

ADVERTISING
ASSOCIATION

WARC

Expenditure Report

Q2 2025



Key findings

- 1. Latest data from the AA/WARC Expenditure Report shows that total UK adspend rose 9.1% in Q2 2025 to £11.3bn, slightly ahead of the 8.8% recorded in Q1 2025. For H1 2025, adspend was up 8.9% to £22.0bn.** This was driven by the continued double digit increases for search and online display formats, up 14.3% and 12.1% respectively. These channels continue to benefit from redirected Chinese advertising spend and AI investments to improve ad platform efficiency and performance.
- 2. Altogether, total online formats rose 12.2% in H1 2025, taking an 83.3% share of overall adspend, on £18.3bn.** Online classified continued to act as a drag on growth, down 5.3% to £454m, partly due to soft job and property markets.
- 3. VOD was the fastest growing medium in Q2, up 23.2% year-on-year to £373m. For H1 2025, ad investment was up 15.5% – equivalent to £100m in additional spend.** The channel appeals to advertisers by combining TV's effectiveness alongside digital's targeted delivery, measurable outcomes, and affordability.
- 4. At a category level, only industrial advertising (including telecoms, computing and business & industrial) registered growth in display spend in Q2 2025, up marginally on 1.8%.** Nielsen data show double digit drops for government (-24.3%), durables (-14.2%), services (-11.5%) and consumables (-10.3%). Financial and retail fell less sharply on -2.8% and -7.3%, respectively.
- 5. Looking ahead, we expect growth to moderate slightly in H2 2025, leading to an increase of 8.2% for the year. After inflation this equates to growth of 4.5%.** Performance formats will continue to benefit while the economic outlook remains sluggish, with search and social media driving growth. Cinema and out of home spend is predicted to increase, with direct mail and radio flat year on year. TV, online classified and the publishing sector will register declines.
- 6. Our forecast for the UK ad market in 2026 stands at 6.6%, by when it will be worth £49.1bn.** In real terms this represents an increase of 4.2%. Total online formats are predicted to rise 7.8%, while legacy media should see an uplift of 3.4%..



UK advertising market overview

AA/WARC Expenditure Report



Latest results

UK adspend rose 9.1% in Q2 2025 to £11.3bn, slightly ahead of the 8.8% recorded in Q1 2025. For H1 2025, adspend was up 8.9% to £22.0bn.

Within this, search is estimated to have grown by 14.3% to £9.5bn. Online display (including social media up 15.4%) increased 12.1% to £8.4bn. These channels continue to benefit from redirected Chinese advertising spend and AI investments to improve ad platform efficiency and performance.

VOD was the fastest growing medium in Q2, up 23.2% year-on-year to £373m. For H1 2025, ad investment was up 15.5% – equivalent to £100m in additional spend. The channel appeals to advertisers by combining TV's effectiveness alongside digital's targeted delivery, measurable outcomes, and affordability. However, VOD's growth was not enough to offset declines for other TV

formats over the first half, as total TV fell 2.5% year-on-year to £2.5bn. This can largely be attributed to a strong comparative performance in 2024 during the Men's Euros.

Altogether, legacy media saw ad investment decline by 1.7% to £4.9bn in the first six months of 2025. Only cinema (19.5%) and direct mail (4.2%) posted increases, with radio flat.

Out of home dipped 1.2% in Q2 to £350.5m, with both traditional and digital formats declining. But this was a solid performance given the tough comparable (+17.0% in Q2 2024) in an uncertain economic climate.

Digital now accounts for just under 67% of revenue.

Of the major categories, only industrial advertising registered growth in display spend in Q2 2025, up marginally on 1.8%.

Q2 2025, £m current prices	Adspend	Growth	Share	Change
Display	6,138.2	5.9%	54.4%	-1.6pp
Display (excl. direct mail)	5,904.7	5.9%	52.3%	-1.6pp
Non-recruitment classified	5,056.0	13.8%	44.8%	+1.9pp
Search	4,864.2	14.3%	43.1%	+2.0pp
Recruitment classified	88.3	-15.6%	0.8%	-0.2pp
Total adspend	11,282.5	9.1%	100.0%	N/A
Total (excl. direct mail)	11,049.0	9.2%	97.9%	+0.1pp

Note: Year-on-year % growth, share of total adspend and percentage point (pp) change in share from the year before.

From **H1 2025**, IAB UK is partnering with Oliver Wyman to deliver its Digital Adspend report. This new collaboration introduces an updated methodology, with all reported data beginning from H1 2025. As a result of this methodological change, it is not possible to reconcile this new data with previous editions. Care should therefore be taken when making year-on-year comparisons

Outlook

We expect growth to moderate slightly in H2 2025, leading to an increase of 8.2% for the year. After inflation this equates to growth of 4.5%. Performance formats will continue to benefit while the economic outlook remains sluggish, with search and social media driving growth.

Cinema and out of home spend is predicted to increase, with direct mail and radio flat year on year. TV, online classified and the publishing sector will register declines. While the new less healthy food advertising regulations do play into TV's reduced outlook, indicators suggest that it is the fragile economic conditions that are weighing most heavily on advertiser confidence.

Business and consumer sentiment have fallen since early summer, and fears around tax increases in November's budget, alongside above average inflation, could further

undermine confidence. We anticipate economic growth of just 1.2% this year, followed by 1.1% next.

VOD is forecast the strongest rate of growth in 2025, on 16.9%. Search and online display combined will rise 11.7% to take an 81% share of total advertising spend.

Voluntary compliance to the new LHF advertising regulations began on 1st October 2025. WARC believes advertisers have largely prepared, seeking to invest more heavily in brand and redirect budgets away from restricted channels or TV dayparts.

Our forecast for the UK ad market in 2026 stands at 6.6%, by when it will be worth £49.1bn. In real terms this represents an increase of 4.2%. Total online formats are predicted to rise 7.8%, while legacy media will see an uplift of 3.4%.

£m current prices	2025			2026
	Adspend	Growth	Latest vs. last	
Display	25,020.7	5.5%	=	5.0%
Display (excl. direct mail)	24,048.2	5.7%	=	5.3%
Non-recruitment classified	20,643.5	12.3%	+3.0pp	9.0%
Search	19,862.1	12.6%	+3.2pp	9.2%
Recruitment classified	369.8	-20.7%	+3.0pp	-13.2%
Total adspend	46,034.0	8.2%	+1.4pp	6.6%
Total (excl. direct mail)	45,061.5	8.4%	+1.4pp	6.8%

Year-on-year % change, Real terms	2023	2024	2025	Latest vs. last	2026
CPI	7.3%	2.5%	3.6%	+0.4pp	2.4%
GDP	0.3%	1.1%	1.2%	+0.1pp	1.1%
Consumer expenditure	-0.4%	-0.2%	1.0%	+0.1pp	1.3%
Total adspend	3.8%	7.7%	4.5%	+1.0pp	4.2%

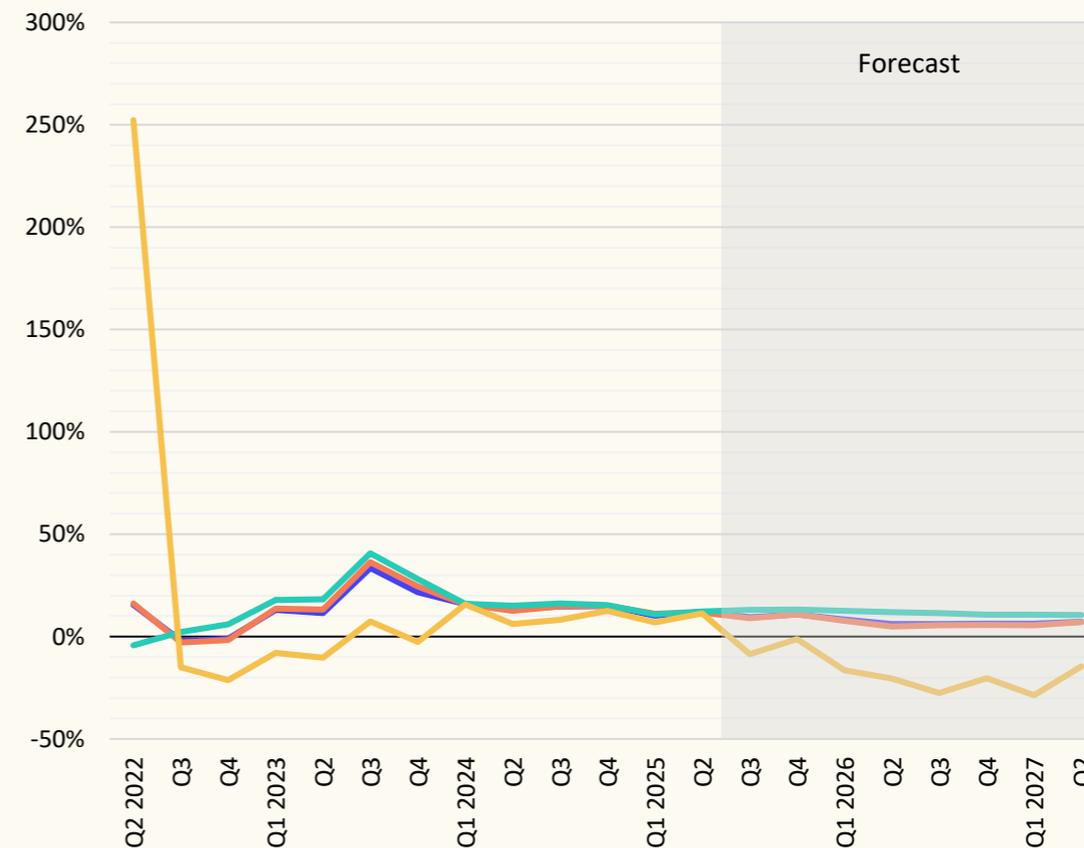
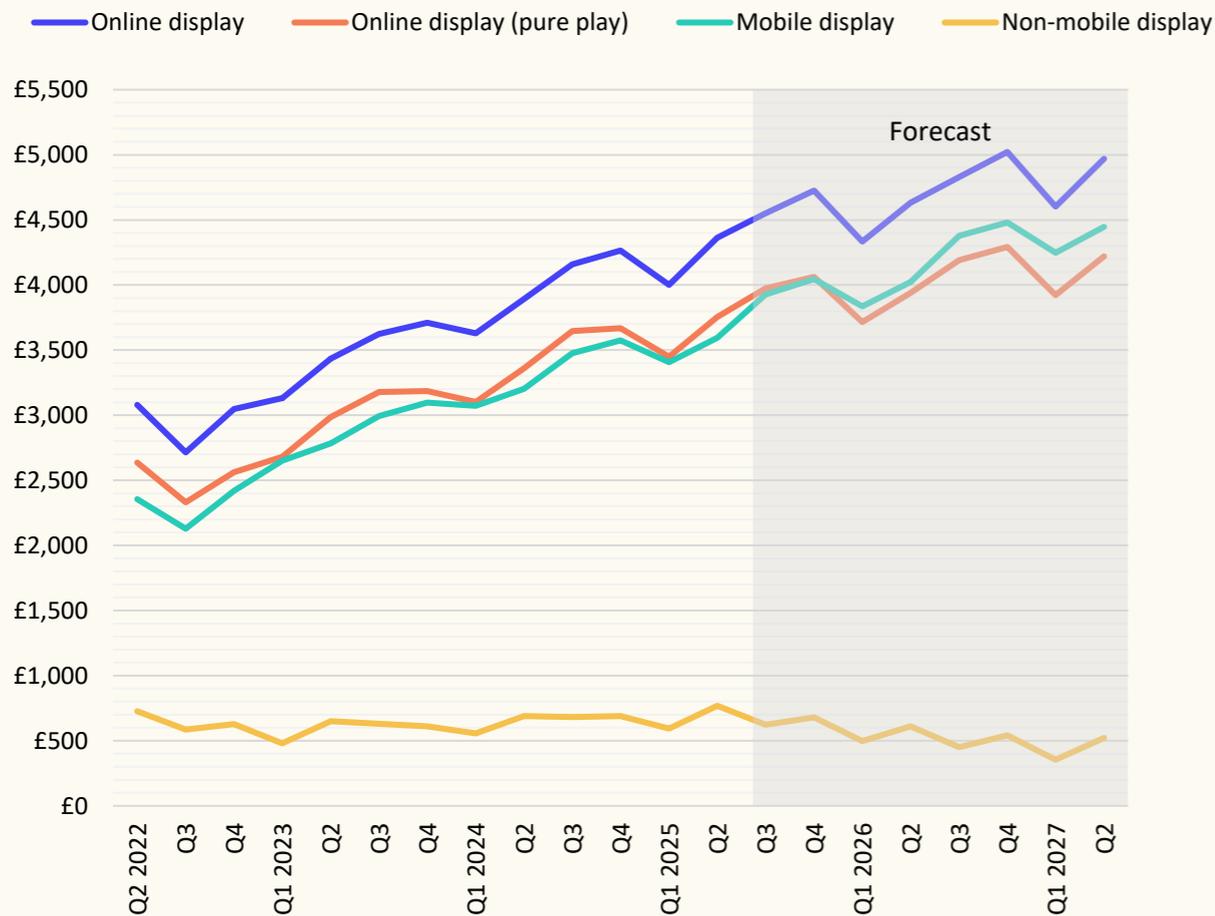
Note: Year-on-year % growth and percentage point (pp) change in forecast from last projection. Please also see note on previous page referring to changes in data collection methodology for internet.

