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Internet Advertising Revenue Report

Half Year 2019

Relevant Digital Consumer Usage Trends

October 2019

AGENDA

Welcome Introduction & Consumer Trends

Sue Hogan, SVP Research & Analytics, IAB

Chris Bruderle, Senior Director Research & Analytics, IAB

Analysis of IAB PwC Half Year 2019 Report

David Silverman, Partner, PwC

Special Guests

Brian Wieser, CFA, Global President, Business Intelligence, GroupM

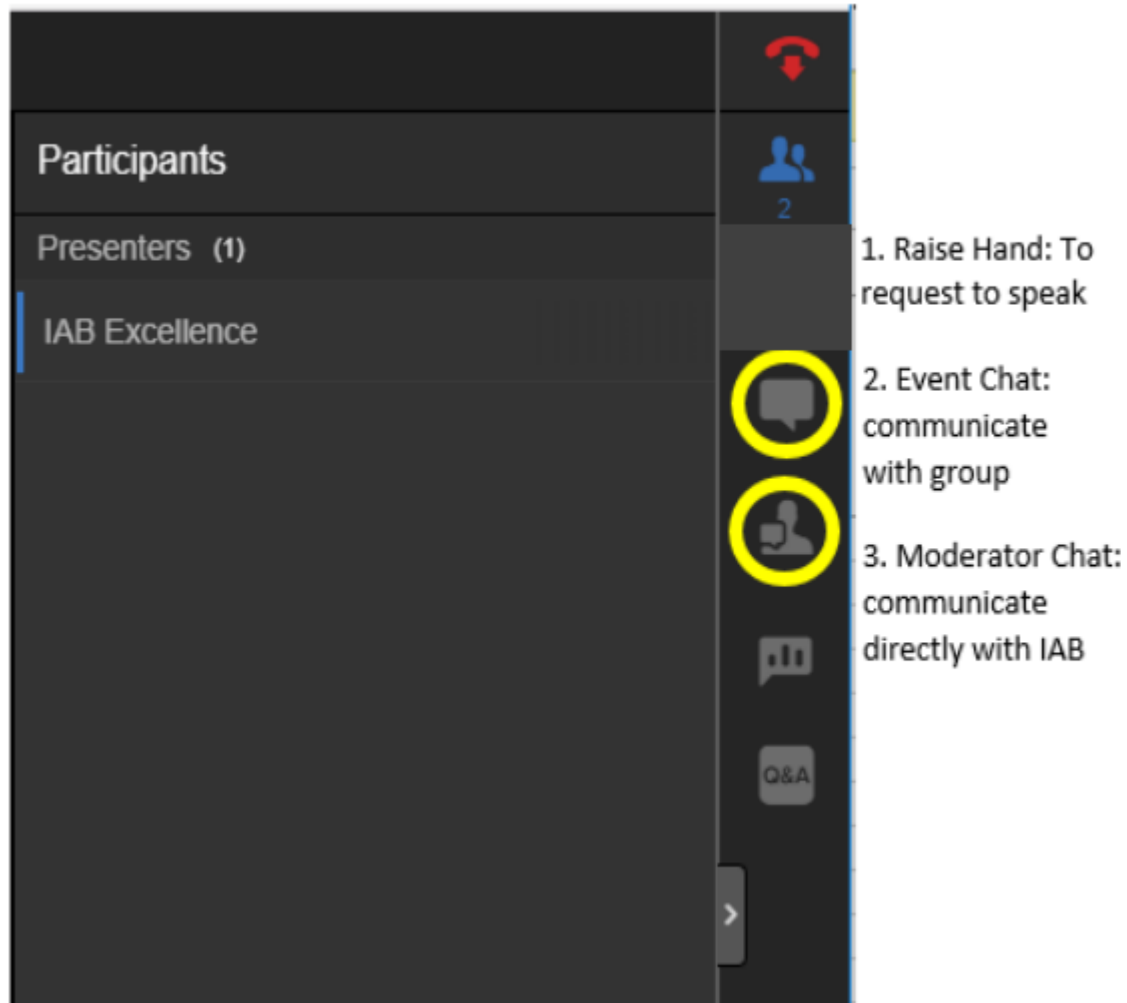
Eric John, Deputy Director, Video Center of Excellence, IAB

Closing

Sue Hogan and David Silverman

Q&A

WELCOME



Journalists and IAB members can ask questions at any time during the presentations.

Please type questions into the chat box on the webinar user interface.

