



H1 2024

OAREX[®]

**DIGITAL MEDIA &
ADVERTISING
PAYMENTS
REPORT**

PREPARED BY

OAREX CAPITAL MARKETS, INC.

INTRODUCTION & BASIS

In line with the industry-wide push for transparency, we began releasing quarterly payment data in 2018. In 2021, we shifted our pay study report from quarterly reviews to semi-annual. Now, our half-year report includes data on payments OAREX received from companies across the digital media and advertising ecosystem, including ad networks and exchanges, Supply Side Platforms (SSPs), Demand Side Platforms (DSPs), media buyers, and ad agencies (all referred to as "debtors" within this report). Find the list of select H1 2024 debtor data on page 7.

Factors Analyzed in this Report: Timing & Amount

Across the entire ecosystem, pain points from payments are felt for two main reasons: late payments and underpayments--this is the focus of the semiannual report.

- **Timing of Payments.** This inquiry asks, "How early or late does a debtor pay, relative to their stated net terms under which the invoice should be paid?"
- **Amount of Payments.** This inquiry asks, "How much did the collected amount vary from the amount billed?" It also takes all types of advertiser offsets or disputes into consideration.

Data Source: First-Hand Data

Because we collect payments from hundreds of debtors, the analyzed data was obtained first-hand. OAREX takes ownership in the invoices under a Purchase & Sales Agreement with clients, which means the debtors within the database are liable to pay OAREX directly.

Author Word of Caution on Debtor Data

On page 7, we report historical payment performance for each programmatic debtor over the past 6 months for which we received 6+ receipts. Sometimes there are non-credit issues for late payments, so please take the data with a grain of salt and read the full disclaimer at the end of this report. Also, we often review our data and make changes based on improved information. For example, if we find operational errors outside of the debtor's control, which led to late payments, we will remove that data from our set.

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KEY HIGHLIGHTS: H1 2024 DATA

Late Payments Remain Elevated and Were Paid Later

Late payments began rising in H1 2022 and remained elevated in H1 2024, with 46% of all payments being late. The new normal appears to be that nearly half of all payments are late. Given the rise of late payments since 2022, the plateau we have observed in the past few reports is somewhat positive. However, the consistent elevated level of late payments is not.

Making matters worse, late payments are arriving even later. The percent of payments made more than 15 days late increased to 11% (up 4%), and the average days late (if late) rose to 12 days. So, while total payments late remained unchanged, the duration of lateness increased. Payments more than 6 days late comprised 23% of all payments, which is the worst performance observed over the past 4 years.

How Late	% of All Payments, 6 Months Ended							
	Jun-24	Dec-23	Jun-23	Dec-22	Jun-22	Dec-21	Jun-21	Dec-20
All Only								
Late 1-5 Days	23%	27%	29%	25%	23%	18%	22%	22%
Late 6-15 Days	12%	11%	8%	6%	7%	8%	10%	7%
>15 Days late	11%	8%	11%	11%	12%	10%	11%	10%
All Late	46%	46%	48%	42%	41%	36%	43%	39%
Avg Days if Late	12	11	11	14	11	17	12	15

Underpayments Decreased

Underpayments fell to 15% of all payments, a 5% decrease compared to 20% in H2 2023. While underpayments bounced sharply off their recent all time high, they only fell to their previous high and remain elevated. This seems to be driven by an increase in 1-10% underpayments rather than larger underpayments. This decrease may just be a blip, further review is merited.

How Much Paid	% of All Payments, 6 Months Ended							
	Jun-24	Dec-23	Jun-23	Dec-22	Jun-22	Dec-21	Jun-21	Dec-20
All Only								
1-10% Underpaid	11%	16%	11%	10%	9%	9%	7%	8%
10-20% Underpaid	2%	2%	2%	2%	1%	1%	2%	2%
>20% Underpaid	2%	2%	1%	1%	1%	1%	2%	1%
All Under Paid	15%	20%	15%	13%	12%	10%	10%	12%
Avg if Under Paid	-4%	-5%	-4%	-4%	-4%	-2%	-4%	-3%

KEY DEBTOR HIGHLIGHTS

Eight debtors never paid late over the past 6 months (with at least 6 payments):

- 33Across, Inc.
- Amazon.com, Inc.
- Epsilon Data Management LLC
- Google, Inc.
- Index Exchange USA, LLC
- Media.net Advertising FZ-LLC
- Nativo, Inc.
- OB Media LLC

