

INSIGHTS REPORT
COVID-19



ISSUE # 2:

IMPACT, GROWTH & CHANGE IN OOH

July 2021

Presidents Note

As retail – both bricks and clicks – returns to some semblance of normalcy, Canada's OOH industry is set to prosper. As you will see in this issue of COMMB's COVID Insights Report, most of the country's OOH activity is trending well towards pre-pandemic levels. While that is great news in and of itself, we can expect those numbers to grow even further as Stage 3 of the reopening and economic trends gain strength.

Now is the time for owners and marketers to solidify their revenue plans and business strategies for the coming recovery. There are plenty of opportunities to be leveraged. For instance, ecommerce, which Canada has been slower to adopt OOH advertising into its marketing plans than the United States, is poised to be a powerful new category in the OOH media mix. COVID spurred demand for shop-at-home convenience, opening the door for pure-play e-shops and forcing physical stores to energize their adoption of POS, e-storefronts, and delivery logistics software. They will look to OOH as a large component of their marketing to ensure the investment pays off. In fact, Insider Intelligence forecasts a robust 12 percent increase in ecommerce in 2021, to CA \$86.5 billion. Similar jumps are predicted through 2024 to account for 17.2 percent of all retail sales in Canada by 2025, indicating this bustling category has huge potential and a need to communicate with consumers as they re-enter the physical world

COVID also taught us that the future of work is remote – at least part-time – in many industries. McKinsey reports that as much as 20 percent of Canada's workforce could work from home three to five days per week. While that may mean less commuting than we are used to, it also means OOH may need to focus more on local messaging and national brands and advertisers will need to take a multi-faceted approach to campaign planning, going back-to-basics with mass brand messaging including scaled reach, that also incorporates thorough strategies for speaking to audiences in their

new OOH routines. Both local businesses and national brands will be seeking a combination of awareness with scale and precise location-based targeting and smoother integration with cross-media messaging.

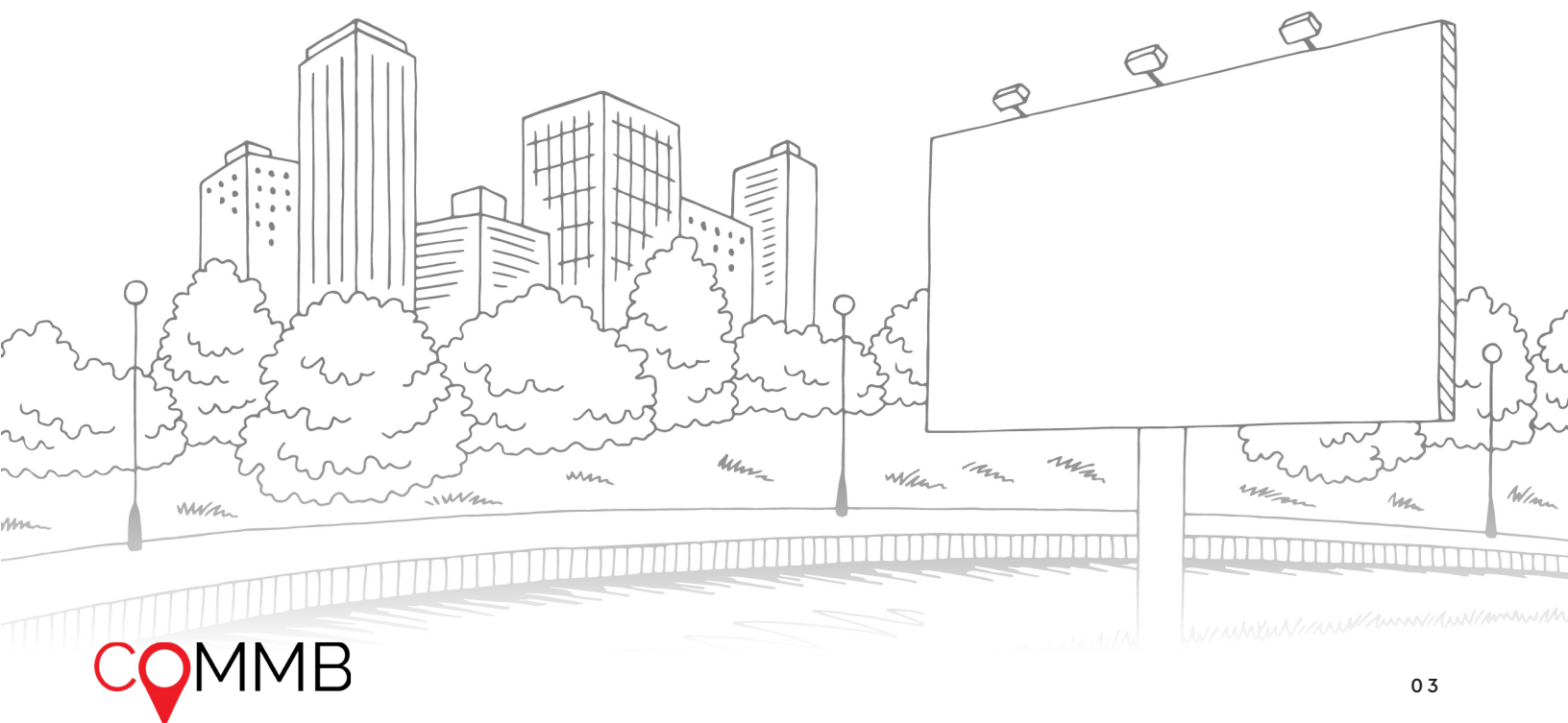
Whatever the post-COVID world has in store, you can bet that OOH will tell us about it. Recent events have made OOH more relevant than ever, as the numbers below will bear out.