- We will create a queue and answer as many questions as possible following the presentations
- Additional press questions can be directed to Laura Goldberg: Laura.Goldberg@iab.com
- Additional questions from IAB members can be directed to Sue Hogan: Sue@iab.com

The presentations and report will be available for download after the webinar at:

<https://www.iab.com/adrevenuereport>

\$57.9 BILLION

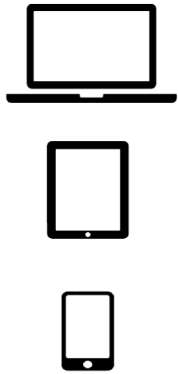
FIRST HALF 2019 IN AD REVENUE

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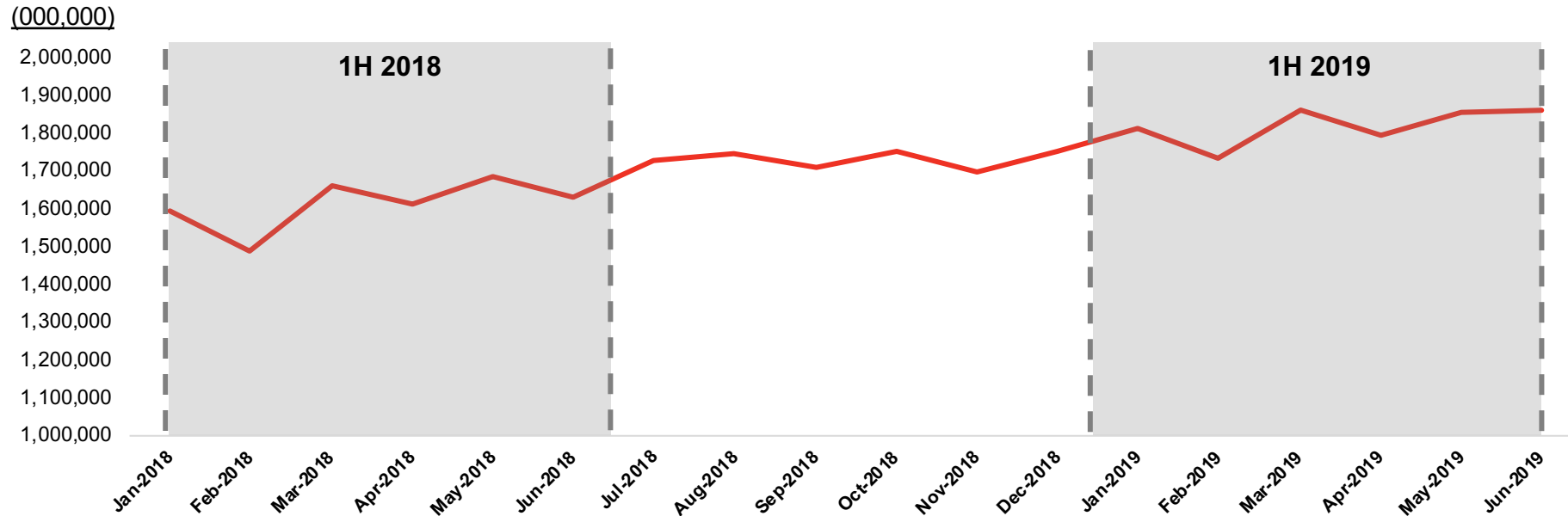
Consumer Usage Trends

Time Spent on Digital increased 13% in 1H 2019; with only 2% increase in audience size

- › Consumers spent 13% more time online in 1H 2019
- › US audience increased to 261M vs. 257M in 2H 2018 (+2%)



