



Q3 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.

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 Q3 2024

Overall Performance Rebounded

Revenue growth rebounded to 9%, the first time in the past 9 quarters it rose above 5-6% in the past 9 quarters. Furthermore, 66% of the companies analyzed saw positive revenue growth—up from 58% in Q2.

Google Performed Worse than the Industry (Again)

Google Network (their Display business) was down 2% year-over-year (YoY) in Q3, while Snap was up 15% and Meta was up 19%. This is Google's ninth consecutive negative growth quarter.

Revenue Volatility Jumped Significantly

At 53% dispersion, Q3 2024 marks a significant jump compared to 18-28% volatility we have observed during the prior 2 ½ years.

Bigger Not Really Better

For the first time size and performance were not strongly correlated. The YoY growth of larger companies (excluding Google, Meta, and Snap) did not outperform the smaller companies.

Some Very Big Winners

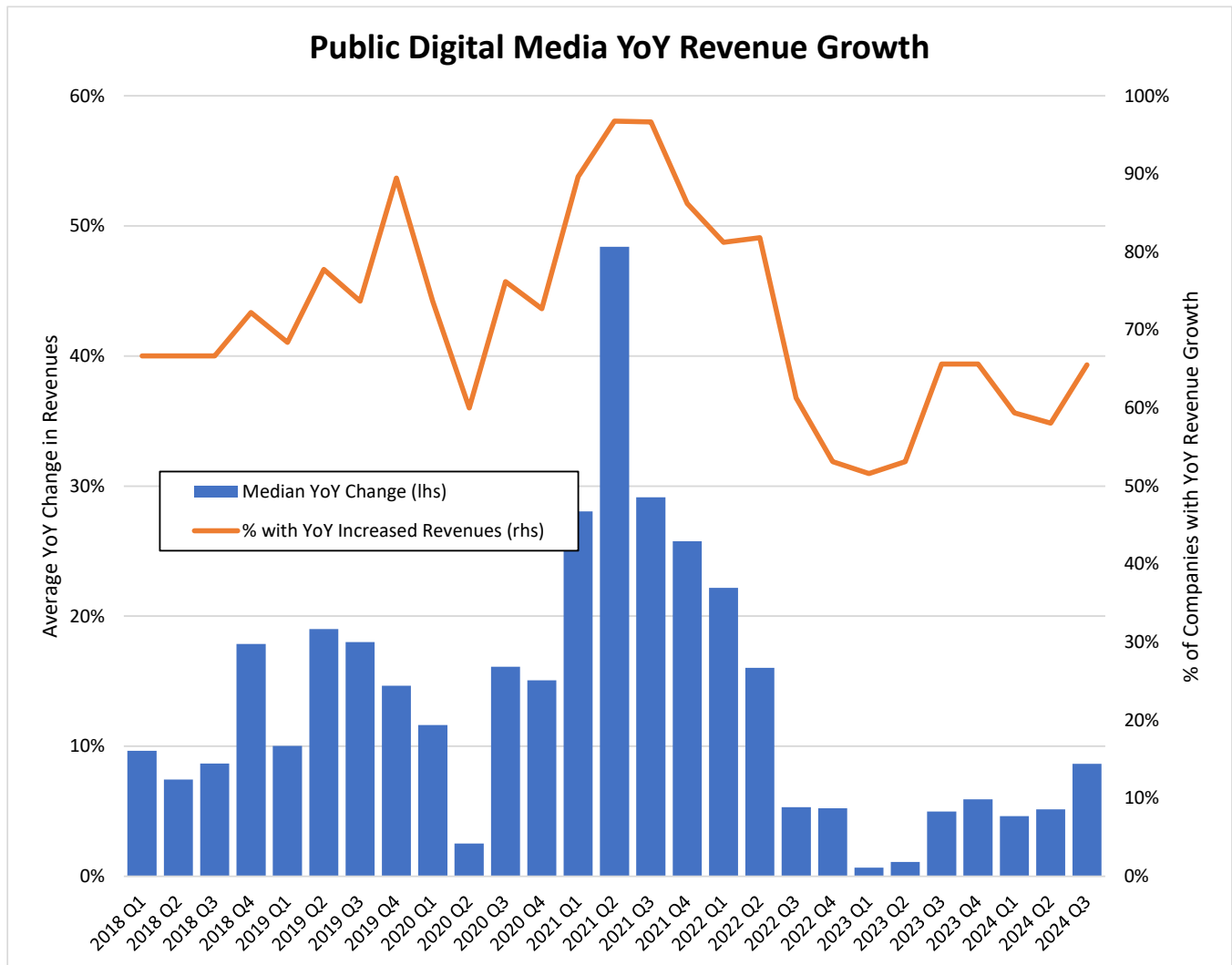
MediaAlpha was up an astonishing 247% and QuinStreet was up 125%. Zeta, Applovin, Viant and The Trade Desk were all up over 25%. On the other end, Perion was down 45% and Unity, Digital Turbine and IAC were down more than 15%.

