

 OLIVER WYMAN

 LES
RÉGIES
INTERNET



#Obsepub



2020 Report - **25th** edition

QUALIFICATIONS/ASSUMPTIONS AND LIMITING CONDITIONS OF THE REPORT

- *Oliver Wyman was commissioned by the Syndicat des Régies Internet (SRI) to provide an estimate of the size of the digital advertising market in France for the whole of 2020. This report is mainly intended for the players in the French digital advertising ecosystem (advertising departments, adtechs, agencies, advertisers).*
- *Oliver Wyman will not assume any liability to any third party for the contents of this report or for any action taken or decision made based on the findings, advice or recommendations contained herein.*
- *This report does not constitute investment advice or any opinion as to the merits of any transaction with any or all parties.*
- *The opinions expressed in this report are valid only for the purposes set out in it and as of the date of this report. The information provided by others, on which all or parts of this report are based, is believed to be reliable but has not been verified. No guarantee is given as to the accuracy of this information. The public information as well as the industrial and statistical data come from sources that Oliver Wyman believes to be reliable; however, having accepted this information without further verification, Oliver Wyman makes no commitment as to its accuracy and completeness. Oliver Wyman accepts no responsibility for current results and future events. Oliver Wyman is under no obligation to revise this report to reflect any changes, events or conditions occurring after the date hereof.*

Table of contents

PART

I

PHILOSOPHY AND METHODOLOGY

PART

II

DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

PART

III

**SEARCH, SOCIAL & AFFILIATION, EMAILING & COMPARATORS :
A YEAR OF GROWTH**

PART

IV

OUTLOOK FOR THE YEAR 2021

PART

V

SUMMARY

APPENDICES







A magnifying glass with a gold frame and a wooden handle is positioned over an open book. The background is a chalkboard filled with various mathematical formulas and symbols, including $P = \frac{1}{2}$, $Q = \frac{1}{2}$, and $R = \frac{1}{2}$. The image is framed by blue geometric shapes in the corners.

PART I

PHILOSOPHY & SYNTHESIS OF THE RESULTS OF THE OBS



Report philosophy

| Transparency  | Clear reading  | Opening view  | Insights  |
|---|--|--|---|
| <ul style="list-style-type: none">• Precise description of the scope of each category• Explanation of the methodology used• Taking into account changes in scope by actor | <ul style="list-style-type: none">• Pragmatism: only basic trends are presented• Simplified segmentation• Detailed appendix with all figures | <ul style="list-style-type: none">• 40+ interviews with experts (Agencies, Advertising Departments, Adtechs, market experts)• International benchmarks to validate the consistency of French data | <ul style="list-style-type: none">• View of the Display by type of actor• Details on the programmatic• Outlook for 2021 |

Pages with the symbol  indicate a scope that cannot be extrapolated to the entire market

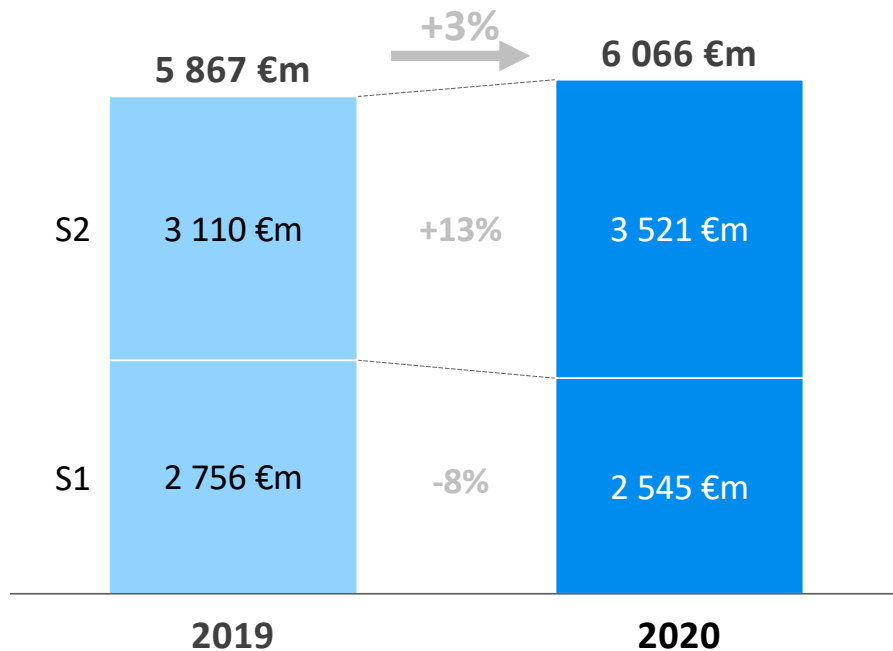
SUMMARY OF RESULTS

GLOBAL MARKET = 6,066 €m

Digital advertising revenues are up slightly by **3%** over **2020**:
all levers bounced back in H2 after a difficult H1

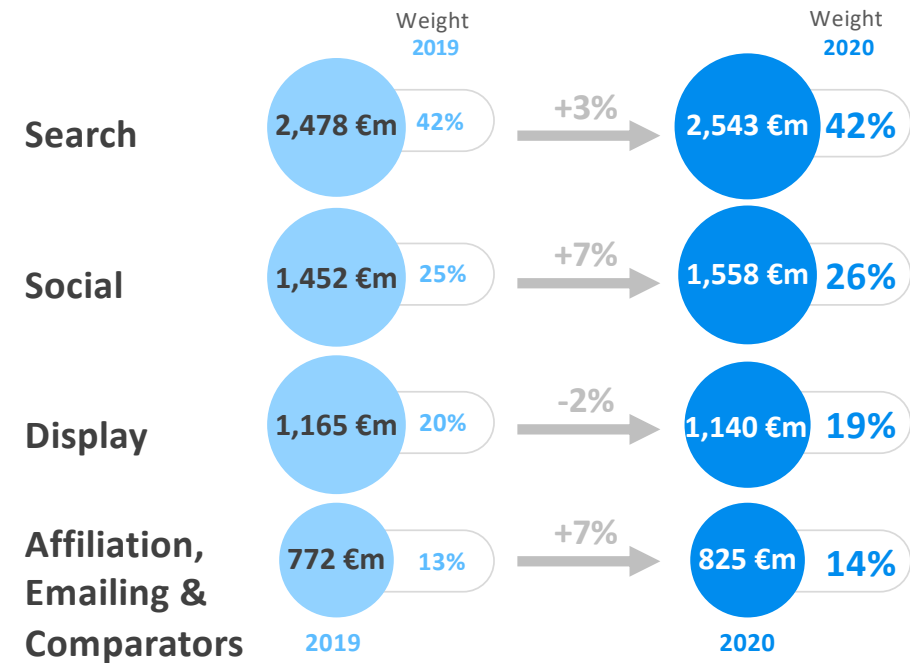
Digital advertising market

France, revenue in €m, all levers combined



Growth by major levers and weight in the

French market, revenue in €m, by lever



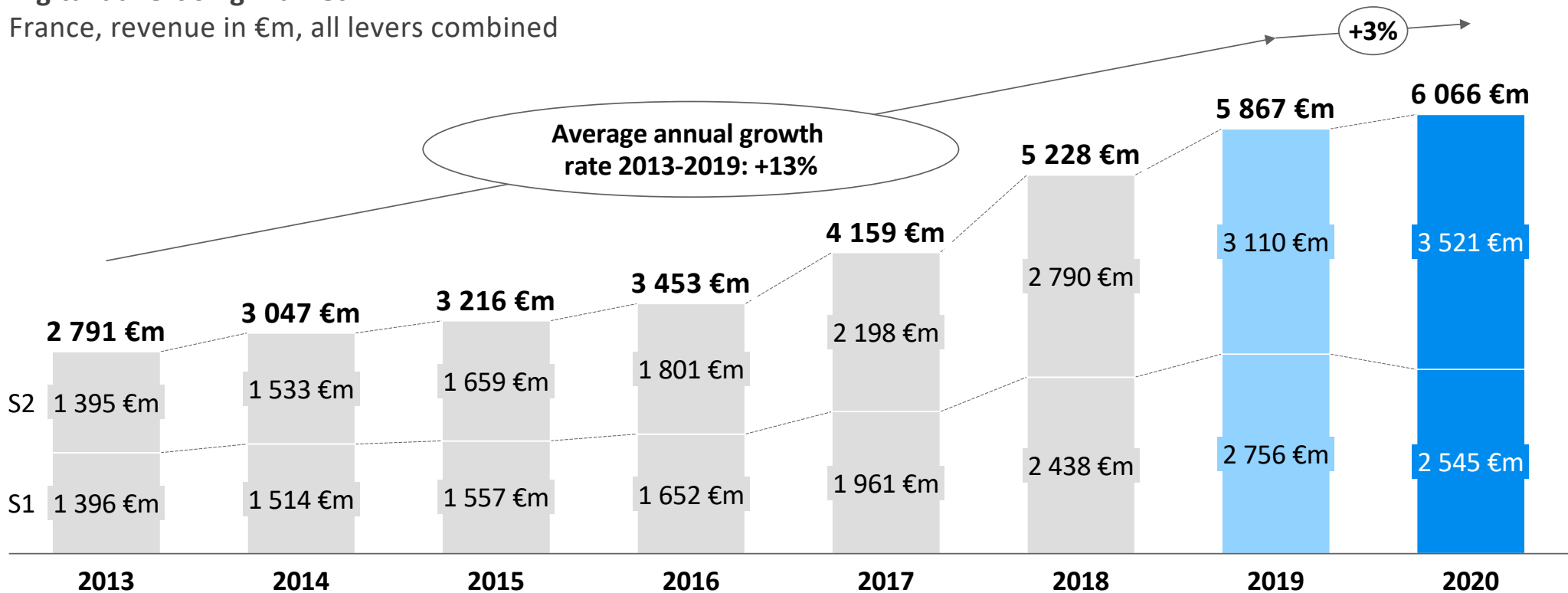
Sources: SRI, UDECAM, interviews conducted between December 2020 and January 2021 with market players, public information, Oliver Wyman analysis

SUMMARY OF RESULTS

The year **2020** saw a real **slowdown** for the **digital advertising market**, which **has nevertheless managed to remain on the growth track**

