



Q3 2023

OAREX[®]
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 of 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

OAREX reviewed companies that met the following qualifications:

- Publicly traded in the USA with US dollar denominated financial reports
- Companies from which OAREX received payments or were underwritten by OAREX's credit team (this limits the companies to 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
- Companies are the same as those listed within the [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 were 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 becomes available, previous period's results may be updated.

KEY TAKEAWAYS FROM Q3 2023

Slight improvement over the past year

With a median growth of 5%, Q3 2023 was better than Q1 and Q2 2023. In addition, 65% of the companies saw positive revenue growth, which is better than the 53% in Q2 2023.

Meta Improved, Google did worse than the industry

Google Network (the display business), remained unchanged YoY in Q3 2023. Meta was up 23% and Snap was up 5%.

Revenue dispersion was up, but still below historically

Q3 saw more dispersion of results than the last year but remains below historical rates.

Bigger is better

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

There were still some big winners

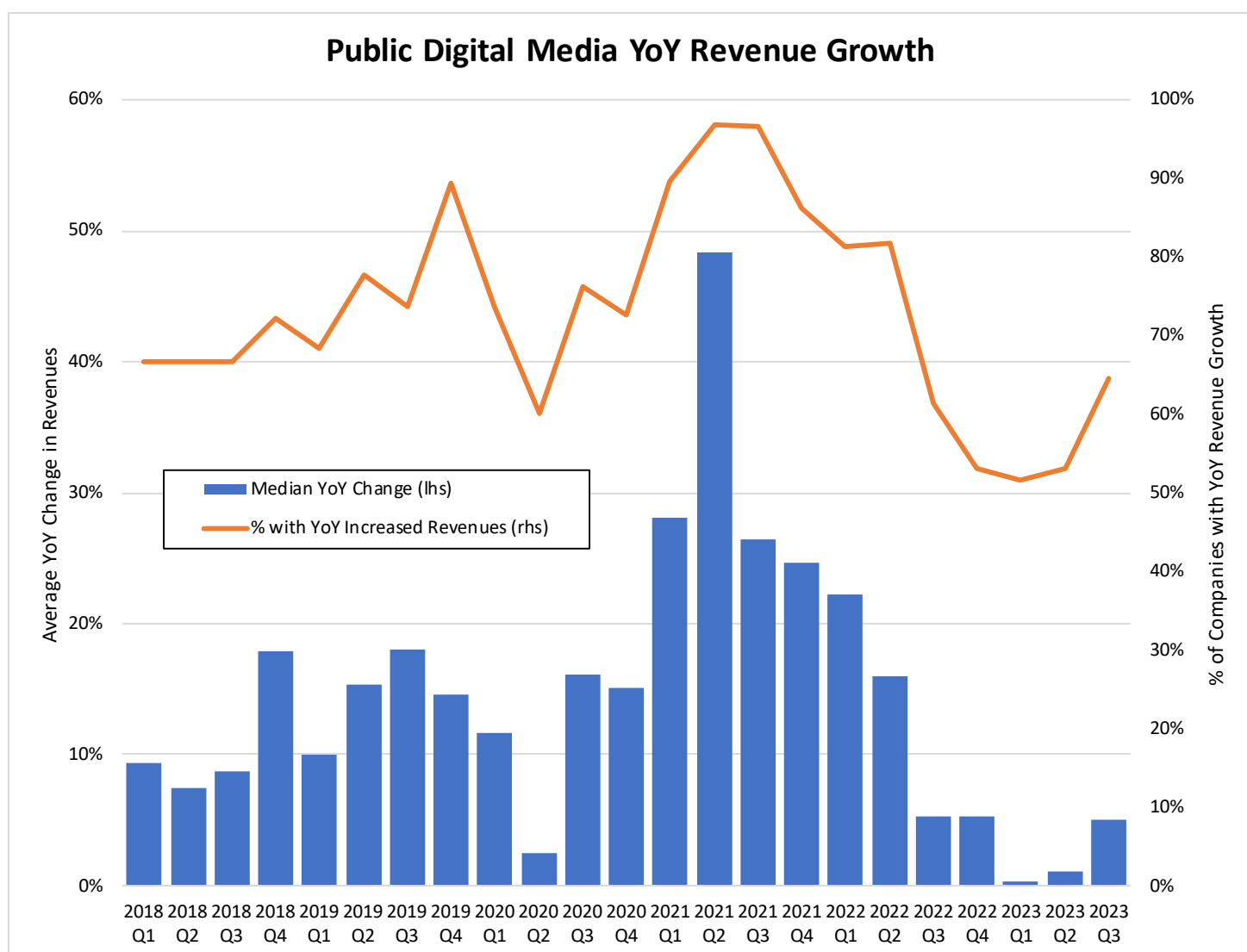
A number of companies still experienced large increases. Unity, DoubleVerify, Hubspot, and The Trade Desk experienced YoY growth rates of 25% or higher. On the other end of the spectrum, System1 and Fluent both saw decreases more than 25%.

