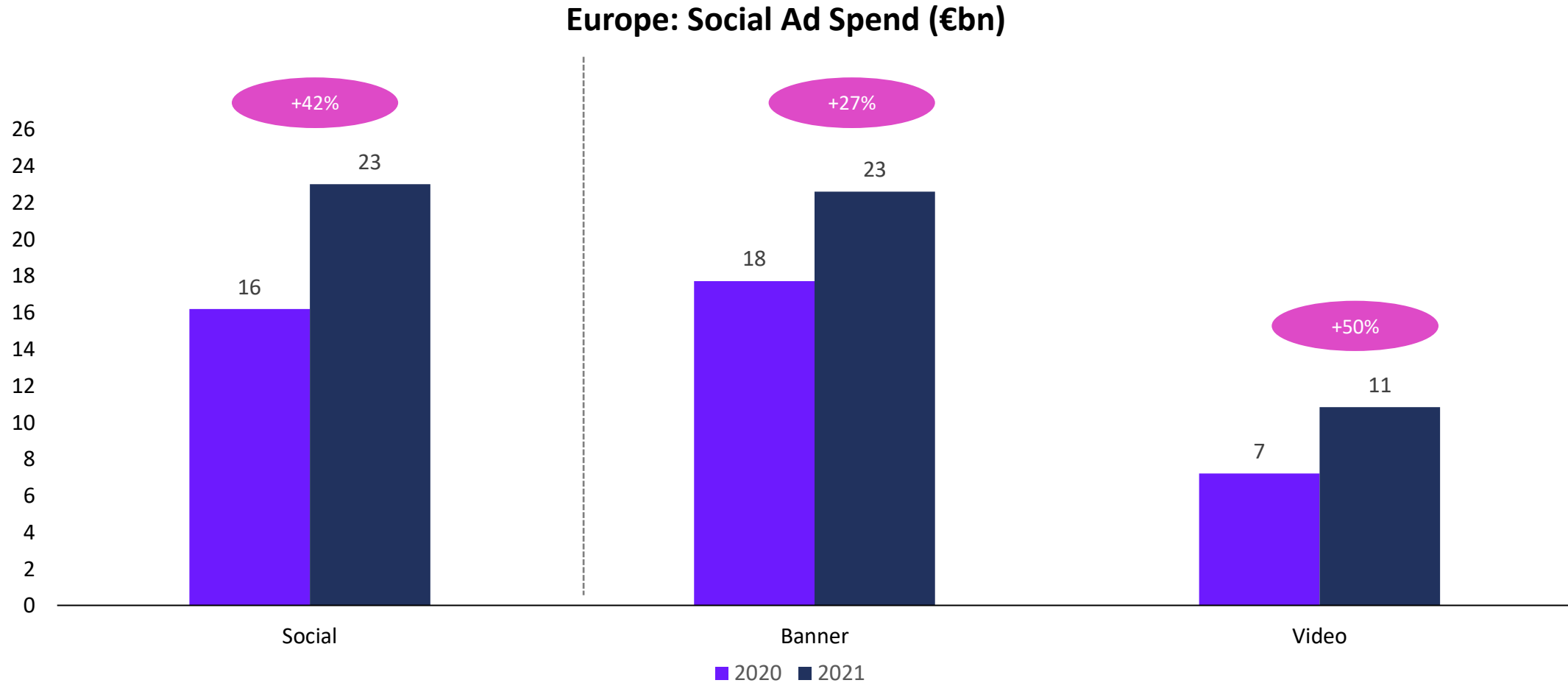
Europe: Digital Ad Spend by Format (€bn)



Europe: Social vs Other Display (€bn)