Digital advertising market

France, revenue in €m, all levers combined



Sources: SRI, UDECAM, PWC, Oliver Wyman



PART II

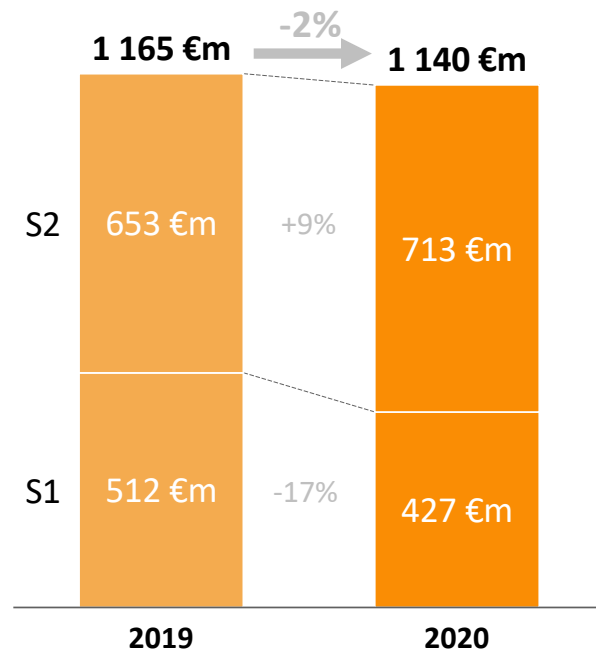
DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

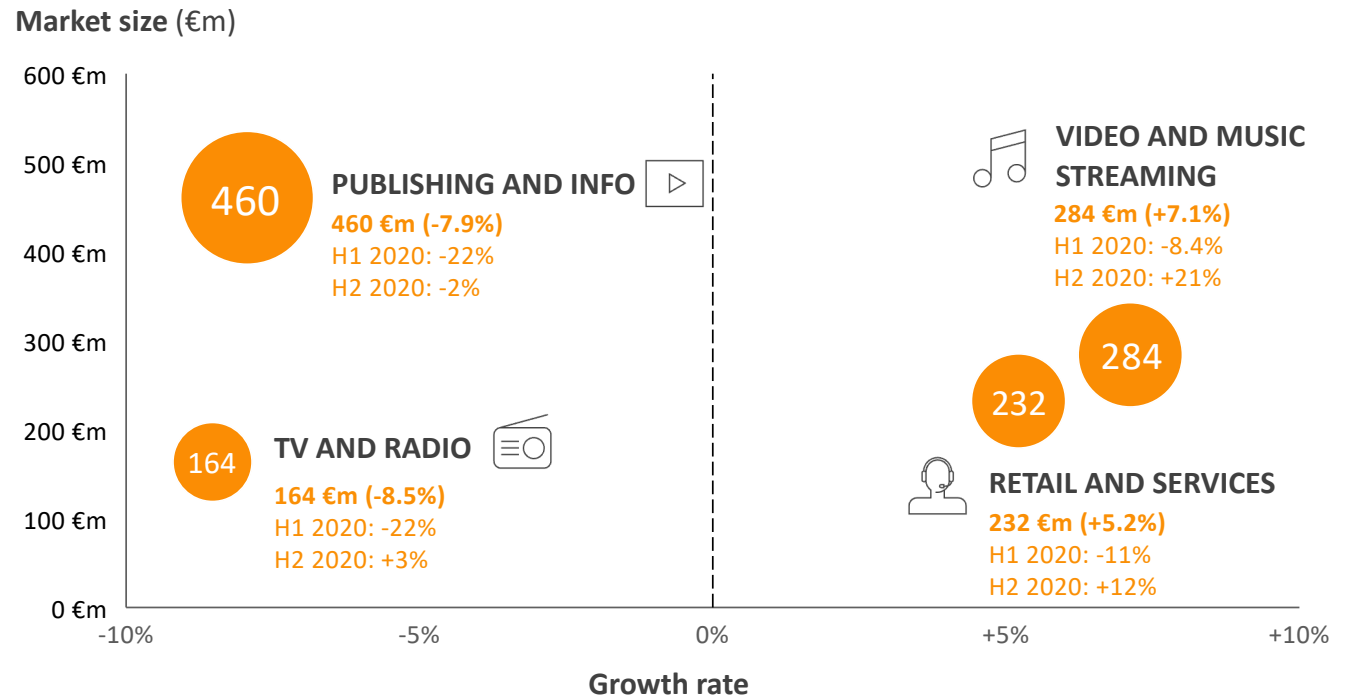
DISPLAY = 1,140 €m (19% of the market) / Type of actors

Display ended the year with a **decrease (-2%)**; Display players were **impacted in very different ways** depending on the nature of their activity

Evolution of Display Revenue in €m



Weight and growth by type of player¹ Display Revenue in €m and growth in 2019 vs. 2020²



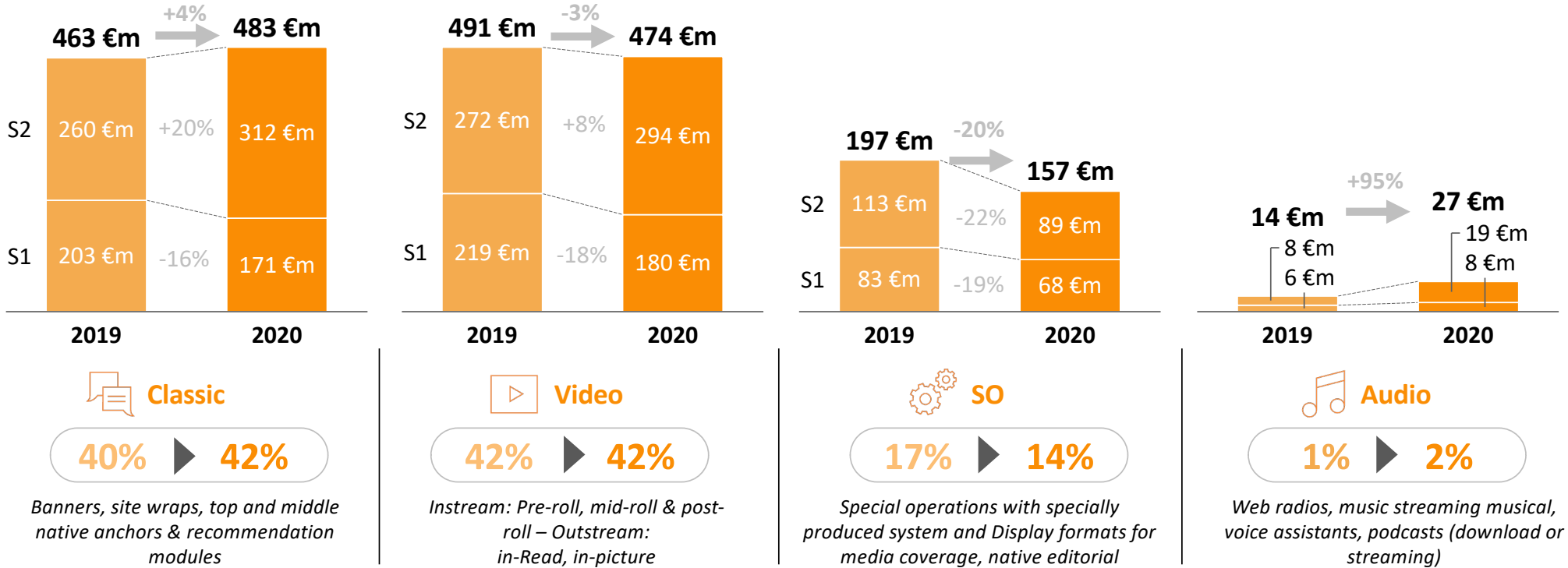
1. The player-by-player allocation of Display in each of the 4 categories is developed in the appendix. Changes in the scope have been taken into account for 2019 values. Sources: SRI, interviews carried out from October 2020 to January 2021 with market players, public information, Oliver Wyman analysis

DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

DISPLAY = 1,140 €m (19% market share) / Formats

Within Display, **Classic** and **Video** have caught up for part of H1 while **Special Operations (SO)** remained impacted

Display segments market shares Revenue in €m



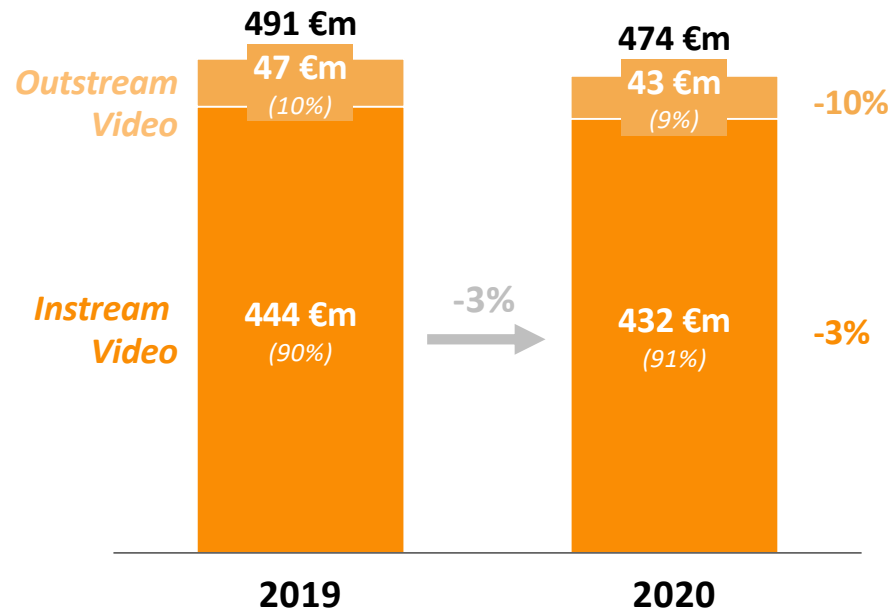
Sources: SRI, UDECAM, interviews conducted between October 2020 and January 2021 with market players, Oliver Wyman analysis

DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

DISPLAY = 1,140 €m (19% market share) / Formats

Video is down (-3%); Instream **video** held up better thanks to a better H2, while Outstream video declined over the year

Evolution of Video Display revenue
Revenue in €m



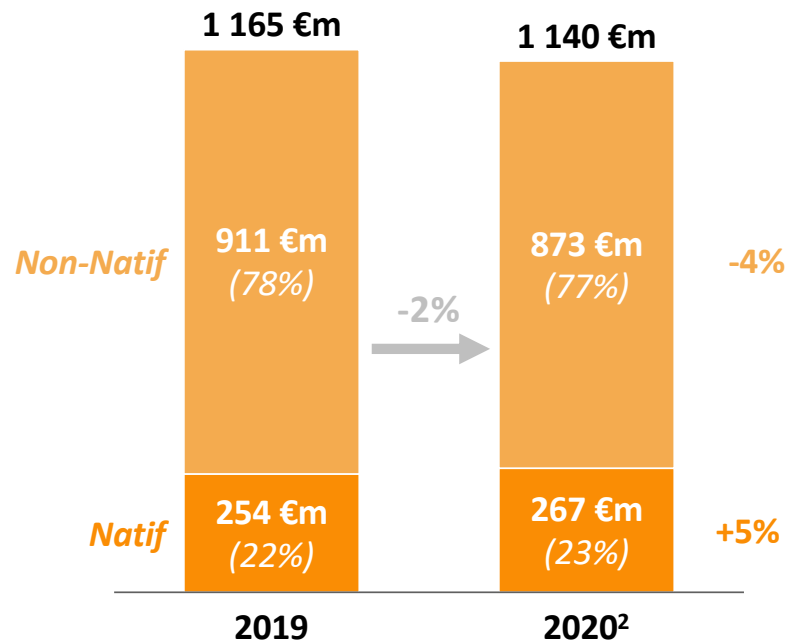
Note: Due to rounding to the million, some totals or growth percentages do not add up to the exact sum of their component categories