Q3 2023 DIGITAL MEDIA REVENUES

Digital Media Revenue Growth Rebounded

The median public digital media company increased year-over-year (YoY) revenues by 5% in Q3, unchanged from Q3 2022, but up from the 1% growth in Q2 2023.

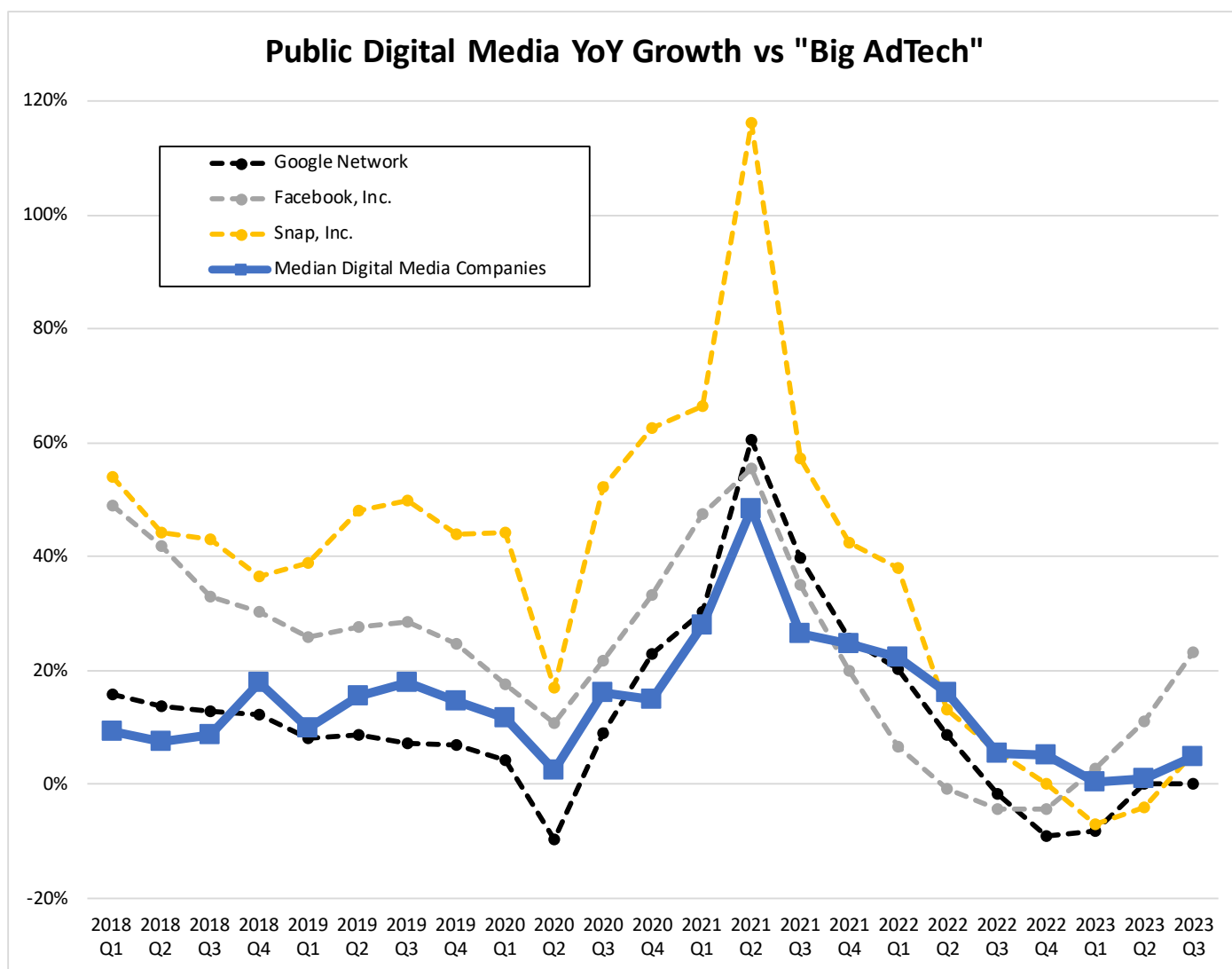
In Q3 65% of the companies analyzed saw increased revenues, which is slightly better than the 61% in Q3 2022 but up from the 53% in Q2 2023.