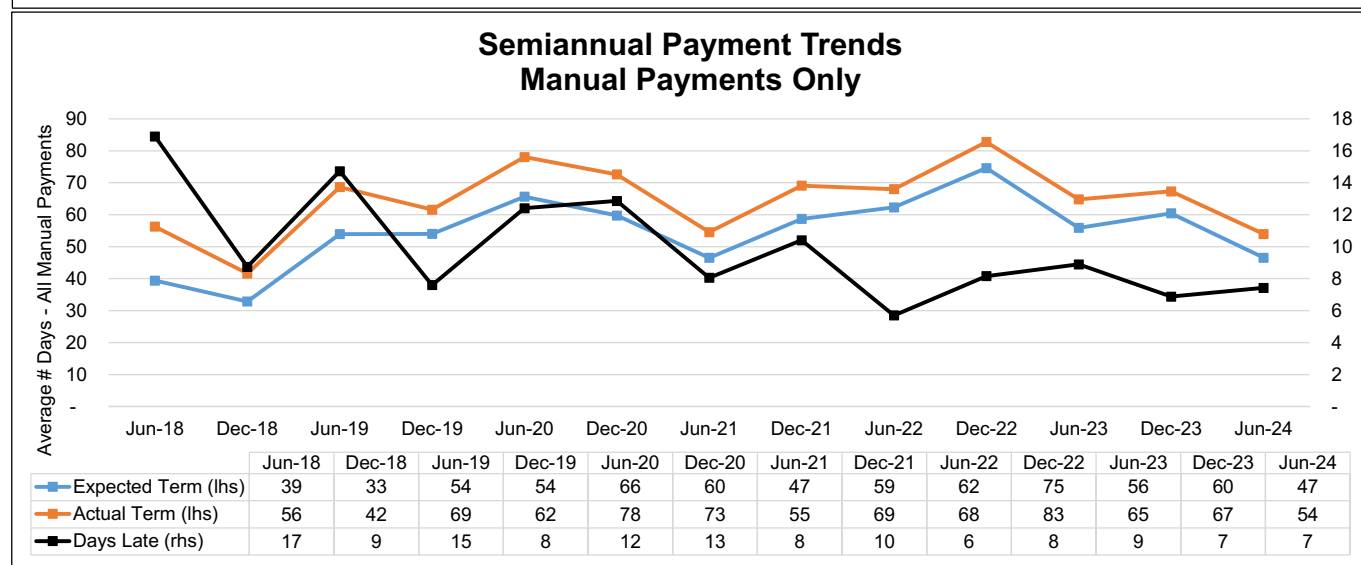
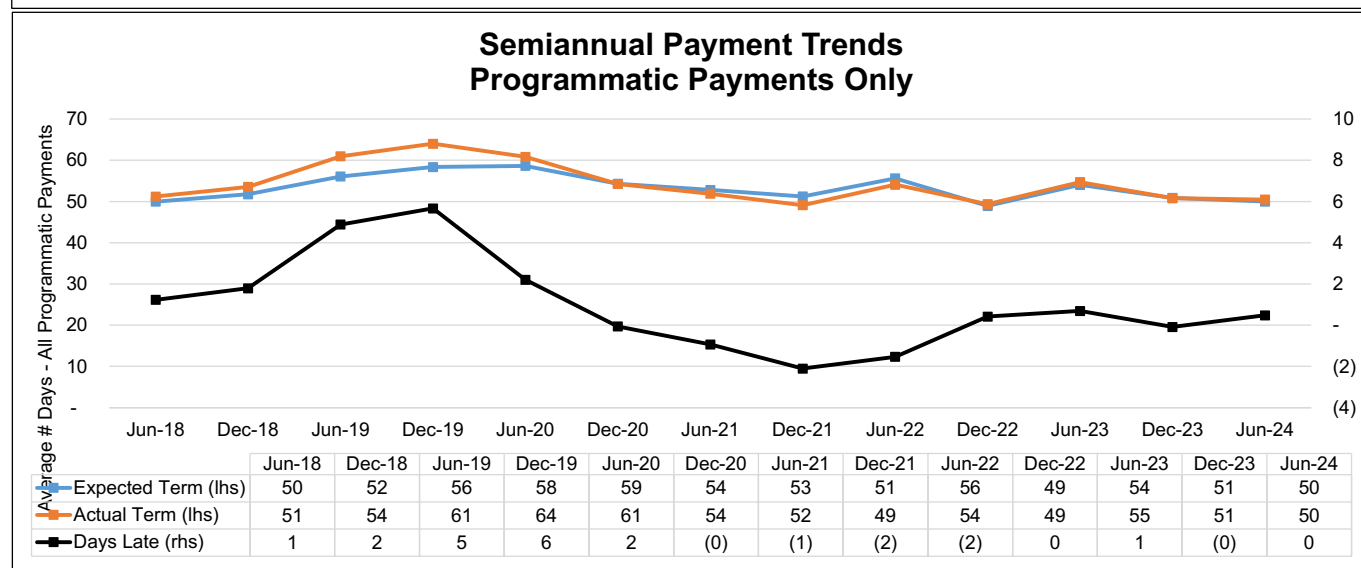