Sources: SRI, UDECAM, interviews conducted between October 2020 and January 2021 with market players, Oliver Wyman analysis

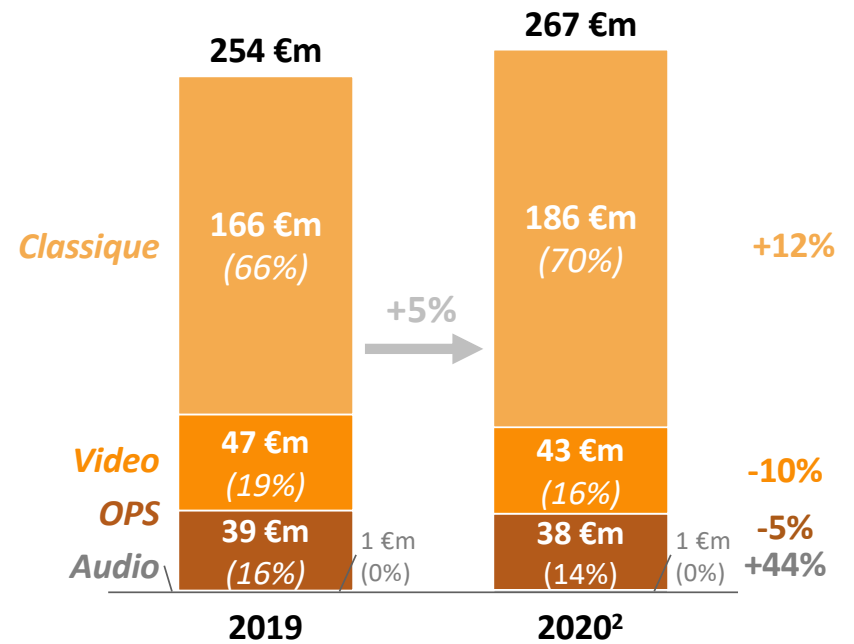
© Oliver Wyman

Native is growing (+5%) – the weight of Native within Display stands at 23%

Share of Native¹ revenue in Display
Revenue in €m, by format



Evolution of Native Display¹ revenue
Revenue in €m, by format



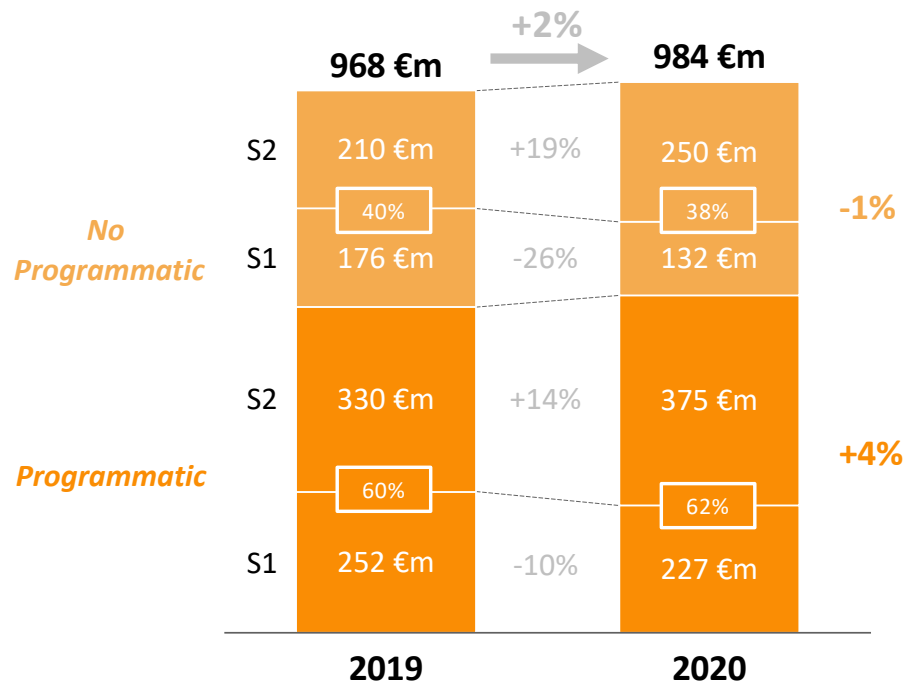
Notes: 1. Including recommendation modules & Native formats (top and middle anchors); 2. Due to rounding to the million, some totals or growth percentages do not add up to the exact sum of their component categories. Sources: SRI, interviews carried out from October 2020 to January 2021 with market players, public information, Oliver Wyman analysis

DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

DISPLAY = 1,140 €m (19% market share / Buying method)

Programmatic¹ now represents 61% of Display revenue and has been growing, unlike non-programmatic

Display revenue by buying method excluding SO
Revenue in €m, non Programmatic / Programmatic



The share of automated purchases (programmatic) in total Display & Social² revenue amounted to **80% in 2020** vs. 78% in 2019

Notes: 1. Inventories sold via an automated link between buyers and sellers (including all automated sales models); 2. Social is 100% programmatic
Sources: SRI, UDECAM, interviews conducted between October 2020 and January 2021 with market players, Oliver Wyman analysis

DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

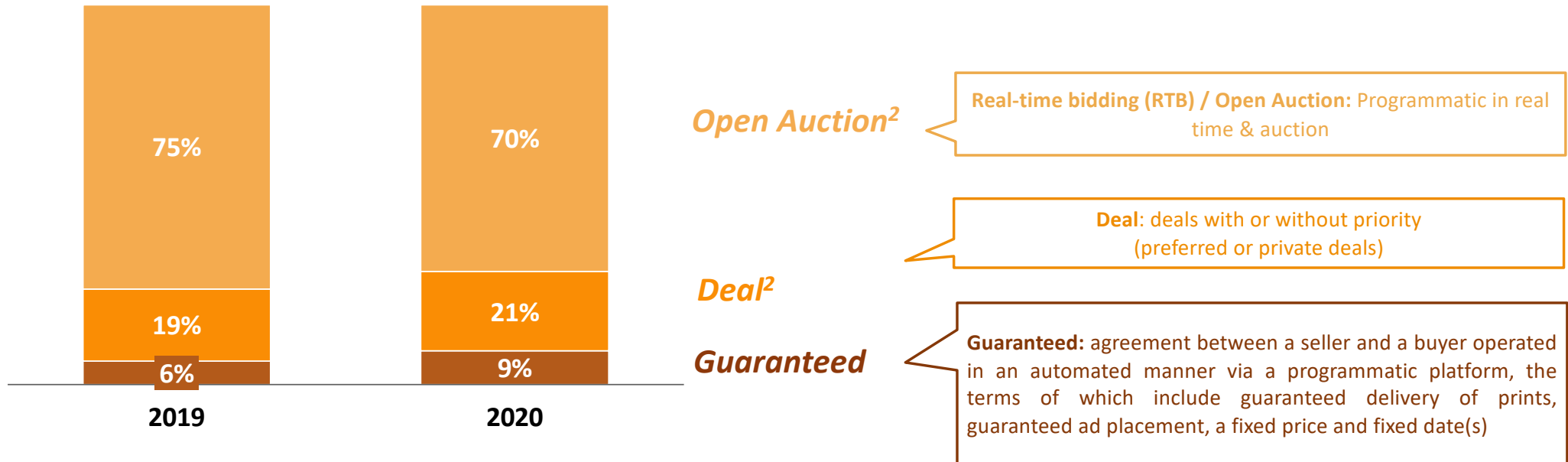
PROGRAMMATIC DISPLAY = 603 €m



Within programmatic, Guaranteed programmatic confirms its strong momentum while Open Auction remains the overwhelming majority

Programmatic Revenues by buying method
In % of revenues, index 100, by type of transaction
Adomik scope, not extrapolable to the total market¹

Analysis carried out in collaboration with



1. Scope limited to Adomik data; 2. Including "First Look" (on Google Ad Exchange); 2. Including "Preferred deal"
Source: data extracted from the BENCHMARK France programme of the Adomik platform

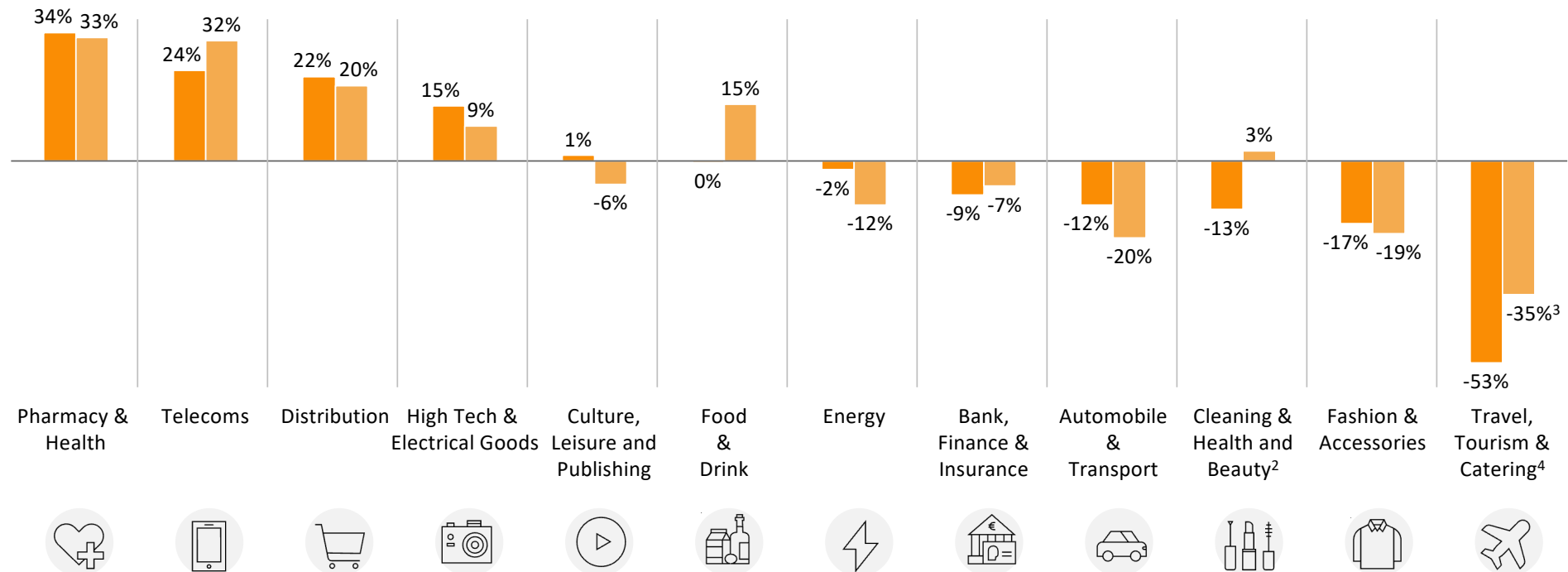
DISPLAY = 1,140 €m (19% of the market)

