



**Q2 2024**

# **DIGITAL MEDIA REVENUES REPORT**

**PREPARED BY**

**OAREX CAPITAL MARKETS,  
INC.**

# INTRODUCTION & BASIS

OAREX, the Online Ad Revenue Exchange, collects payments from hundreds of companies in the digital media ecosystem. Therefore, OAREX can monitor the revenues and earnings of these companies to understand changes and trends within the space. With the recent attention to advertising revenues, given the performance of many of the major players, OAREX conducted a deep dive analysis to evaluate the data and share the findings.

OAREX operates a digital revenue exchange where media businesses can trade future revenues for access to immediate capital. Once exchanged, OAREX takes ownership in the invoice under a Purchase & Sale Agreement with clients and the payors are liable to pay OAREX directly. Thus, OAREX receives payments from companies across the entire digital media and advertising ecosystem, which includes ad networks and exchanges, Supply Side Platforms (SSPs), Demand Side Platforms (DSPs), media buyers, and ad agencies.

## Companies Analyzed

For this report, OAREX reviewed companies that met these qualifications:

- Publicly traded in the USA with US dollar denominated financial reports.
- Companies from which OAREX received payments from or were underwritten by OAREX's credit team (this limits the companies to only those involved in the digital media ecosystem).
- Companies where most of the revenue is from digital media operations. We **do not** include advertising agencies that have some digital media revenue **and** multiple other business lines.
- The "Big AdTech" companies (Google, Meta, Snap, etc.) were excluded.
- These are the same companies in the OAREX Digital Media Index [OAREX Digital Media Index](#).

*See Appendix A for the full list of companies reviewed.*

## How the Data Was Obtained

OAREX uses publicly available data, either directly from the companies' SEC filings or from public sources, including the Wall Street Journal, Yahoo Finance, Google Finance, Marketwatch, and Wiseshets. For companies not on a calendar year cycle, data from the quarter ending closest to December for Q4 results was used. Also, there was no adjustment for mergers or acquisitions, which may affect some results. When available, the report used restated results. Note, as more data is available, previous periods results may be updated.

## KEY TAKEAWAYS FROM Q2 2024

### **Overall Performance Remained Flat**

While 58% of companies saw positive revenue growth during Q2 2024, median revenue growth remained at 5%. This results in eight consecutive quarters with 6% or less growth and the most prolonged period of sustained low growth on record.

### **Google Performed Worse than the Industry (Again)**

Google Network (its Display business) was down 5% year-over-year (YoY) in Q2, while Snap was up 16% and Meta was up 22%. This is Google's eighth consecutive negative growth quarter.

### **Revenue Volatility Jumped**

At 28% dispersion, Q2 2024 marks a significant jump compared to 18-21% volatility we have observed in the prior two years.

### **Bigger Proves to Be Better**

The data continues to suggest that size and performance are correlated, with the YoY growth of larger companies (excluding Google, Meta, and Snap) outperforming that of smaller ones.