DIGITAL MEDIA COMPARED TO BIG ADTECH

Digital Media Sector Outperformed the "Big AdTech" Companies

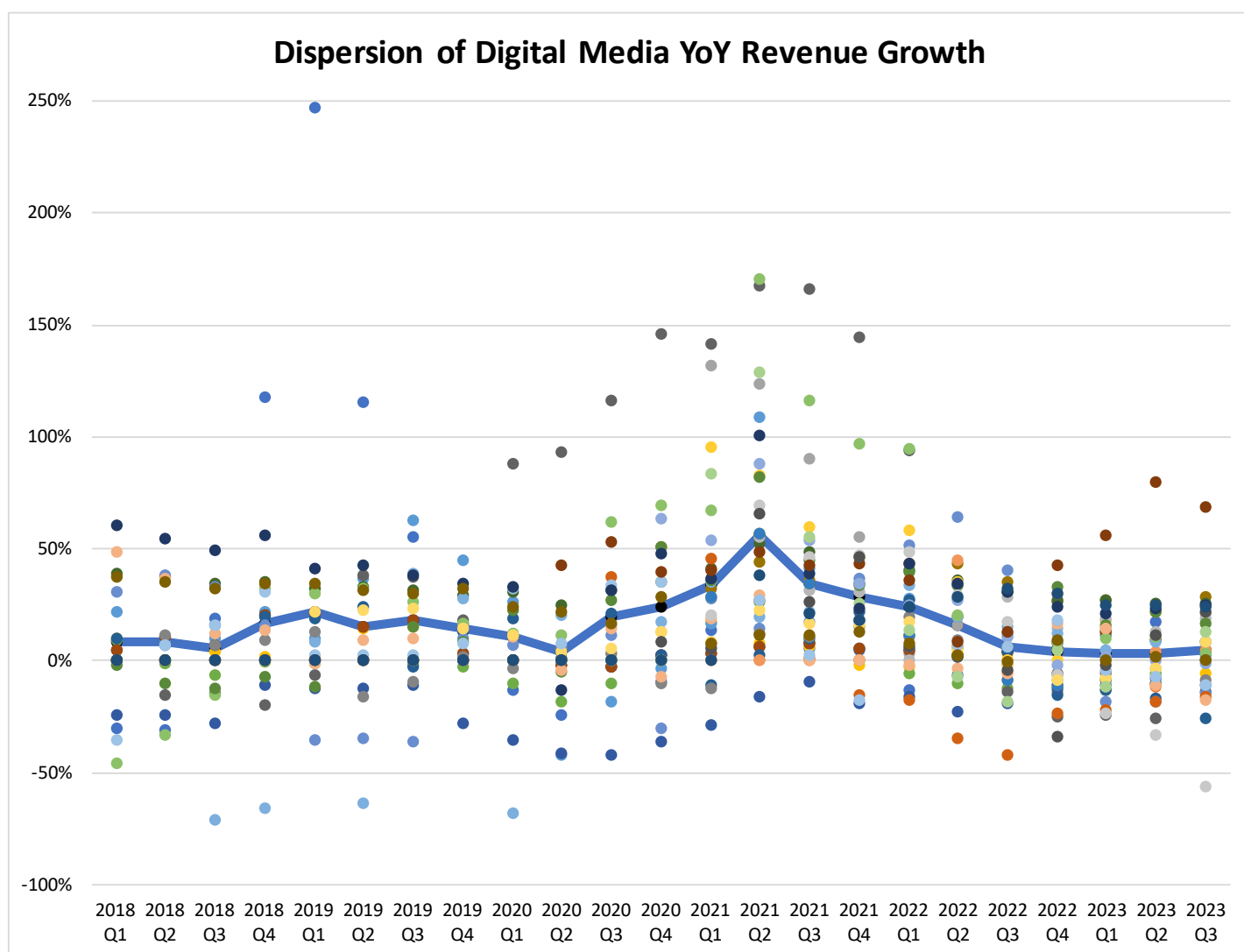
As discussed widely in the press, many of the large digital advertising-related companies recently experienced challenging results. In Q3, Google Network (Google's display advertising business) saw YoY revenues unchanged the same as the prior quarter. Snap was up 5%, and Meta was up 23%.