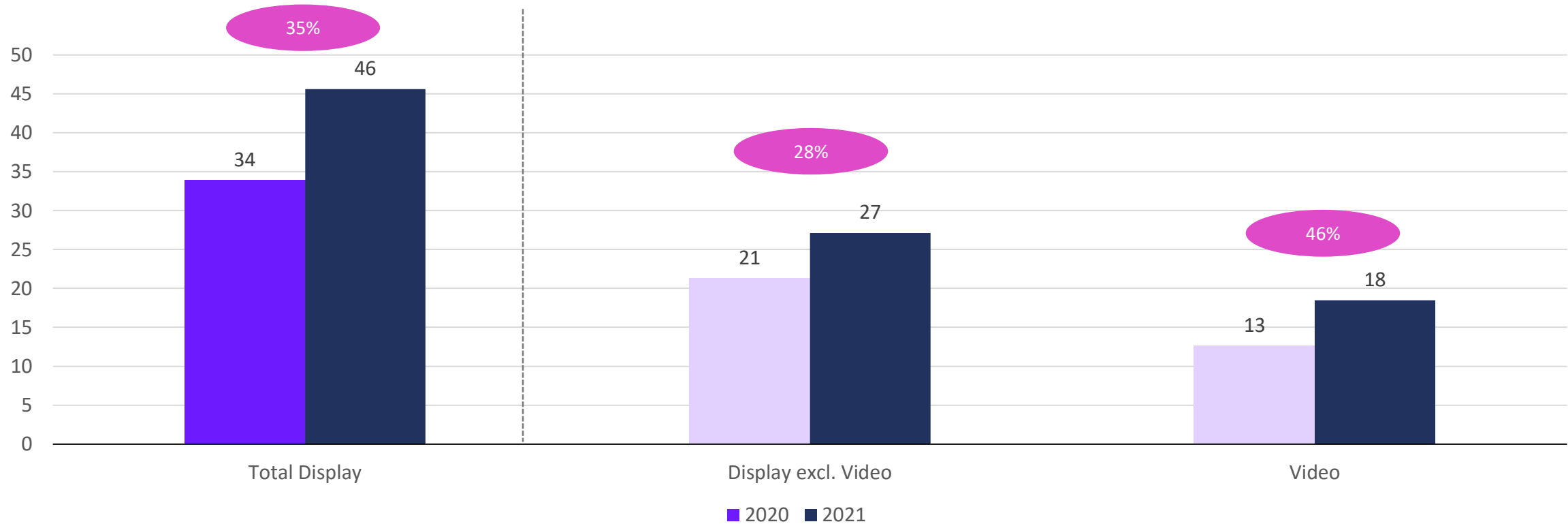


Video was the fastest growing segment within social



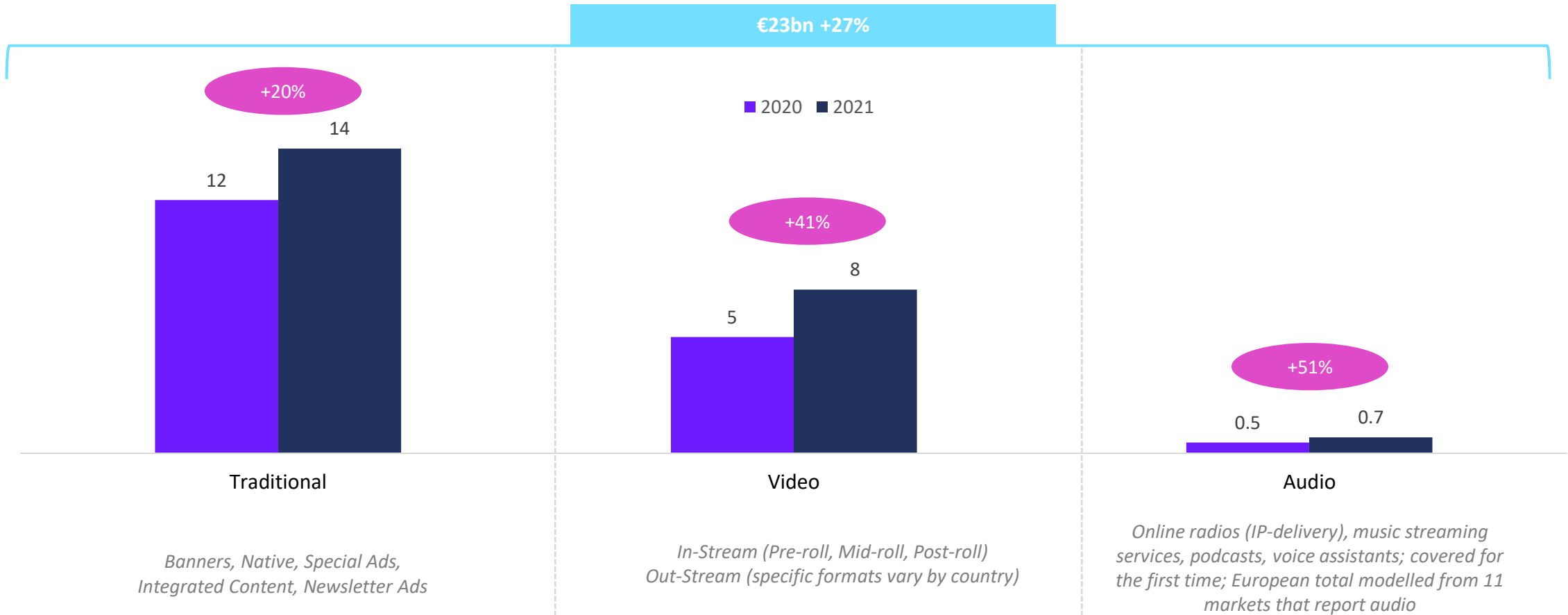
Video is a crucial driver for display growth

Europe: Display Ad Spend incl. Social (€bn)



Outside of social: sectoral shift towards video – audio nascent but growing

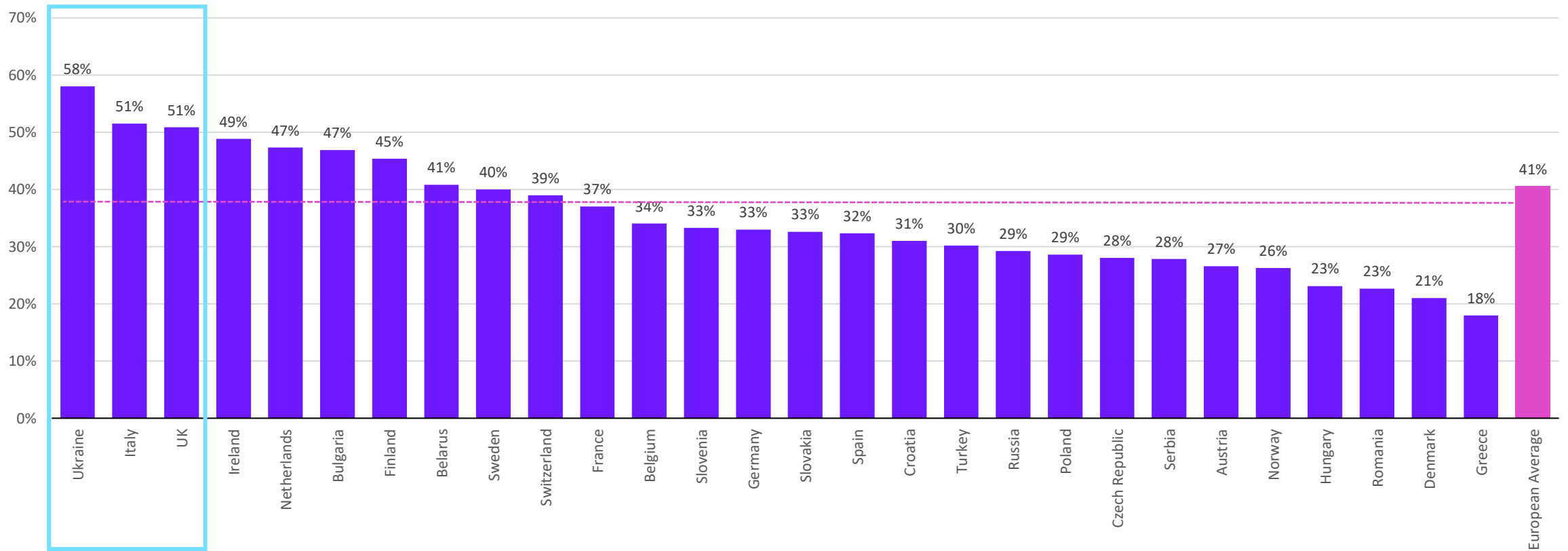
Europe: Display Ad Spend excl. Social (€bn)