UK media overview



Online display advertising spend

£ millions and year-on-year % change, current prices

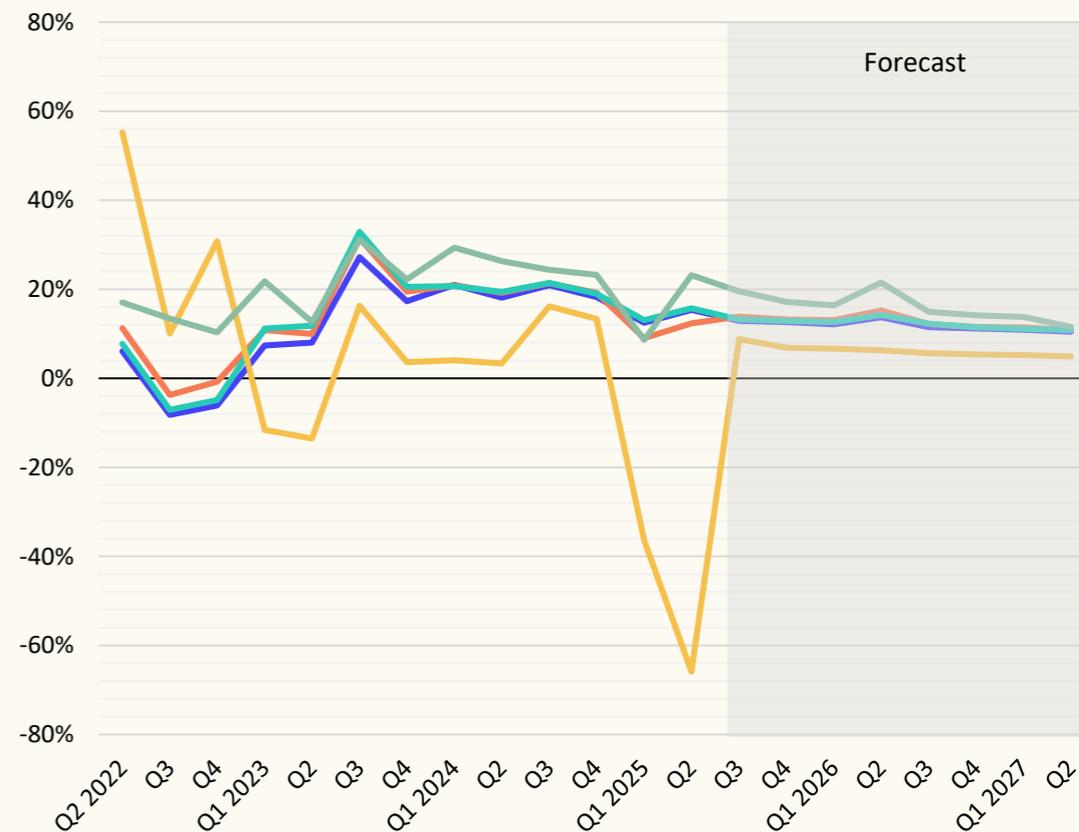
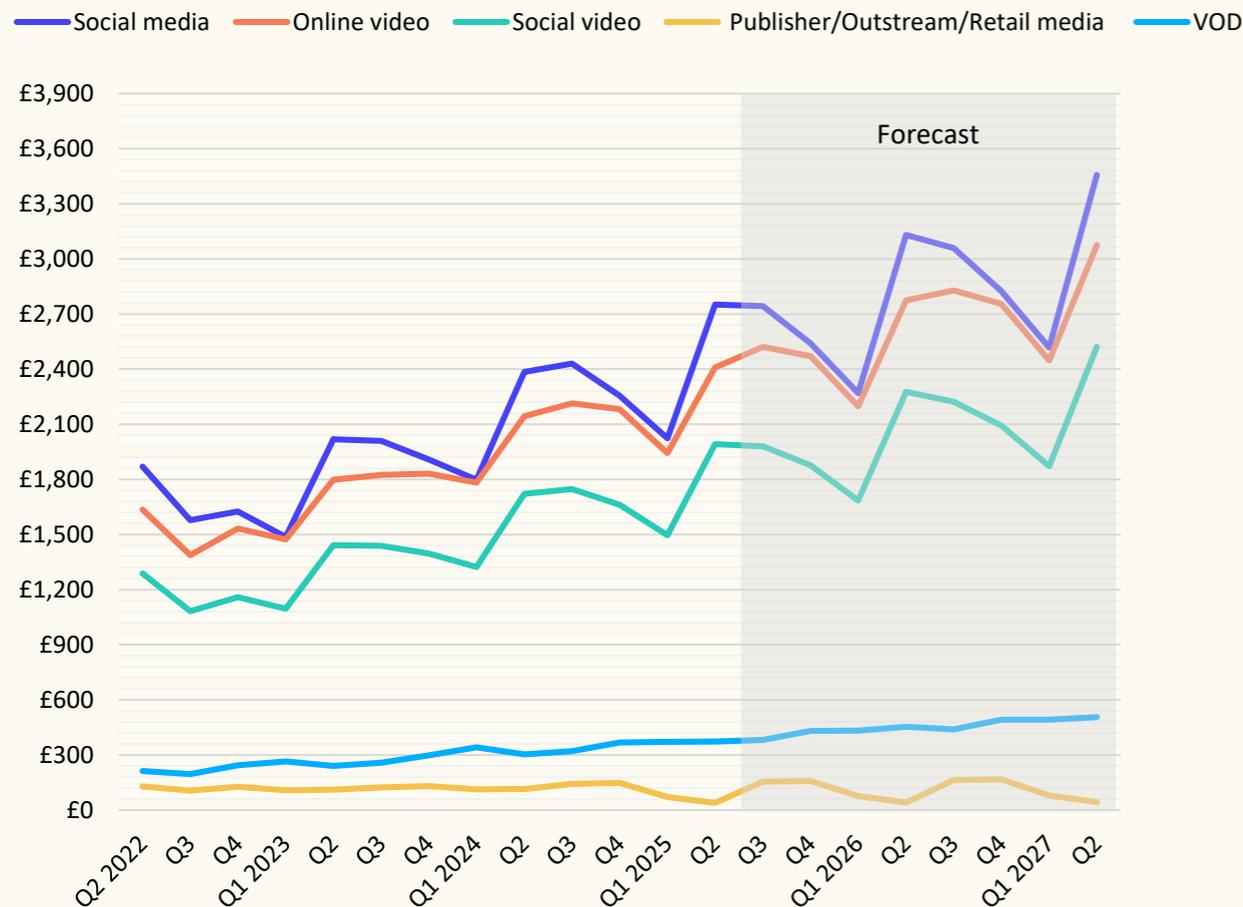


Note: Series overlap, so care should be taken to avoid double-counting. 'Pure play' excludes online display revenues from newsbrands, magazine brands and radio and TV. Historic online display figures revised back to 2019 to account for new online audio data. **From H1 2025**, IAB UK is partnering with Oliver Wyman to deliver its Digital Adspend report. This new collaboration introduces an updated methodology, with all reported data beginning from H1 2025. As a result of this methodological change, it is not possible to reconcile this new data with previous editions. Care should therefore be taken when making year-on-year comparisons

