Spring 2022

National Client Meeting
The road to Nielsen ONE

Progress update and upcoming milestones

Deirdre Thomas
Contents

- Nielsen ONE Ads
- Big Data in National TV Measurement
- Individual Commercial Metrics
- Nielsen ONE Content Alpha
Nielsen ONE

A cross-platform measurement solution that will deliver a single, deduplicated number with comparable and comprehensive metrics across all screens.
From many to...

Nielsen ONE Ads
## 2022 Nielsen ONE Ads roadmap

### Nielsen ONE Alpha
First look at deduplication across all screens

### Nielsen ID System
Expansion of Nielsen ID System for use in Digital Ad Ratings

### Expanded CTV Coverage
Additional apps/platforms

### Nielsen ONE Ads Full Launch
Individual commercial metrics for TV / deduplication across platforms

### 2022
- **Q1**: Big Data in National
  Initial release of impact data to clients

- **Q2**: Unified Watermarks
  Panel enablement of subminute capabilities

- **Q3**: Commercial Signatures
  Granular measurement of commercials via signatures

- **Q4**: Big Data into National Launch
  Standalone offering in September 2022

### 2023
Granular measurement provides greater comparability across platforms and ad models, along with expansive campaign reporting.
Evolution of national TV measurement
Bringing linear and digital together

Current State

Panel-based measurement of ~41,000 homes

C3/C7 measurement requires same content/same commercials for credit

Future State

Big data integrated in measurement, validated by people-powered panel

Individual Commercial Metrics for enhanced granularity and comparability

Unlock all minutes for addressable advertising / C3 reconciliation

Nielsen ONE measurement will utilize a combination of data sources
PANELS + BIG DATA + IDENTITY
Big data in national integrations - ~30M HH

Steps for integrating into Nielsen Measurement

STEP 1
Data quality & cleaning

STEP 2
Identify household characteristics & demographics

STEP 3
Persons-level exposure

STEP 4
Ratings calculations
Preparing the industry

Impact Data

- Impact data was released in February 2022 with data period beginning September 2021
- Monthly impact data delivery through August 2022
- Available in Nielsen National TV View (NNTV), published MIT files and via Excel on the Nielsen Portal
- Impact data may be used for planning purposes only

Fall 2022 Launch

- Big data in National TV measurement will launch in parallel with our current measurement in September 2022
- Can be used for buying and selling as of September 2022
- Parallel offering until September 2023
Individual Commercial Metrics

We’re enhancing our metering technology to detect and credit viewing events that are sub-15 seconds in duration.
We will continue to use “average minute” rules until the replacement of C3 with Nielsen Individual Commercial Metrics in Fall 2024.

Unified Watermarks
New watermark events will leverage all available watermark types to credit tuning and commercial events.

Enhanced Signatures
New signature called “StreamFP” accompanied by a new matcher capable of granular measurement.

Extreme Reach
Our expanded relationship with Extreme Reach provides the potential for Nielsen encoding to be applied to the vast majority of National ads.
From many to...

Nielsen ONE Content
Nielsen ONE Content Alpha
Delivering deduplicated content measurement across all screens
Nielsen ONE Content Alpha

**Objective**
Partner with select group of clients to iterate on Nielsen ONE Content and show progress

**Feedback**
Access to early software versions - provide feedback on features, data and usability

**Time frame**
Nielsen ONE Content Alpha, subsequently full launch of Content in 2023

Iterative feedback to support ongoing Nielsen ONE development
Introducing Nielsen Streaming Signals

For real-time audience optimization

Ameneh Atai
Billion dollars spent on 2021 CTV upfronts. An increase of 50%

Percent clearance rate across programmatic leading to a squeeze in CTV inventory in CPM

Percent plus media waste across CTV
Understand real household dynamics

How do you know who’s watching and when?
With such diverse inventory, how do you *increase your ad yield* and reach the right viewer with the right ad?

...when a household watchlist looks like this, how do you know which ad to insert at any given time?
What if you could unbundle the household?