Video now exceeds half of total display spend in 3 markets

Video-first markets

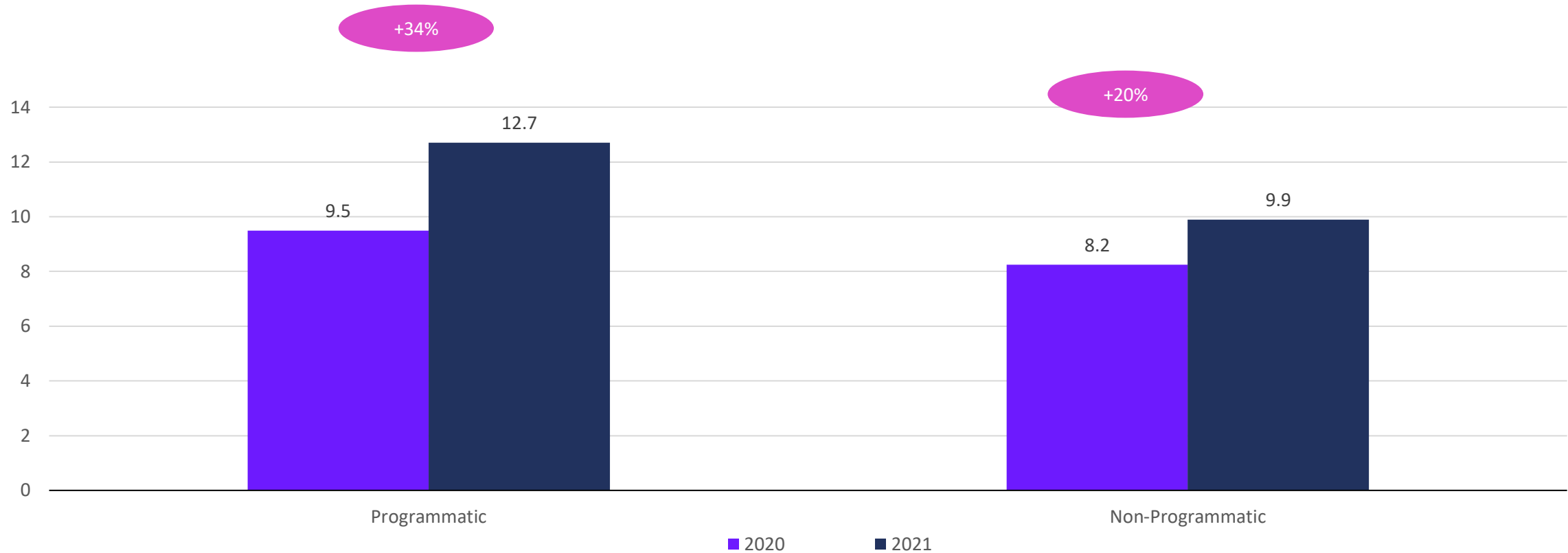
Europe: Video share of total display (2021)



Note: includes social

Programmatic outperformed I/O based display...

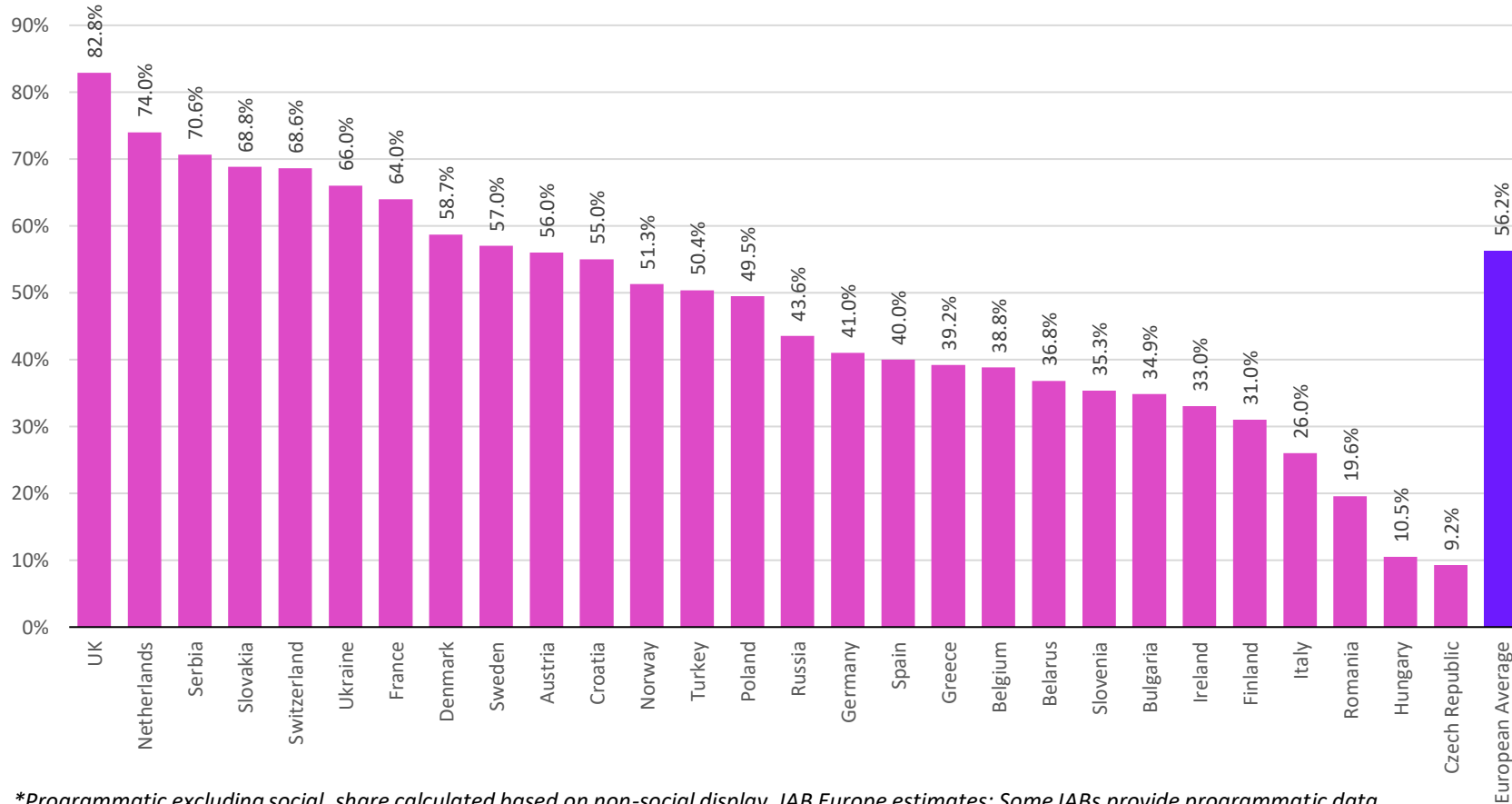
Europe: Programmatic vs Other Display Spend excl. Social (€bn)*