As you know if you read last month's inaugural issue, the COVID Insights Report provides market-by-market assessments of the industry's recovery path and future prospects. These granular insights encompass every region and major metropolitan area housing digital inventory and over 17 regions in Canada for all other media formats, addressing and comparing product groups and road types. It is a valuable complement to our interactive dashboards accessible by media owner members as their sales teams devise custom marketing campaigns.



Amanda Dorenberg

President, COMMB



Canada Market Overview

Welcome to Issue #2 of COMMB's COVID Insights Report, we're excited to provide relevant insights and information to support our OOH industry across Canada. In this issue, we'll review June 2021 as well as overall Q2 results to provide a pulse on the COVID recovery process, incorporating key elements from our new measurement methodology, including Opportunity To See (OTS). Readers should note that these metrics provide the average activity conditions for each market based on distance visibility zones and other criteria, and these results will vary by operator and specific sub-geographies within a market based on the dynamic weighting built into the COVID dashboards. COMMB reports an industry-wide average and for specific details by media owners; we encourage you to communicate with your account executives and key contacts to work through your individual data needs.

The data below compares Q2 2021 (April – June) to Q2 2019, as well as June 2021 vs. June 2019 for a pre-COVID baseline within the top nine Canadian markets. This provides a great benchmark for the post-pandemic recovery across Canada, as we are starting to see consumer behaviours adjusting to social and economic re-openings across the country. June was certainly a transition month; we saw many major advertising markets enter stage 1 and 2 of reopening throughout the month and an increase in Canadian vaccination rates. The proportion of citizens with at least one dose climbed from 56.7 percent at the end of May to 67.9 percent, and the fully vaccinated population

increased from [5.7 percent to 25.9 percent](#). Some may find correlation in the major jump in fully vaccinated Canadians with the record-breaking Toronto Scotiabank Vaccination Day, where close to 27,000 individuals showed up to the [mass clinic](#).

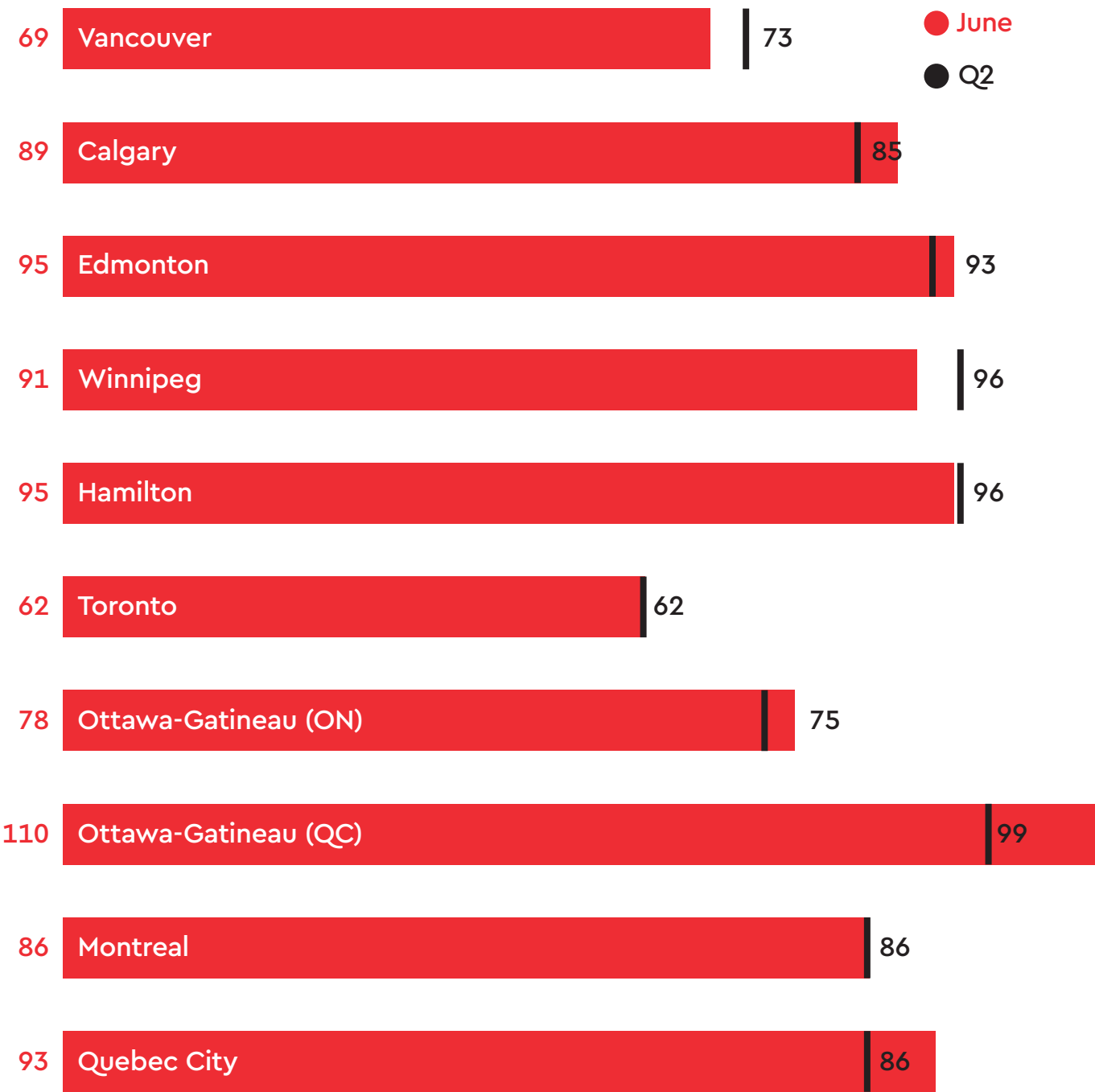
It is clear that the varying reopening timeframes for Canada's provinces bore heavily on their second-quarter recoveries, as per the charts below. The huge numbers in Quebec dwarf the still-respectable statistics neighbouring Ontario compiled. Virtually all this difference is attributable to Quebec's aggressive reopening schedule. The province implemented all three recovery stages nearly three weeks before Ontario. With citizens itching to cure their cabin fever, it is no wonder many took to the streets to patronize businesses, visit friends, and return to the office, driving up demand for OOH marketing exposures.