PERSONALIZE AT THE INDIVIDUAL LEVEL
Understand which specific individual/s from the HH are in front of the screen in **real-time**

MAXIMIZE INVENTORY YIELD
Eliminate ad waste by ensuring that every ad reaches the intended individual

CAPTURE MORE ADVERTISER REVENUES
Increase your bottom line across new and recurring revenues

Source: Marketing Charts (top).
Uncover individual viewers in real-time

**STAGE ONE**
Identify who lives in the household

- F19
- F41
- M45
- M65

**STAGE TWO**
Identify who is watching CTV in real time

- F41
- M45
Fine tune your targeting intelligence with Nielsen Streaming Signals

[YOUR] CTV/VIDEO TUNING INFORMATION

INDIVIDUAL/HHLD
Any ID that tuning data can be appended to

NIELSEN PANEL + DATA SCIENCE

NIELSEN STREAMING SIGNALS

OPTIMIZATION SIGNALS
improve performance of on target Nielsen DAR rate
Take action before ad insertion for bigger impacts

Consumer views content

Ad is rendered

Measure

Determine who in the HHLD is watching in real time

TO

Improve performance, increase ad yield
Only Nielsen Streaming Signals can provide
Accurate and real-time CTV ad optimization to individuals in a household

PERSON-LEVEL
Advanced two step solution that unbundles the household for ad optimization against actual individual viewers

IN-SESSION
Powerful ad optimization signals fueled by machine learning with a data turnaround time as fast as 50 milliseconds

MODERNIZED
NOT dependent on any potential at-risk device identifiers, ensuring a private and resilient solution for the future
Increasing impressions mean big upside

Starting with: 500,000 impressions

Campaign No. 1
- +75M impressions
- 50% Nielsen SS
- 65% OT BEFORE
- Revenue upside: $3 million

Campaign No. 2
- +125M impressions
- 50% Nielsen SS
- 75% OT BEFORE
- Revenue upside: $5 million

Campaign No. 3
- +200M impressions
- 50% Nielsen SS
- 90% OT BEFORE
- Revenue upside: $8 million
Why publishers choose Nielsen Streaming Signals

**HIT YOUR GUARANTEES**  
Significantly reduce the cost of serving free impressions for under-delivery against advertiser guarantees

**MAXIMIZE AD REVENUE**  
Grow ad sales with improved optimization capabilities for advertisers and agencies

**EMPOWER YOUR CLIENTS**  
Build client trust in your inventory’s ability to reach their target consumer
Spring 2022
National Client Meeting
Streaming media universe insights

Nielsen Audience Insights Team

Chris Quick
Content consumption is nearly ubiquitous

Most adults use multiple platforms weekly, but TV and radio reach >90% per month

### Reach % Across Platforms
Q4 2021, Persons 18+, Based on Total U.S. Population

<table>
<thead>
<tr>
<th>Platform</th>
<th>Weekly Reach</th>
<th>Incremental to Month</th>
<th>Monthly Reach</th>
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<tbody>
<tr>
<td>Total Use of TV</td>
<td>87%</td>
<td>9%</td>
<td>96%</td>
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<tr>
<td>Live+Time-Shifted TV</td>
<td>77%</td>
<td>13%</td>
<td>90%</td>
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<tr>
<td>TV-Connected Devices</td>
<td>66%</td>
<td>15%</td>
<td>81%</td>
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<tr>
<td>Radio</td>
<td>87%</td>
<td>6%</td>
<td>93%</td>
</tr>
<tr>
<td>Internet on a Computer</td>
<td>61%</td>
<td>16%</td>
<td>77%</td>
</tr>
<tr>
<td>App/Web on a Smartphone</td>
<td>80%</td>
<td>6%</td>
<td>86%</td>
</tr>
<tr>
<td>App/Web on a Tablet</td>
<td>39%</td>
<td>7%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Source: Nielsen NPOWER, Nielsen RADAR, Nielsen Total Media Fusion, Q4 2021
Most waking hours involve media usage

This content is integral to our lives; over nine hours per day are spent consuming media.

Average Time Spent per Day
Persons 18+, Based on Total U.S. Population

Q4 2021
2:53
0:34
1:22
1:27
0:38
1:56
0:28
9:18

Total Use of TV = 4:49

Source: Nielsen NPOWER, Nielsen RADAR, Nielsen Total Media Fusion, Q4 2021
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TV time spent with streaming is growing

Streaming video is becoming more prevalent while the distribution of usage also fragments

% Streaming Out of Total Use of TV, P2+

Video Streaming Distribution % by Brand, P2+

Source: Nielsen NPOWER, SVR, Based on Streaming Capable Households
TV time spent with streaming is growing

Streaming video is becoming more prevalent while the distribution of usage also fragments.