*Programmatic excludes social. Includes banner, video and audio.

...and now commands 56% of display

Europe: Programmatic Share of Display*

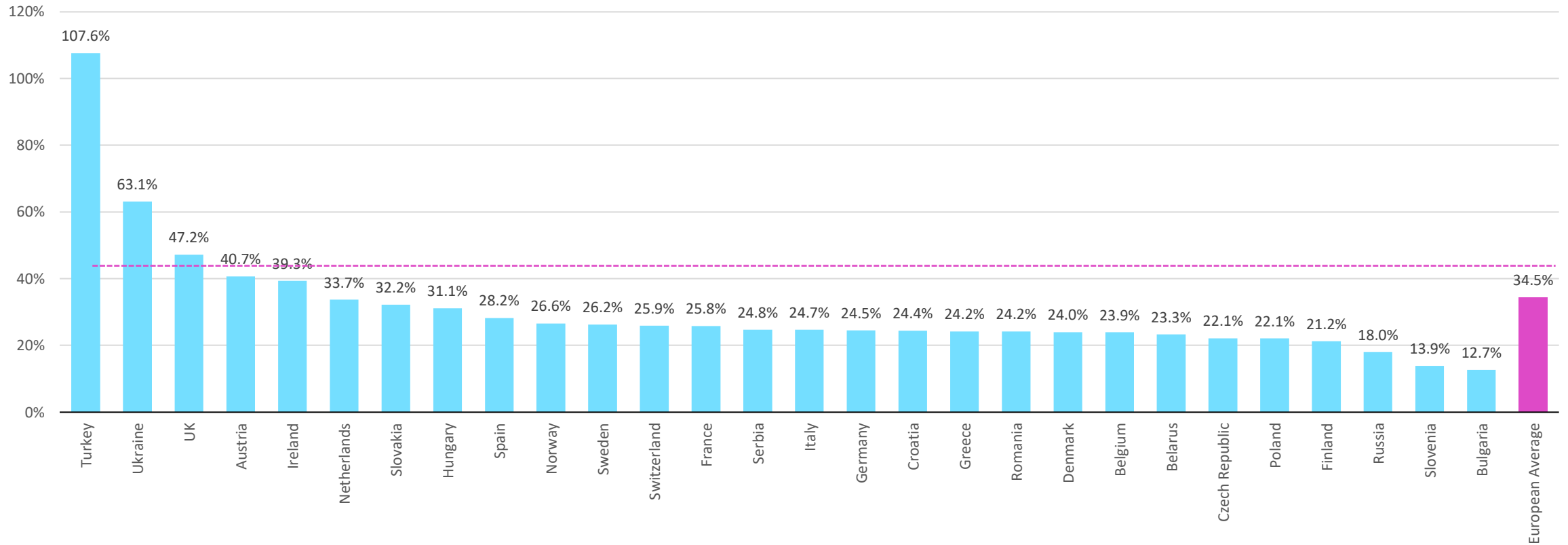


- Programmatic defined as excluding social
- Publisher approach & concentration of sell-side influence programmatic adoption between markets
- Fast ramp up of second mover markets, especially in CEE
- Move to private market places as open market share declines

*Programmatic excluding social, share calculated based on non-social display. IAB Europe estimates: Some IABs provide programmatic data including social, which we have adjusted to ensure like-for-like comparison.

13 markets recorded double-digit growth in display...