Total Time Spent (Mins) Online by Month

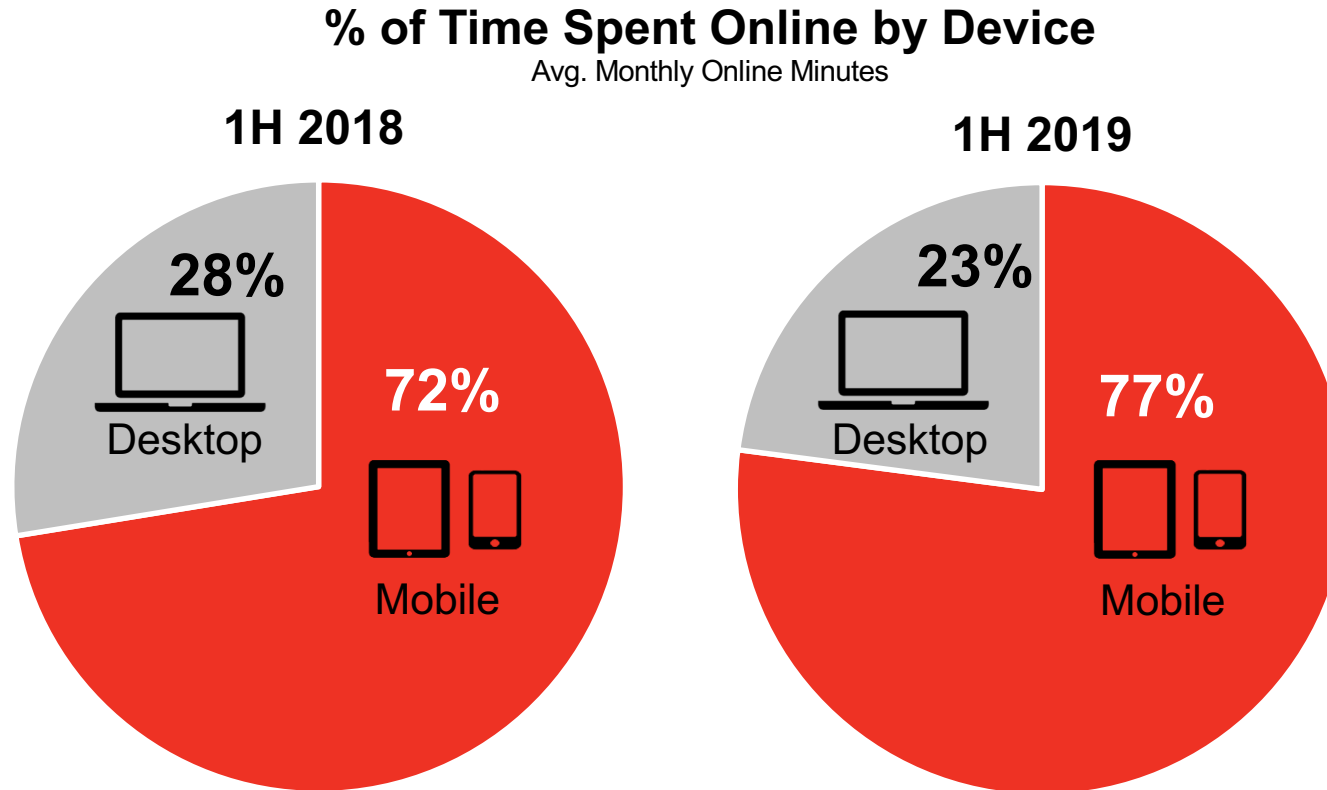


ComScore US Media Metrix Multi-Platform, Total Audience (18 Mos. Jan '18--Jun '19)

Desktop, Tablet or Smartphone (Mobile Browser or Apps)
Desktop Age 2+; Mobile Age 18+

Over three-quarters (77%) of all Internet time is spent on a Mobile device

- In 1H 2019, Mobile increased share from 72% to 77% while Desktop lost share, dropping to 23% from 28%

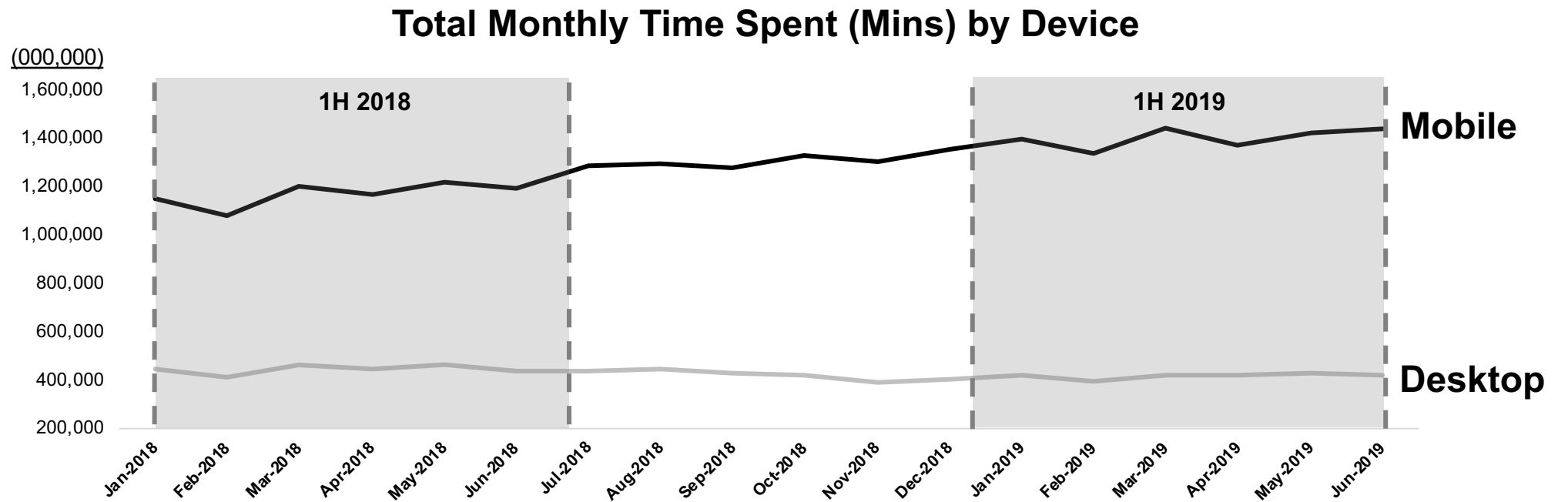
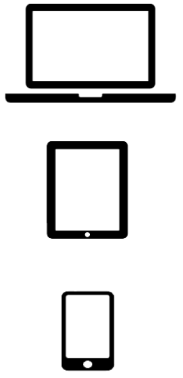