% Streaming Out of Total Use of TV, P2+

Video Streaming Distribution % by Brand, P2+

Source: Nielsen NPOWER, SVR, Based on Streaming Capable Households

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More people of all ages are streaming video

Average weekly minutes streaming video are up 18% year-over-year

Streaming Video Share of Time Spent by Age

Source: Nielsen NPOWER, SVR, Based on Streaming Capable Households
For video viewing, bigger (screen) is better

TV glass viewing is most preferred, but don’t discount digital devices, especially among A18-34

Source: Nielsen Streaming Media Consumer Survey, January 2022
Available Video Content

817K

Unique program titles across linear TV and streaming video services - as of February 2022
(Up from 646K in December 2019)

Source: Nielsen Gracenote Insights, February 2022

% of Titles Distributed Among Linear and OTT Services
February 2022

- SVOD exclusively: 15%
- SVOD non-exclusively: 41%
- Free ad-supported VOD services: 36%
- Transactional VOD Services: 53%
- Linear television exclusively: 16%
- Linear television non-exclusively: 24%
The audio universe is vast

Audio content provides both synergy and competition with other forms of media

191 MILLION
Music recordings being tracked, as of February 2022

2 MILLION
Podcast series available for download, with a total of

88 MILLION
Individual podcast episodes as of February 2022

Source: Nielsen Gracenote Insights, February 2022
As content expands, the bill due grows
In order to access everything, you’ll likely be required to pay for additional services

<table>
<thead>
<tr>
<th>Number of Paid Subscription</th>
<th>Video Streaming Services</th>
<th>Audio Streaming Services</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Nov 2019</td>
<td>Jan 2022</td>
</tr>
<tr>
<td>1</td>
<td>35%</td>
<td>18%</td>
</tr>
<tr>
<td>2</td>
<td>33%</td>
<td>24%</td>
</tr>
<tr>
<td>3</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>4</td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>5+</td>
<td>3%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Nielsen Streaming Media Consumer Survey, November 2019, January 2022
The streaming experience... is great!

72%
"I LOVE MY USER EXPERIENCE WITH VIDEO STREAMING SERVICES"

77%
"I LOVE MY USER EXPERIENCE WITH AUDIO STREAMING SERVICES"

<table>
<thead>
<tr>
<th>Paid Video Streaming Subscribers</th>
<th>Future actions among...</th>
<th>Paid Audio Streaming Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>93%</td>
<td>Increase or no change</td>
<td>91%</td>
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<tr>
<td>5%</td>
<td>Decrease (downgrade, remove services or use less)</td>
<td>7%</td>
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<tr>
<td>2%</td>
<td>Not sure</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Nielsen Streaming Media Consumer Survey, January 2022
...But choice can make things complicated

"I wish there was a bundled video streaming service (one company) that would allow me to choose as few or as many video streaming services that I wanted, more like channels“

"It's getting harder to find the video streaming content that I want to watch because there are too many streaming services available to consumers“

“I would consider additional paid audio streaming subscriptions, if the content was offered as a bundle with other services that interest me“

64% of paid video streaming respondents

46% of paid video streaming respondents

38% of paid audio streaming respondents

Source: Nielsen Streaming Media Consumer Survey, January 2022
The evolution of streaming television

Eric Cavanaugh, Publicis Media
Paul Cavalluzzi, Publicis Media
CTV has transformed the way we access and consume content on the big screen. Measurement of that content continues to evolve at a similarly accelerated rate.

Nielsen’s Streaming Platform Ratings adds another piece of viewing on the television screen, giving agencies and advertisers an opportunity to understand the interplay of device and viewing sources.

These data are used to compare potential advertising environments broadly to help determine at what point it will be necessary to diversify a client’s platform strategy.