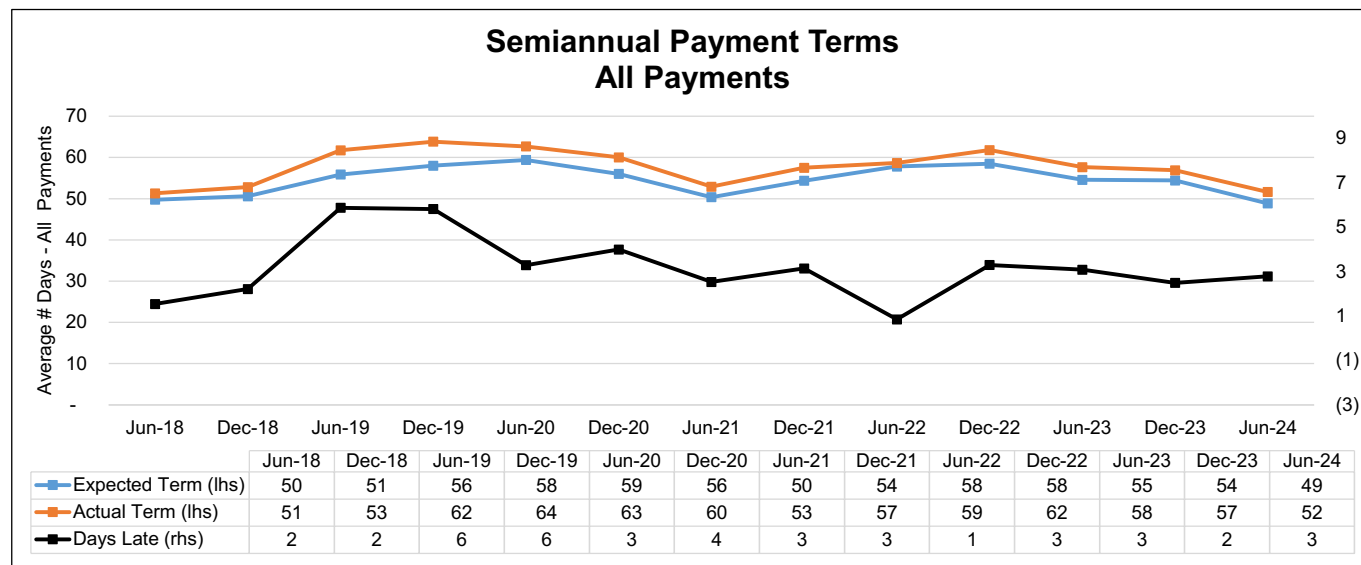
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OVERALL PAYMENT TRENDS