### **Still Some Big Winners**

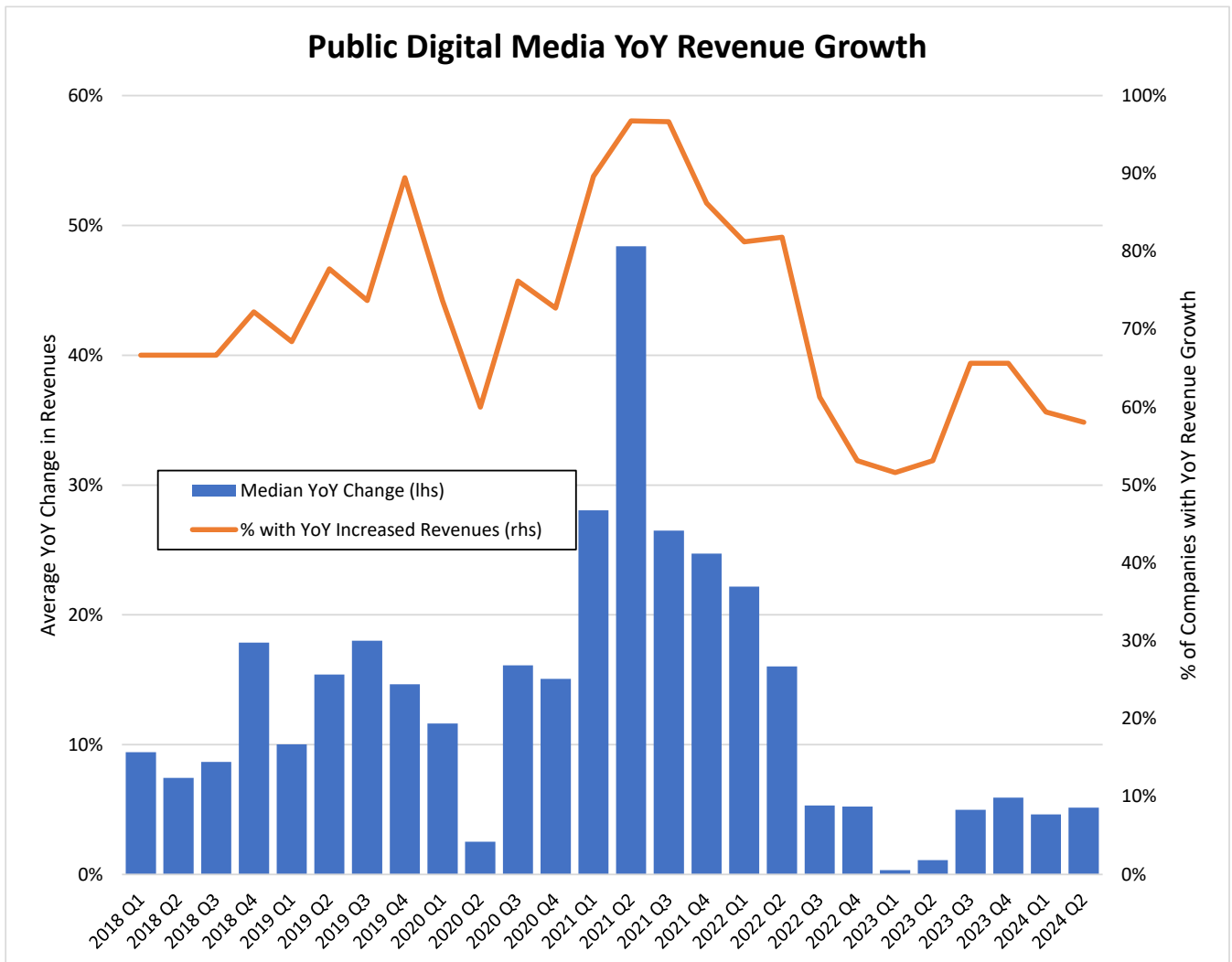
HubSpot, The Trade Desk, Taboola, AppLovin, QuinStreet, and MediaAlpha saw significant increases, with 20% or greater YoY growth rates. On the other end, Perion, System, and Fluent experienced declines of over 20%.

# DIGITAL MEDIA REVENUES Q2 2024

## Revenue Growth Remains Low But Steady

The median public digital media company increased year-over-year (YoY) revenues by 5% in Q2, approximately the same as the prior three quarters. This marks the eighth consecutive quarter with a median YoY revenue growth of 6% or less, the most prolonged period of low growth and volatility within the OAREX data set.

