



H1 2023

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 2023 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 under-payments -- 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 year 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 2023 DATA

Payments are getting significantly later and more are underpaid

The occurrence of late payments began rising in H1 2022 and continued increasing throughout H1 2023, almost reaching the same percentage experienced during COVID.

Late payments increased again

Late payments increased again reaching 46% of all payments, which is an increase from 42% in H2 2022. Payments made more than 15 days late remained unchanged from H2 2022, at 11% of all payments. These results are getting closer to the 52% late seen during COVID.

How Late	% of All Payments, 6 Months Ended						
	Jun-23	Dec-22	Jun-22	Dec-21	Jun-21	Dec-20	Jun-20
Late 0-5 days	28%	25%	23%	18%	22%	22%	30%
Late 6-15 days	7%	6%	7%	8%	10%	7%	8%
>15 days late	11%	11%	12%	10%	11%	10%	14%
All Late	46%	42%	41%	36%	43%	39%	52%
Avg Days if Late	10	14	11	17	12	15	12

Underpayments increased again

Underpayments rose to 15% of all payments, a 2% increase compared to 13% in H2 2022. Underpayments are close to the 16% seen during COVID.

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

KEY DEBTOR HIGHLIGHTS

The following programmatic debtors never paid late over the past 6 months (which totaled at least 6 payments):