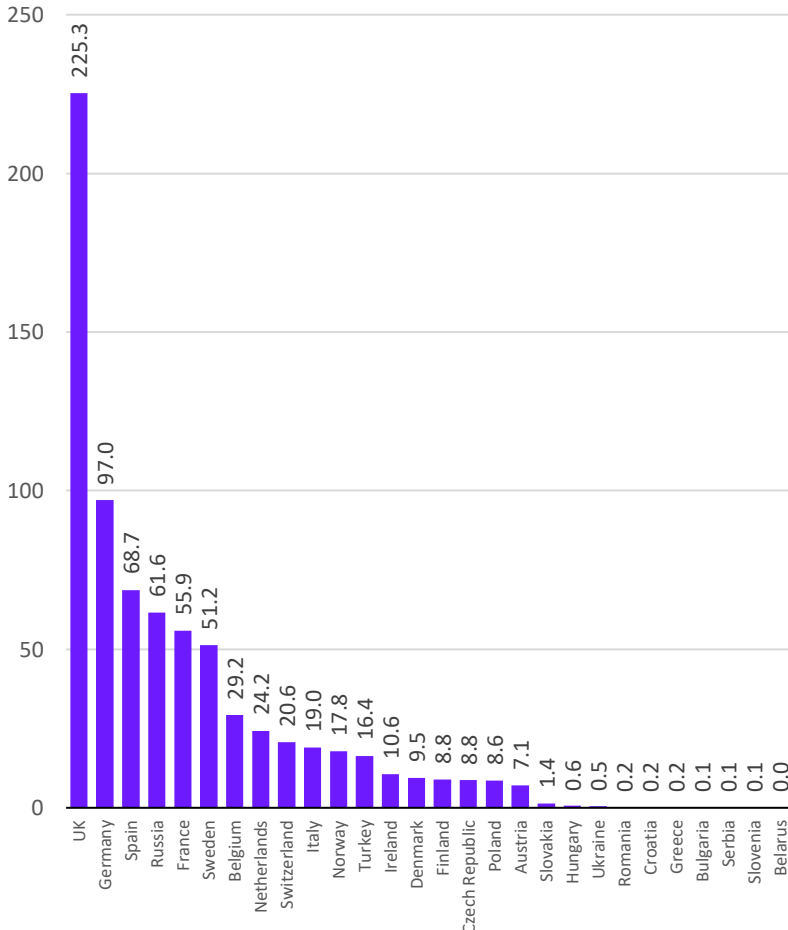
Europe: Digital Display Ad Spend Growth 2021 (YoY)



Note: includes social

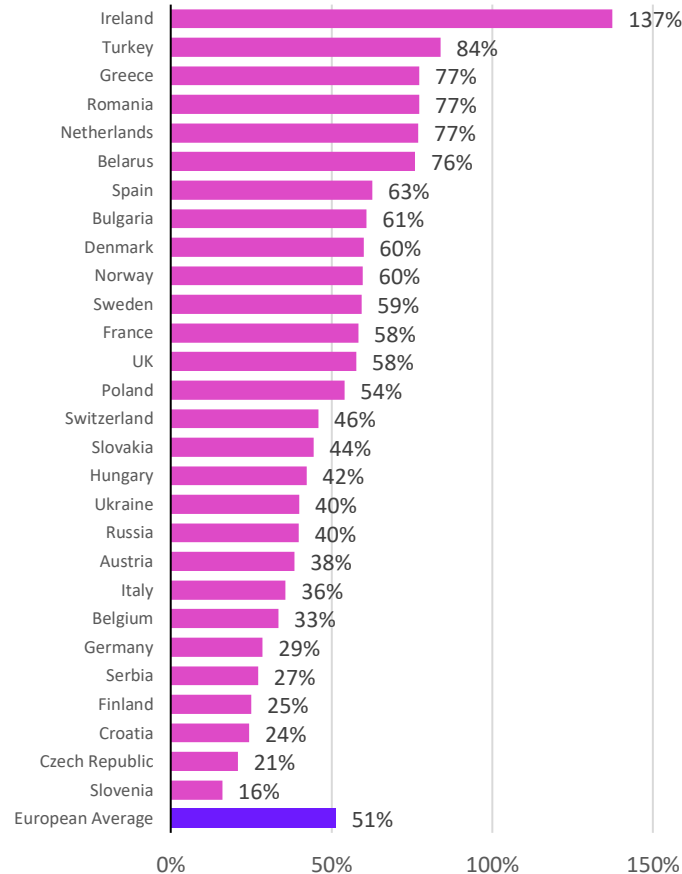
Digital audio remains nascent but fast growing

Digital Audio Ad Spend in 2021 (€m)