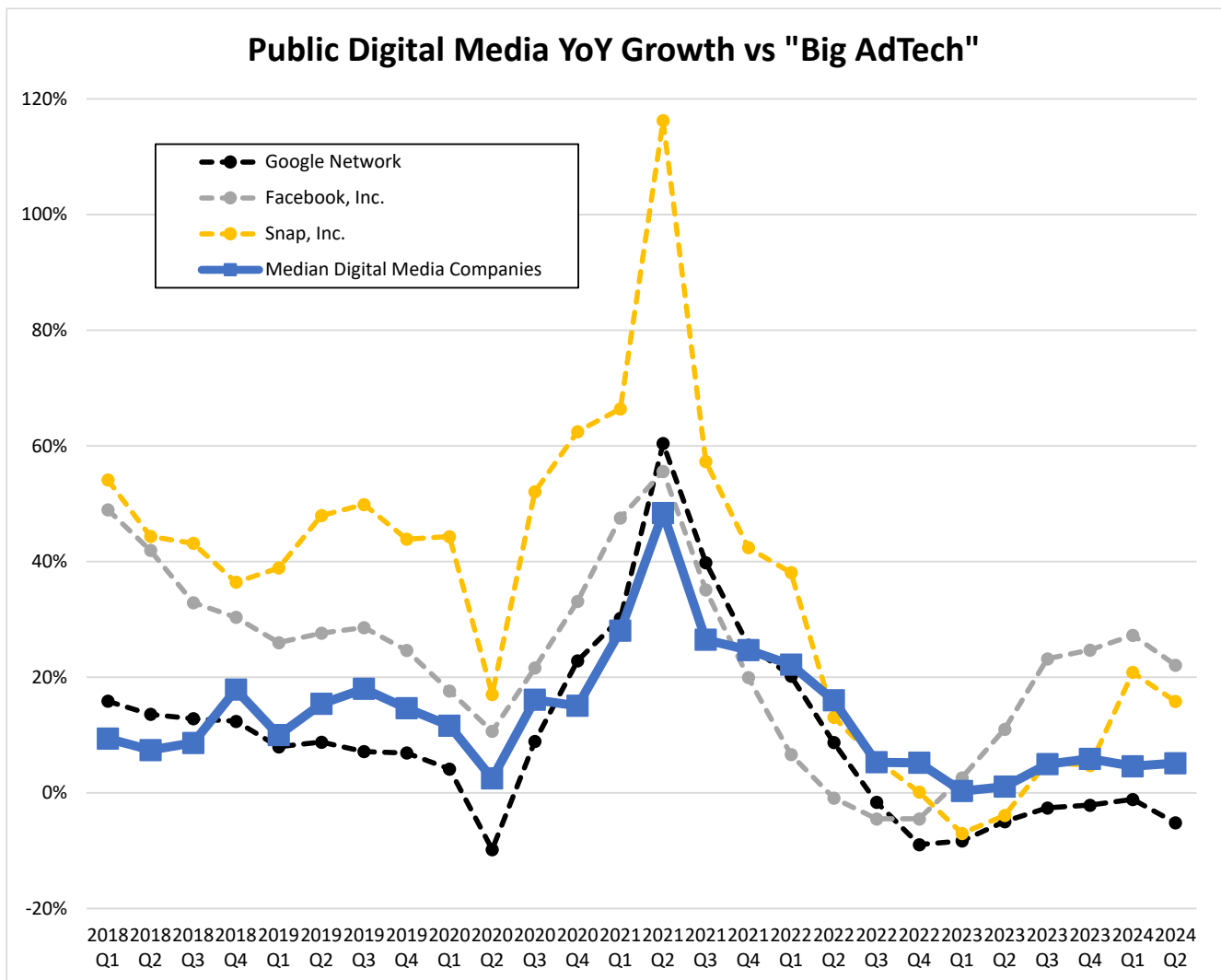
While overall revenue growth remains stagnant, many companies are reporting positive numbers—58% of the companies analyzed saw increased revenues, about the same as in Q2 2024 and consistent with the average over the past two years.