Small Increase in Average Days Late

Overall, payments were 3 days late compared to 2 days late in H2 2023.

Programmatic payments on average were on time, and manual payments (Brands and Agencies) remained at 7 days late.



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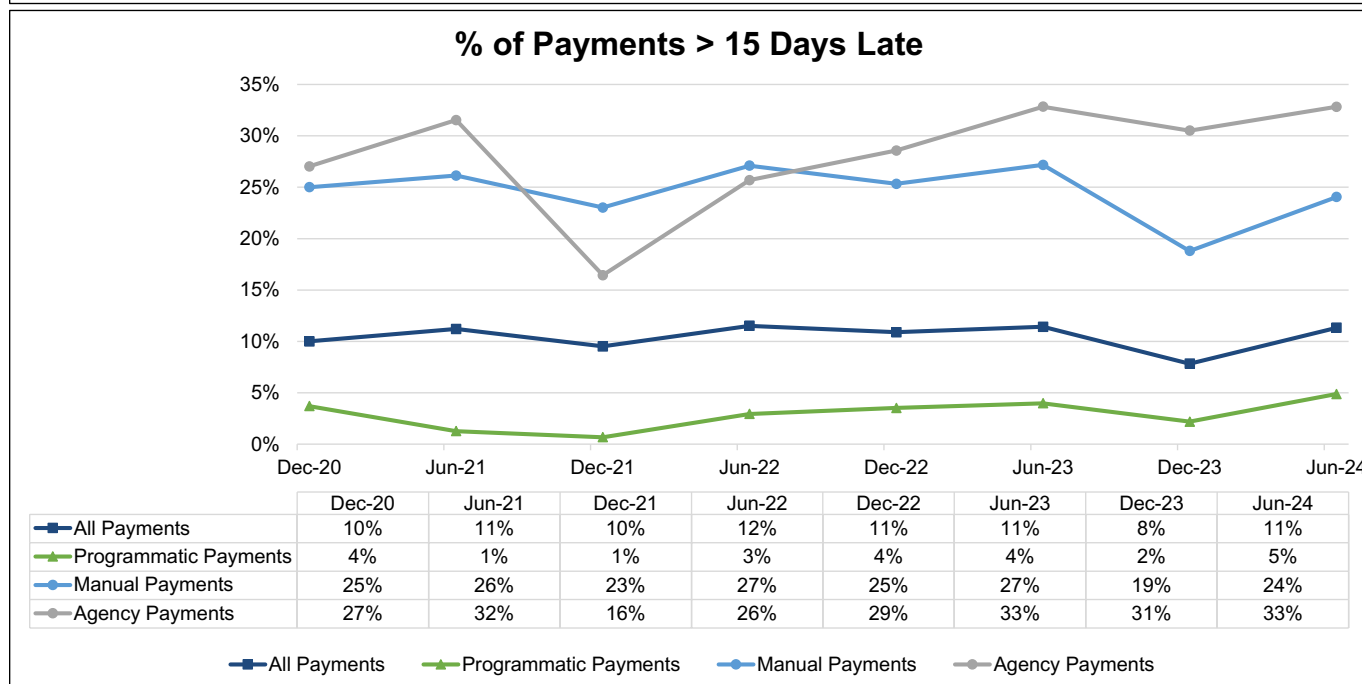
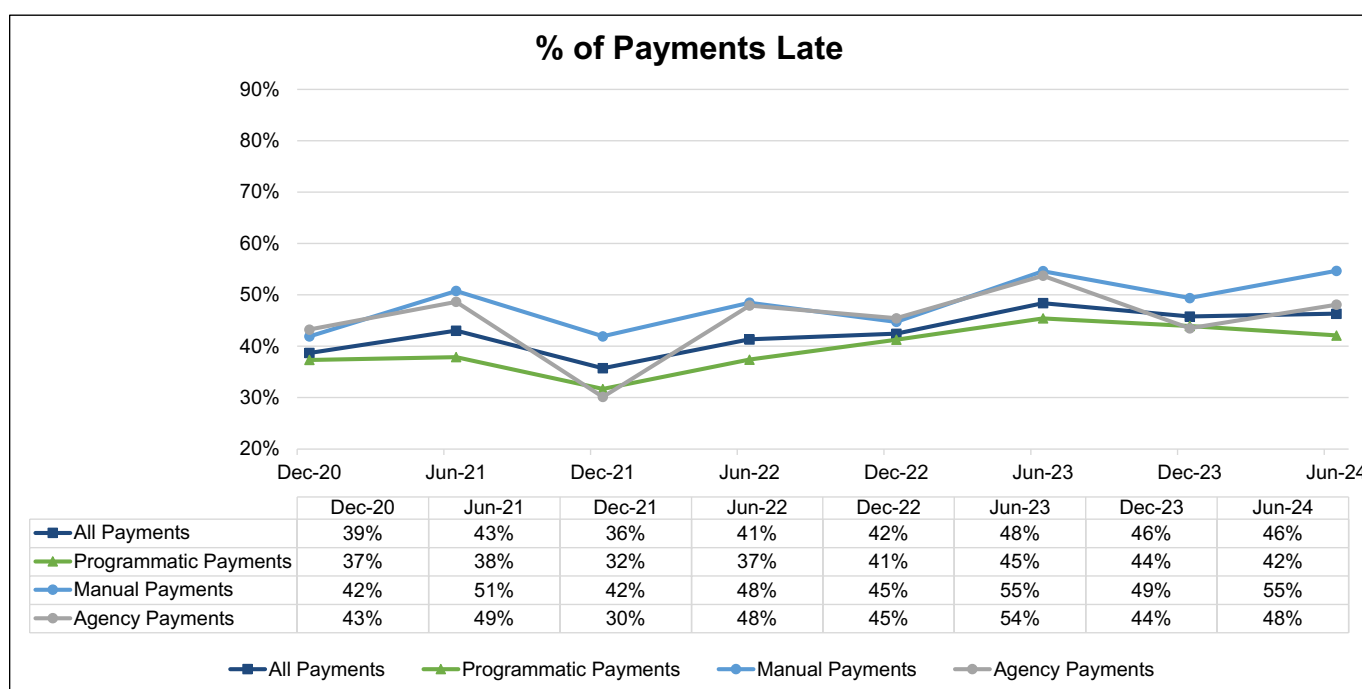
LATE PAYMENTS BY TYPE