SOURCE: AA/WARC Expenditure Report

Social and video advertising spend

£ millions and year-on-year % change, current prices

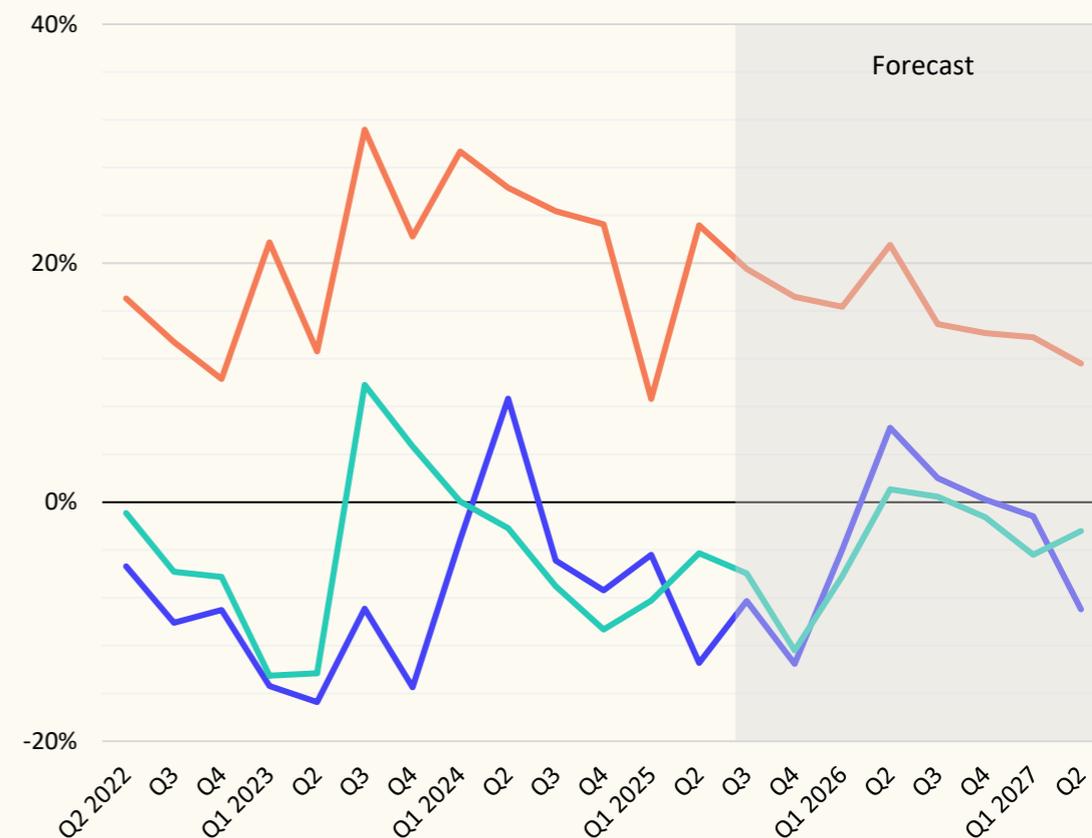
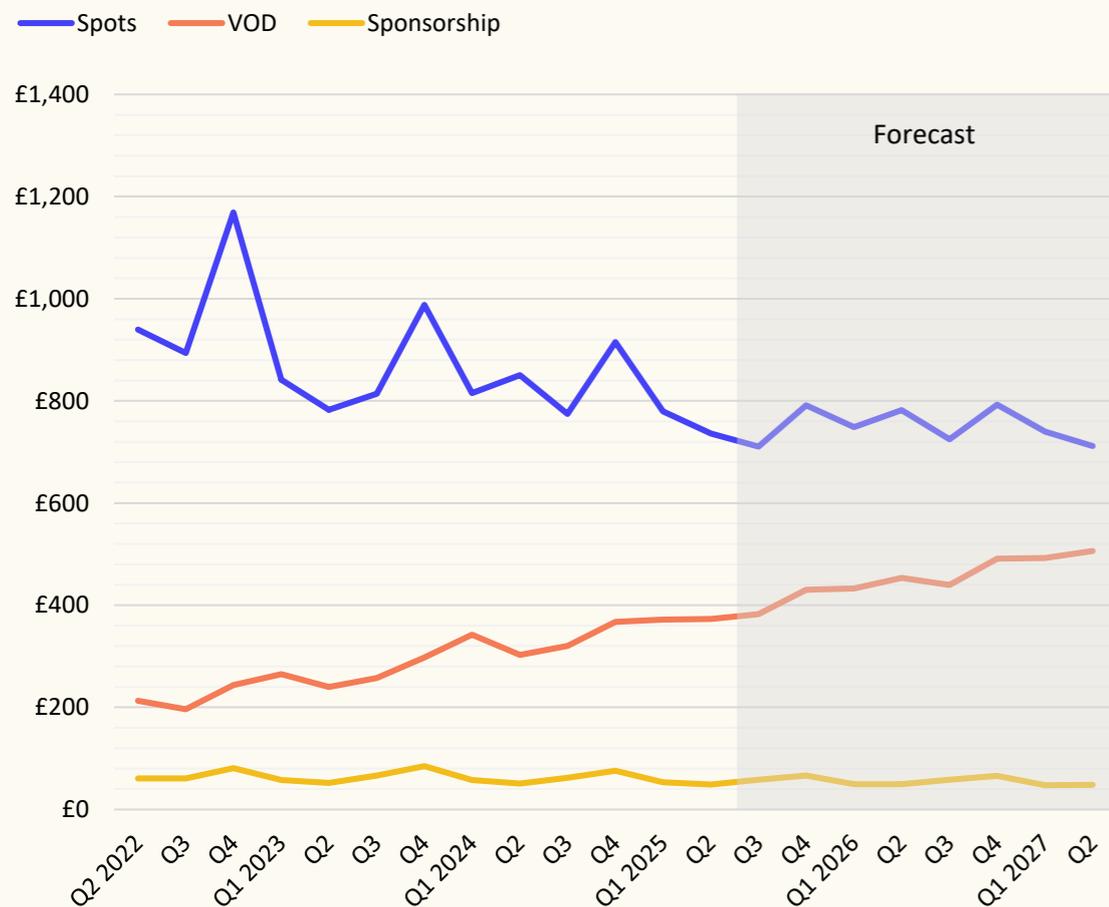


Note: Social video is included in the online video and social media totals. **From H1 2025**, IAB UK is partnering with Oliver Wyman to deliver its Digital Adspend report. This new collaboration introduces an updated methodology, with all reported data beginning from H1 2025. As a result of this methodological change, it is not possible to reconcile this new data with previous editions. Care should therefore be taken when making year-on-year comparisons

SOURCE: AA/WARC Expenditure Report

TV advertising spend by format

£ millions and year-on-year % change, current prices

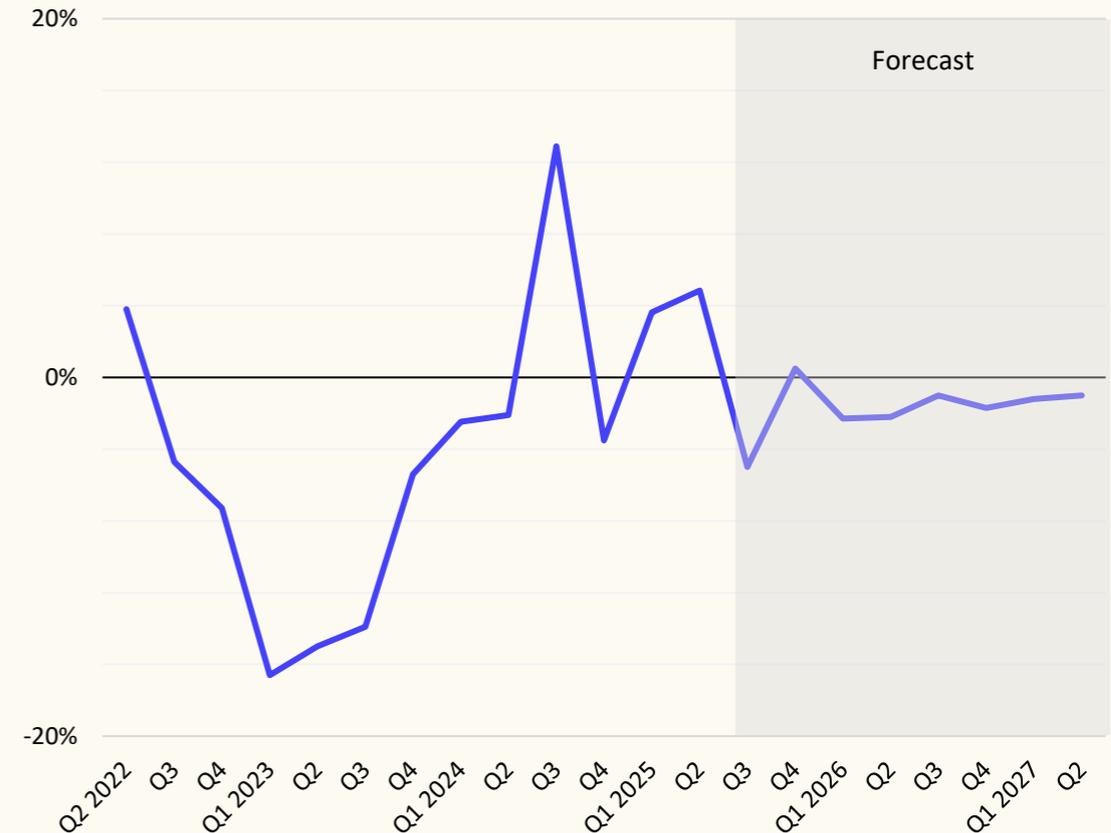
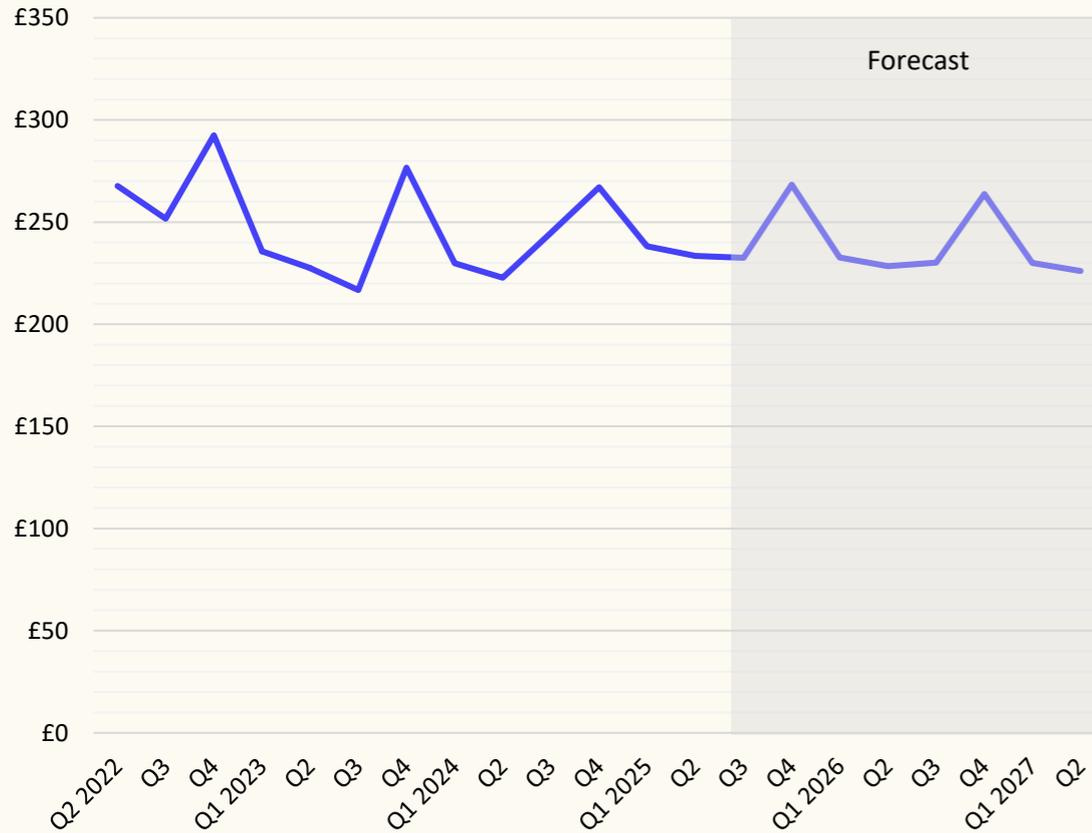


Note: Product placement, advertiser funded programming and other sources (like interactive fees and pub TV) not displayed due to small size.