DIGITAL MEDIA REVENUES Q3 2024

Revenue Growth Rebounds

The median public digital media company increased year-over-year (YoY) revenues by 9% in Q3, higher than the 4% average median growth seen over the past 2 years. This the first quarter since Q2 2022 with a median YoY revenue growth over 6%.

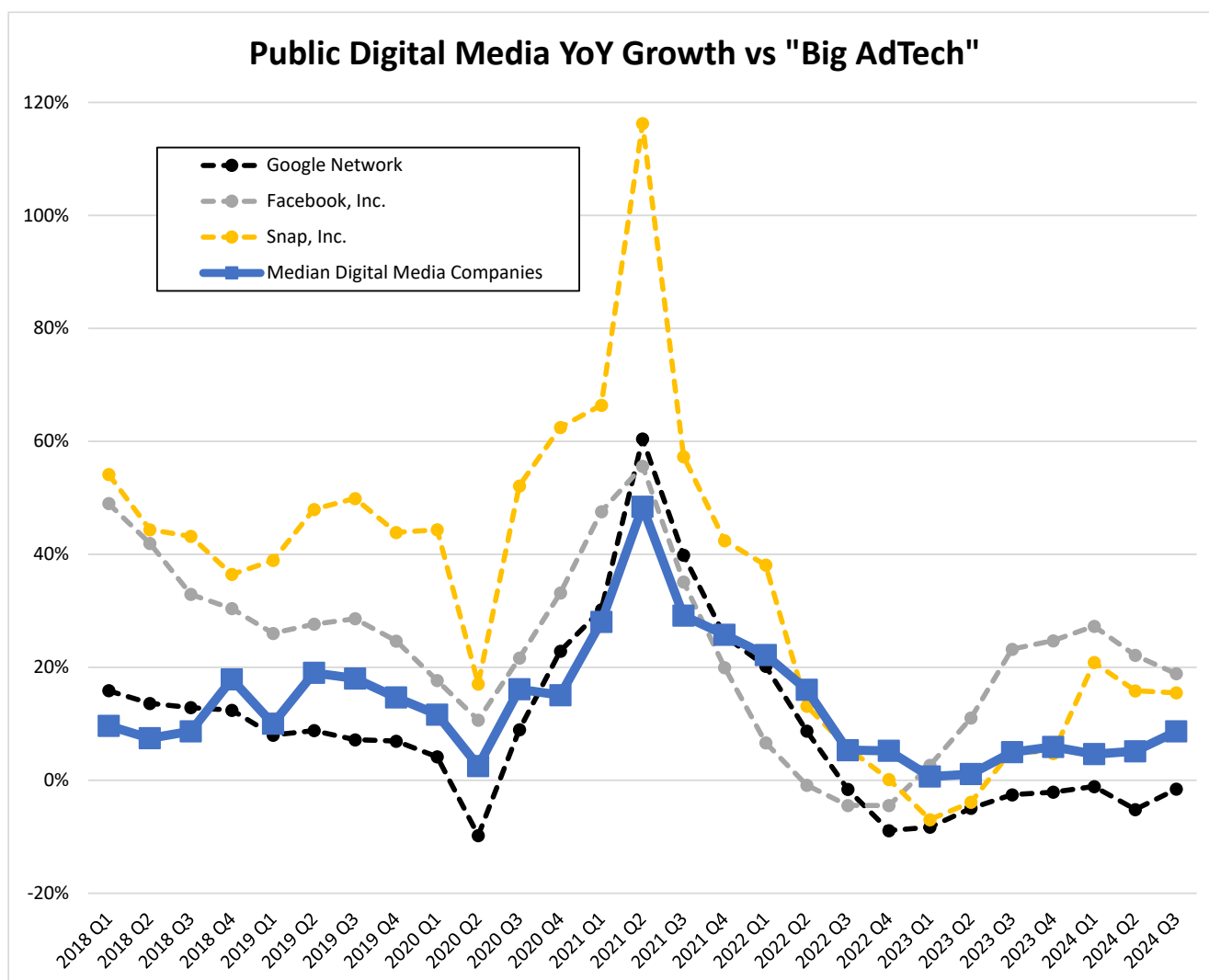
With overall revenue growth rebounding, many companies are reporting positive numbers. In fact, 66% of the companies analyzed saw increased revenues, which is tied for the most since Q2 2022.