Payment Timing: Programmatic Demand Improves, Manual Demand Worsens

In H1 2024, 46% of all payments were late, unchanged from H2 2023. H1 2024 data also showed that 11% of all payments were more than 15 days late, which is up from 8% in H2 2023.

Manual (Direct and Agency) payments were later but Programmatic improves:

- 55% of Manual (Brands and Agencies) payments were late, up from 49% in H2 2023
- 24% of all Manual payments were over 15 days late, up from 19% in H2 2023
- 42% of all Programmatic payments were late, down from 44% in H2 2023



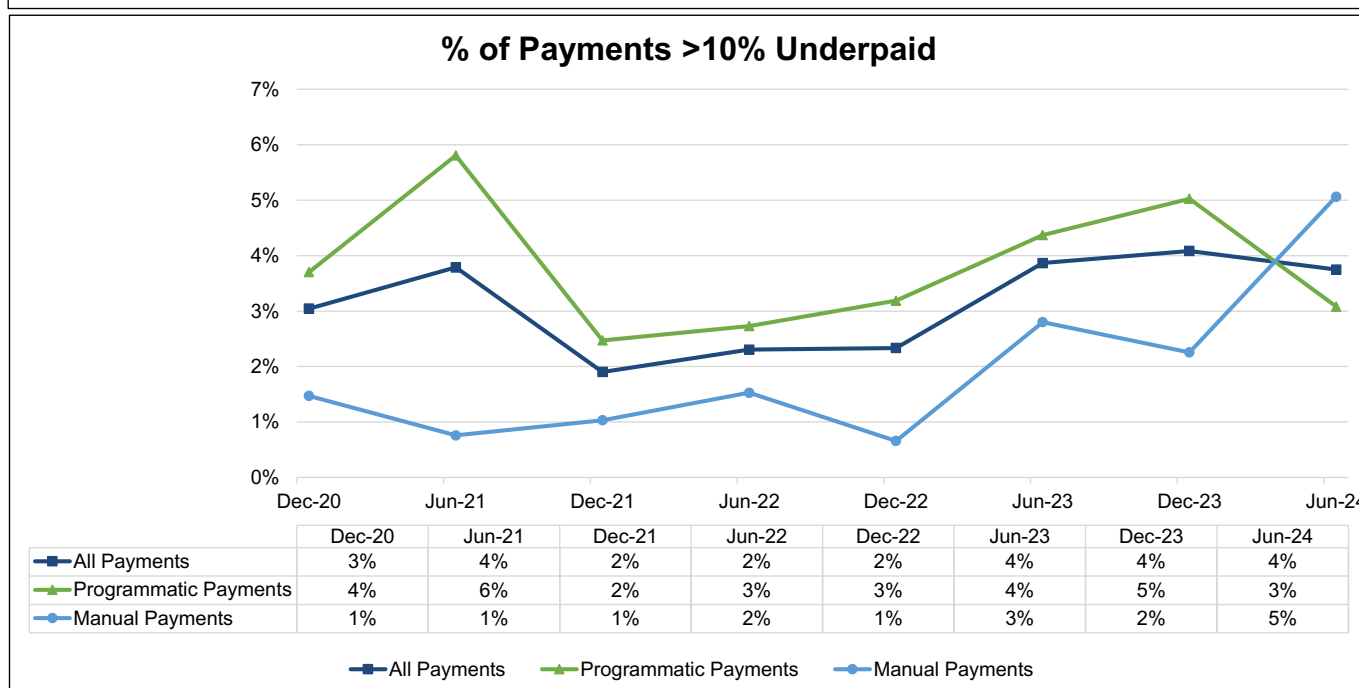
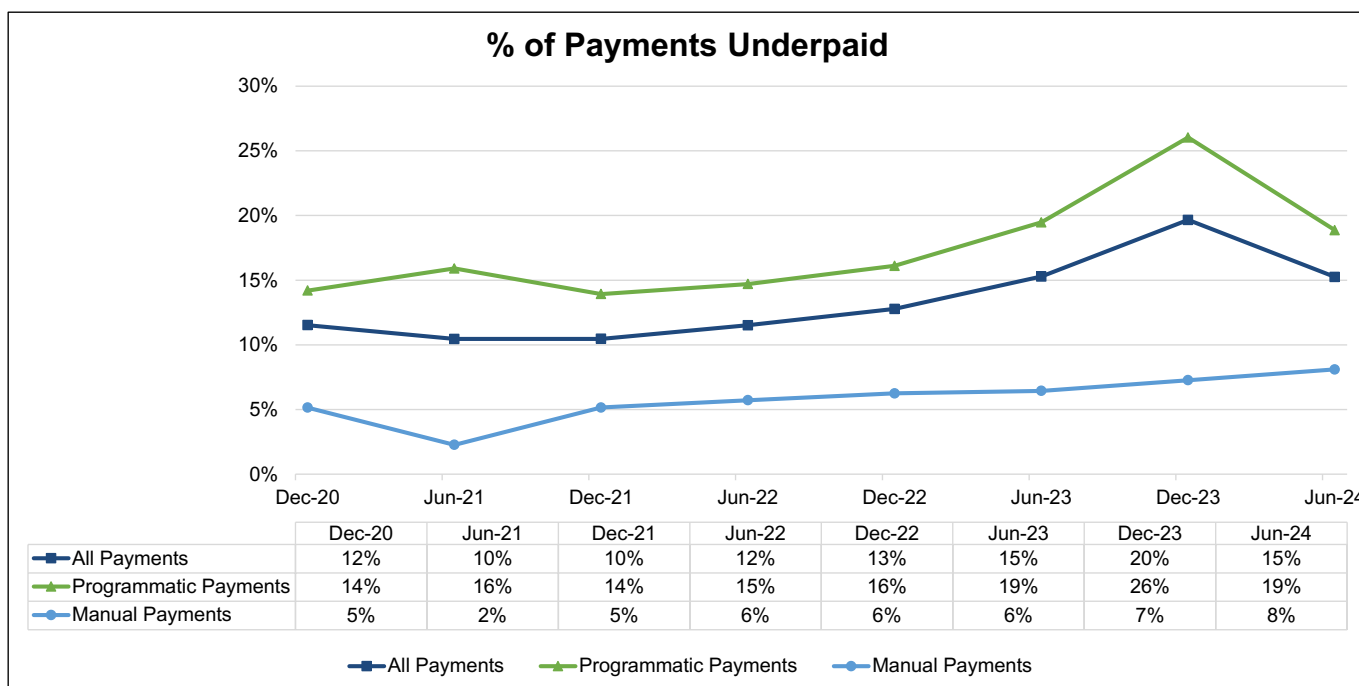
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UNDER PAYMENTS BY TYPE

Underpayments Fall But Remain at Historic Highs

In H1 2024, 15% of all payments were underpaid, a decrease from 20% in H2 2023. While this is a welcome decrease, underpayments only returned to their previous all time high and remain elevated.

Underpayments greater than 10% remained flat at 4% of all payments. This suggests that the frequency of underpayments, rather than their size, is driving this increase. Furthermore, programmatic demand fell to 19% (down 6% from H2 2023) and was the driving force behind the overall decrease in underpayments. 5% of all underpayments across Manual demand were greater than 10%, a new all-time high.