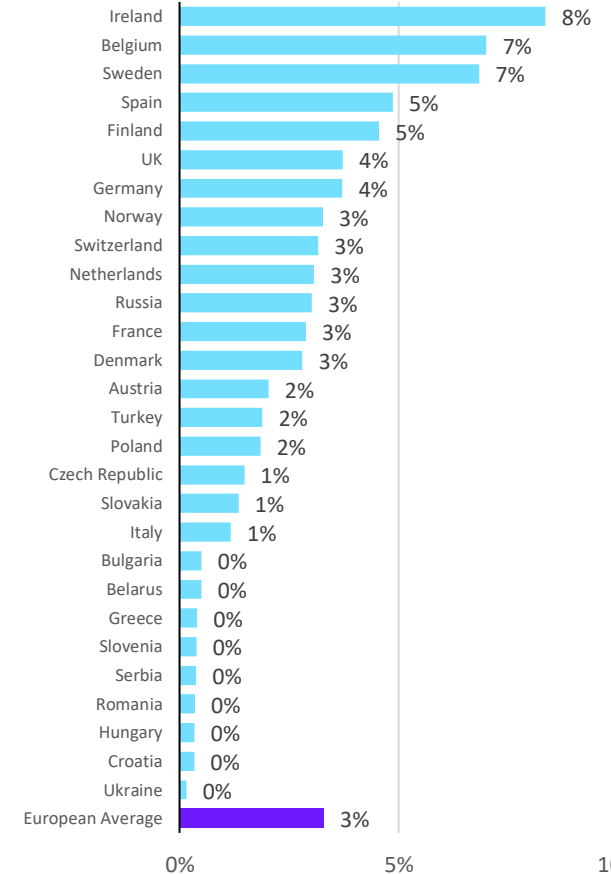


Note: Share calculation on the basis of total display excl. social

Digital Audio Ad Spend: YoY Growth 2021 vs 2020

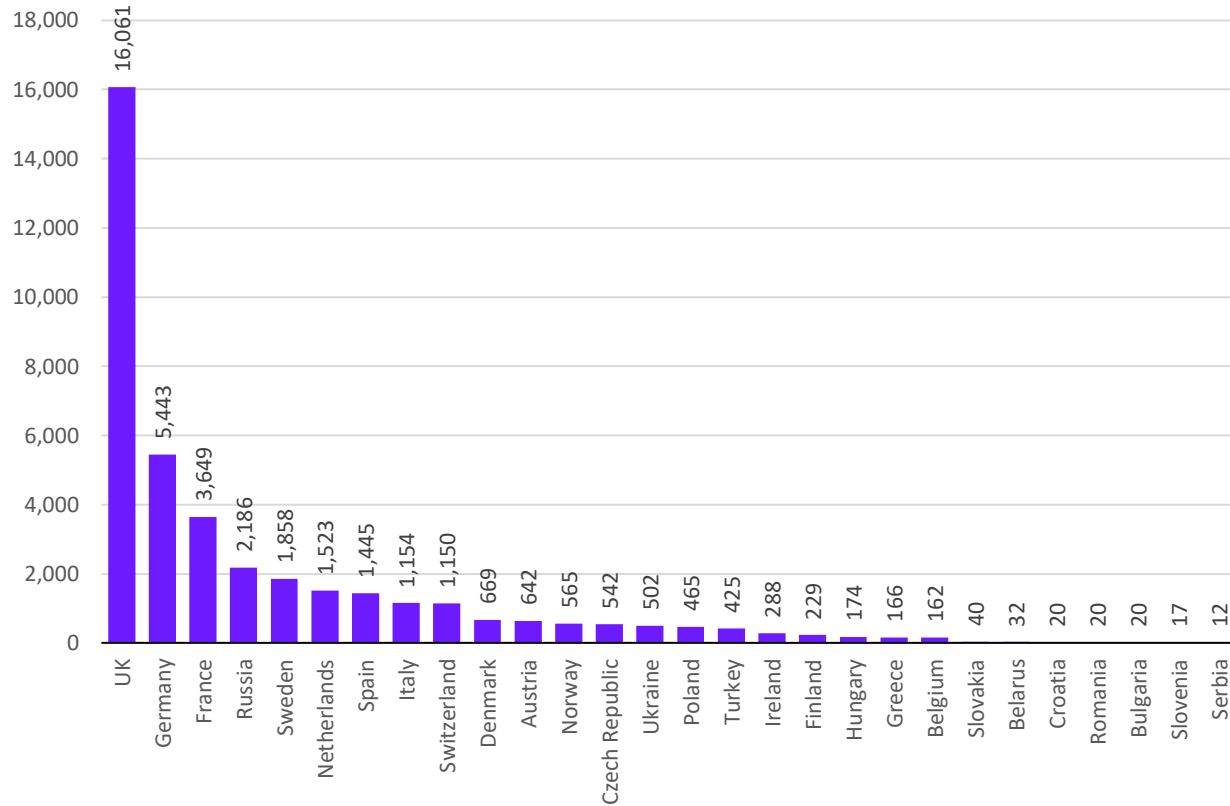


Digital Audio Share of Display Ad Spend excl. Social (2021)

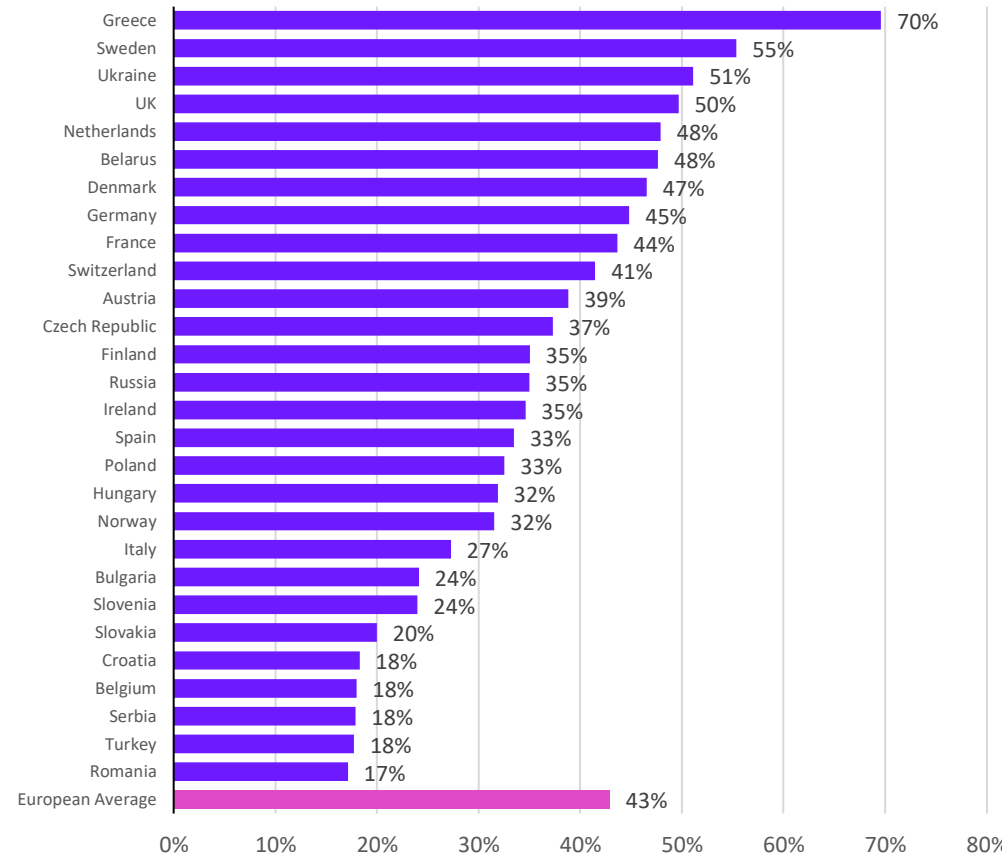


UK dominates Paid-for Search, which is over 50% of digital ad spend in 3 European markets