Examining the market indices in comparison to the same period in 2019, Ottawa-Gatineau (QC) is seeing an incredible increase with an index of 110 percent for June and 95 percent for Q2, while other markets remain flat and a couple even saw a slight decrease in comparison to their 2019 numbers. This indicates that 2019 had higher consumer movements during this peak summer month than we have seen thus far in our recovery.

While 2021 volumes have not moved quite enough to catch up to the 2019 baseline, they have increased proportionally to maintain their index, meaning people are definitely on-the-go again. While we were hoping for a drastic jump in indices for June, the mid-month Stage 1 restriction removal and timing of Stage 1 and 2 reopenings certainly had an impact on the results for a few key markets. This also means that the staged reopenings listed below have not been fully reflected in the data since we know that almost every market has only just in mid-June progressed to Stage 2, which permitted things such as outdoor dining and capacity restricted retail, leaving the early half of the month heavily restricted.

Market Overview

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



Re-opening timelines

Market	Stage 1	Stage 2	Stage 3
Calgary CMA	June 1, 2021	June 10, 2021	July 1, 2021
Edmonton CMA	June 1, 2021	June 10, 2021	July 1, 2021
Vancouver CMA	May 25, 2021	June 15, 2021	July 1, 2021
Toronto CMA	June 11, 2021	June 30, 2021	July 16, 2021
Montreal CMA	May 28, 2021	June 11, 2021	June 25, 2021
Quebec CMA	May 28, 2021	June 11, 2021	June 25, 2021

Western & Central Canada Assessment

In western and central Canada, we are seeing some great improvement as we evaluate the Q1 2021 results with Q2 2021, particularly in Calgary and Edmonton. Calgary gained +8 points between May and June 2021 moving from 81 percent of pre-pandemic activity to 89 percent in June and added 12 points from 73 percent to 85 percent between Q1 and Q2 overall. Edmonton saw an increase of +4 points between May and June's indices moving from 91 percent of pre-pandemic movement to 95 percent, and +13 points from 80 percent to 93 percent between Q1 and Q2 overall. These positive results could certainly be correlated with Alberta's aggressive reopening timelines, as it was the first province to

Vancouver Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



move into Stage 1 reopening on June 1 and into Stage 2 reopening on June 10, just 9 days later. Additionally, Alberta has been actively promoting the return of cultural events such as the widely popular Calgary Stampede and several outdoor music and food festivals (Sources #5), the province's vaccination rates have increased +6 points from 57 percent reported in last month's COVID Insights Report, up to 63 percent (Sources #4).

Interestingly, Vancouver saw a slight drawback in both June's numbers and overall Q2 movements as compared to May 2021 and Q1 2021. June's movement index surrounding outdoor locations within the Vancouver market saw a -5 point decrease from May, moving from 74 percent of pre-pandemic patterns down to 69 percent, and Q2 saw a slight -1 point decrease as compared to Q1 from 74 percent to 73 percent of pre-pandemic movement. We found this to be an interesting diversion from last month's report.

The decline, however, makes sense per the data comparison of the 2019 baseline being indicative of summer travel increasing in 2019, while not seeing quite the same proportional increase in 2021. Vancouver has been slightly more conservative with its reopening plans, entering into stage 2 mid-month on June 15, and allowing outdoor dining only and heavily restricted capacities for retail shopping. When speaking with Ian Tostenson, President/CEO at BC Restaurant and Foodservices Association, he said "The incredible weather and stage 3 opening has caused our streets to once again be filled with cars and people heading out to dine. We are seeing customer counts and sales in most