ComScore US Media Metrix Multi-Platform, Total Audience (12 Mos. Jan '18-Jun '18 & Jan '19-Jun '19)

Desktop, Tablet or Smartphone (Mobile Browser or Apps)
Desktop Age 2+; Mobile Age 18+

Mobile also continues to erode Desktop time spent

- Time on Mobile is up 20% in 1H 2019 vs. 1H 2018; Desktop dropped 7% in the same period



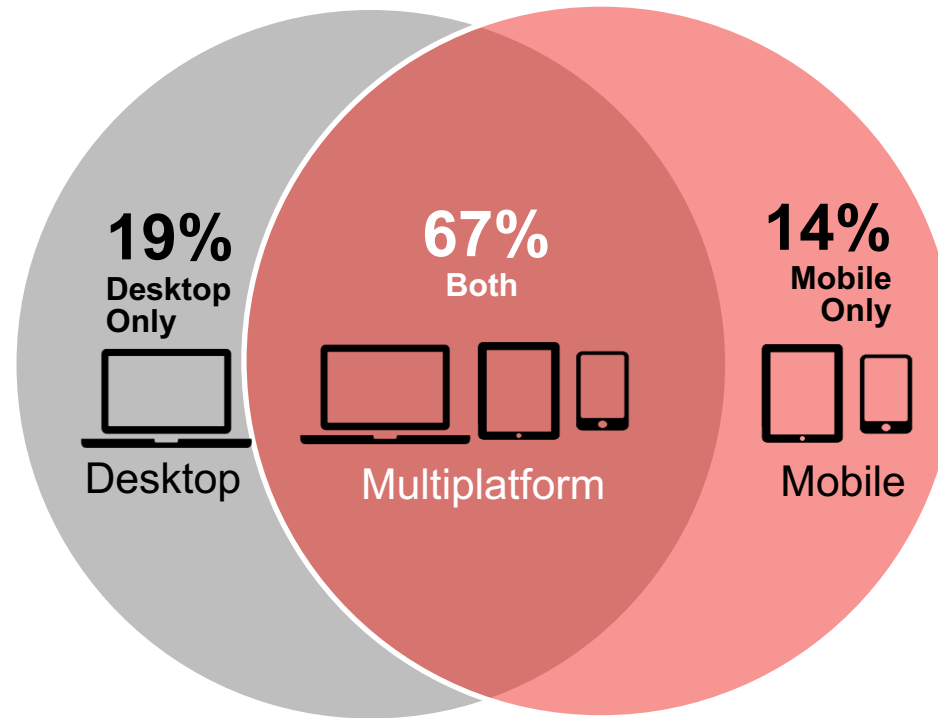
ComScore US Media Metrix Multi-Platform, Total Audience (18 Mos. Jan '18--Jun '19)

Desktop, Tablet or Smartphone (Mobile Browser or Apps)
Desktop Age 2+; Mobile Age 18+

Over two-thirds (67%) US Digital users access the Internet across both Mobile and Desktop

- › Cross Device and Mobile continue to erode Desktop
- › Desktop-only universe continues to shrink

Unique Monthly Users by Device



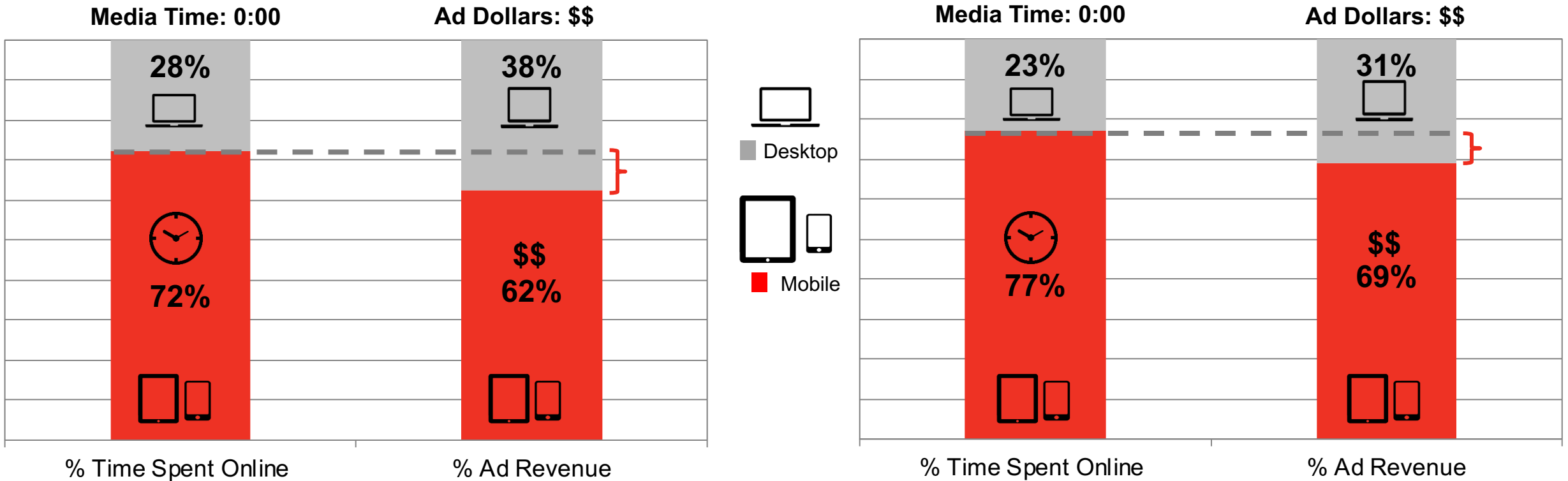
ComScore US Media Metrix Multi-Platform, Total Audience (6 Mos. Jan '19-Jun '19)