Paid-for Search Ad Spend in 2021 (€m)

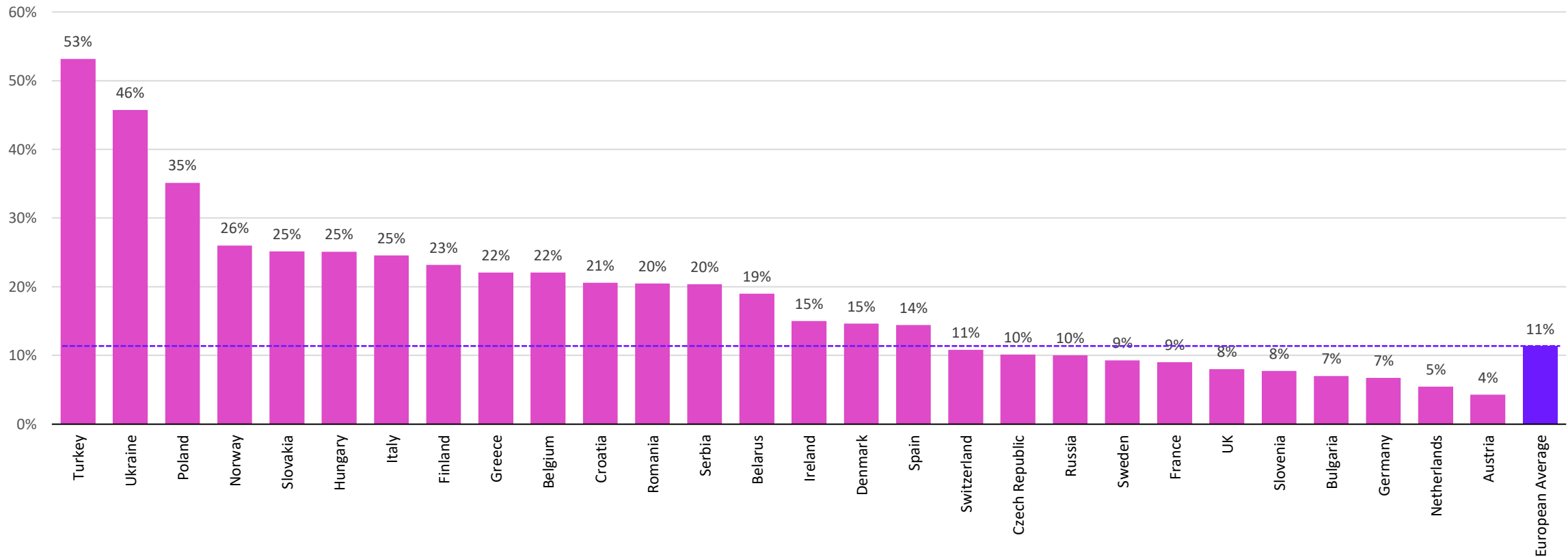


Paid-for Search Share of Total Digital Ad Spend (2021)



Growth across the board in the Classifieds, Directories & Affiliate category

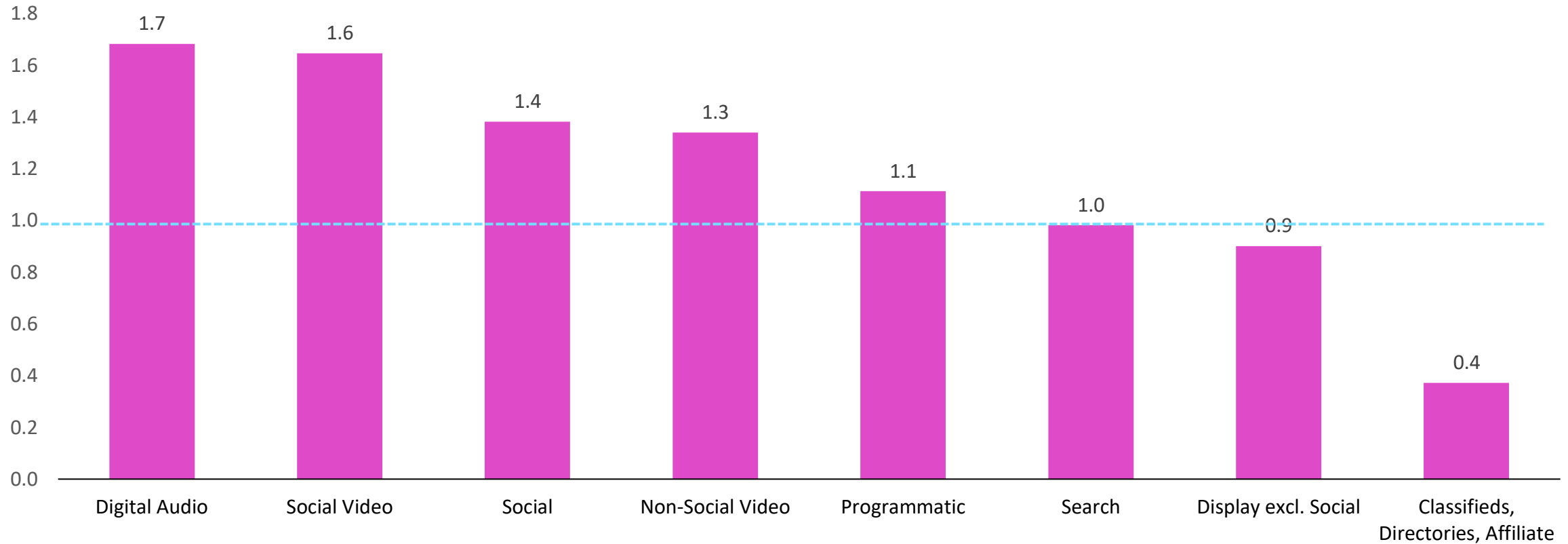
Europe: Classifieds, Directories & Affiliate Ad Spend Growth 2021 (YoY)



Note: Affiliate added to Classifieds & Directories constitutes approx. 15% of the category total. Methodology change in 2020 to account for changing IAB reporting standards and divergent definitions of 'affiliate' in local markets.