Display advertising investment remained very mixed over the year as a whole, depending on the sector of activity

Change in advertising investment by sector of activity

% change 2020 vs. 2019, scopes that cannot be extrapolated to the entire market

■ UDECAM scope (only Display)¹
■ SRI scope



1. Includes only Display advertising investments from the UDECAM scope, but does not include Search and Social investments; 2. The Cleaning part did very well because of the confinement and teleworking, with people at home. On the other hand, Hygiene and Beauty decreased because of lower consumption of products such as make-up, perfume or shaving gels; 3. Catering is not included in this figure; 4. The SRI scope includes only the Travel & Tourism sectors. Sources: SRI, UDECAM, interviews conducted between December 2020 and January 2021 with market players (including Kantar) Oliver Wyman analysis

PART III

**SEARCH, SOCIAL &
AFFILIATION, EMAILING
& COMPARATORS:
A YEAR OF GROWTH**

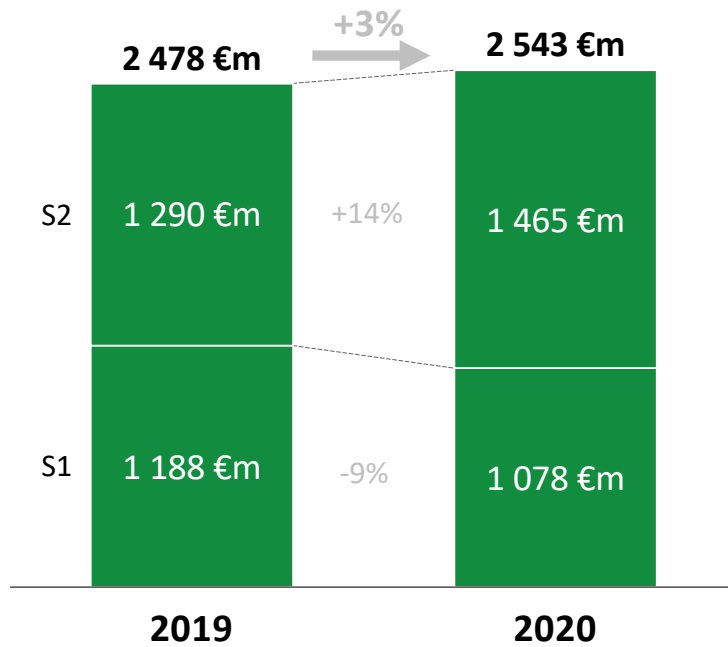


SEARCH: A YEAR OF GROWTH

Search is up slightly at +3%

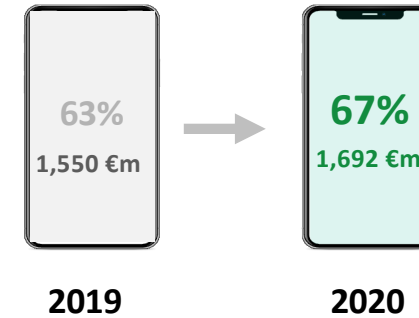
Zoom: SEARCH = 2,543 €m (42% market share)

Evolution of Search¹
Revenue in €m



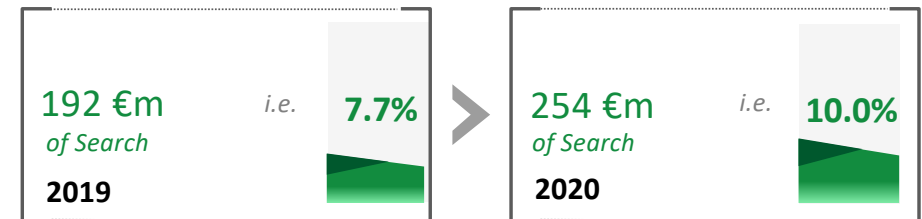
Mobile share still growing

% of revenues generated on Mobile



Retail Search² experiencing strong growth (+32%)

Revenue in €m, % of Search



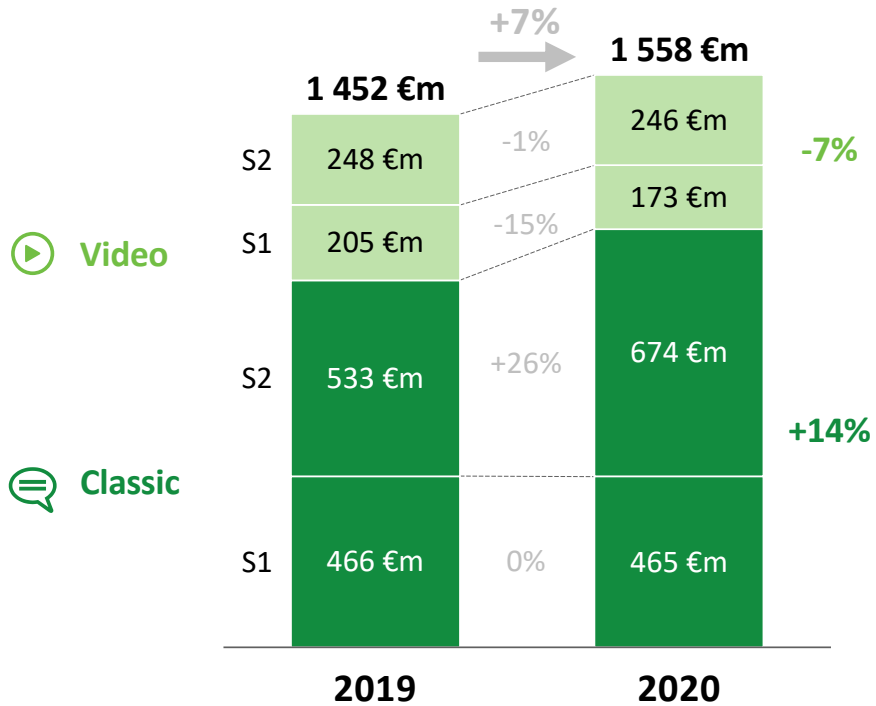
Notes: 1. Search figures represent players' revenues after deduction of traffic acquisition costs (TAC); 2. Retail Search includes the marketing of advertising space on the search engines of E-commerce and traditional retail sites. Sources: SRI, UDECAM, interviews conducted between December 2020 and January 2021 with market players, public information, Oliver Wyman analysis

SOCIAL: A YEAR OF GROWTH

Zoom: SOCIAL = 1,558 €m (26% market share)

Social ended the year with strong growth of +7%

A slight decrease, mainly linked to Classic Revenue in €m



Social remains essentially Mobile
% of revenues generated on Mobile



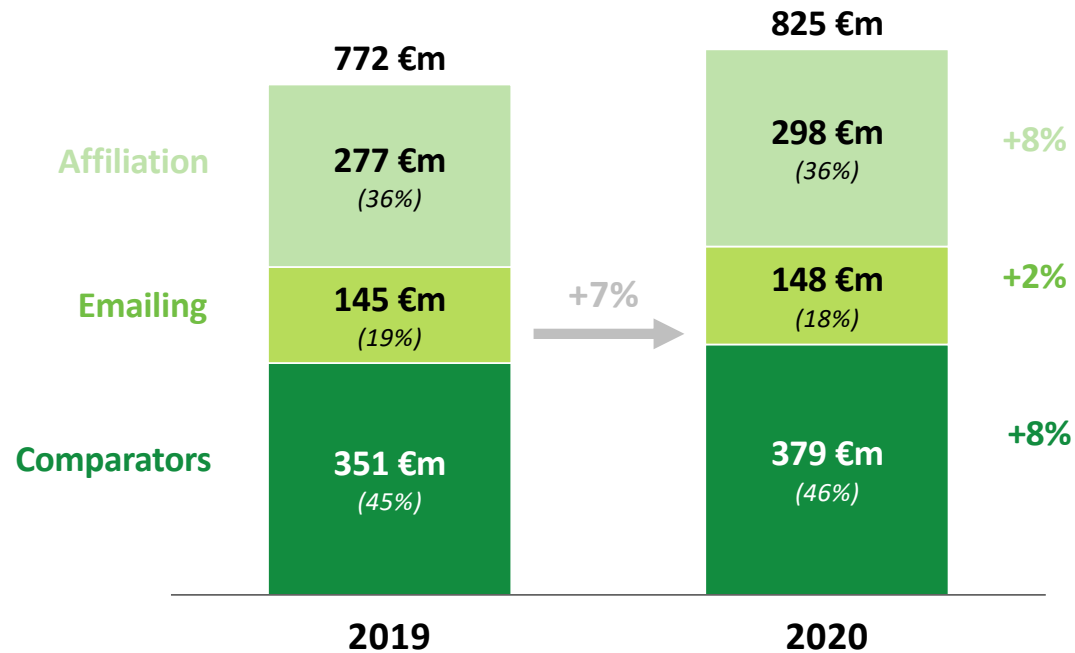
Sources: SRI, UDECAM, interviews conducted between December 2020 and January 2021 with market players, public information, Oliver Wyman analysis

AFFILIATION, EMAILING & COMPARATORS: A YEAR OF GROWTH

Zoom: Affiliation, Emailing & Comparators = 825 €m
(14% of market share)

The **Affiliation, Emailing and Comparators** levers increased by **7%**, supported by a performance logic

Evolution of Affiliation, Emailing et Comparator levers¹
Revenue in €m



Note: 1. Due to rounding to the million, some totals or percentages of growth do not correspond to the exact sum of the categories that make them up.