Desktop, Tablet or Smartphone (Mobile Browser or Apps)
Desktop Age 2+; Mobile Age 18+

Mobile time spent and Mobile ad dollars continue to approach parity

- Mobile ad revenue grew 29% y/y, following the trend of Mobile consumer behavior

1H 2018 *Mobile as a Percent of Digital Time Spent vs. Ad Revenue* 1H 2019

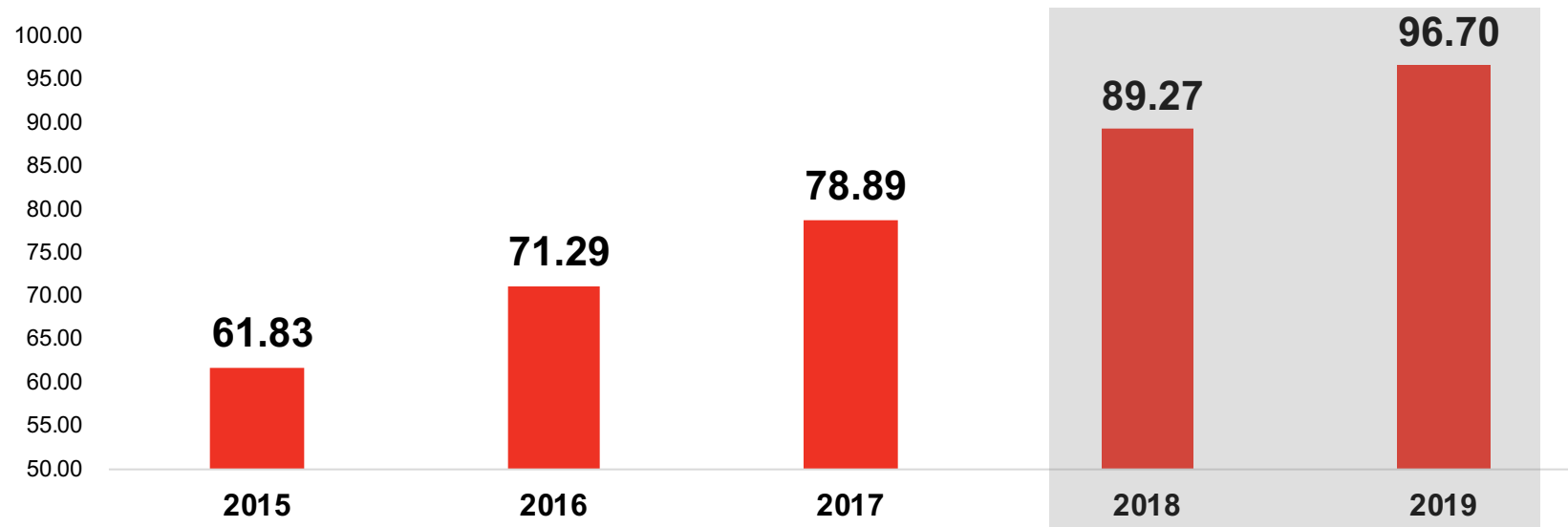


ComScore US Media Metrix Multi-Platform, Total Audience (12 Mos. Jan '18-Jun '18 & Jan '19-Jun '19) & Ad Revenue via PwC

US Adults spent 8% more time on Digital Video in 1H 2019

- It is important to note, that while Social grew by 2% y/y we know Social is a key driver of digital video