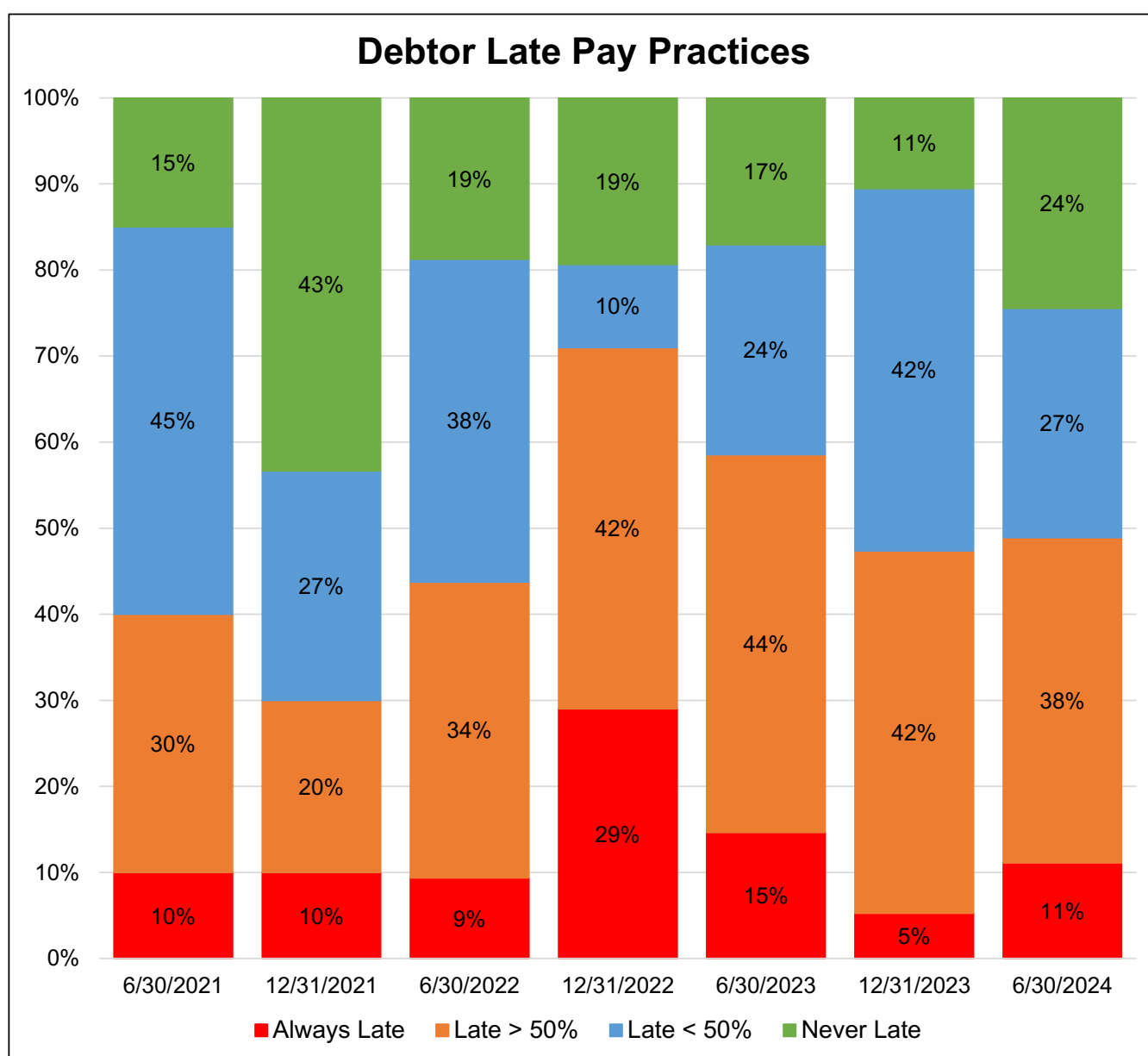
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DEBTOR LATE PAY PRACTICES

With data collected from over 1,200 digital media and advertising debtors, we analyzed the percentage that paid late versus on-time. Below is a breakdown of average pay practices over time (only including debtors with at least 6 payments per period).

The result: There was an increase in debtors that always paid on time but never late plus late < 50% remained at about half of all debtors.

About 24% of payors were always on time, a significant increase from 11% in H2 2023 and a recent high. Offsetting this, was a decrease in those that paid late <50%. The overall good debtors (late < 50% + never late) remained roughly unchanged.