Edge Solutions
Epsilon Data Management
Media-Net Advertising FZ
OB Media

OpsCo
Sedo.com
Triplelift
TypeA Holdings

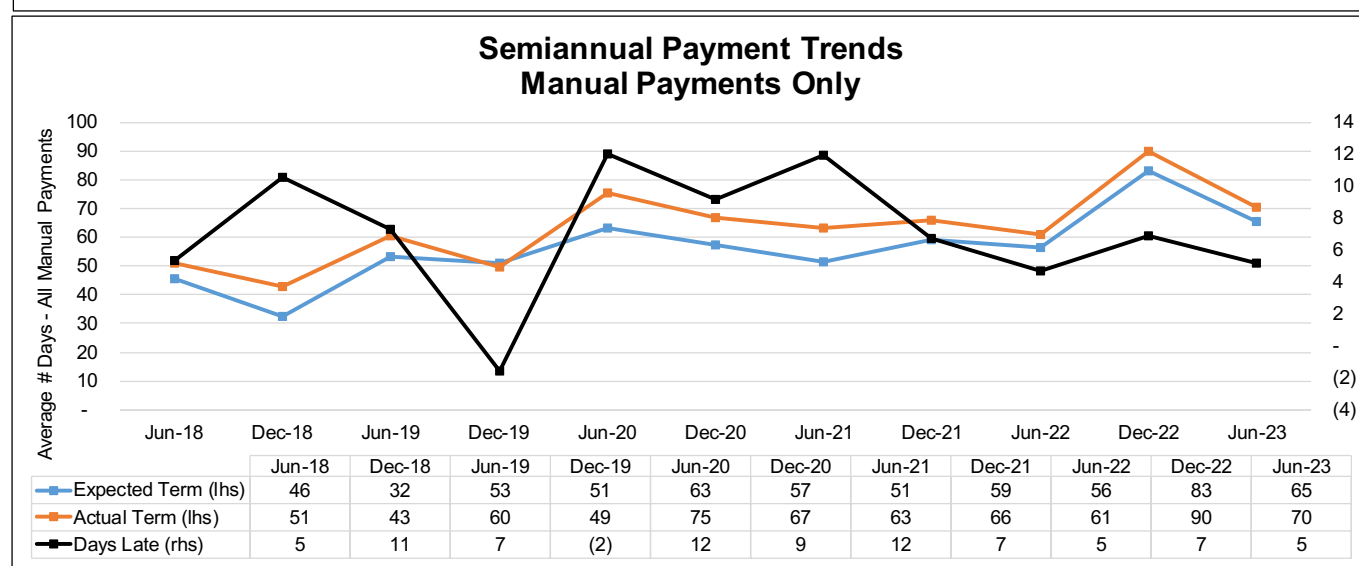