US Average Time Spent per Day (Mins) with Digital Video

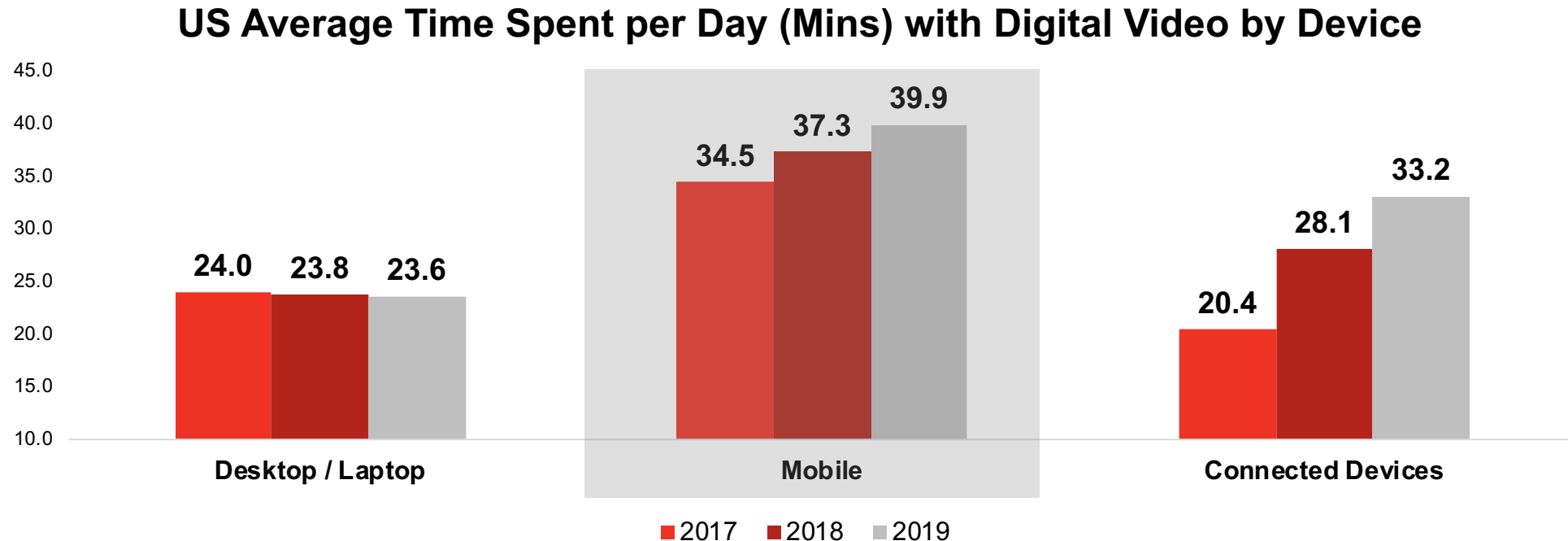


eMarketer, April 2019

Ages 18+; includes all time spent with online video activities, regardless of multitasking; includes viewing via desktop/laptop computers, mobile (smartphones and tablets) and other connected devices (game consoles, connected TVs or OTT devices)

Mobile continues to stimulate growth in Video viewing (7% y/y)

- Mobile device ad revenue grew 52% y/y
- Usage growth y/y is also seen with Connected Devices
(defined by eMarketer to include connected TVs, OTT devices or game consoles)



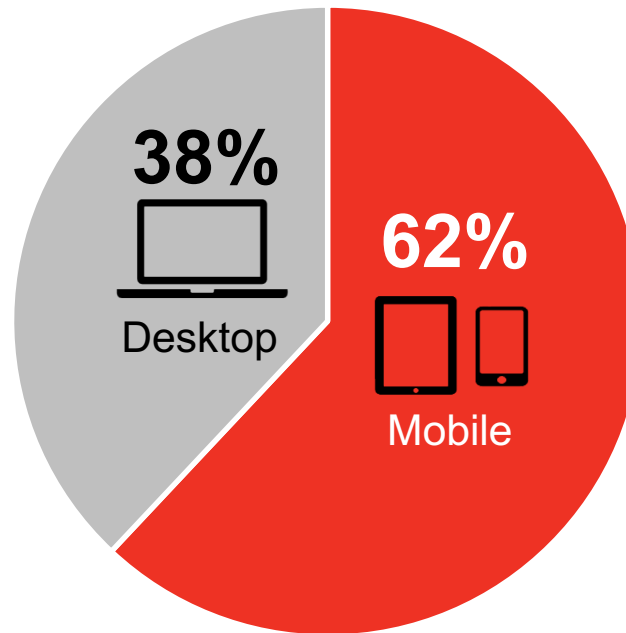
eMarketer, April 2019

Mobile devices stimulate growth in Video viewing

- › 62% of video starts occur on a mobile device
- › Smartphones accounted for 52% of the starts, +13% YoY