Appendix A – Payment Performance

BREAKDOWN BY DEBTOR

Below is a breakdown of individual debtor performance based on payments received in the past year. To best represent accurate information, we limit our analysis to debtors with at least 6 invoices paid in the period. Also, only programmatic debtors are displayed, which is for client confidentiality.

6 Months Ending 06/30/2024	% of Payments			Avg. Days vs. Terms		
	Early	On Time	Late	Late / (Early)	Days if Early	Days if Late
33Across, Inc.	0%	56%	44%	0.4		1.0
Adcolony, Inc.	10%	0%	90%	15.1	(20.0)	19.0
Affluent Ads, LLC	90%	0%	10%	(4.3)	(5.3)	4.6
Amazon.com, Inc.	48%	35%	17%	(0.5)	(1.4)	1.0
BuyGoods Inc.	25%	10%	65%	6.6	(4.0)	11.7
Click Sales, Inc.	8%	77%	15%	0.6	(1.0)	4.5
Connatix Native Exchange, Inc.	0%	0%	100%	4.8		4.8
Criteo, Inc.	11%	11%	78%	9.3	(3.0)	12.4
Edge Solutions Ltd.	14%	57%	29%	3.7	(3.0)	14.5
Enhance Health LLC	100%	0%	0%	(17.8)	(17.8)	
Epsilon Data Management LLC	100%	0%	0%	(9.0)	(9.0)	
Google, Inc.	100%	0%	0%	(2.2)	(2.2)	
Index Exchange USA, LLC	29%	24%	47%	(2.0)	(9.0)	1.4
inMobi, Inc.	22%	0%	78%	1.3	(24.0)	8.6
Kueez Entertainment LTD	67%	0%	33%	0.7	(4.5)	11.1
Magnite, Inc.	9%	20%	70%	2.0	(2.0)	3.1
Media.net Advertising FZ-LLC	83%	17%	0%	(1.7)	(2.0)	
Monet Engine, Inc.	0%	10%	90%	2.5		2.7
Nativo, Inc.	0%	40%	60%	0.8		1.3
NoBid, Inc.	50%	50%	0%	(1.2)	(2.3)	
OB Media LLC	100%	0%	0%	(4.1)	(4.1)	
Ogury Ltd.	0%	0%	100%	6.8		6.8
Onetag Limited	0%	0%	100%	2.3		2.3
Onfocus SAS	27%	45%	27%	0.2	(1.7)	2.3
OpenX Technologies, Inc.	50%	50%	0%	(1.1)	(2.2)	
OpsCo, LLC	0%	0%	100%	16.7		16.7
Perion Network Ltd.	0%	0%	100%	4.3		4.3
Playwire LLC	0%	0%	100%	3.5		3.5
Pro Sportority Ltd.	67%	0%	33%	(9.3)	(16.4)	4.8
PubMatic, Inc.	76%	18%	6%	(1.1)	(2.5)	13.7
Pulsepoint, Inc.	33%	67%	0%	(1.0)	(3.0)	
Rich Audience Technologies, SL	43%	14%	43%	1.1	(3.7)	6.3
Sedo.com, LLC	56%	11%	33%	(1.6)	(3.6)	1.3
Sharethrough, Inc.	0%	0%	100%	8.1		8.1
Smart Adserver USA, Inc.	0%	0%	100%	21.0		21.0
Sonobi, Inc.	44%	56%	0%	(1.3)	(3.0)	
Sovrn Holdings, Inc.	0%	27%	73%	0.9		1.2
System1, Inc.	70%	30%	0%	(3.7)	(5.2)	
Teads, Inc.	89%	0%	11%	(13.1)	(15.6)	7.0
Team Internet AG	100%	0%	0%	(6.6)	(6.6)	
The Wisdom Companies, LLC	63%	38%	0%	(2.6)	(4.2)	
TripleLift, Inc.	83%	17%	0%	(2.7)	(3.3)	
TypeA Holdings Ltd.	55%	9%	36%	(2.0)	(10.8)	10.8
Unruly Group Ltd.	0%	0%	100%	9.5		9.5
Vidazoo Ltd.	36%	0%	64%	(6.7)	(23.2)	2.7
Xandr, Inc.	0%	16%	84%	1.2		1.5
Zelto Inc.	0%	40%	60%	23.1		38.4

Read This

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