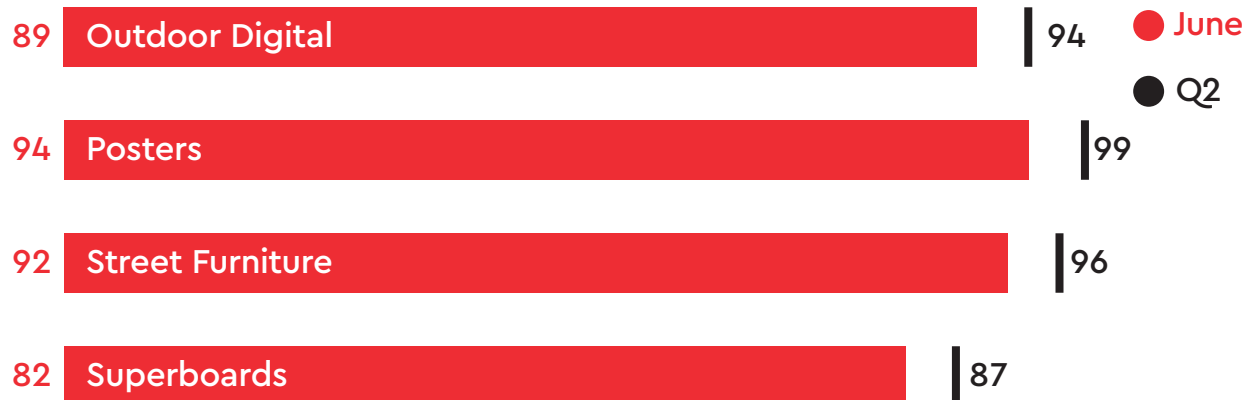
cases exceeding pre-pandemic 2019 stats. This is unexpected but welcomed", – indicating a positive sentiment for market recovery.

There was also positive movement in vaccination rates in those Canadians having received at least one dose increasing by +6 points from 65 percent to 71 percent . With stage 3 reopenings effective July 1, it will be interesting to observe the changes in patterns in next month's report.

Winnipeg saw a slight drawback of -1 point moving from 92 percent of pre-pandemic movement to 91 percent, however, the market's Q2 results jumped an impressive +5 points from the Q1 index moving from 91 percent of normal movement to 96 percent . There was also an impressive jump in provincial vaccination rates between our last report and this issue, soaring +10 points from 57 percent of the Manitoba population having at least one dose up to 67 percent.

Winnipeg Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



As we examine various product groups in western and central Canada, we are not surprised, given the market's overall performance, to see increases across the board in Calgary and Edmonton, with activity stabilizing to just under pre-pandemic levels. Calgary turned in the largest May-to-June 2021 results, with outdoor digital moving +9 points from 87 percent to 96 percent, posters +11 points from 85 percent to 96 percent and street furniture up +8 points from 67 percent to 75 percent. Calgary also

Calgary Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019

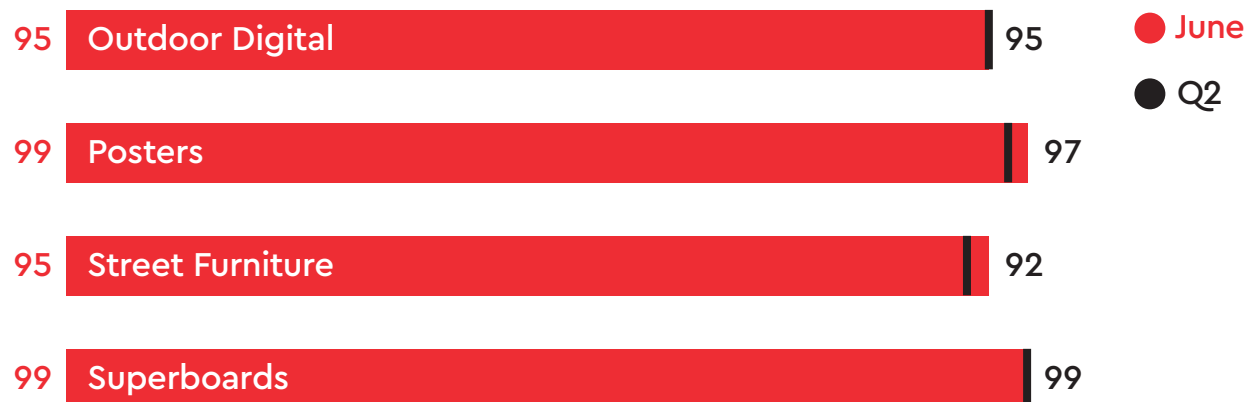


saw big increases between Q1 2021 and Q2 2021 in all product types: +13 points to 92 percent, +14 points to 90 percent and +10 points to 71 percent for outdoor digital, posters and street furniture, respectively.

In Edmonton, the results were similar double-digit quarterly increases across all four product groups compared to Q1 2021: outdoor digital +12 points to 95 percent, posters +16 points to 97 percent, street furniture +13 points to 92 percent and superboards climbing +17 points to 99 percent of pre-pandemic exposure. These markets are clearly indicating strong recovery bolstering impressive results, which we anticipate could outperform pre-pandemic numbers throughout the duration Q3.

Edmonton Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



Vancouver products for June 2021 as compared to May 2021 saw slight declines across all product types, indicative of the market's slight reduction in comparison to high baseline movement in 2019. Outdoor digital dipped -4 points to 79 percent, posters -5 points to 67 percent and street furniture -5 points to 68 percent of 2019 pre-pandemic movement.

That said, while there was a slight decrease in the June results for each product, the Q2 results overall showed greater resiliency vs. Q1 2021 with outdoor digital dropping just -5 points to 81 percent, posters remaining flat with Q1 at 71 percent and street furniture dipping just -1 point to 72 percent – illustrating a proportional movement to maintain results around 70 percent + in all areas. Winnipeg overall saw an increase for Q2 2021 in three out of four examined products, with superboards being the only product with a slight -1 point decrease to 87 percent of pre-pandemic exposure. Outdoor digital, posters, and street furniture saw +5 points to 94 percent, +7 points to 99 percent and +6 points to 96 percent, respectively, from Q1 2021 to overall Q2 2021, all trending at just under pre-pandemic norms.