SOURCE: AA/WARC Expenditure Report

Direct mail advertising spend

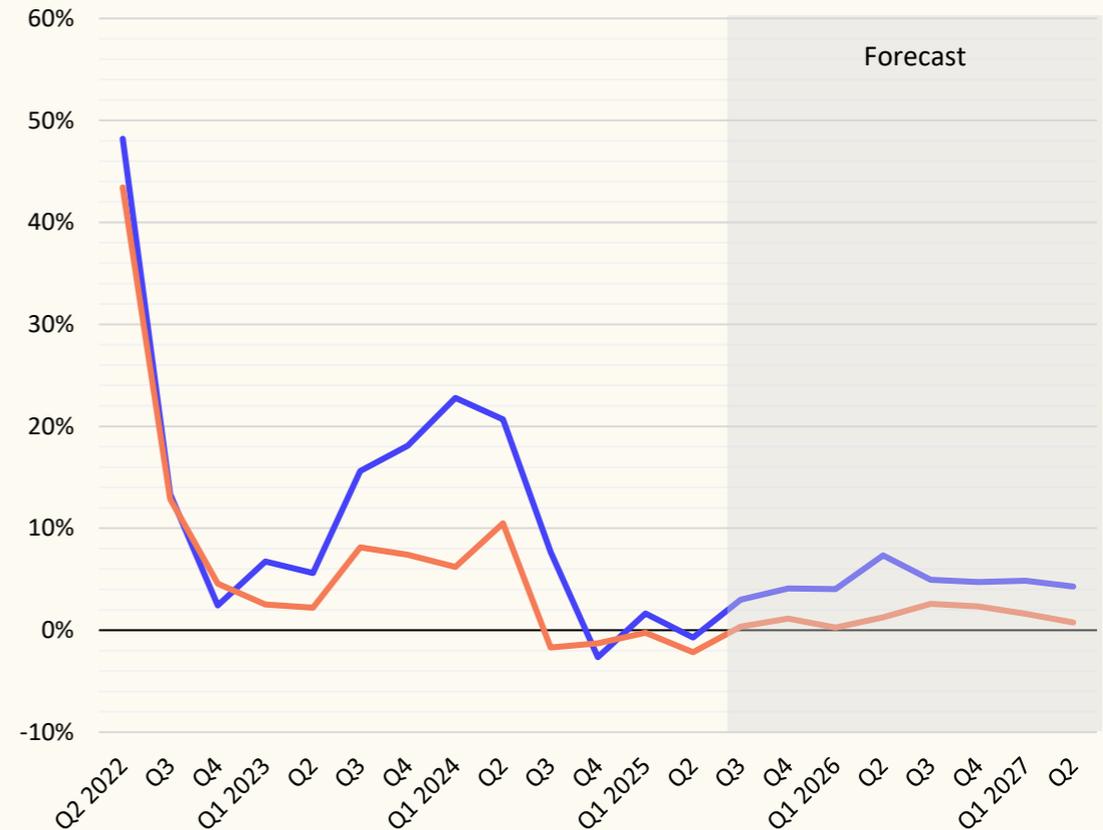
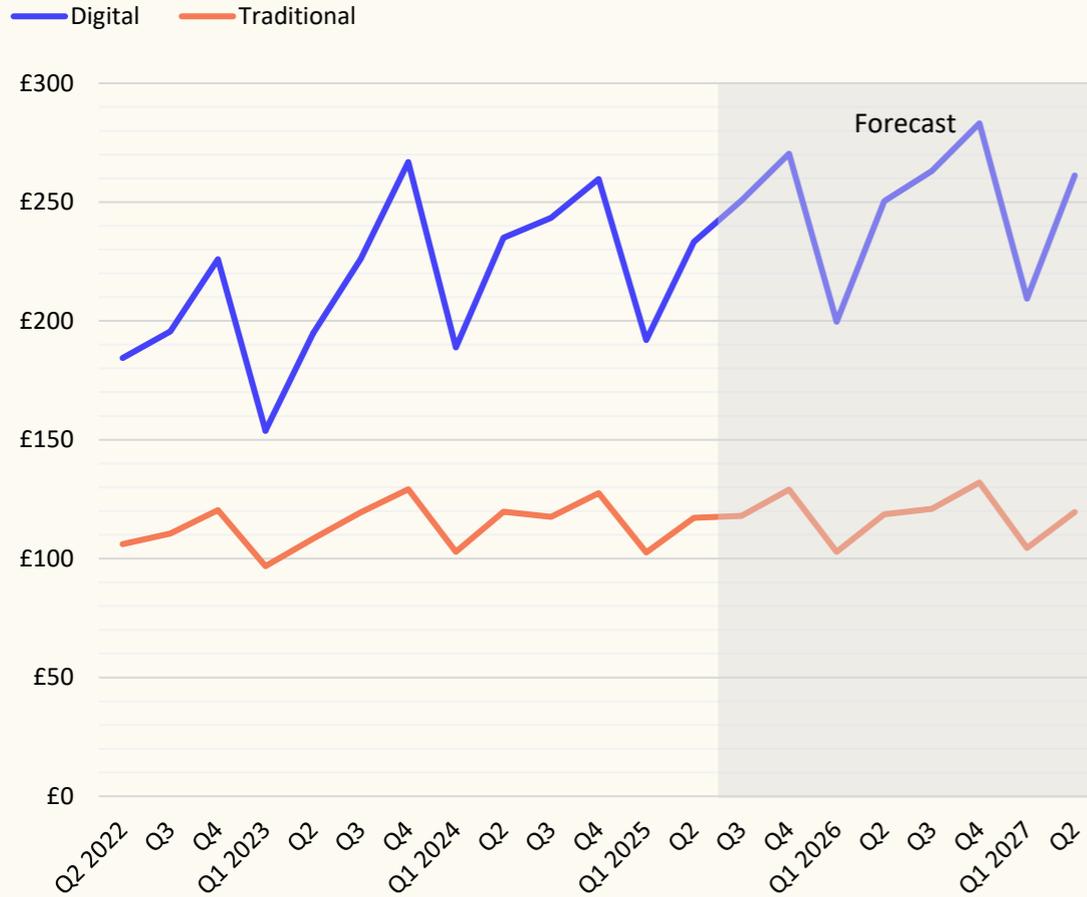
£ millions and year-on-year % change, current prices



SOURCE: AA/WARC Expenditure Report

Out of home advertising spend by format

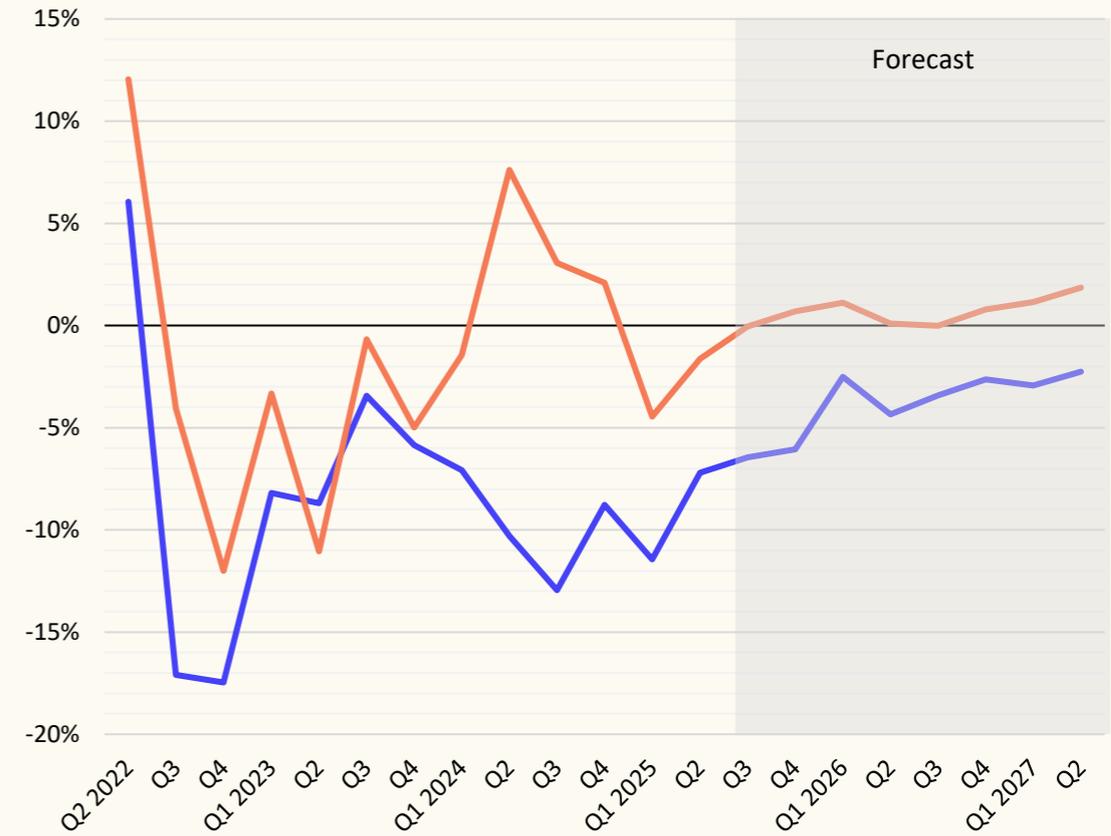
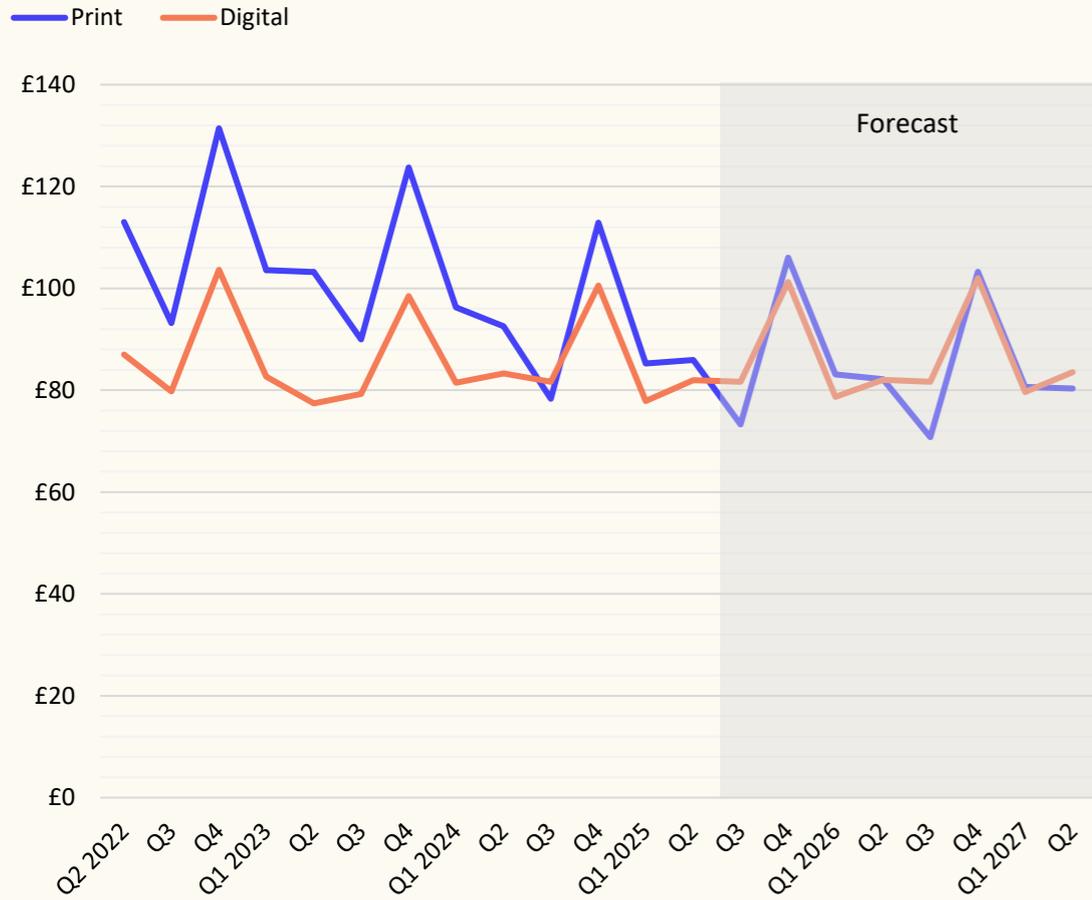
£ millions and year-on-year % change, current prices