DISPERSION OF REVENUES

Q3 2023 Had Somewhat More Dispersion Than Recent Quarters

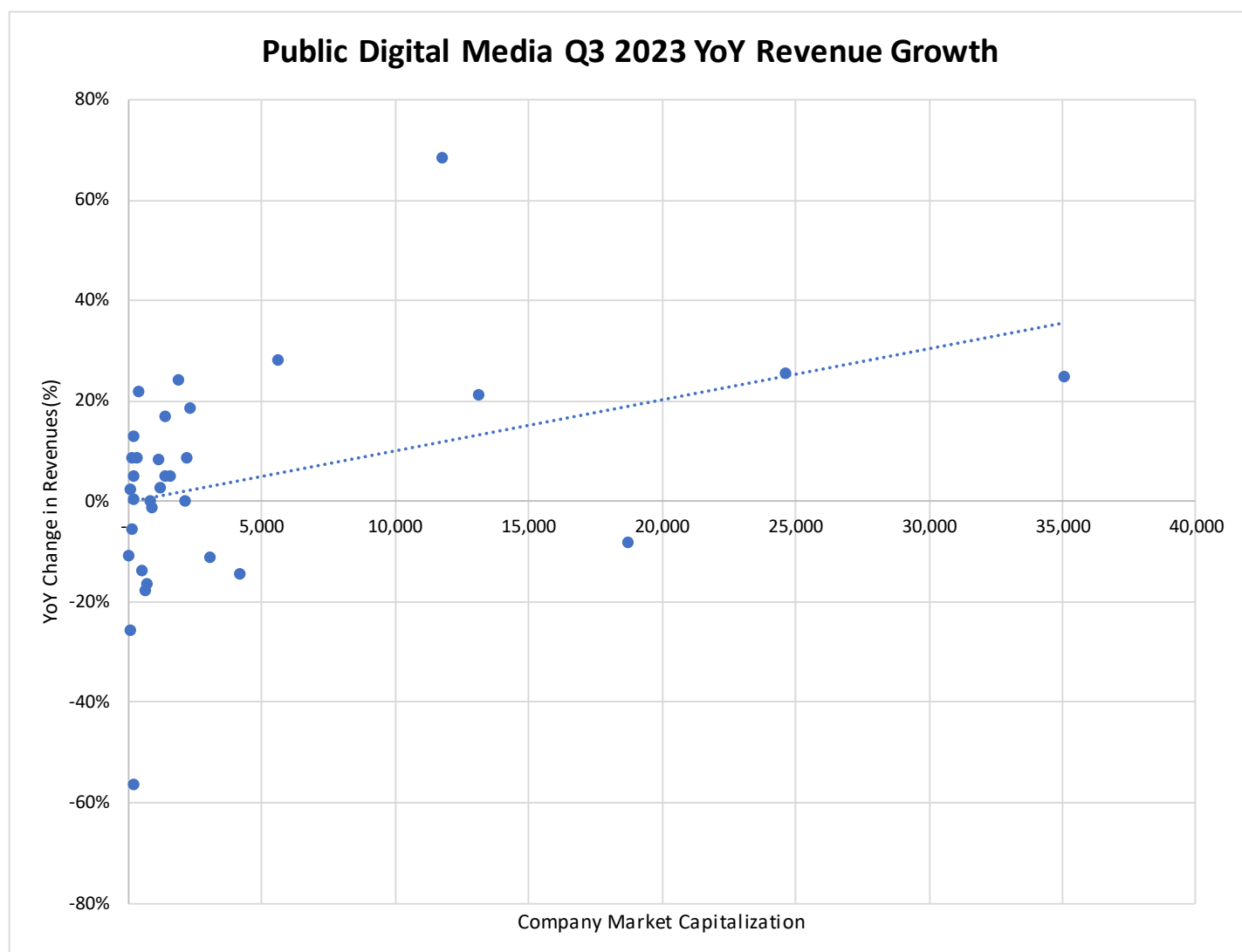
The graph below demonstrated individual company results, which are represented by dots, and the median. During the post-COVID period there was significant dispersion to the results with some very large increases. However, for the past year there has been less dispersion, with fewer "big winners" making the results more muted.