# DIGITAL MEDIA COMPARED TO “BIG ADTECH”

## Digital Media Sector Outperformed Google Again

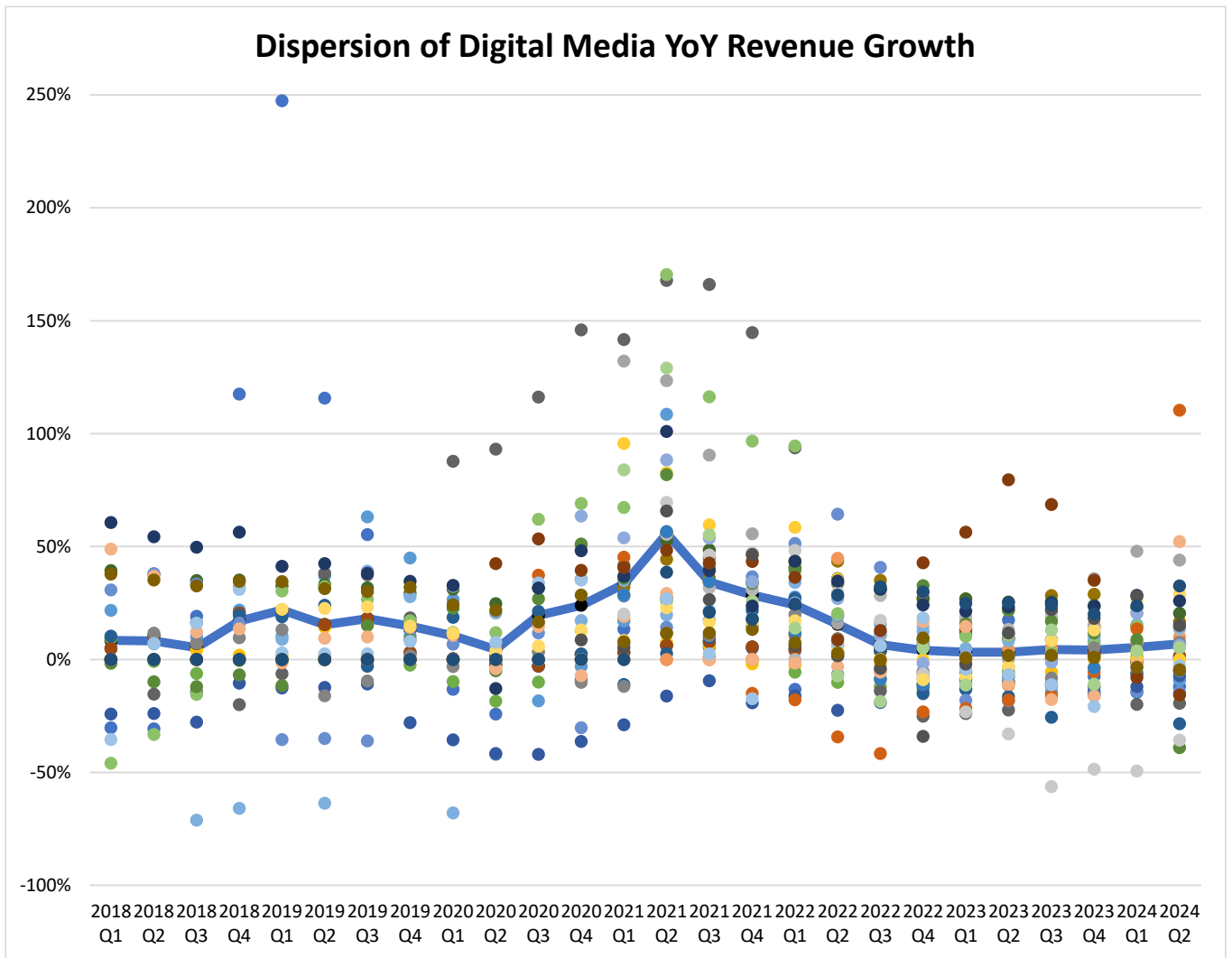
For several quarters, the ad tech industry saw overall revenue performance suffer due to economic and industry-related challenges. Over that time, the broader ad tech market outperformed the Google Network but not Meta or Snap. Google Network (Google’s display advertising business) saw a YoY increase of 5%, resulting in eight consecutive negative quarters. Snap was up 16%, and Meta was up 22%, about the same as Q1 2024.



# DISPERSION OF REVENUES

## Volatility Jumps in Q2 2024

The graph below demonstrates the results of individual companies (represented by the dots) and the median. During the post-COVID period, there was significant dispersion in the results, with some substantial increases. However, dispersion increased in Q2, making the first rise in two years.