SOURCE: AA/WARC Expenditure Report

National newsbrands advertising spend by format

£ millions and year-on-year % change, current prices

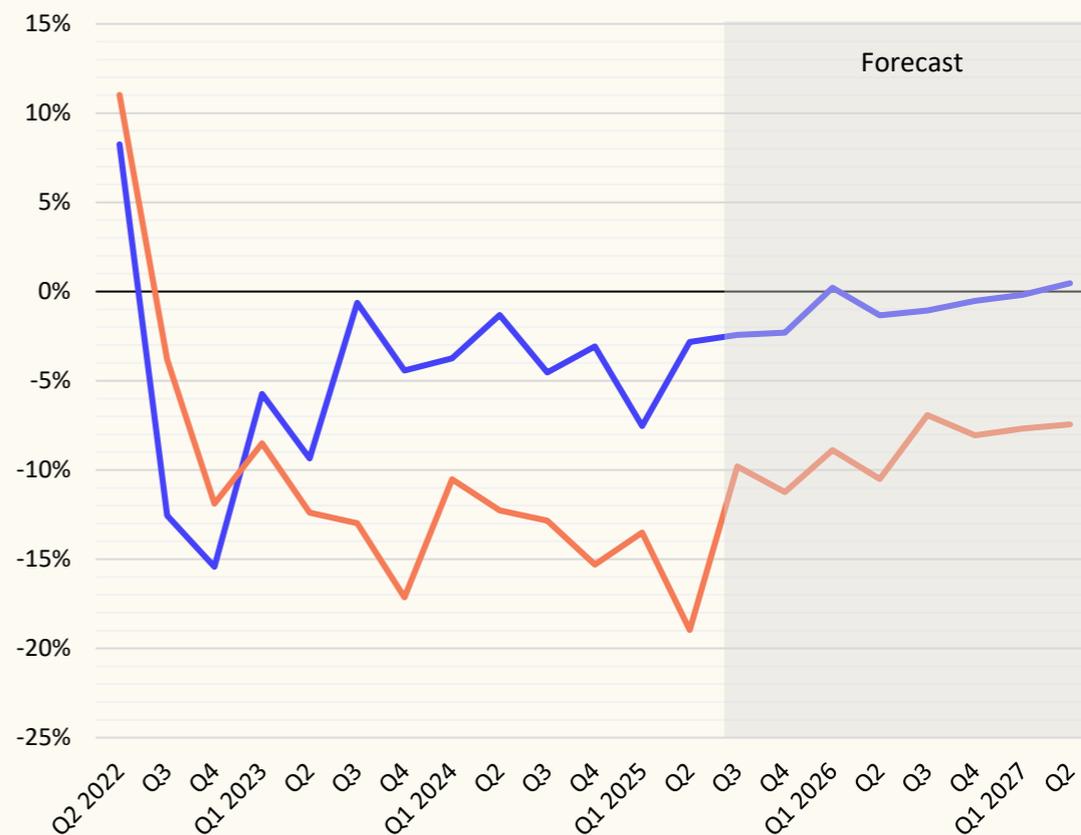
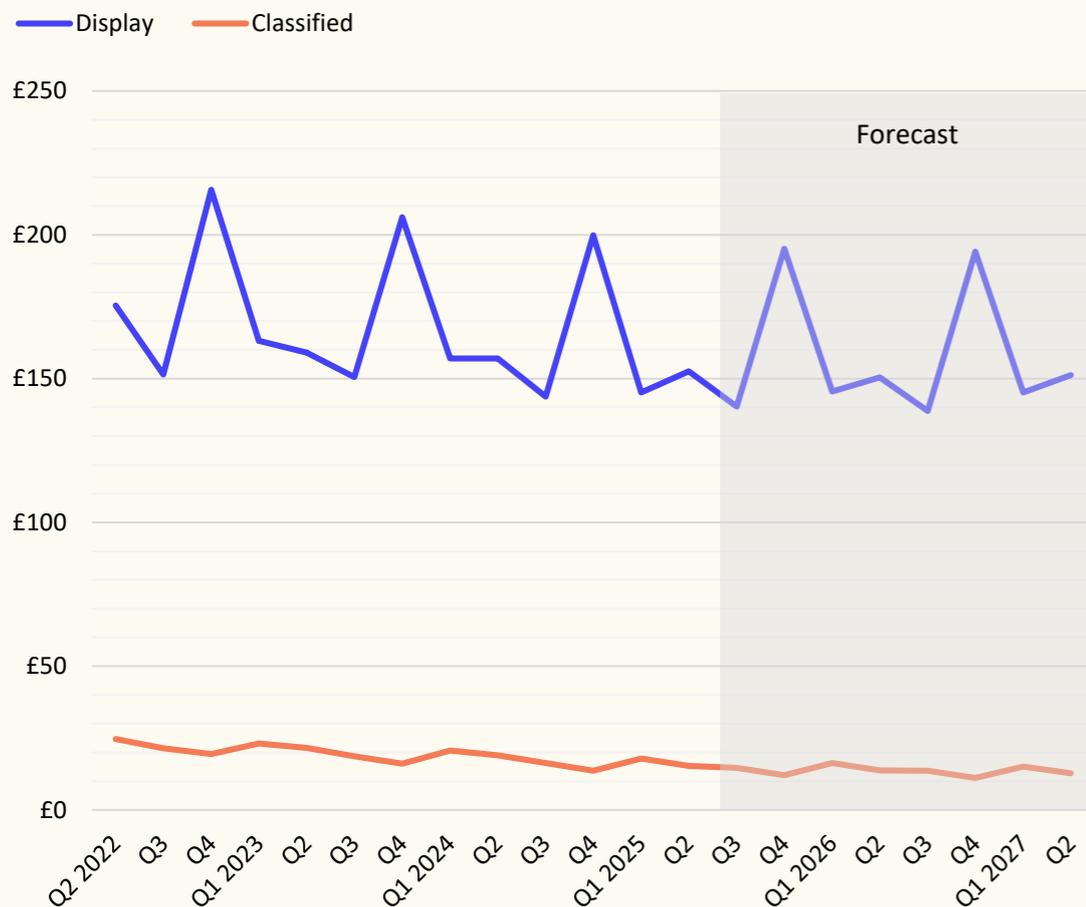


Note: Print and digital each include display and classified formats.

SOURCE: AA/WARC Expenditure Report

National newsbrands advertising spend by format

£ millions and year-on-year % change, current prices

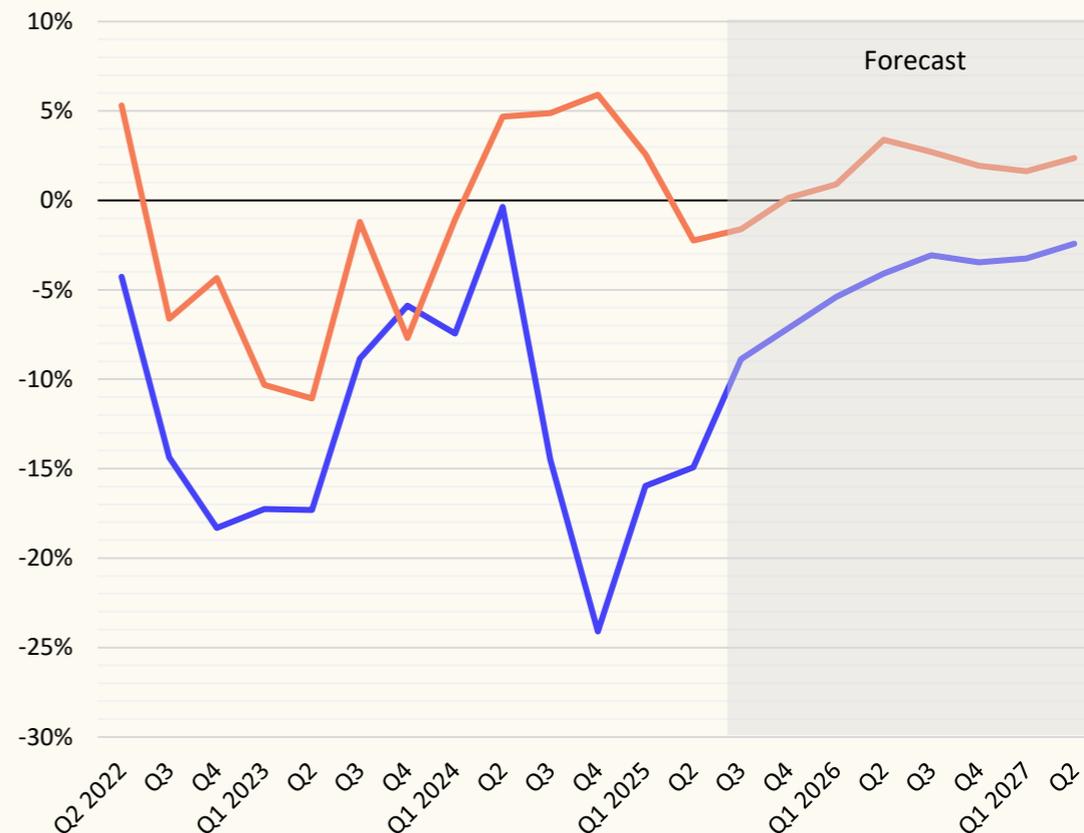
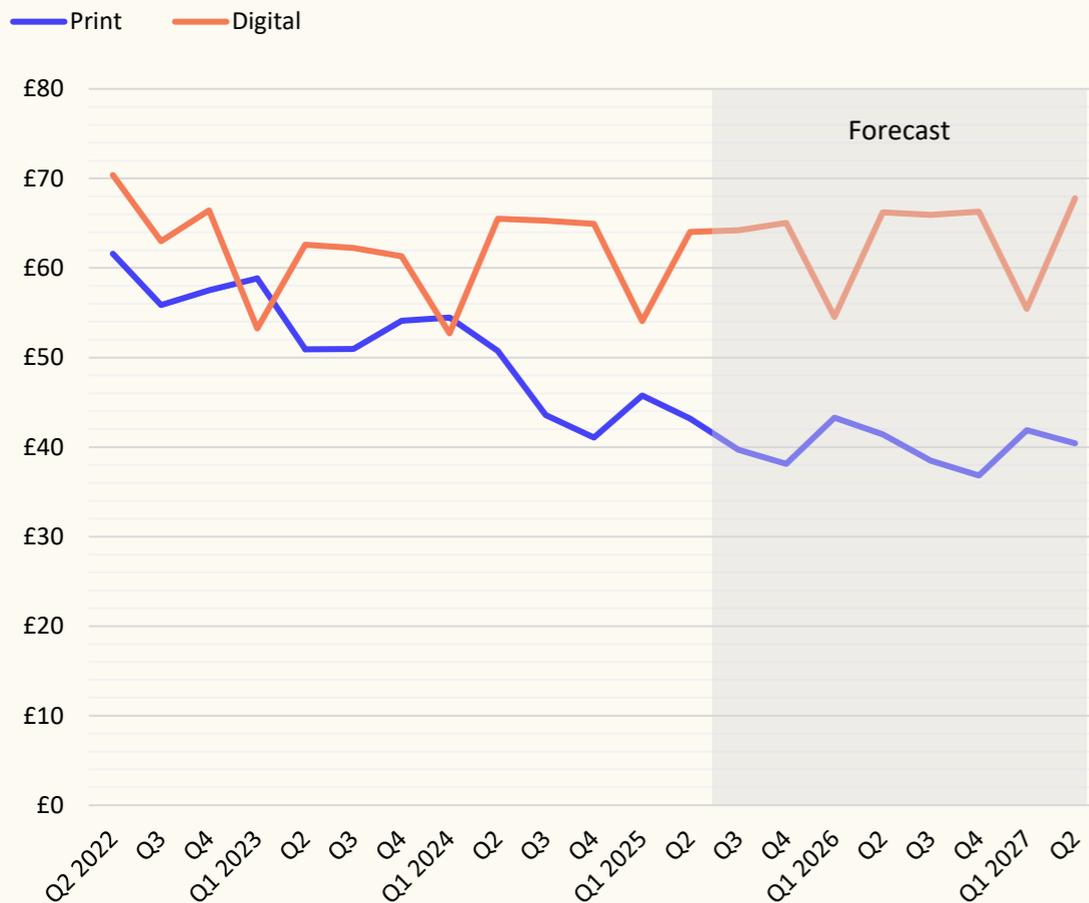