Sources: CPA, SRI, UDECAM, interviews conducted between December 2020 and January 2021 with market players, public information, Oliver Wyman analysis



PART IV

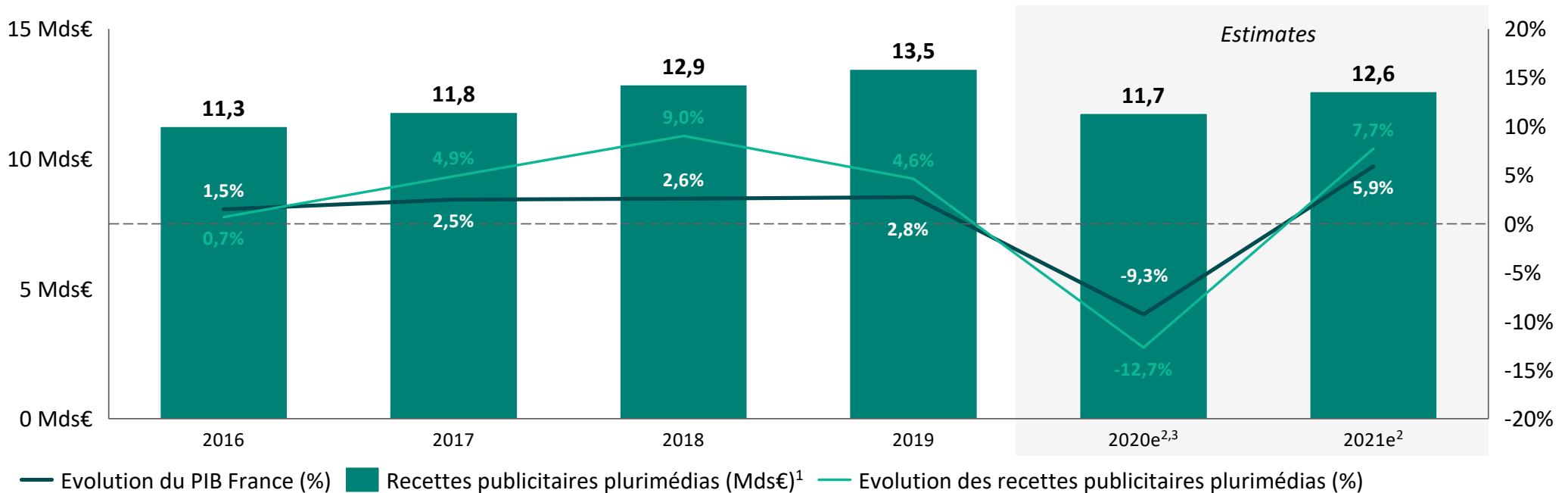
OUTLOOK FOR 2021



OUTLOOK FOR 2021

For a French GDP estimated at **-9.3%** in 2020, multi-media advertising revenues are set to fall by **-12.7%**; 2021 would be higher than 2017

Estimated multi-media advertising revenues for 2020 and 2021 based on a linear regression between French GDP and past multi-media advertising revenues - *update January 2021*



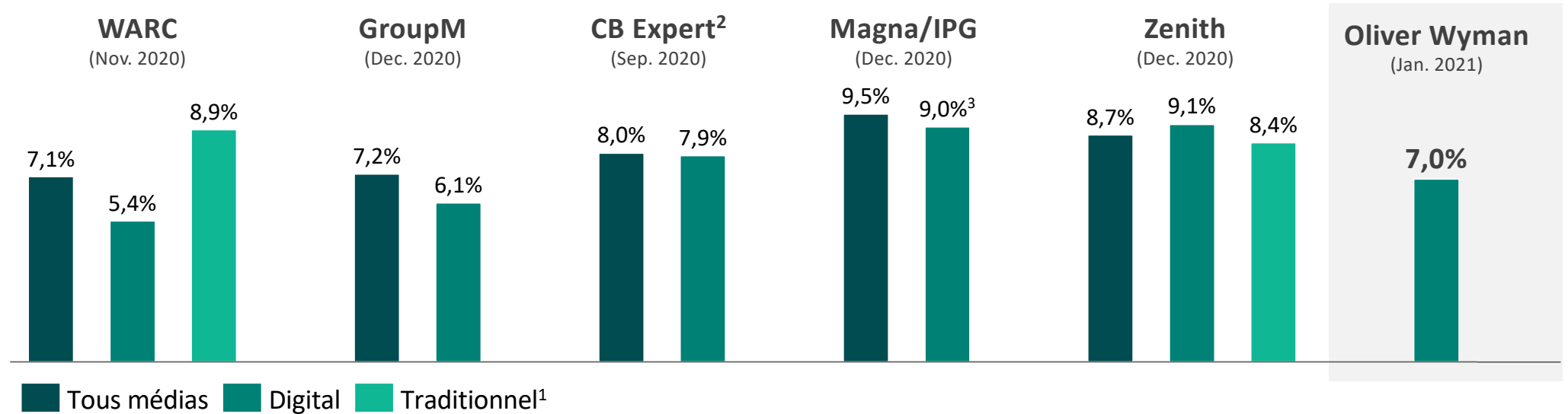
Notes: 1. Total advertising revenues from TV, Radio, Press, Outdoor and Cinema, excluding the Addressable market (directories, unaddressed printed matter, advertising mail), includes figures from the digital advertising market published by SRI; 2. Oliver Wyman forecast; 3. This figure includes a double counting estimated at ~430 €m between the digital revenues accounted for by the different sources; IREP (Media advertising revenues in net value from 2016 to 2019); SRI e-Advertising Observatory from 2016 to 2019; INSEE, national accounts - base 2014; growth forecasts IMF, Government, OFCE, INSEE, OECD, European Commission; Oliver Wyman analysis

OUTLOOK FOR 2021

Oliver Wyman estimates the growth of the digital advertising market in France at +7% for the whole of 2021

Evolution of the advertising market in France

France, estimate of evolution for 2021 vs. 2020



WARC and IAB forecast a return in 2021 to 2019 investment levels in France - *variable according to the evolution of the health situation (positive signals with the launch of the vaccination)*

Note: see in the appendix page with GDP growth by country for comparison

1. Includes TV, Radio, Press, Outdoor and Cinema; 2. Magna, GroupM and Zenith synthesis; 3. Forecast for June 2020

Sources: WARC Global Ad Trends, "State of the industry 2020/21" (November 2020); GroupM, "France End-of-Year Forecast" (December 2020); Magna/IPG MediaBrands, "Magna Advertising forecasts" (updated December 2020); interviews with market players from December 2020 to January 2021; public information; Oliver Wyman analysis

© Oliver Wyman

OUTLOOK FOR 2021

Privacy, the technological choices of platforms and the ecological transition will be the structuring topics for 2021

| | | |
|----------|---|---|
| 1 | Privacy | <ul style="list-style-type: none">• Implementation of CNIL recommendations on cookies and tracers from April 1, 2021<ul style="list-style-type: none">– Estimated impact: between -30pp and -60pp on the consent rate by the majority of players– Main implications: drop in reach, impoverishment of targeting capacities, drop in CPM– Solutions envisaged: A/B testing of cookie-walls & consent walls to optimise consent rates, development of "consentless" inventory monetisation solutions• Uncertainty about the outcome of the Eprivacy regulation and its impact on cookies and other tracers |
| 2 | Technological choices of platforms | <ul style="list-style-type: none">• Control of settings by gatekeepers (Google, Apple) via:<ul style="list-style-type: none">– Direct access to users: web browsers, search engines, application operating systems, device ID– Advertising tools• Solutions for the future: Privacy Sandbox (Google), Project Rearc (IAB Tech Lab)• Discussions in Brussels on the <i>Digital Markets Act</i> (art. 5 & 6) and the <i>Digital Services Act</i> (art. 24, 30, 36) (deadline >18 months) |
| 3 | Ecological transition | <ul style="list-style-type: none">• Political context around the advertising ecosystem:<ul style="list-style-type: none">– Citizens' Climate Convention: strong demand to integrate advertising regulation at the heart of climate issues– Climate bill (Pompili law) presented to the Council of Ministers in February• Eco-responsibility, a strategic issue for the market:<ul style="list-style-type: none">– Advertisers: a priority commitment to products, services and their communication, mobilising the entire value chain– Agencies/AdTechs/Advertising Departments: the need to work together on common standards, particularly on measuring the carbon footprint of campaigns |

These subjects are a major source of uncertainty for players in the digital advertising ecosystem



PART V SUMMARY

SUMMARY OF KEY FIGURES

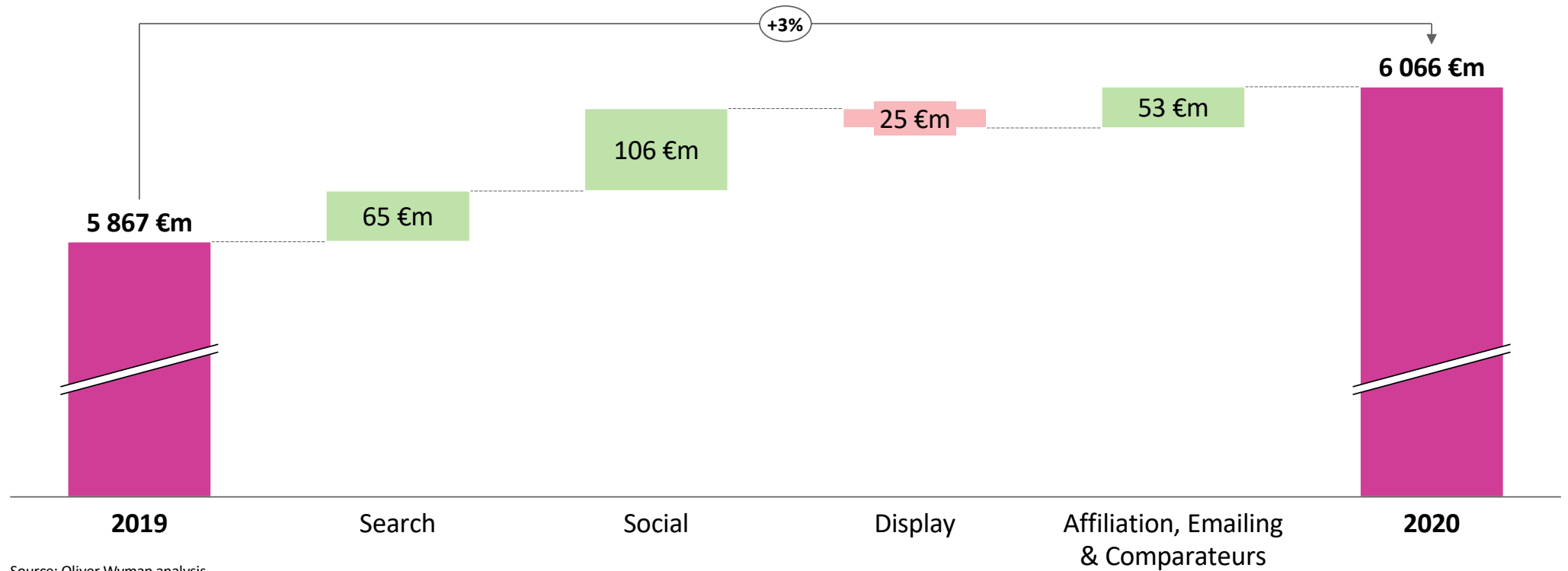
Social and Search account for **78%** of the digital advertising market excluding Affiliation, Emailing & Comparators

- **2020** was a **very atypical** year for the French digital advertising market with very distinct dynamics: a **very good start to the year until mid-March**, a **strong decline in April-May**, an **upturn** in the summer and a **clear recovery in the last four months**
- For 2020 as a whole, **digital advertising revenues** are up **3%**; the **loss of income** due to the health crisis **would be ~€0.5 billion** if the growth dynamic (estimated between 10% and 13%) had been the same as in previous years
- **The levers** experienced **different dynamics in 2020**:
 - **Social** (+7%) confirmed its solid resilience in the face of the crisis
 - **Search** (+3%) ended the year with growth driven by Retail Search
 - **Display** (-2%) suffered a lot, especially the Video part outside Youtube; within the Display, **programmatics** performed well in a search for performance
 - The **gap** between the trio formed by **Google, Facebook and Amazon** vs. the **rest of the market** was confirmed over the year as a whole
- For the year **2021**:
 - The 2021 GDP forecast suggests that the **French economy** could **rebound more strongly than its European neighbours**
 - Oliver Wyman estimates that **the digital advertising market in France will grow by 7%** over the entire year **2021** and anticipates a French digital advertising market of €6.5 billion
 - **E-commerce** is expected to be the central topic of all digital communication strategies
 - **Regulatory** changes are a major concern for players in the digital advertising ecosystem
 - Advertising accountability initiatives are expected - the **Digital Ad Trust label** was a first expression of this. In this respect, the agencies are reporting higher figures for 2020 for the label, both direct and programmatic.