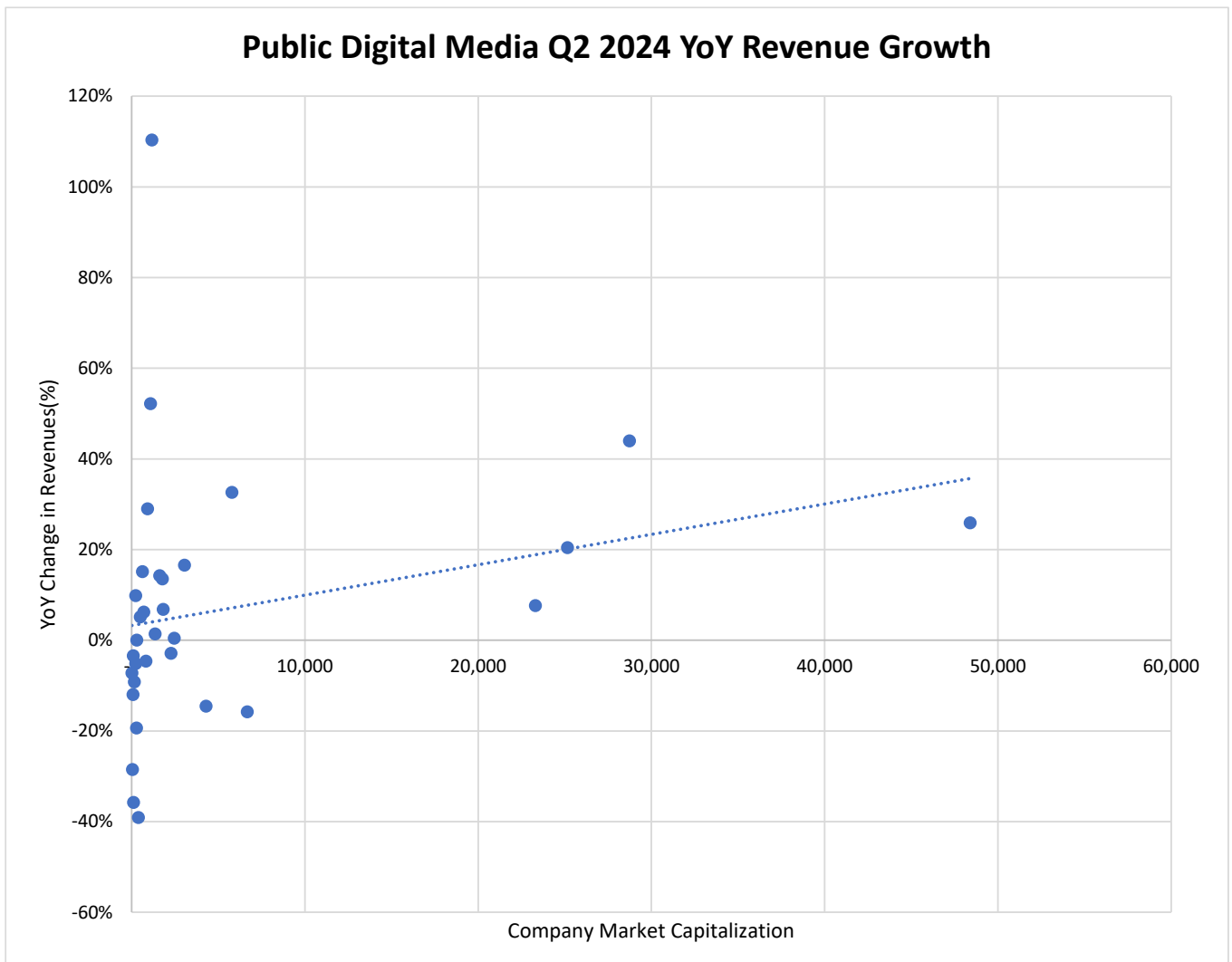


# GROWTH vs SIZE

## Correlation Between Size and Performance

With larger companies performing better than smaller ones, there continues to be a correlation between size and YoY growth in Q2 2024.

All companies with market capitalizations over \$10 billion experienced positive growth.



## ADDITIONAL OBSERVATIONS

The data below shows a compilation of data reflected in the previous graphs.

Additionally, here are some observations:

- ❖ With 8 consecutive quarters of low growth, the past 2 years represent the worst period over the past 6 years.
- ❖ Standard deviation measures the volatility of the results. In Q2 2024, the standard deviation of YoY results was 28%, up significantly from 18-21% seen over the prior 2 years.