Note: Display and classified each include print and digital formats.

SOURCE: AA/WARC Expenditure Report

Regional newsbrands advertising spend by format

£ millions and year-on-year % change, current prices

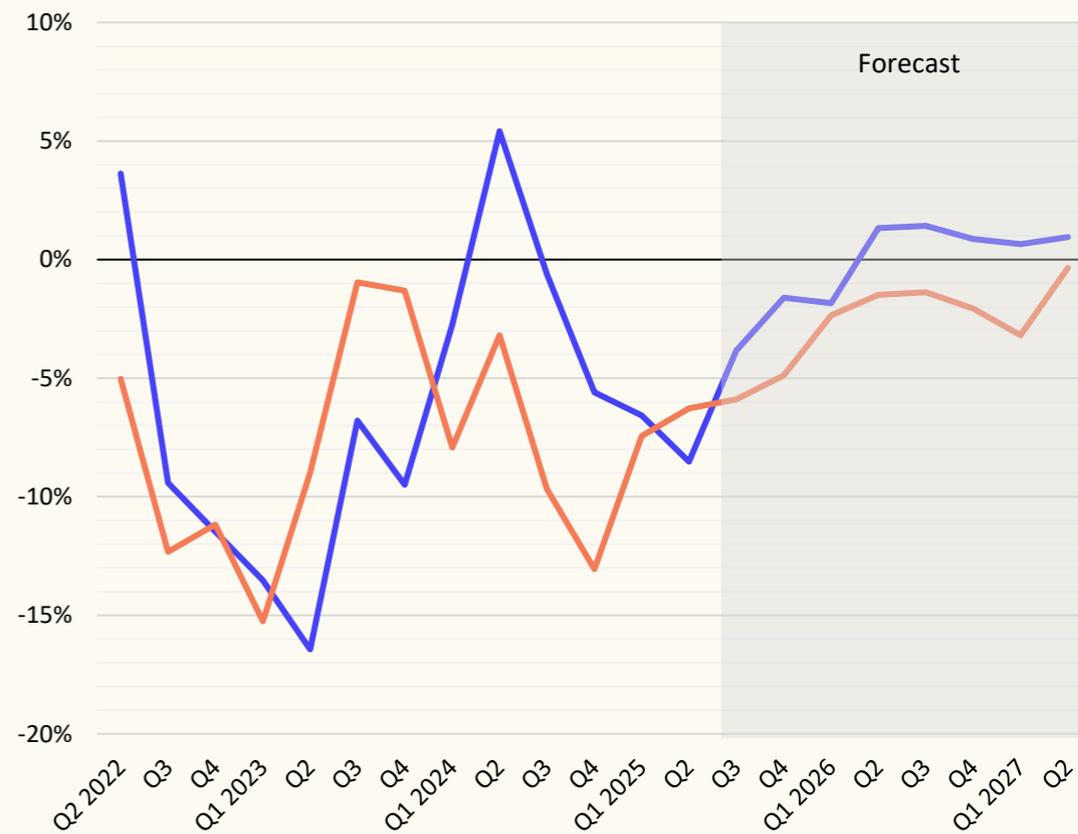
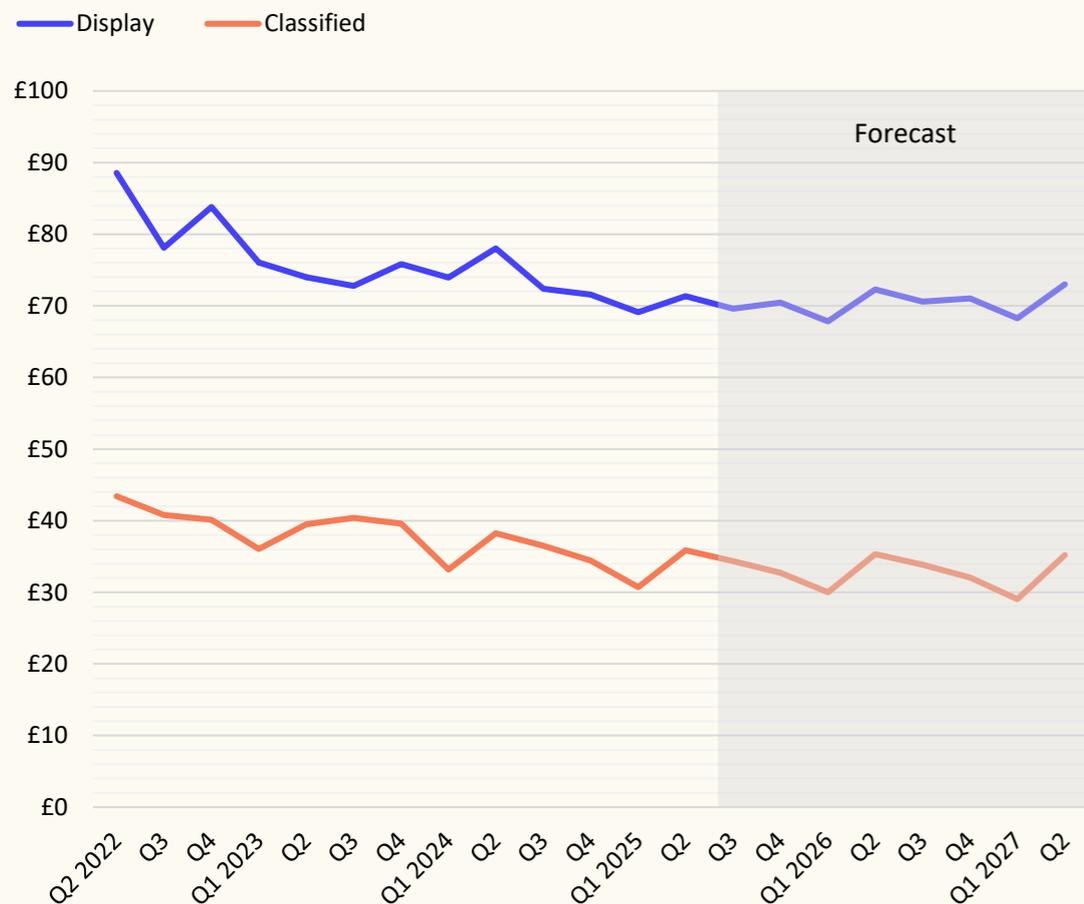


Note: Print and digital each include display and classified formats.