DIGITAL MEDIA COMPARED TO “BIG ADTECH”

Digital Media Sector Outperformed Google Again

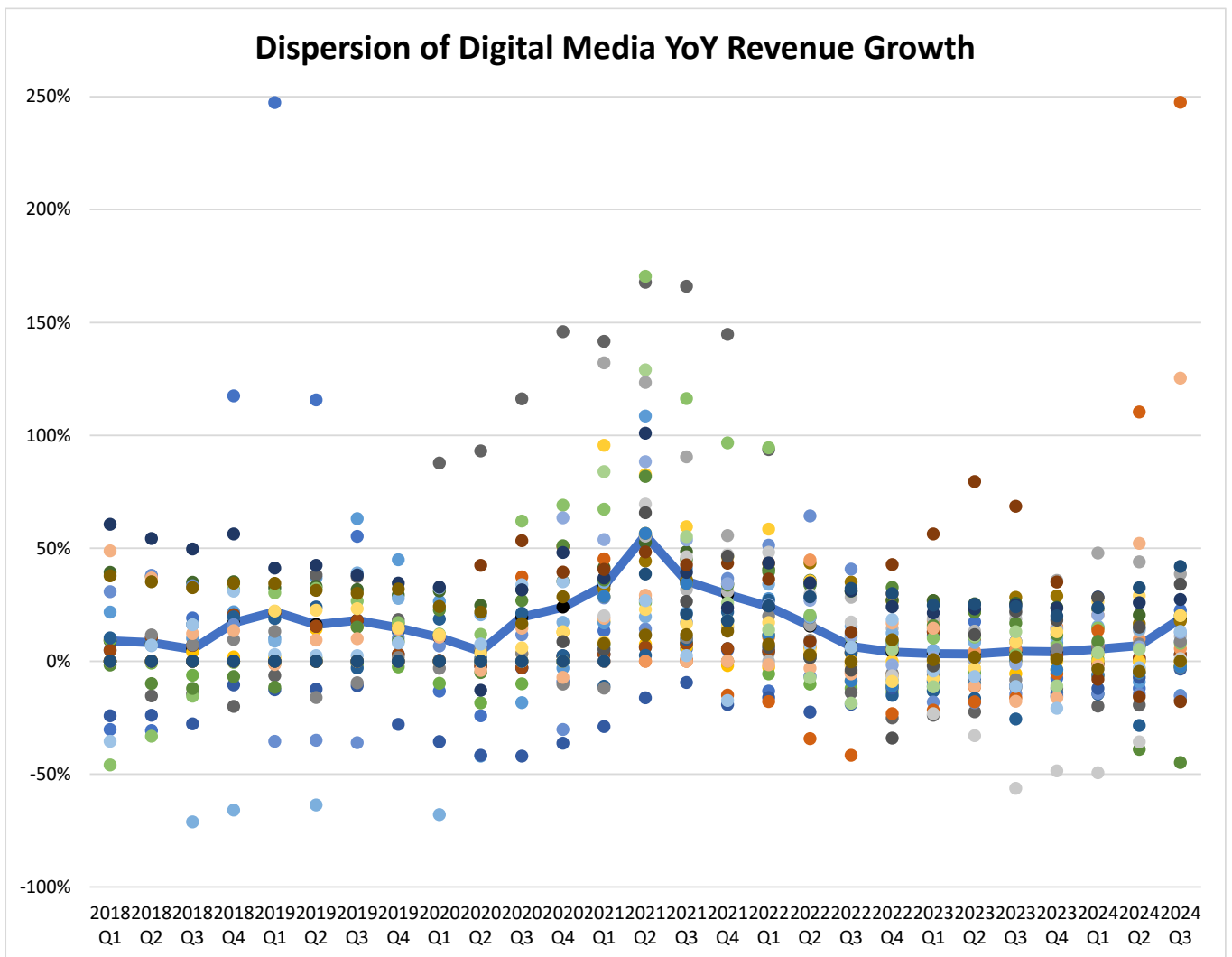
For several quarters, the ad tech industry saw overall revenue performance suffer due to economic and industry-related challenges. Over that time, the broader ad tech market outperformed the Google Network, but did not outperform Meta or Snap. Google Network (Google’s display advertising business) saw a YoY decrease of 2%, resulting in nine consecutive negative quarters. Snap was up 15%, and Meta was up 19%, down slightly from Q2 2024.