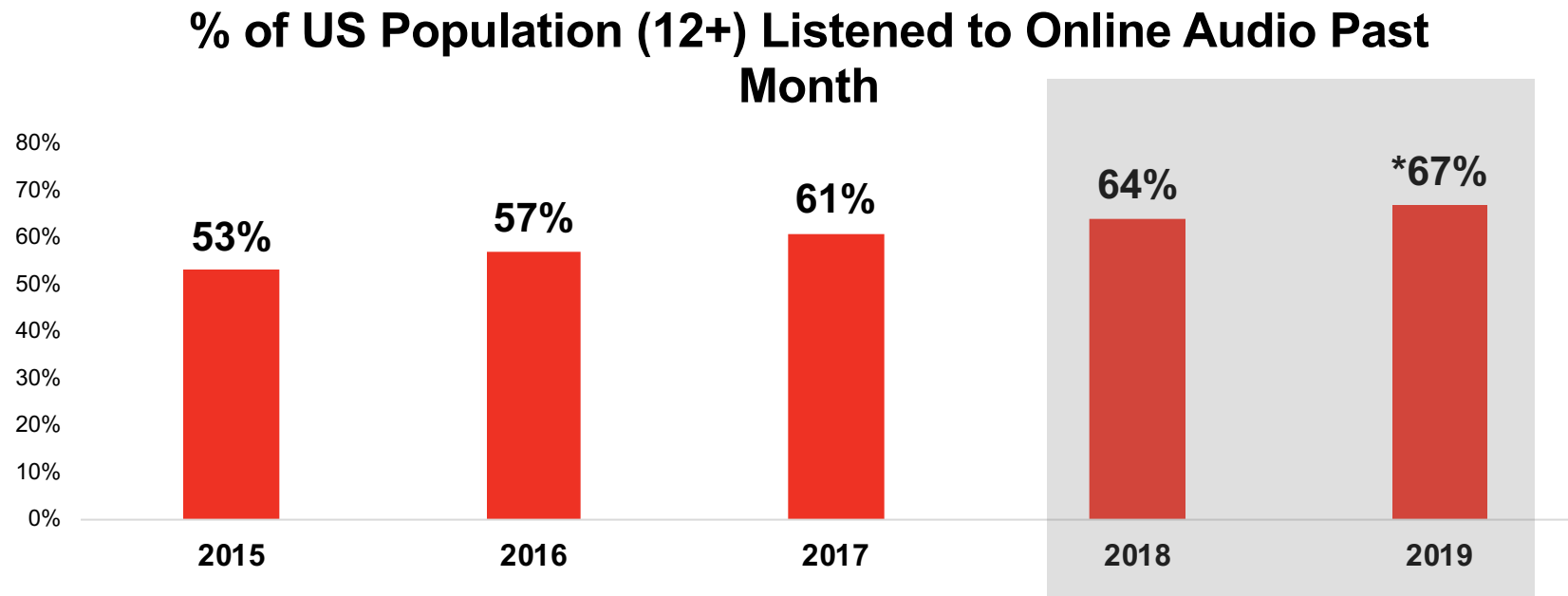
Video Starts by Device

Desktop, Tablet or Smartphone



The Digital audio universe continues to expand (5% y/y)

- Over two-thirds (67%) of people age 12+ are estimated to be listening to online audio in 2019
- Digital audio ad revenue grew 30% y/y