SUMMARY OF KEY FIGURES

Social and **Search** ended 2020 in growth while **Display** was negatively impacted

Digital advertising market
France, revenue in €m

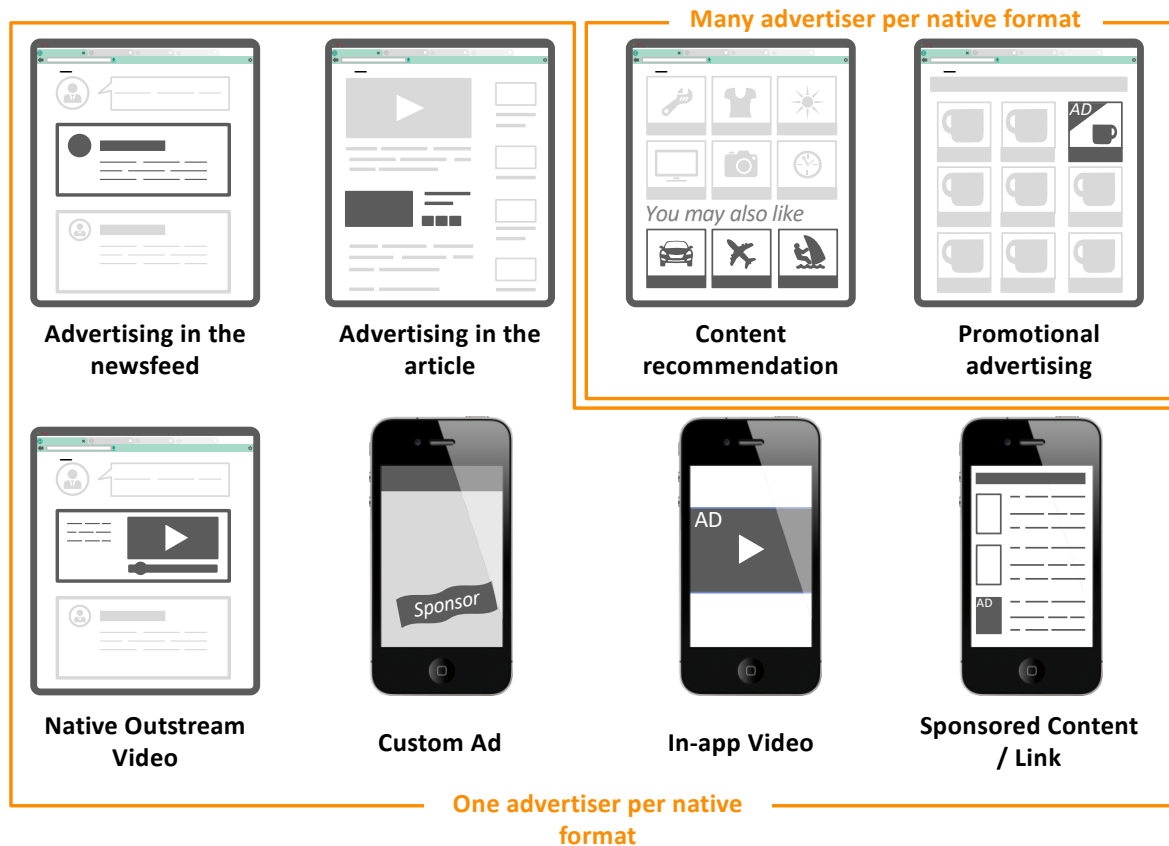


Source: Oliver Wyman analysis



APPENDICES

How do we define Native advertising ?



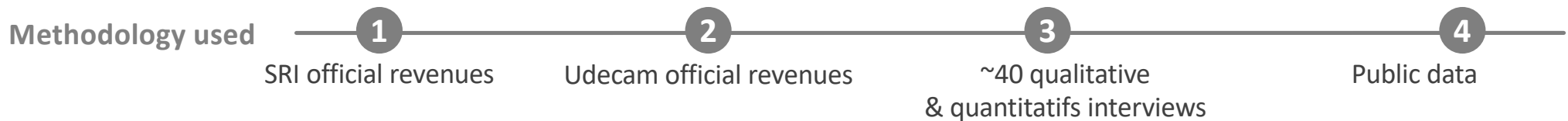
Native advertising refers to a type of advertising that by its **form, location** and **content resembles and strongly integrates with editorial content, e-commerce and UGC¹** of the support site which disseminates it. **Social is therefore by nature Native**

Note: 1. User-generated content
Sources: E-Marketer, Oliver Wyman analysis

APPENDICES

Our segmentation of Digital Advertising market

| | Format | Examples of players (non-exhaustive list) |
|--|-----------------|--|
| Social | Classic | Facebook (including Instagram), Twitter, LinkedIn, Pinterest, Twitch, etc. |
| | Video | Facebook (including Instagram), Twitter, Snapchat, LinkedIn, Tik Tok, etc. |
| Display | Classic | SRI agencies, Retail media, native players, Webedia, Unify, etc. |
| | Instream Video | SRI agencies, YouTube, Digiteka, etc. |
| | Outstream Video | SRI agencies, Teads, Amazon, etc. |
| | Audio | SRI Agencies, Deezer, Spotify, etc. |
| | SO | SRI Agencies, Webedia, Veepee, Konbini, Amazon, etc. |
| Search | Classic | Google, Bing, Qwant |
| | Retail Search | SRI Agencies, Amazon, Carrefour, Fnac Darty, etc. |
| Affiliation, Emailing & Comparators | Affiliation | CPA (including Awin, CJ Affiliate, Companeo, Effinity, Kwanko, Rakuten, TimeOne, Tradedoubler, Tradetracker) |
| | Emailing | SRI Agencies, CPA (including Caloga, Cardata, Darwin, Numberly, Tagada Media, Web Rivage) |
| | Comparators | CPA (including Companeo, Devis+, Devisprox, Dolead, Infopro Digital, Marketshot) |



Note: SRI members: Planet Media, 20 Minutes, 366, 3W.relevanC Amaury Media, Boursorama, CANAL+ Brand Solutions, Carrefour Media, CMI Media, DriveMedia, France Télévisions Publicité, GMC Media, Lagardère Publicité News, Leboncoin, M Publicité, M6 Publicité, MEDIA.figaro, meltgroup, Reworld MediaConnect, Next Media Solutions, NRJ Global, Verizon Media, Orange Advertising, Prisma Media Solutions, SeLoger, Solocal, Les Echos Le Parisien Médias, TF1 Pub
 Sources: SRI, interviews conducted between October 2020 and January 2021 with market players, Oliver Wyman analysis

APPENDICES

Estimated total revenues, Social & Search in 2019 and 2020

Evolution of revenue by lever

Revenue in €m

| Revenue by lever (€m) | 2019 | 2020 | % change |
|-------------------------------------|----------------|----------------|--------------|
| Search | 2477.8 | 2,543.0 | +2.6% |
| Social | 1452.1 | 1,558.4 | +7.3% |
| Display | 1165.0 | 1,140.1 | -2.1% |
| Affiliation, Emailing & Comparators | 771.8 | 824.7 | +6.9% |
| Total | 5,866.7 | 6,066.3 | +3.4% |

Evolution of Search revenue by type

Revenue in €m

| Search revenue by type (€m) | 2019 | 2020 | % change |
|-------------------------------|---------------|----------------|---------------|
| Classic Search Revenue | 2286.1 | 2,289.3 | +0.1% |
| Classic Search Mobile | 1469.7 | 1,552.1 | +5.6% |
| Classic Search Desktop | 816.4 | 737.2 | -9.7% |
| Search Retail Revenue | 191.7 | 253.8 | +32.4% |
| Search Retail Mobile | 80.4 | 130.9 | +62.9% |
| Search Retail Desktop | 111.3 | 122.8 | +10.4% |
| Total Search | 2477.8 | 2453.0 | +2.6% |

Evolution of Social revenue by format

Revenue in €m

| Social revenue per format (€m) | 2019 | 2020 | % change |
|--------------------------------|---------------|----------------|---------------|
| Classic revenue | 999.5 | 1139.3 | +14.0% |
| Classic Mobile | 917.4 | 1063.4 | +15.9% |
| Classic Desktop | 82.2 | 75.9 | -7.6% |
| Video revenue (€m) | 452.5 | 419.1 | -7.4% |
| Outstream Video | 439.6 | 398.0 | -9.5% |
| Outstream Mobile | 410.1 | 376.0 | -8.3% |
| Outstream Desktop | 29.5 | 22.1 | -25.2% |
| Instream Video | 12.9 | 21.1 | +63.3% |
| Instream Mobile | 11.8 | 19.4 | +64.0% |
| Instream Desktop | 1.1 | 1.7 | +55.5% |
| Total Social | 1452.1 | 1,558.4 | +7.3% |

Note: the figures presented in the heart of the document are rounded to the nearest million

APPENDICES

Estimated Display & Affiliate, Emailing & Comparator revenues in 2019 and 2020

Evolution of Display Video revenue Revenue in €m

| Revenues by format (€m) | 2019 | 2020 | % change |
|-------------------------|--------------|--------------|---------------|
| Video revenue | 491.2 | 474.1 | -3.5% |
| Instream Video | 443.8 | 431.6 | -2.7% |
| Instream Mobile | 246.6 | 246.2 | -0.1% |
| o/w Programmatic | 214.8 | 213.6 | -0.5% |
| o/w non Programmatic | 31.8 | 32.6 | 2.6% |
| Instream Desktop | 132.5 | 124.0 | -6.4% |
| o/w Programmatic | 89.5 | 89.4 | -0.1% |
| o/w non Programmatic | 43.0 | 34.6 | -19.7% |
| Instream IPTV | 64.8 | 61.4 | -5.2% |
| o/w Programmatic | 14.4 | 12.8 | -10.7% |
| o/w non Programmatic | 50.4 | 48.6 | -3.6% |
| Outstream Video | 47.4 | 42.5 | -10.3% |
| Outstream Mobile | 31.6 | 30.2 | -4.4% |
| o/w Programmatic | 17.8 | 20.0 | 12.7% |
| o/w non Programmatic | 13.8 | 10.2 | -26.2% |
| Outstream Desktop | 15.8 | 12.3 | -22.3% |
| o/w Programmatic | 7.9 | 7.8 | -1.8% |
| o/w non Programmatic | 7.9 | 4.5 | -42.8% |