In summary,

western and central Canada are showing strong signs of recovery with near-normal consumer exposure to the product types examined in Calgary, Edmonton and Winnipeg. Vancouver continues to navigate through a slower reopening plan and we expect to see continued upward trends with its move into Stage 3 reopening on July 1. City officials and residents are feeling a positive sentiment in the Vancouver market and are indicating their excitement about visiting friends, family, and loved ones again. As we write this report in mid-July, we can feel the energy rising again in this market and are excited to release the July results in Issue 3, next month.

Eastern Canada Update

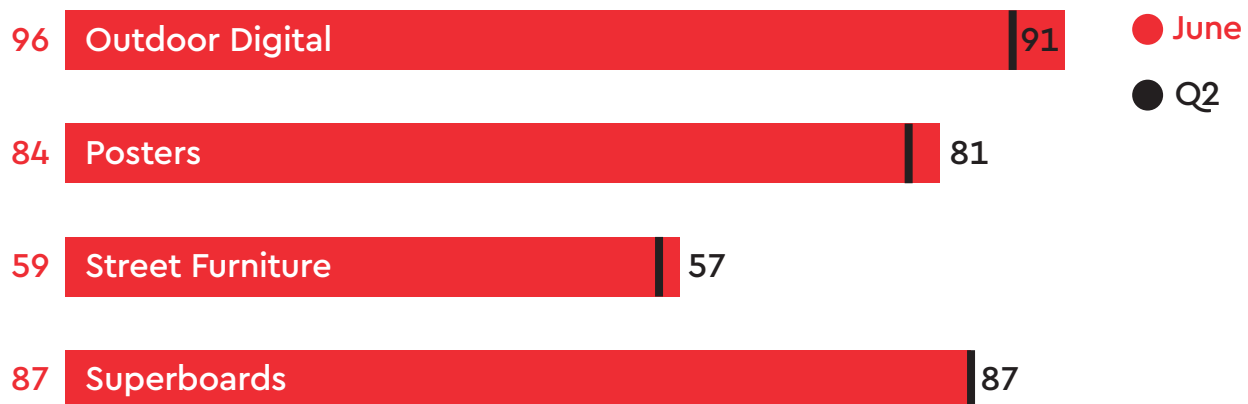
Ontario

Certainly, Ontario has been no stranger to COVID-19 restrictions with various levels of rolling lockdowns in our major urban centres throughout the entire province. In mid-June, Ontario entered Stage 1 of its reopening plans, allowing outdoor dining and limited capacity retail shopping for the first time in months, though it seemed like years. In the Ontario markets highlighted in this report, Ottawa continued its strong recovery into June, seeing a market index edge up +4 points from 74 percent in May to 78 percent in June, with all product groups reaching a higher index compared to May 2021, and meeting or exceeding the Q2 index in an approach back to 2019 pre-pandemic levels.

On June 22, Ottawa Public Health announced its COVID-19 case numbers plummeted to single-digits (Sources #6), illustrating a high level of scrutiny by vaccination administration and protective protocols in the market and trending to more good news of life slowly progressing back to normal. The ByWard Market, Ottawa's most popular tourist attraction and local go-to for arts and cultural events, food, retail, and local vendors, came alive again on June 11 in a gradual reopening,

Ottawa (ON) Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



bringing vendors back into this beloved market. Other parts of the city such as beaches and, the Parkdale Market, the Museum of Natural History followed suit and reopened over the June 25 (Sources #7) weekend, bringing a newfound energy back into the city.

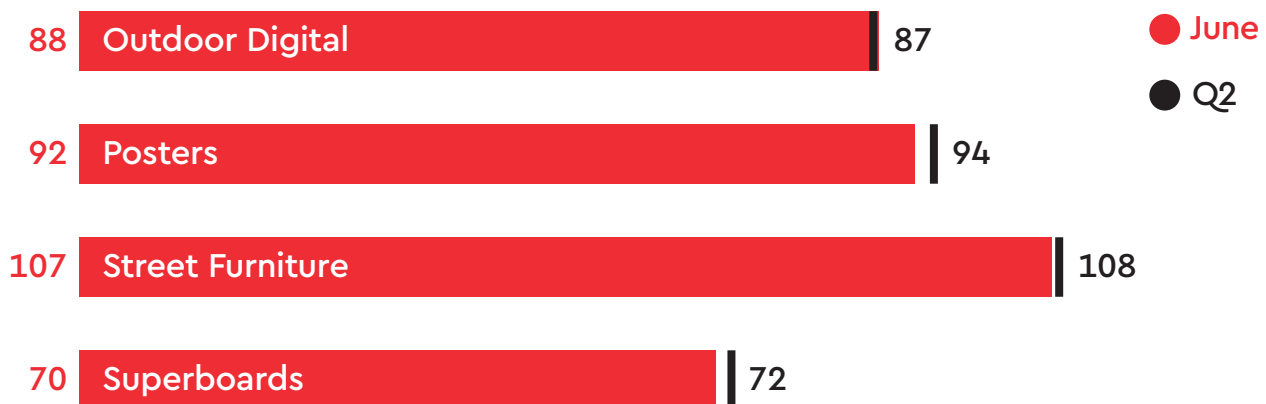
Looking at the performance of Ottawa's product groups highlighted in this report, outdoor digital increased +4 points in June from May 2021 moving to 96 percent; posters added +4 point to 84 percent; street furniture was up +2 points to 59 percent and superboards inched ahead +1 to 87 percent of pre-pandemic exposure.