Audio and social video ahead of other formats

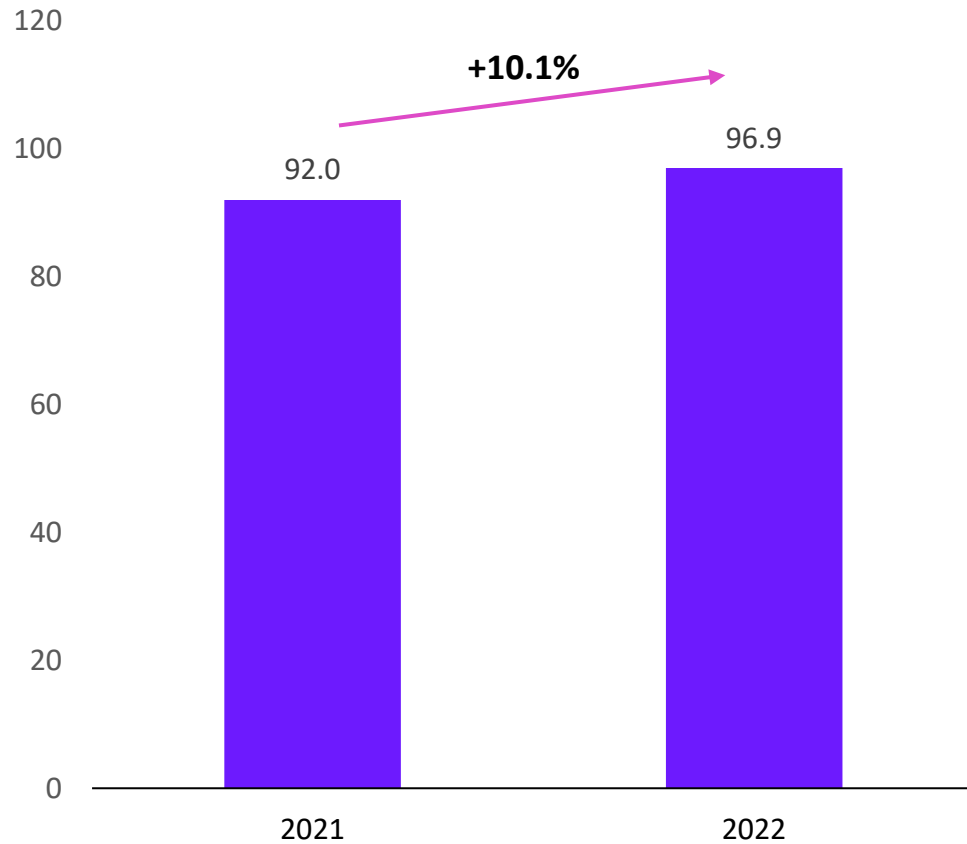
2021 Ad Spend Growth Index



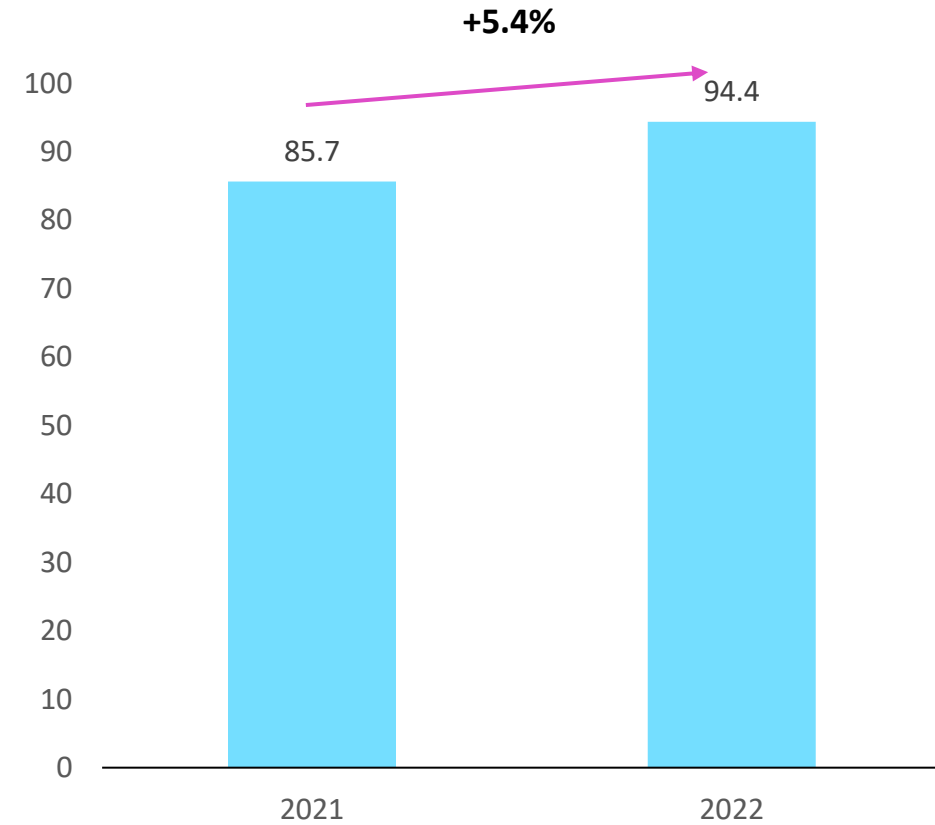
Note: By format growth indexed against total

Outlook: characterized by macro uncertainty

Forecast: All European Markets



Forecast: Excl. Russia & Belarus



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