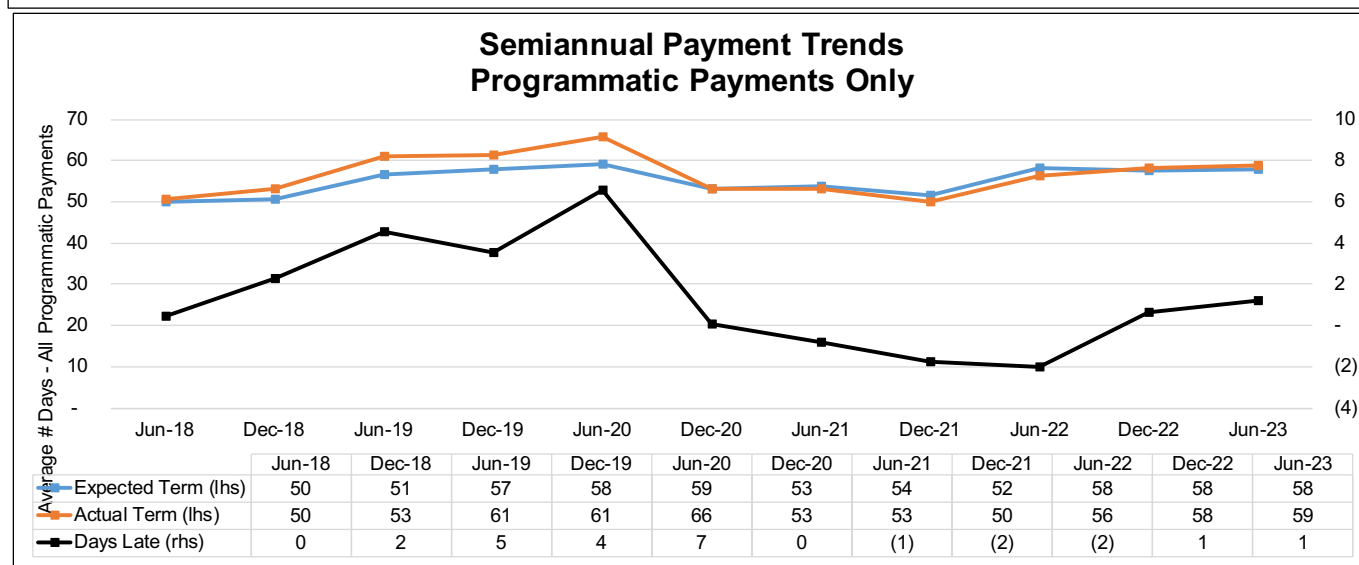
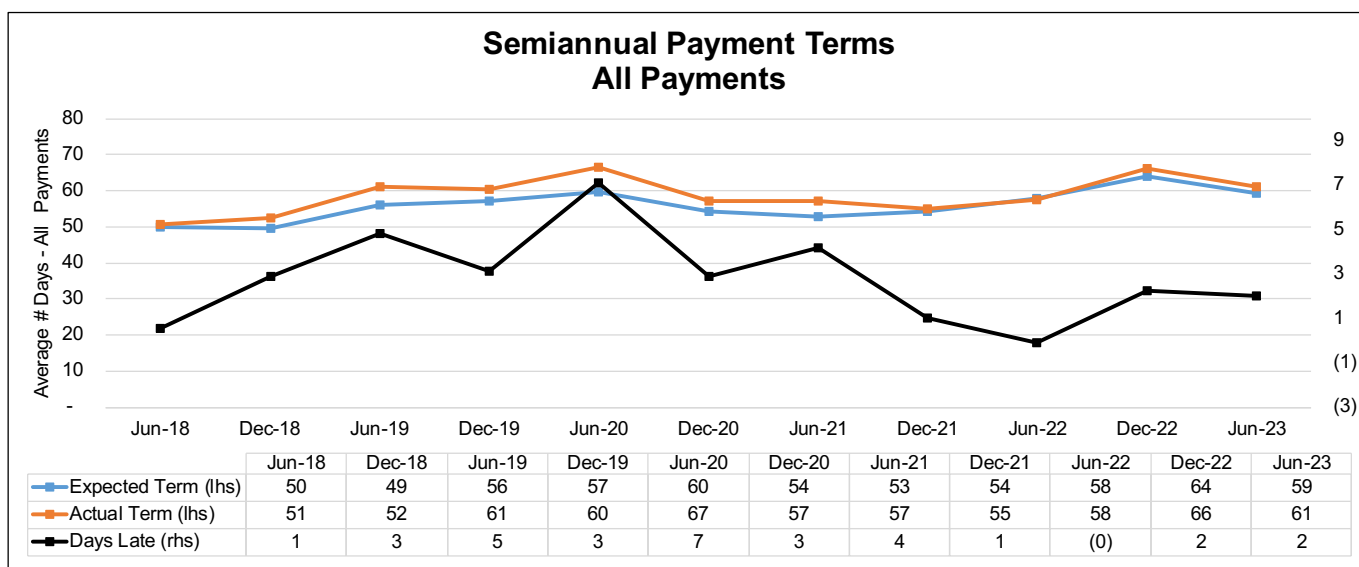
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OVERALL PAYMENT TRENDS