Hamilton saw a slight pullback from 100 percent of pre-pandemic numbers to 95 percent, while still maintaining a strong index. The market, which was a hot topic in our last issue for its impressive and strong recovery, boasts over 73 percent of its residents with at least one dose of the COVID-19 vaccine administered. The slight decrease in movement could potentially correlate to a concern by city officials over a marked slowdown in vaccination rates, particularly among the population that has not received its first dose (Sources #8). The Emergency Operations Center (EOC) noted on June 25, 2021, that a public health initiative promoting first-dose vaccinations in the Hamilton region would likely emerge in the coming months.

As we have seen previously, vaccination rates tend to correlate with consumer's comfort in moving around and reentering their social circles.

Hamilton Product Groups

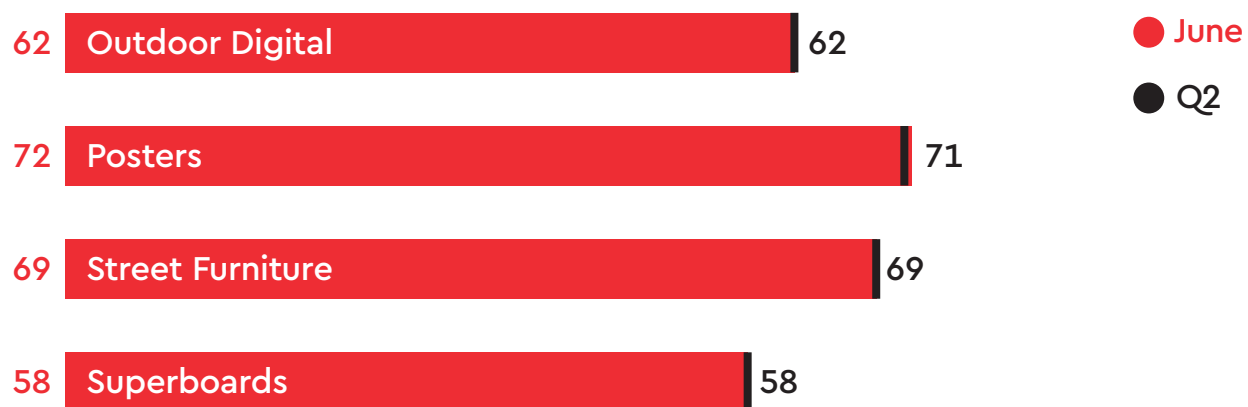
% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



As we examine specific product performance within the Hamilton market we see that outdoor digital was the one product type that increased its index from May to June 2021 in comparison to the same timeframe in 2019, moving +3 points from 85 percent to 88 percent. Additionally, street furniture, despite a drop of -5 points from May, remains at 108 percent of pre-pandemic numbers, ensuring this market is holding strong.

Toronto Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



Toronto held strong in June as compared with May 2021 with a -1 point variant to 63 percent of 2019 pre-pandemic movement. Arguably the city under the most scrutiny regarding COVID-19 cases, Toronto is also feeling the pressure as Ontario has taken the most cautious approach to reopening. Fortunately, we made it through June and as we write this report, the Stage 3 reopening effective July 16th now allows indoor dining for the first time in just under 400 days! (Sources #9) There is no doubt the energy is on fire and the city is gaining momentum. Starting with the Stage 1 reopening on June 11 and Stage 2 on June 30th, the increases in pedestrian and vehicular traffic that started in mid-June is something to be very, very excited about!

We saw lines for retail shopping and dining patios booked to full capacity on West-Queen-West; Toronto's core, which on June 27 hosted the record breaking Scotiabank Vaccination Day, poking

close to 27,000 residents with a much needed boost of immunity to help reinvigorated Canada's largest city. Whilst we mention in this report the Stage 3 reopening effective July 16th, the data in this report covers only the period ending June 2021.

As we held strong in our recovery the proportional index in comparison the 2019 consumer movements remained flat across all product types reported in the market for June. If we examine Q1 2021 vs. Q2 2021 to baseline, we are seeing a +3 point increase in digital outdoor from 59 percent to 62 percent; posters and street furniture held flat at 71 percent and superboards jumped +4 points to 58 percent, showing an overall trend towards recovery.

Reviewing the massive influx of vaccinations during the month of June, and specifically toward the latter half of the month, we are highly optimistic and eager to assess the July results, particularly knowing that Ontario has seen the lion's share of vaccination allocations, 21 million out of the 53 million total delivered to Canada, resulting in 31 percent of Ontario's 14MM residents being fully vaccinated and ready to jump back into social life (Sources #10).