Quarter	# Companies with YoY Results	Average YoY Change	Median YoY Change	Std Deviation of YoY Change	% with Revenues Increased
2018 Q1	16	8%	9%	31%	67%
2018 Q2	18	8%	7%	25%	67%
2018 Q3	18	5%	9%	28%	67%
2018 Q4	18	17%	18%	37%	72%
2019 Q1	19	22%	10%	58%	68%
2019 Q2	19	15%	15%	36%	78%
2019 Q3	19	18%	18%	24%	74%
2019 Q4	19	15%	15%	16%	89%
2020 Q1	19	10%	12%	31%	74%
2020 Q2	20	4%	3%	29%	60%
2020 Q3	21	19%	16%	32%	76%
2020 Q4	22	24%	15%	40%	73%
2021 Q1	29	33%	28%	39%	90%
2021 Q2	31	56%	48%	48%	97%
2021 Q3	31	34%	26%	37%	97%
2021 Q4	30	29%	25%	33%	86%
2022 Q1	32	24%	22%	28%	81%
2022 Q2	33	16%	16%	21%	82%
2022 Q3	31	7%	5%	19%	61%
2022 Q4	32	4%	5%	19%	53%
2023 Q1	31	3%	0%	18%	52%
2023 Q2	32	3%	1%	20%	53%
2023 Q3	32	4%	5%	21%	66%
2023 Q4	32	4%	6%	18%	66%
2024 Q1	32	5%	5%	18%	59%
2024 Q2	31	7%	5%	28%	58%



## Appendix A

## BREAKDOWN BY COMPANY

Below is a breakdown of the performance of individual companies.

Company	09/10/24 Market Cap (\$MM)	2024 Q2 Revenues (\$MM)	YOY Change in Revenues
AcuityAds, Inc.	76	29	-12%
AdTheorent, Inc.	294	-	
Applovin Corp.	28,705	1,080	44%
Brightcove, Inc.	93	49	-3%
Cardlytics, Inc.	156	70	-9%
Criteo, Inc.	2,456	471	0%
CSG Systems Internationa	1,355	290	1%
Digital Turbine, Inc.	271	118	-19%
DoubleVerify, Inc.	3,050	156	17%
Fluent, Inc.	46	59	-29%
Hubspot, Inc.	25,233	637	20%
IAC/InterActiveCorp.	4,291	950	-15%
Innovid, Inc.	239	38	10%
Integral Ad Science, Inc.	1,769	129	14%
IronSource USA, Inc.		-	
Liveramp, Inc.	1,614	176	14%
Magnite, Inc.	1,825	163	7%
Marin Software, Inc.	7	4	-7%
MediaAlpha, Inc.	1,166	178	110%
NetApp, Inc.	23,331	1,541	8%
Outbrain, Inc.	229	214	-5%
Perion Network Ltd.	391	109	-39%
Pubmatic, Inc.	702	67	6%
QuinStreet, Inc.	1,088	198	52%
System1, Inc.	108	95	-36%
Taboola, Inc.	918	428	29%
Tegna, Inc.	2,262	710	-3%
Telaria, Inc.	499	89	5%
The Trade Desk, Inc.	48,494	585	26%
Unity Technologies, Inc.	6,661	449	-16%
Viant, Inc.	631	66	15%
Yext, Inc.	826	98	-5%
Zeta Global Corp.	5,810	228	33%
<b>Total</b>	<b>164,595</b>	<b>9,473</b>	<b>5%</b>

Google Inc.	1,835,256,000,000	84,640,000,000	13%
Google Network		7,444,000,000	-5%
Facebook, Inc.	1,275,103,662,510	39,071,000,000	22%
Snap, Inc.	14,155,400,000	1,236,768,000	16%

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**ABOUT OAREX CAPITAL MARKETS, INC:** OAREX, the Online Ad Revenue Exchange, operates a digital revenue exchange where digital media businesses can exchange future revenue payouts for capital now. Established in 2013, OAREX has become a worldwide leader in financing for digital media businesses. East West Bank's investment in OAREX is a testament to its model and the digital media industry as a whole. Visit [oarex.com](http://oarex.com) for more information or visit [go.oarex.com](http://go.oarex.com) to open an account.