Evolution of Display Classic, SOs, Audio revenue Revenue in €m

| Revenues by format (€m) | 2019 | 2020 | % change |
|------------------------------------|--------------|--------------|---------------|
| Classic revenue¹ | 463.2 | 482.6 | +4.2% |
| Classic Mobile | 192.7 | 234.4 | +21.7% |
| o/w Programmatic | 102.4 | 123.3 | +20.4% |
| o/w non Programmatic | 90.2 | 111.1 | +23.2% |
| Classic Desktop | 270.6 | 248.2 | -8.3% |
| o/w Programmatic | 134.9 | 128.6 | -4.7% |
| o/w non Programmatic | 135.7 | 119.6 | -11.9% |
| SO revenue | 196.8 | 156.5 | -20.5% |
| o/w Programmatic | 0.0 | 0.9 | -46.4% |
| o/w non Programmatic | 196.8 | 155.6 | -20.9% |
| Audio revenue | 13.8 | 26.9 | +95.0% |
| o/w Programmatic | 1.1 | 6.0 | +462.3% |
| o/w non Programmatic | 12.7 | 20.8 | +64.0% |

Evolution of Affiliation, Emailing & Comparator revenue Revenue in €m

| Revenue by lever (€m) | 2019 | 2020 | % change |
|-----------------------|--------------|--------------|--------------|
| Affiliation | 276.6 | 297.7 | +7.7% |
| Emailing | 144.7 | 148.0 | +2.3% |
| Comparators | 350.5 | 379.0 | +8.1% |
| Total | 771.8 | 824.7 | +6.9% |

1. Including Native

Note: the figures presented in the heart of the document are rounded to the nearest million.

Segmentation of Display by type of player

|  Retail & services |  Publishing & News |  TV & Radio |  Video and music streaming |
|--|---|---|---|
| <ul style="list-style-type: none"> • Amazon, • Carrefour Media, • Drive Media, • Fnac Darty, • Le Bon Coin, • Se Loger, • Solocal, • Veepee, • 3W.relevanC, • etc. | <p>Amaury Média, Boursorama, CMI Pub, GMC, Konbini, Lagardère News, M6 (sites pureplayers), M Publicité, Media.Figaro, Meltygroup, Next Media Solutions, Orange Advertising, Prisma Média Solutions, Reworld Media Connect, Les Echos Le Parisien, Unify, Verizon Media (Yahoo & MSN), Vice, Webedia, 20 Minutes, 366, etc.</p> | <ul style="list-style-type: none"> • Canal + Brand Solutions, • France Télévisions Publicité, • Lagardère News, • M6 (replay), • Next Media Solutions, • NRJ Global, • TF1 Pub • etc. | <ul style="list-style-type: none"> • Dailymotion, • Deezer, • Spotify, • Target Spot, • YouTube, • etc. |

Sources: SRI, interviews carried out from October 2020 to January 2021 with market players, public information, Oliver Wyman analysis

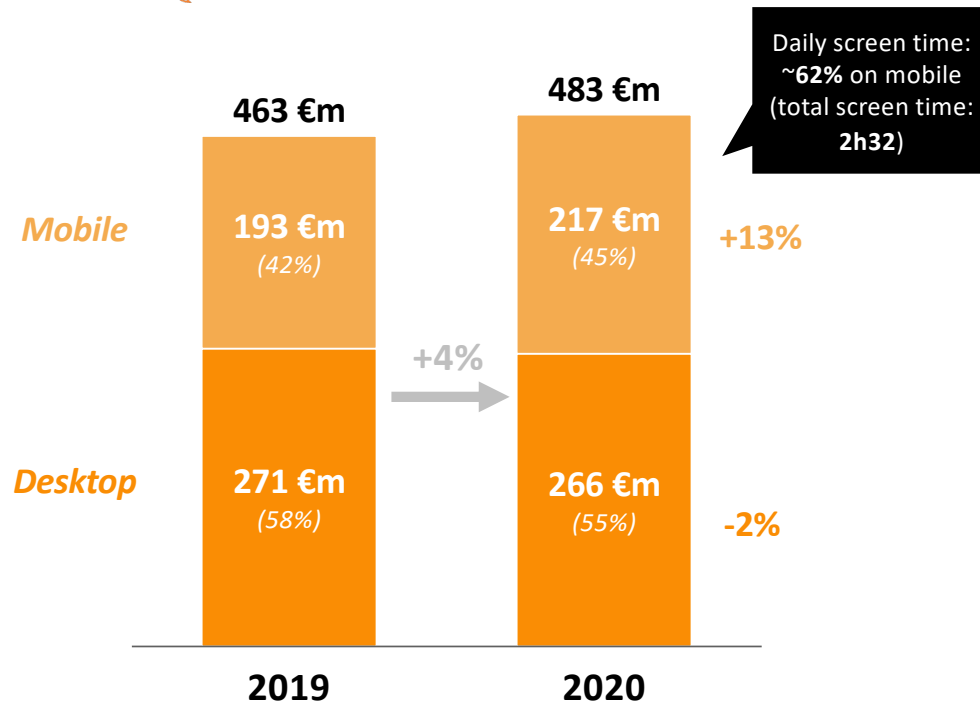
DISPLAY: A DECLINE MITIGATED BY A RECOVERY IN H2

DISPLAY = 1,140 €m (19% market share) / Devices

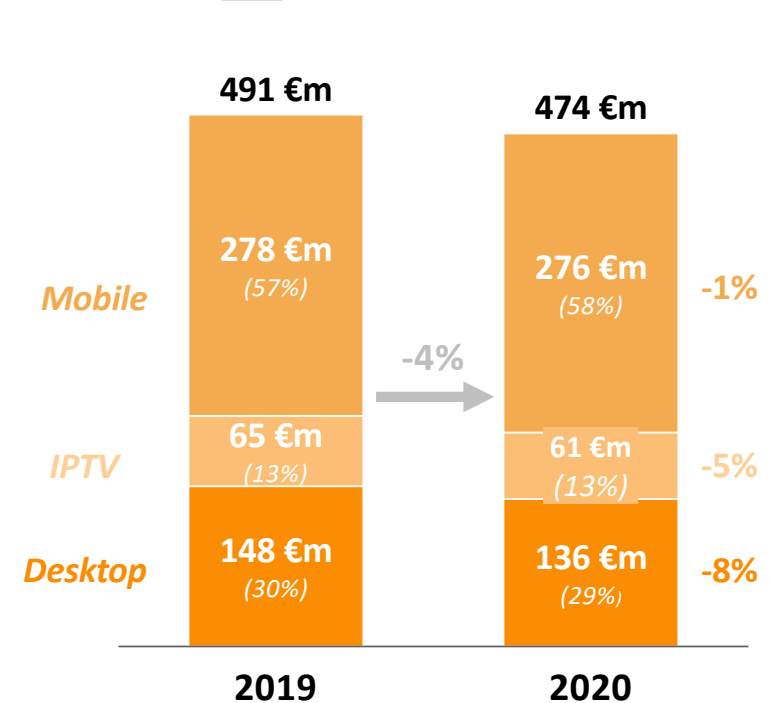
Mobile accounts for **52% of Classic Display and Video** combined and its share is increasing in line with an increase in uses



"Classic" revenue



Video revenue



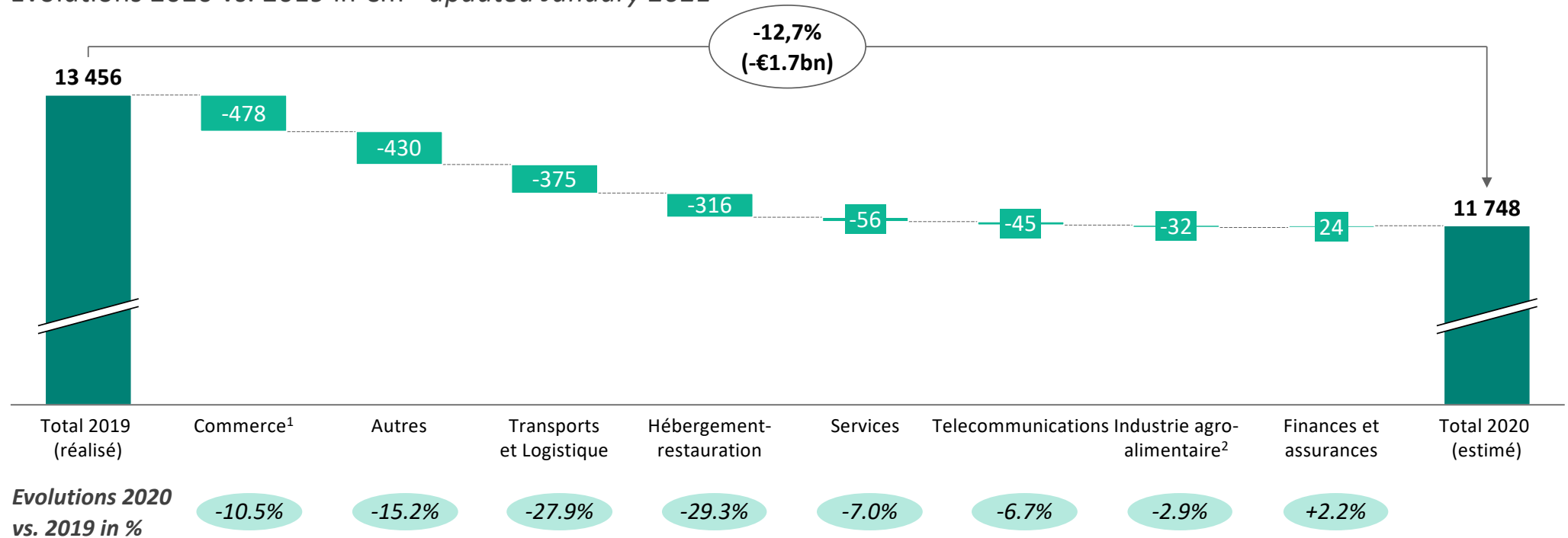
Sources: SRI, UDECAM, interviews carried out from December 2020 to January 2021 with market players, Médiamétrie and Médiamétrie//NetRatings, Global Internet Audience, base 2 years and more, November 2020, Oliver Wyman analysis