Quebec

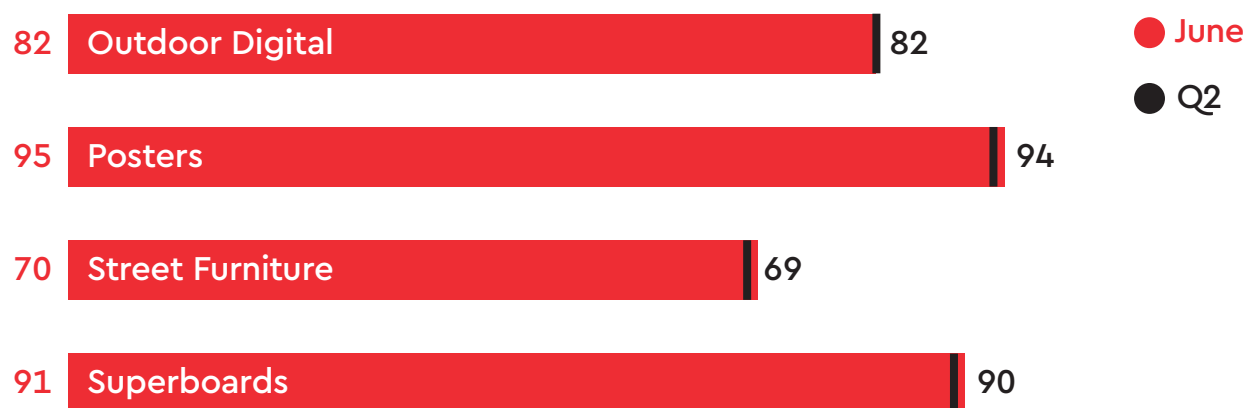
What a Cinderella story for the markets evaluated in the Quebec region of this report. We are absolutely seeing the fruits of their aggressive reopening timelines. With one of the earliest stage 1 reopenings in the country on May 28, Stage 2 implemented June 11 and Stage 3 by June 25, both Montreal and Quebec City have seen stable indexing from May to June 2021. At the market level, the region is following an "Alert Level" approach, with every region in Quebec at the lowest level of concern (sources #11), allowing things such as indoor and outdoor gatherings, increasing gathering capacities, permitting gyms, etc. Residents are certainly out celebrating!

If we look at the two markets individually, Montreal's Bell Center hosted 3,500 people for a Stanley Cup Finals game on June 28, energizing the

city and bringing hope across the country that we can all soon join in on the action. Montreal has been aggressively promoting festivals, concerts, and gatherings, and venues now can host outdoor events of up to 5,000 people (Sources #12). The region is excited to welcome the Osheaga music and art festival back this fall (Sources #13) and is equally, if not more, excited to enjoy summer festivities with friends, family, and loved ones. A city that prides itself on art, culture, fine dining and entertainment, Montreal's stage 3 reopening could not have come fast enough for residents. With Montreal actively promoting tourism in various media formats, it is clear this market is eager to return to pre-pandemic life.

Montreal Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



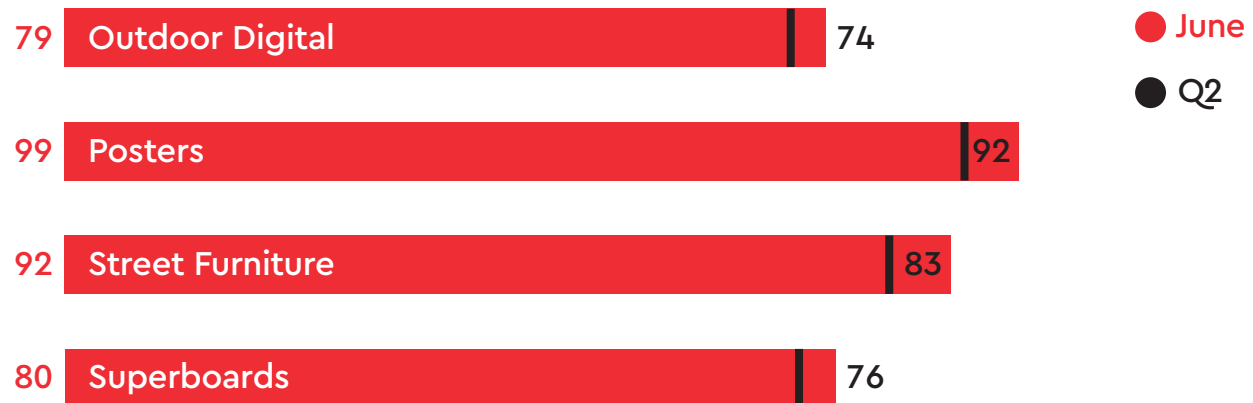
As we review the results month over month from May 2021 to June 2021 the numbers appear flat. When we look at Q2 2021 compared to Q1 2021's index to baseline, there is a substantial +15 point increase to 86 percent of pre-COVID activity. This is largely due to the massive uptick in superboard exposure during the quarter, climbing an impressive +25 points from 74 percent to 99 percent of the 2019 baseline index.

This is not to be lost in all other media formats examined in this report, with outdoor digital jumping +13 points from 69 percent to 82 percent, posters +15 points from 79 percent to 94 percent and street furniture +12 points from 57 percent to 69 percent in Q2 over Q1 2021 to baseline 2019. This is an impressive increase and

falls in line with the increase in vaccination administration up +7 points from 64 percent in our last issue to 71 percent. The message is clear, Montrealers are ready to get out and enjoy their city.

Quebec City Product Groups

% of OOH Activity with OTS Inventory | June & Q2 2021 vs. same period 2019



Quebec City held strong month over month from May 2021 to June 2021 on a market level, remaining at 93 percent of pre-pandemic movement. Q2 2021 vs. Q1 2021 grew an impressive +14 points to 86 percent of baseline, showing a large increase over Q1 2021 with June contributing substantially to this number. Posters saw the most product level increase between quarters climbing +17 to a near-normal 92 percent to baseline followed closely by street furniture up +13 points to 83 percent, superboards +11 points to 76 percent and outdoor digital +6 points to 74 percent of pre-pandemic movements.