GROWTH VS. SIZE

Correlation Between Size and Performance

With larger companies performing somewhat better than smaller companies, there continues to be a correlation between size and Q3 2023 YoY growth. All companies with market capitalizations over \$5B saw growth over 20%.



ADDITIONAL OBSERVATIONS

This table shows a compilation of data reflected in the previous graphs.

Additional observations include:

- With five consecutive quarters of low growth, this is the worst period over the past five years.
- Standard deviation is a measure of the volatility of the results. Q3 2023 standard deviation of YoY results was 22%, up from the 19% in Q3 2022, but still well below the 30-40% results seen in 2020 and 2021.

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%	21%	53%
2023 Q3	31	4%	5%	22%	65%

Appendix A

BREAKDOWN BY COMPANY

Breakdown of company performance

Company	11/29/23 Market Cap (\$MM)	2023 Q3 Revenues (\$MM)	YOY Change in Revenues
AcuityAds, Inc.	75	30	2%
AdTheorent, Inc.	124	41	9%
Applovin Corp.	13,087	864	21%
Brightcove, Inc.	108	51	-5%
Cardlytics, Inc.	320	79	9%
Criteo, Inc.	1,385	469	5%
CSG Systems International	1,523	287	5%
Digital Turbine, Inc.	505	140	-14%
DoubleVerify, Inc.	5,591	144	28%
Fluent, Inc.	41	66	-26%
Hubspot, Inc.	24,578	558	26%
IAC/InterActiveCorp.	4,158	1,111	-15%
Innovid, Inc.	214	36	5%
Integral Ad Science, Inc.	2,298	120	19%
IronSource USA, Inc.	2,117	-	
Liveramp, Inc.	2,180	160	9%
Magnite, Inc.	1,155	150	3%
Marin Software, Inc.	5	4	-11%
MediaAlpha, Inc.	668	75	-16%
NetApp, Inc.	18,710	1,526	-8%
Outbrain, Inc.	194	230	0%
Perion Network Ltd.	1,359	185	17%
Pubmatic, Inc.	864	64	-1%
QuinStreet, Inc.	621	124	-18%
System1, Inc.	170	88	-56%
Taboola, Inc.	1,130	360	8%
Tegna, Inc.	3,036	713	-11%
Telaria, Inc.	210	80	13%
The Trade Desk, Inc.	34,841	493	25%
Unity Technologies, Inc.	11,704	544	69%
Viant, Inc.	376	60	22%
Yext, Inc.	830	-	
Zeta Global Corp.	1,829	189	24%
Total	136,005	9,042	5%
Google Inc.	1,725,325,000,000	76,693,000,000	11%
Google Network		7,872,000,000	0%
Facebook, Inc.	857,357,694,060	34,146,000,000	23%
Snap, Inc.	21,272,588,797	1,188,551,000	5%

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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 for more information or visit go.oarex.com to open an account.

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