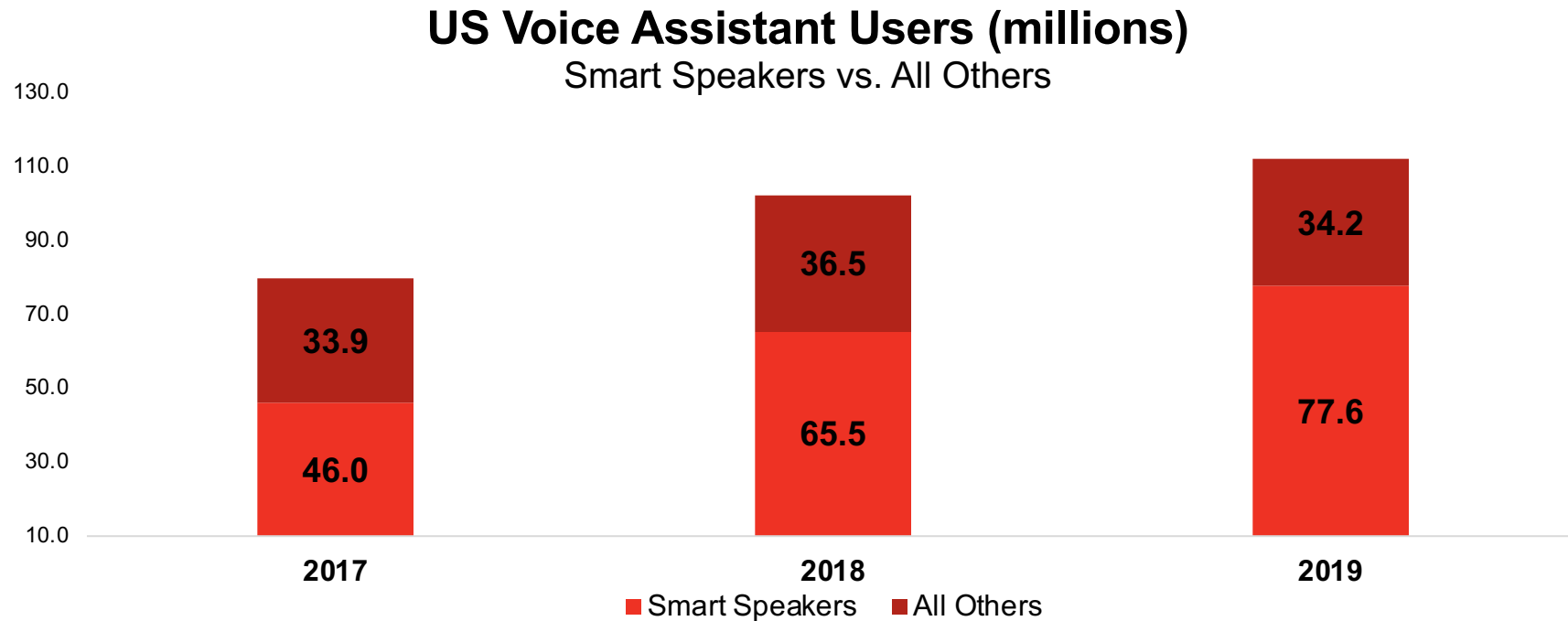


The Infinite Dial 2019, Edison Research & Triton Digital; Universe = 282M US population (12+)

*Note: 2019 is estimated

IoT: Voice Assistant Usage in the US is growing y/y (10%)

- Smart Speaker users represent over two-thirds of all Voice Assistant Users in 2019



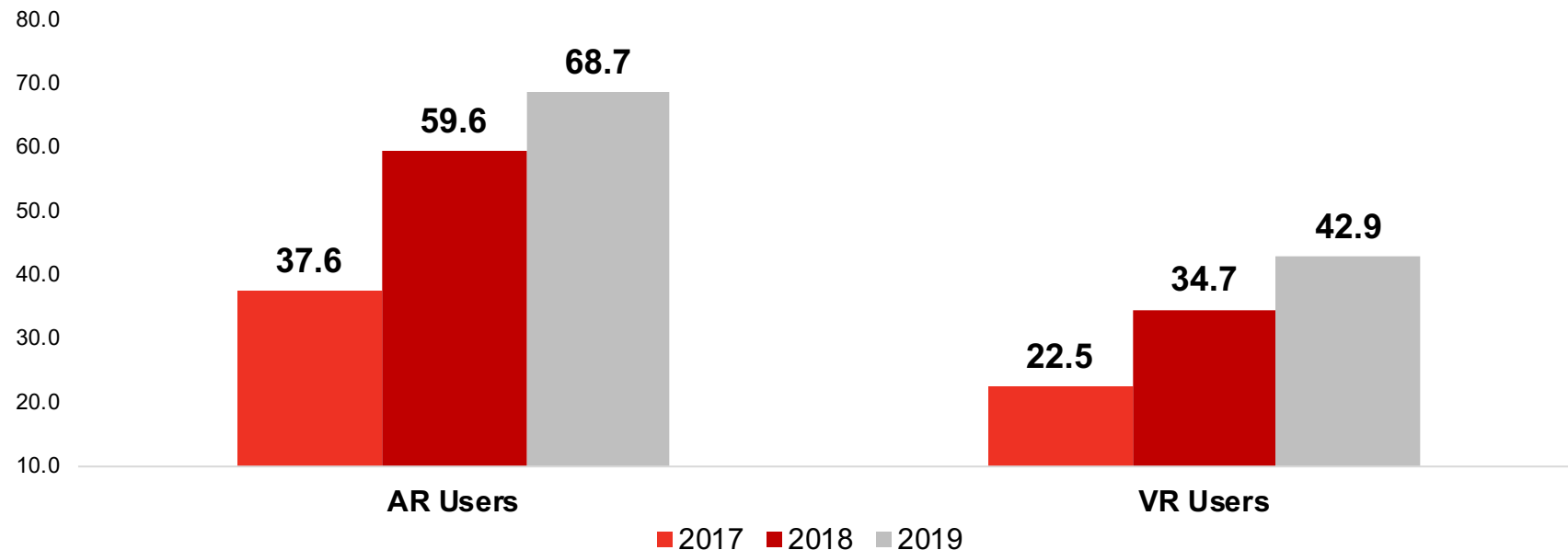
eMarketer, March 2019

Individuals of any age who use voice assistants at least once a month on any device

Both Augmented Reality and Virtual Reality are growing in usage y/y

- AR is up 15% in 1H 2019 vs. 1H 2018; VR grew 24% in the same period

US Augmented Reality and Virtual Reality Users (millions)



eMarketer, March 2019

Virtual reality users are individuals of any age who experience VR content at least once per month via any device; augmented reality users are individuals of any age who experience AR content at least once per month via any device.

Display CPMs hold fairly steady across categories

Nine Category Average Display Inventory CPM Monthly Trend

Average of All Sites' Inventory in Category for Reported Month

(Jul. 2018 – Jun. 2019)