DISPERSION OF REVENUES

Volatility Jumped Significantly in Q3 2024

The graph below demonstrates the results of individual companies (represented by the dots) and the median. Dispersion increased dramatically in Q3, largely from a few significant outperformers, which has not occurred for the past few years.

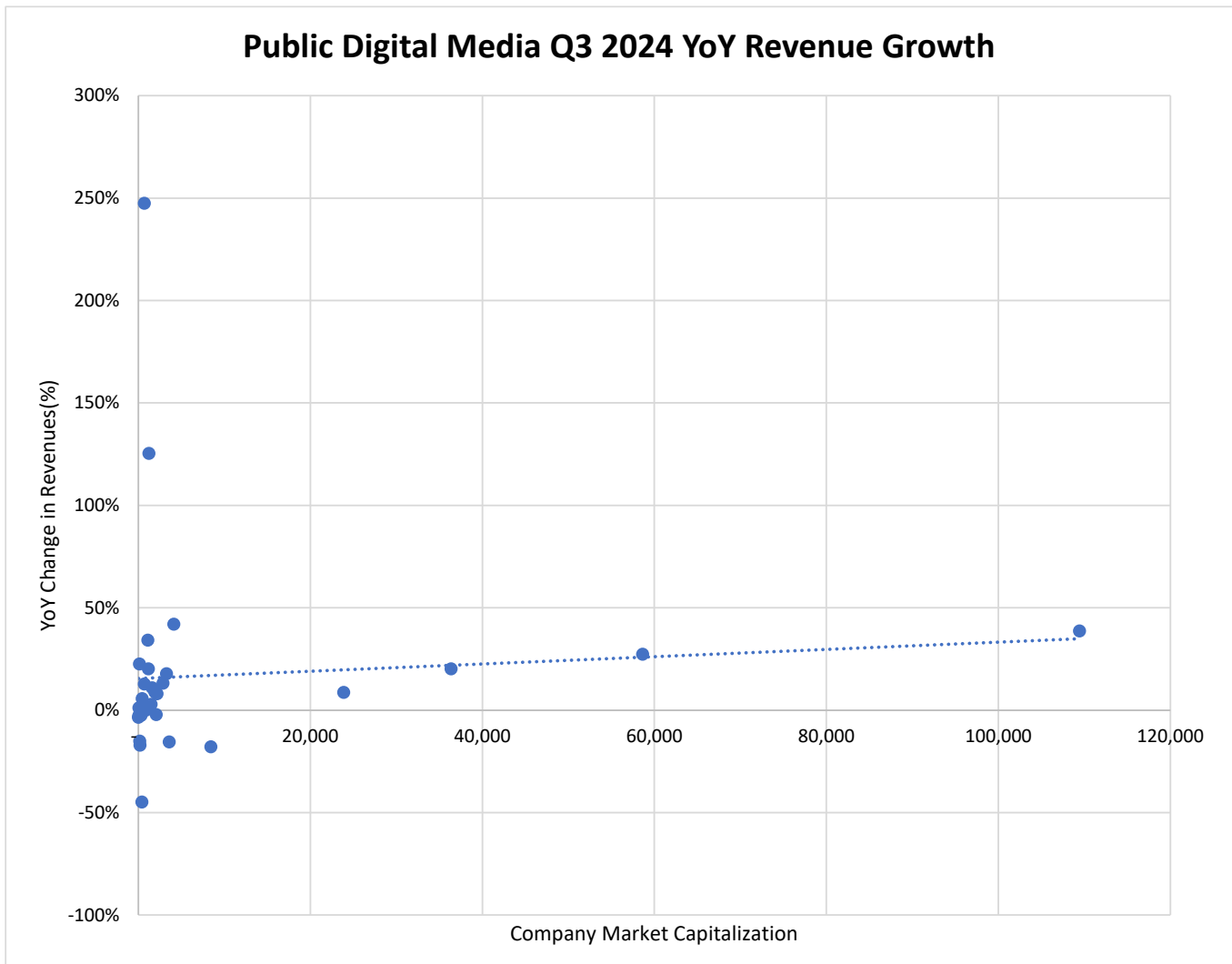


GROWTH vs SIZE

Correlation Between Size and Performance

For the first time in our data, Q3 2024 showed almost no correlation between size and YoY growth.

While all companies with market capitalizations over \$10 billion experienced positive growth, the biggest gains were seen from companies with market capitalizations under \$1 billion.



ADDITIONAL OBSERVATIONS

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

Some additional observations include:

- ❖ Q3 was the best quarter in the past 9 quarters
- ❖ Standard deviation measures the volatility of the results. In Q3 2024, the standard deviation of YoY results jumped to 53%—up significantly from the 18-28% range seen over the prior 2 ½ years.

Quarter	# Companies with YoY Results	Average YoY Change	Median YoY Change	Std Deviation of YoY Change	% with Revenues Increased
2018 Q1	16	9%	10%	32%	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	16%	19%	37%	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	35%	29%	37%	97%
2021 Q4	30	30%	26%	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%	1%	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%