SOURCE: AA/WARC Expenditure Report

Regional newsbrands advertising spend by format

£ millions and year-on-year % change, current prices

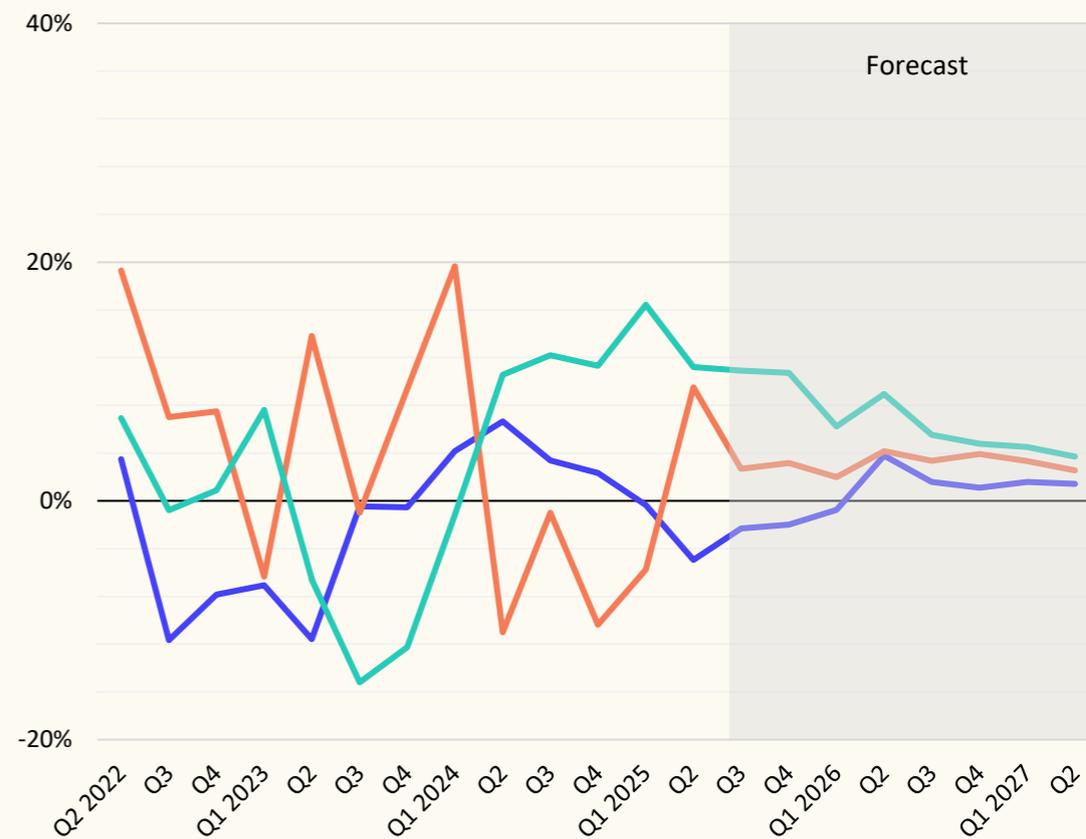
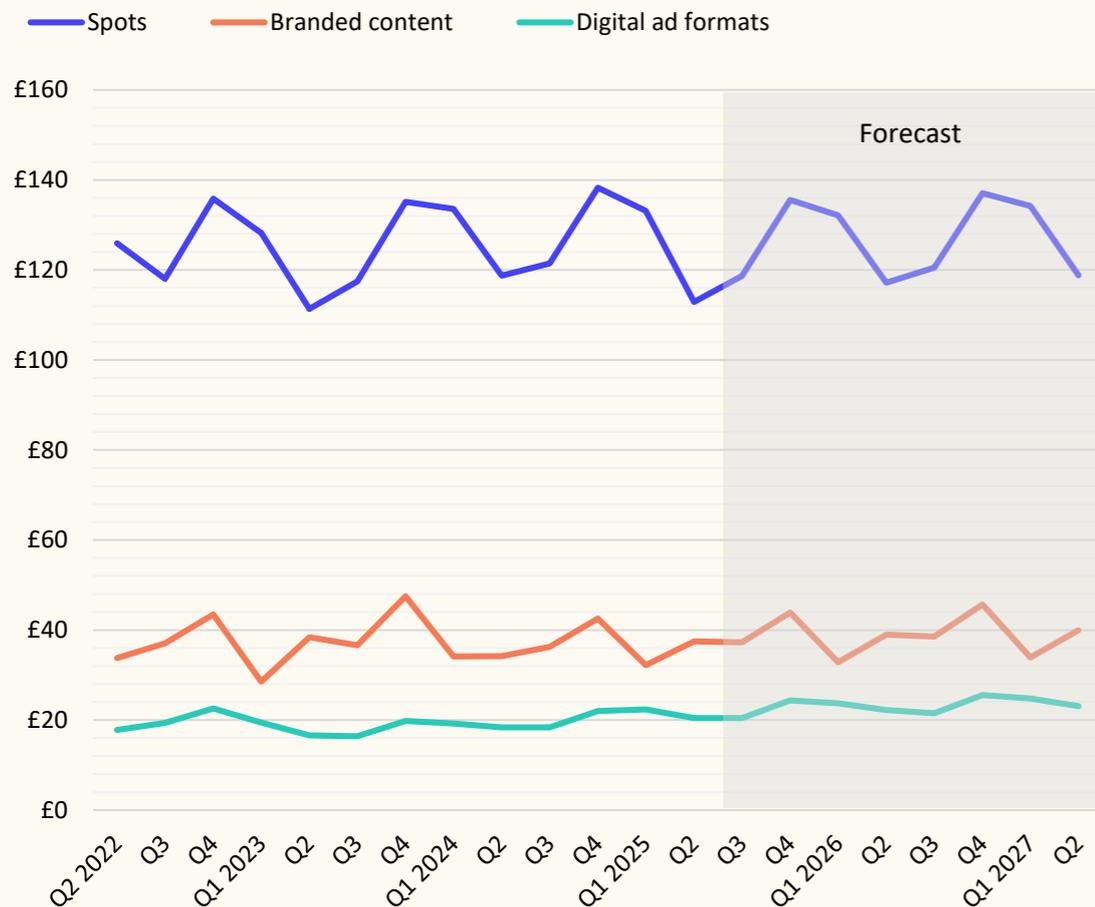


Note: Display and classified each include print and digital formats.

SOURCE: AA/WARC Expenditure Report

Radio advertising spend by format

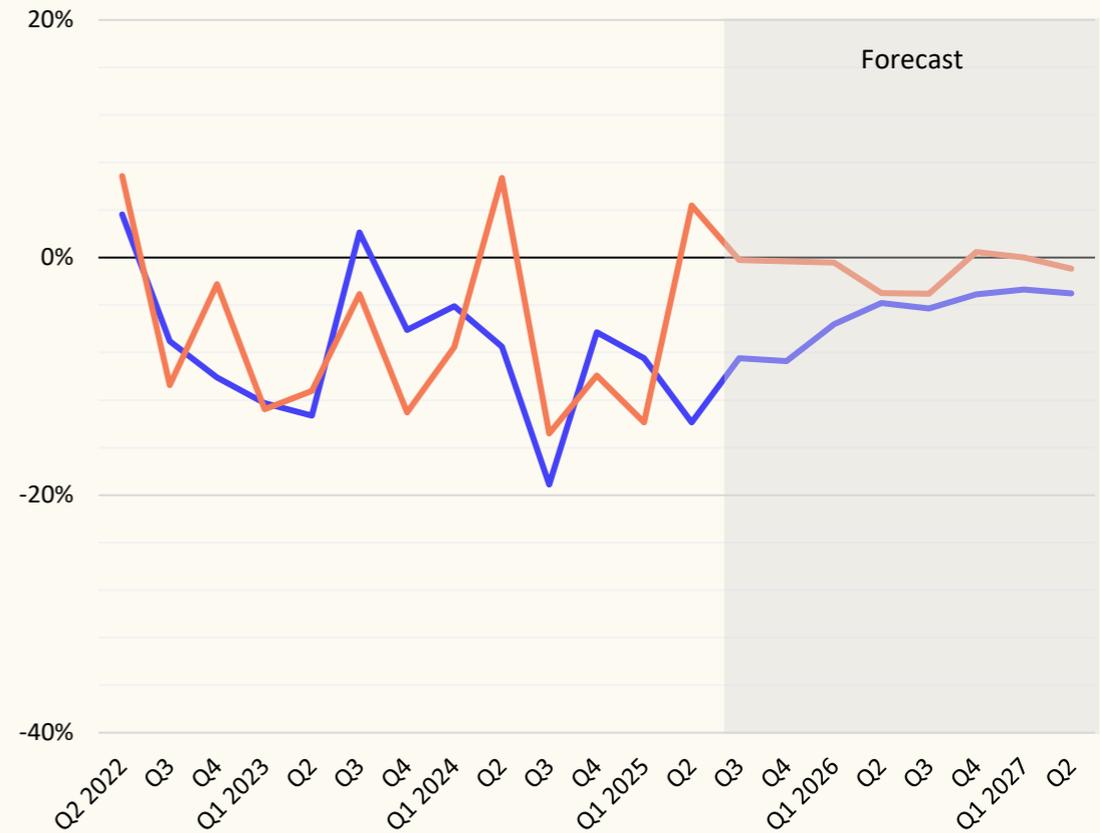
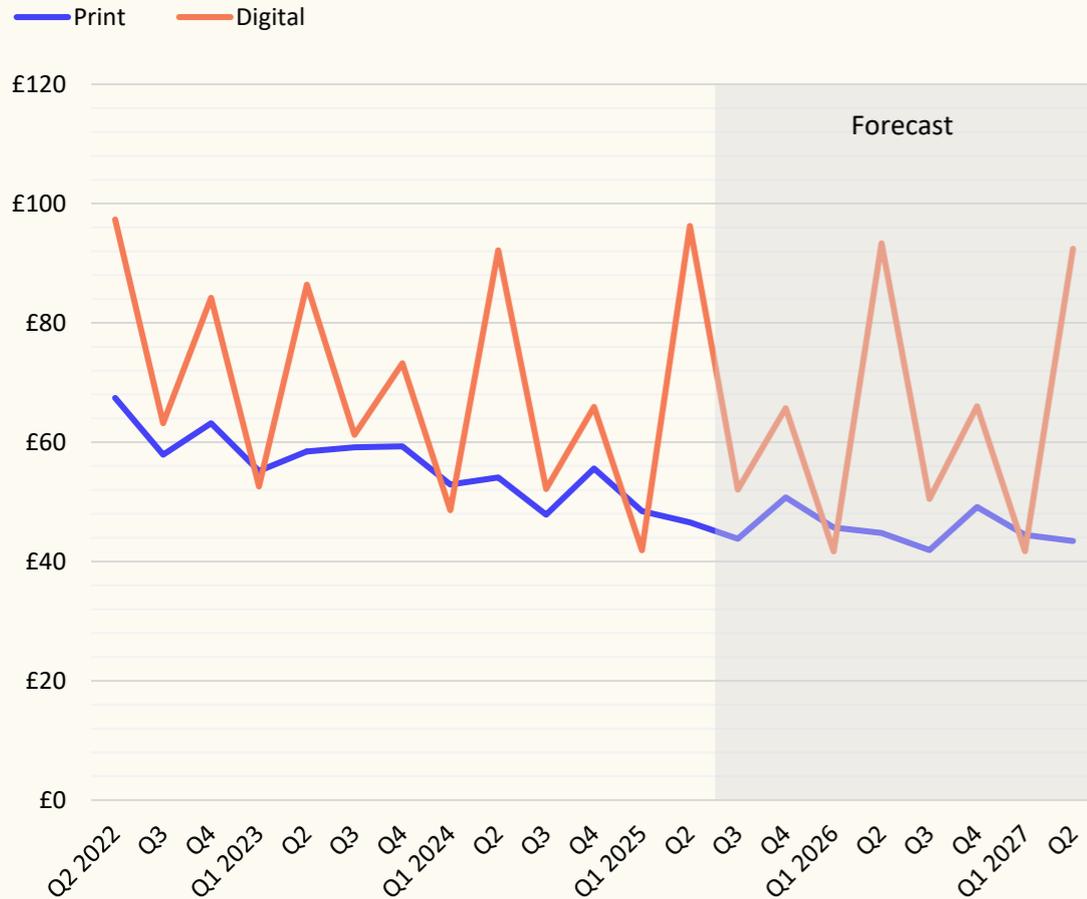
£ millions and year-on-year % change, current prices