The following are some broad examples of how we’ve used the data thus far. For illustration purposes, we’re only sharing our high-level analyses at this time.
CTV continues to garner share of the television screen, among all viewers

- With routines inching their way out of the home, time becomes a renewed consideration for TV viewing leading to an acceleration in CTV and Time-Shifting share

Source: Nielsen, Time Period Ratings Analysis, Live+3; Streaming Platform Ratings
Streaming growth has cannibalized traditional TV routines

- Since the quantity of video consumed on the TV screen has normalized post-lock down, the share shift to digital has had a direct impact on traditional viewership
- More viewers are now tuning into both ad-supported and non-ad supported digital content on a more frequent basis than ever before

Source: Nielsen, Time Period R&F Analysis, Live+3; Streaming Platform Ratings ; Note: STD = Broadcast Weeks 6-23 to create YoY comparisons from streaming measurement start time
Ad-Supported TV’s potential weekly reach fell 11% YoY

- Without the benefit of AVOD, Ad-Supported TV would have seen a 16% decline in average weekly reach of P2+
- SVOD only users grew 76% over the same time period, comprising 10% of all TV users in Jan-22 (up 5% YoY)

Source: Nielsen, Time Period R&F Analysis, Live+3; Streaming Platform Ratings
20% of TV viewers did not tune into any form of linear TV, up 10% YoY

- While overall reach of the Television screen remained more or less constant over the last year, the share has shifted away from linear consumption
- AVOD has become increasingly complementary to SVOD consumers while traditional linear content consumption has eroded

Source: Nielsen, Time Period R&F Analysis, Live+3; Streaming Platform Ratings
The reach of AVOD content shows its greatest potential among younger viewers.

Source: Nielsen, Time Period R&F Analysis, Live+3; Streaming Platform Ratings
Avg. Weekly Reach Potential by Demo, January 2022

P2-11
- AVOD Index vs. P2+
  - 269
- Linear Reach Potential: 18%
- Incremental AVOD Reach Potential: 21%
- SVOD Only Reach: 62%

P18-34
- Linear Reach Potential: 18%
- Incremental AVOD Reach Potential: 14%
- SVOD Only Reach: 68%

P25-54
- Linear Reach Potential: 12%
- Incremental AVOD Reach Potential: 10%
- SVOD Only Reach: 78%

Source: Nielsen, Time Period R&F Analysis, Live+3; Streaming Platform Ratings
Fireside chat: media from an investor’s perspective

A conversation with Michael Nathanson

Brian Fuhrer & Michael Nathanson, MoffettNathanson
Top 10 Minutes Viewed, 2020 v 2021

Source: Nielsen, MoffettNathanson analysis
Minutes Viewed by Platform

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<td>Linear TV</td>
<td>64%</td>
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<td>65%</td>
<td>63%</td>
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<tr>
<td>Streaming</td>
<td>26%</td>
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<td>29%</td>
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</table>

Source: Nielsen, MoffettNathanson analysis
Minutes Viewed

Share of Minutes Viewed by Category

Streaming Share of Minutes Viewed

Source: Nielsen, MoffettNathanson estimates and analysis
Number of Shows in Nielsen Top 10 by Platform

Source: Nielsen, MoffettNathanson analysis
Streaming is 29% of U.S. On TV Screen Consumption Hours (January 2022)

Source: Nielsen, MoffettNathanson analysis
Fourth Quarter 2021 Nielsen The Gauge – A Few Streaming Platforms Dominate the U.S.

Source: Nielsen, MoffettNathanson analysis
Streaming Set to Reach ~50% of U.S. On TV Screen Consumption Hours in 3 Years

Source: Nielsen, MoffettNathanson analysis
## Netflix Shows in Nielsen Top 10 Share of Total Time Viewed on Platform

<table>
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<th>Week Of</th>
<th>Share</th>
<th>Movies</th>
<th>Acquired</th>
<th>Originals</th>
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<td>12%</td>
<td>20%</td>
<td>16%</td>
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<td>11-Oct</td>
<td>14%</td>
<td>20%</td>
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<td>29-Nov</td>
<td>5%</td>
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<td>6-Dec</td>
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<td>20-Dec</td>
<td>4%</td>
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Source: Nielsen, MoffettNathanson analysis
Netflix Penetration of MVPD vs. Non-MVPD US TV Households

Source: Nielsen, Company reports, MoffettNathanson estimates and analysis
The Short Tail of Top Netflix Originals (4Q 2021)

* Top originals that made it on Nielsen's weekly Top 10 U.S. streaming lists

Source: Nielsen, MoffettNathanson analysis
Quick Fade of Top Originals

Source: Nielsen, MoffettNathanson analysis
Acquired – Strong and Steady

Source: Nielsen, MoffettNathanson analysis
Quick Fade of Top Movies

Source: Nielsen, MoffettNathanson analysis
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Spring 2022
National Client Meeting
March 29 - Virtual