2024 Q3	30	19%	9%	53%	66%

Appendix A

BREAKDOWN BY COMPANY

Below is a breakdown of individual company performance.

Company	01/16/25 Market Cap (\$MM)	2024 Q3 Revenues (\$MM)	YOY Change in Revenues
AcuityAds, Inc.	114	36	23%
AdTheorent, Inc.	294	-	
Applovin Corp.	114,383	1,198	39%
Brightcove, Inc.	200	50	-2%
Cardlytics, Inc.	159	67	-15%
Criteo, Inc.	2,082	459	-2%
CSG Systems Internationa	1,507	295	3%
Digital Turbine, Inc.	188	119	-17%
DoubleVerify, Inc.	3,268	170	18%
Fluent, Inc.	51	65	-3%
Hubspot, Inc.	36,362	670	20%
IAC/InterActiveCorp.	3,685	939	-16%
Innovid, Inc.	455	38	6%
Integral Ad Science, Inc.	1,621	134	11%
Liveramp, Inc.	1,914	174	9%
Magnite, Inc.	2,240	162	8%
Marin Software, Inc.	7	4	-4%
MediaAlpha, Inc.	704	259	247%
NetApp, Inc.	24,651	1,658	9%
Outbrain, Inc.	324	224	-3%
Perion Network Ltd.	428	102	-45%
Pubmatic, Inc.	699	72	13%
QuinStreet, Inc.	1,238	279	125%
System1, Inc.	70	89	1%
Taboola, Inc.	1,212	433	20%
Tegna, Inc.	2,874	807	13%
Telaria, Inc.	639	-	
The Trade Desk, Inc.	58,637	628	27%
Unity Technologies, Inc.	8,419	447	-18%
Viant, Inc.	1,179	80	34%
Yext, Inc.	842	101	0%
Zeta Global Corp.	4,115	268	42%
Total	274,561	10,026	8%

Google Inc.	2,401,641,000,000	88,268,000,000	15%
Google Network		7,548,000,000	-2%
Facebook, Inc.	1,557,912,000,000	40,589,000,000	19%
Snap, Inc.	20,914,760,000	1,372,574,000	15%

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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.