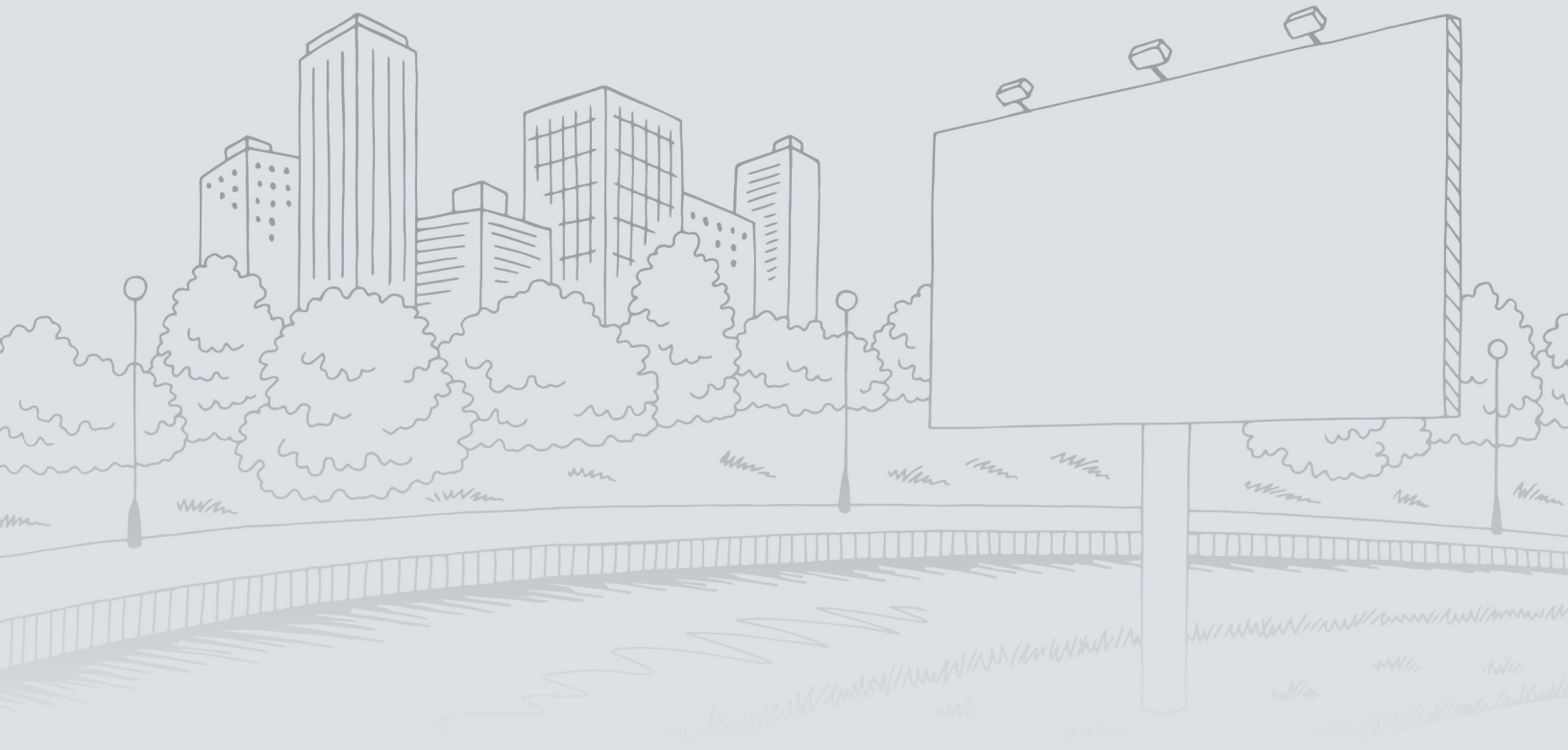
Q2 and June's Findings

It could not be more evident that Canadians are ready to get back to normal. There is an undeniable energy, and we can feel the excitement across the nation. With the Stage 3 reopenings officially in effect as of July in most markets across the country, the summer patio season keenly underway, and announcements heralding the fall return of many beloved Canadian events and venues such as the Calgary Stampede, Osheaga, Scotiabank Arena, and Budweiser Stage, we are hopeful we could be approaching a return to reality. Many companies and organizations are planning for the return-to-work, whether full-time or on a hybrid in-office and/ work-from-home capacity.

We remain highly optimistic that the next few months will present additional opportunities for the industry. As we write this report in mid-July, back-to-school campaign planning is well underway, hopefully ushering in a return to normalcy for our children and youth who missed out on so many social opportunities during the pandemic. The excitement of planning your first day of school outfit is not lost on us as we collaborate to provide this content to the OOH industry, in fact, it feels like the first day of school for the OOH industry as well, seeing positive upgrades in major advertising markets and looking forward to in-person meetings, lunches, and events again. COMMB is excited to support our valued members and the OOH industry with these monthly insights, and we cannot wait to see what next month brings us. Stay positive and safe, [#loveOOH](#).

For more details, please visit www.commb.ca.

Thank You!



↙ Get in touch!

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