SOURCE: AA/WARC Expenditure Report

Magazine brands advertising spend by format

£ millions and year-on-year % change, current prices

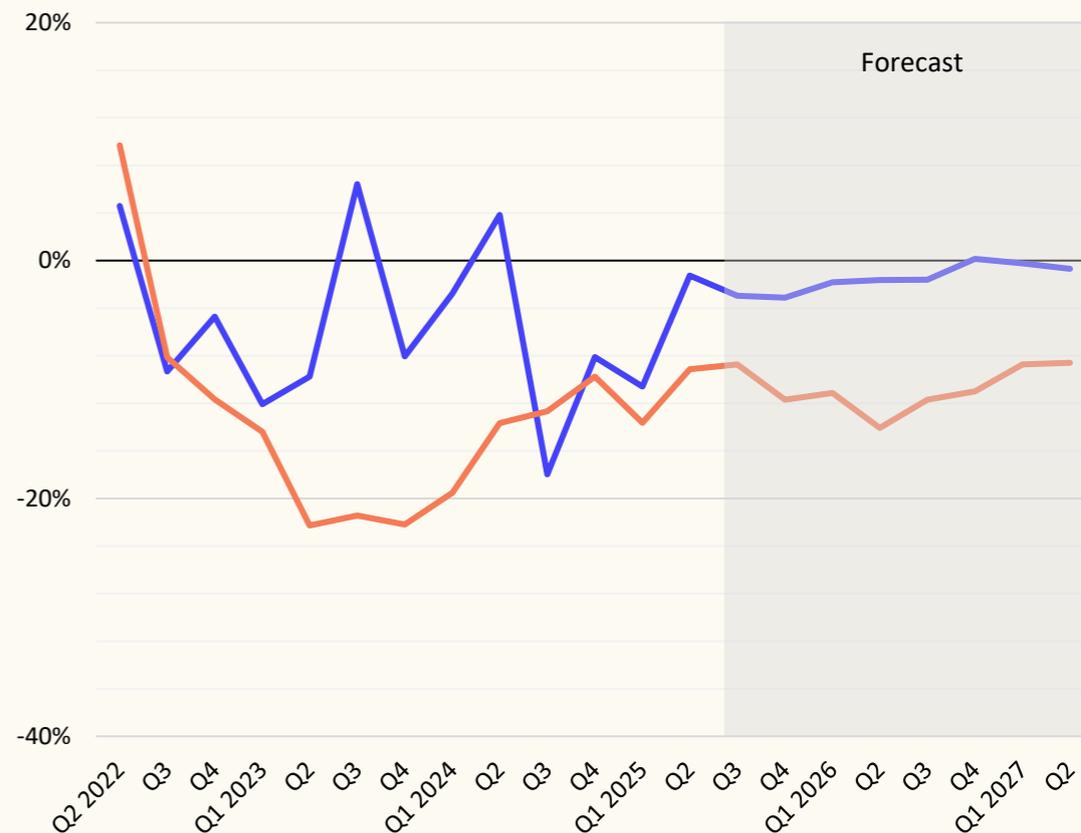
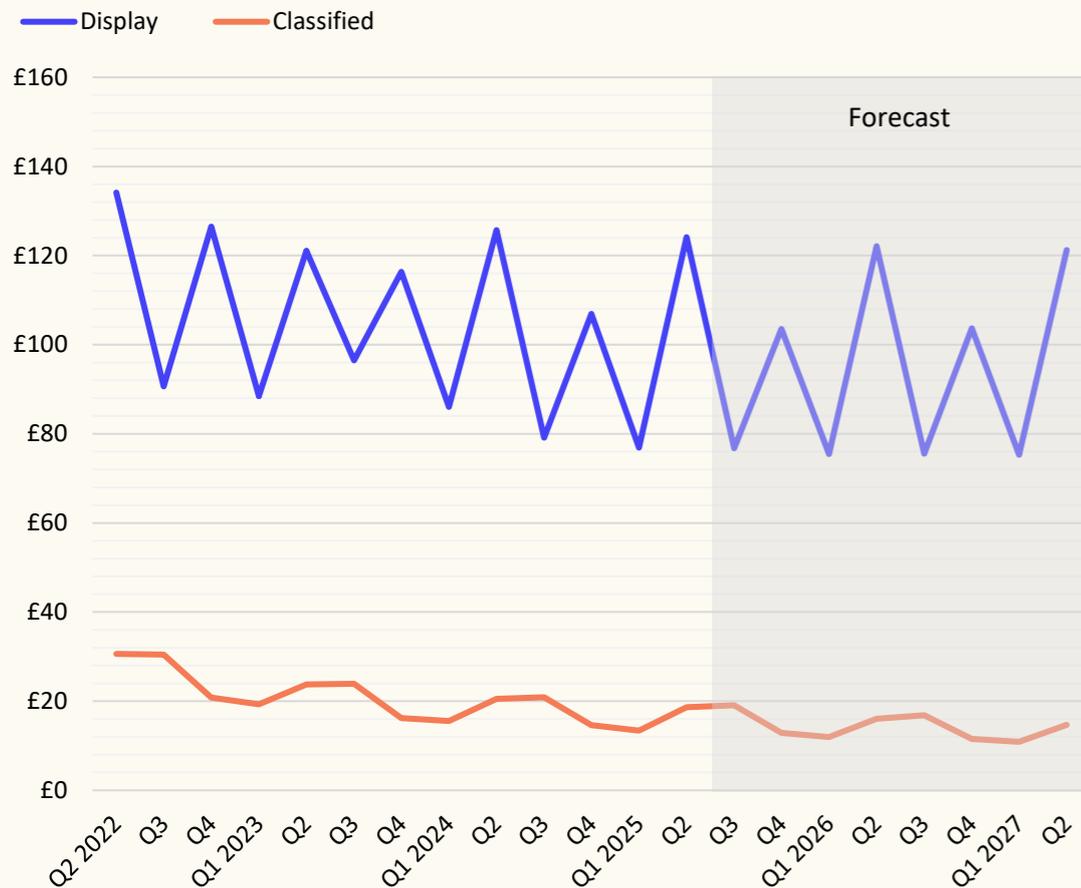


Note: Print and digital each include display and classified formats.

SOURCE: AA/WARC Expenditure Report

Magazine brands advertising spend by format

£ millions and year-on-year % change, current prices

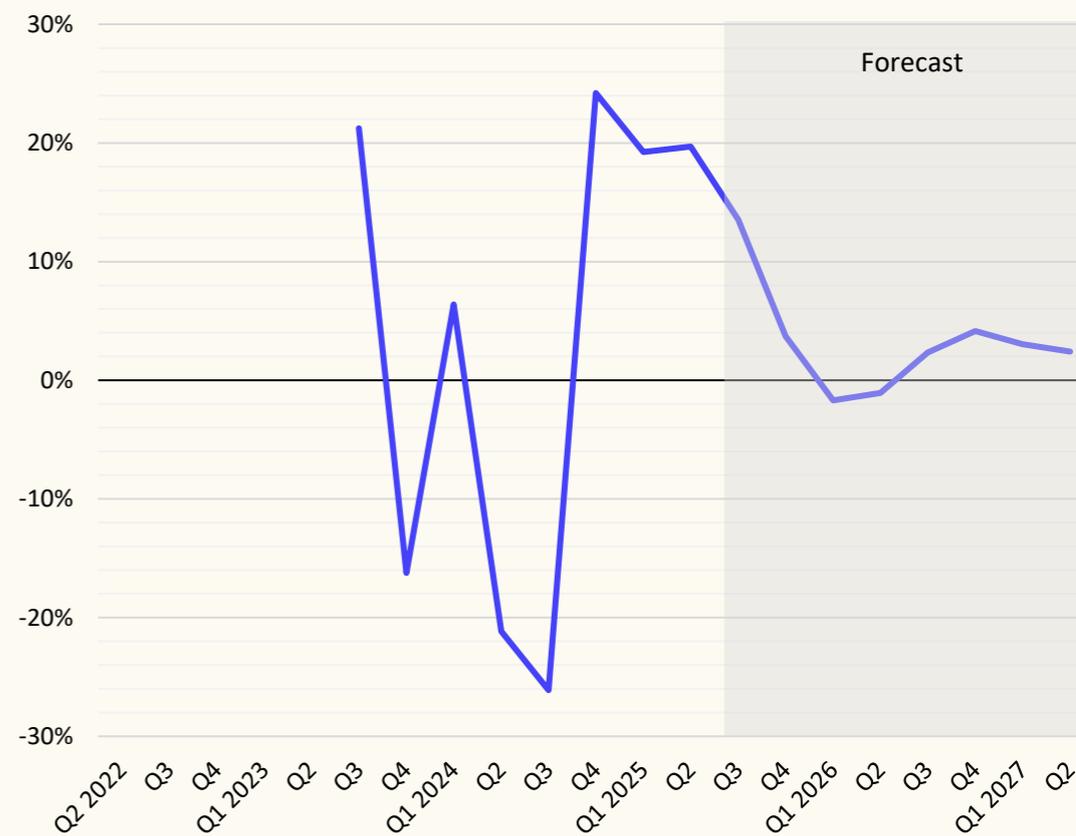
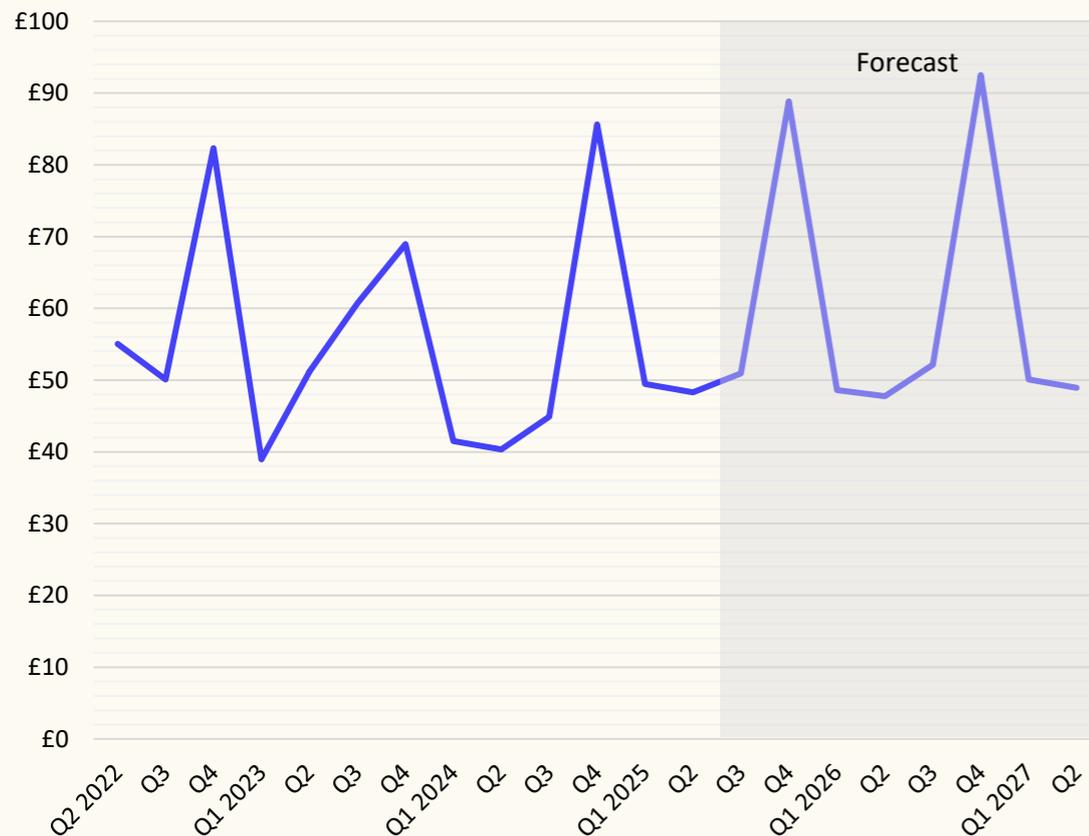


Note: Display and classified each include print and digital formats.

SOURCE: AA/WARC Expenditure Report

Cinema advertising spend

£ millions and year-on-year % change, current prices



Note: Growth for Q2 2021 not applicable. Growth for Q3 2021, Q4 2021 and Q1 2022 and forecast growth for Q2 2022 omitted from chart as value is over 300%.

SOURCE: AA/WARC Expenditure Report



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