BALANCE SHEET 2020

A decline in the **total advertising market of -12.7%** is anticipated; the Transport Equipment and Accommodation & Food sectors will be the most affected

Evolution of multimedia advertising revenues in France between 2019 and 2020 by sector

Evolutions 2020 vs. 2019 in €m - *updated January 2021*



Notes: 1. Commerce includes Retail, Culture & Leisure, Beauty and Fashion; 2. Others includes Industries (coking and refining, capital goods, construction, other industries, energy / water / waste), Agriculture and transport and storage services according to INSEE segmentation

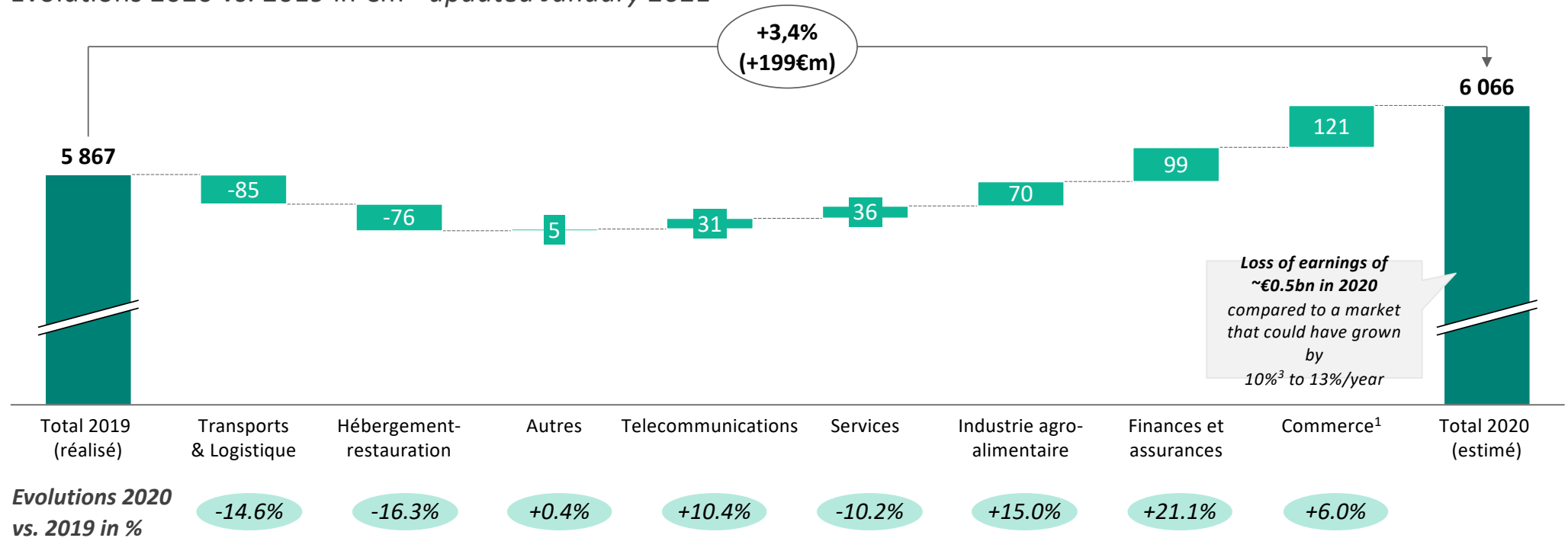
Sources: Net media advertising revenues (2019), IREP; SRI e-Pub Observatory (2019); "Covid - The sectoral contagion of the real economy - MAJ of May 27, 2020" Xerfi, INSEE; growth forecasts IMF, Government, OFCE, INSEE, OECD, European Commission; "Total Media Ad Spending Share in France, by Industry, 2018" e-Marketer; Oliver Wyman analysis

2020 REVIEW

Digital advertising revenues are expected to grow by **3.4%** for the whole of 2020, with contrasting impacts depending on the sector

Evolution of digital advertising revenues in France between 2019 and 2020 by sector

Evolutions 2020 vs. 2019 in €m - *updated January 2021*



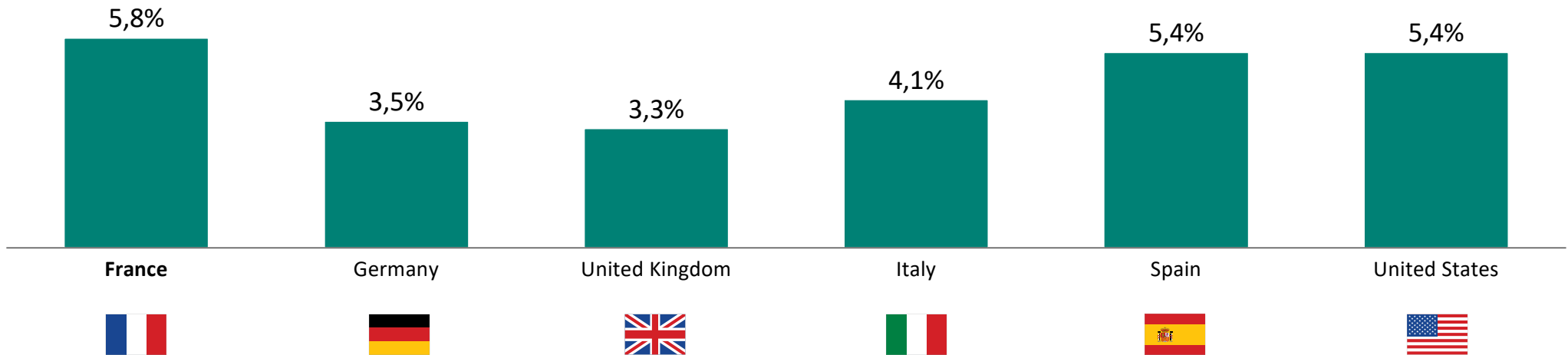
Notes: 1. Commerce includes Retail, Culture & Leisure, Beauty and Fashion; 2. Others includes Industries (coking and refining, capital goods, construction, other industries, energy / water / waste), Agriculture and transport and storage services according to INSEE segmentation; 3. 10% taking into account a deceleration in market growth compared to previous years.

Sources: Net media advertising revenues (2019), IREP; SRI e-Pub Observatory (2019); "Covid - The sectoral contagion of the real economy - MAJ of May 27, 2020" Xerfi, INSEE; growth forecasts IMF, Government, OFCE, INSEE, OECD, European Commission; "Total Media Ad Spending Share in France, by Industry, 2018" e-Marketer; Oliver Wyman analysis

OUTLOOK FOR 2021

The 2021 forecasts suggest that the French economy could rebound more strongly than its European neighbours

Evolution of GDP %, 2021e vs. 2020



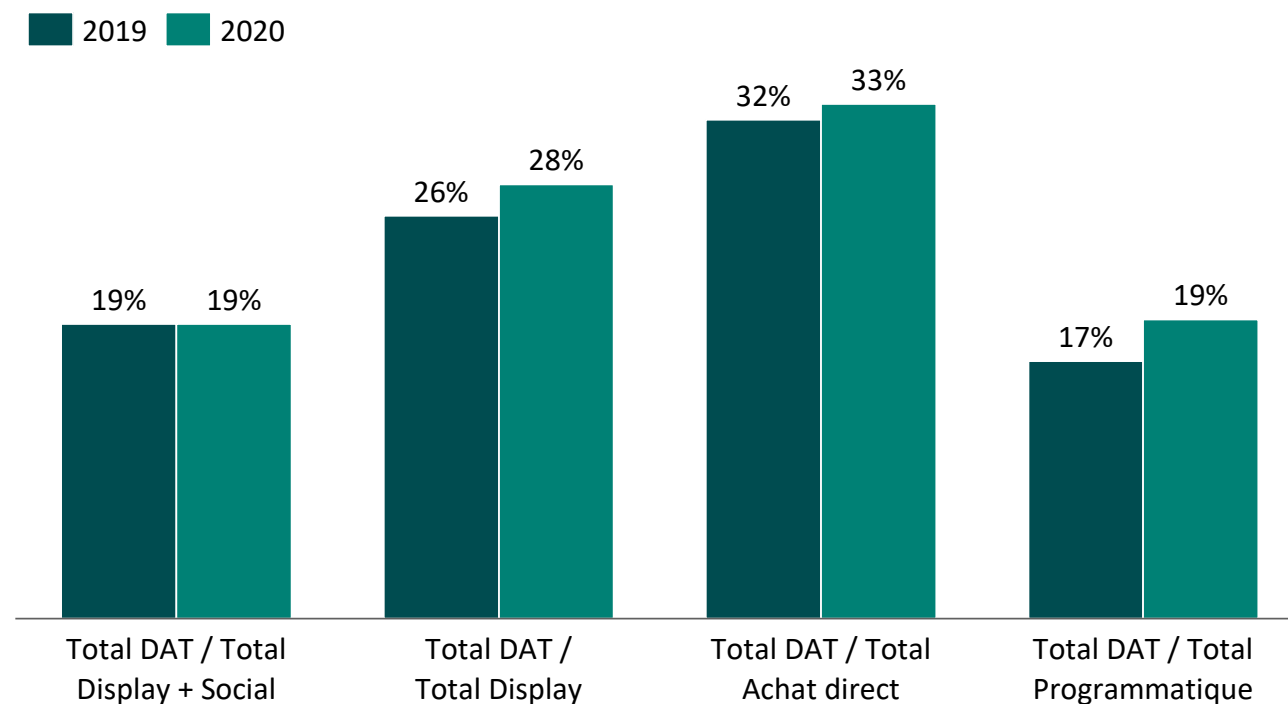
- Current forecasts suggest a weaker rebound in advertising investment in France despite a relatively stronger take-off of the French economy
- The evolution of the "3rd wave" according to the European countries is likely to strongly impact the recovery in Europe

Note: Real GDP for European countries, nominal GDP for the United States

Sources: European Commission ("Autumn 2020 Economic Forecast: Rebound interrupted as resurgence of pandemic deepens uncertainty") (November 2020), public information, Oliver Wyman analysis

The market share of Digital Ad Trust (DAT) labelled sites has increased in 2020 on Display, both in direct purchases and in programmatic

Market share of DAT-labelled sites
%, 2019 and 2020 data



- In 2020, the market share of DAT-labelled sites has increased slightly in terms of investment in Display and Display + Social combined
- The market share of DAT-labelled sites fell slightly on direct investments but rose sharply (+10%) on programmatic investments

Source: UDECAM

Contacts



Emmanuel Amiot

Partner Communication, Media and
Technology

emmanuel.amiot@oliverwyman.com

Bruno Despujol

Partner Pricing, Sales & Marketing

bruno.despujol@oliverwyman.com



Hélène Chartier

Managing Director

hchartier@sri-france.org

Myriam Waquet

Communication & PR

mdechasse@sri-france.org



Françoise Chambre

General Delegate

Francoise.chambre@udecam.fr