Payments continue to be made later

Overall payments were unchanged at two days late compared H2 2022.

Programmatic payments on average were slightly less late, but manual payments (Brands and Agencies) were later.



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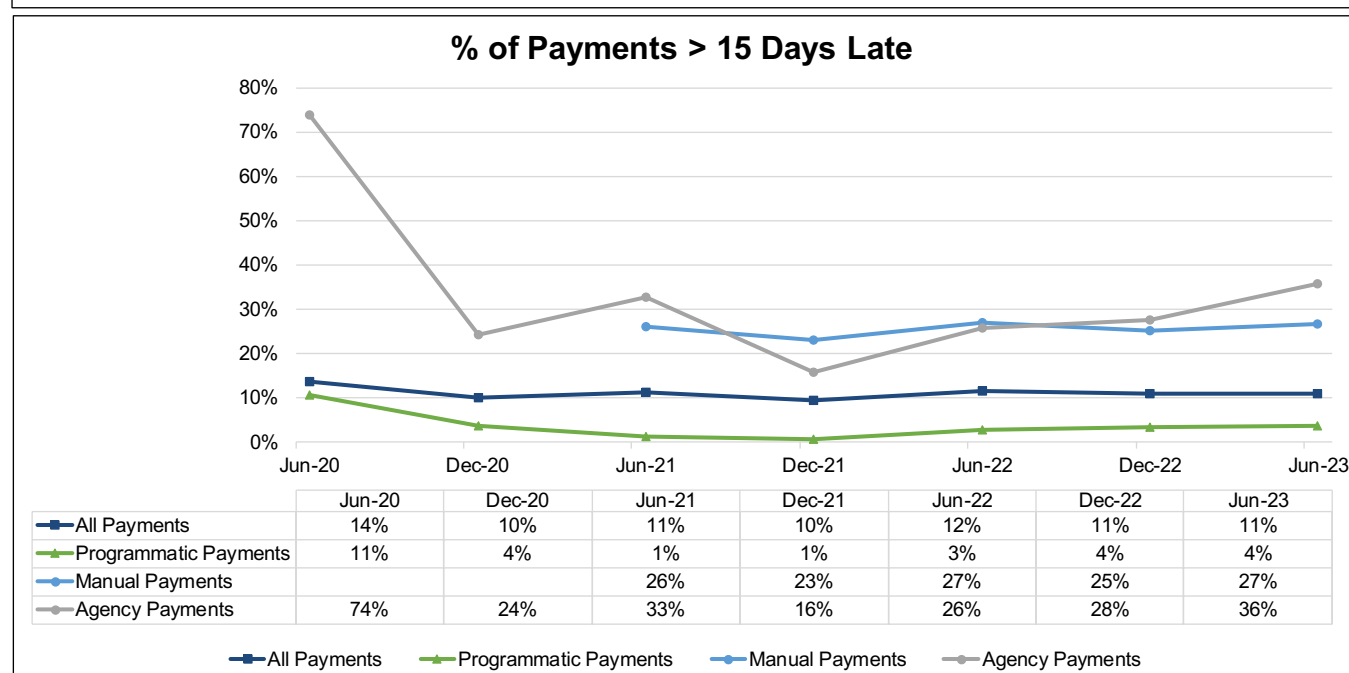
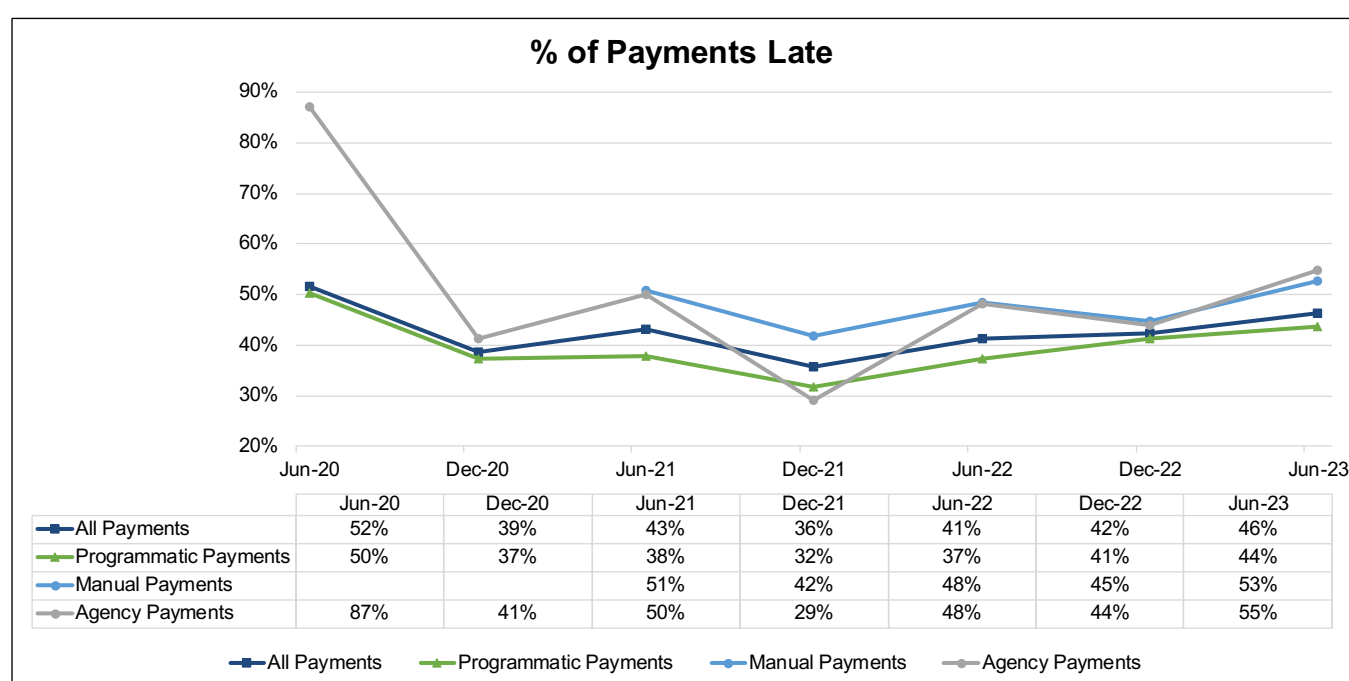
LATE PAYMENTS BY TYPE

More payments were late, Agencies were significantly later

In H1 2023, 46% of all payments were late, a 4% increase from 42% experienced in H2 2022. H1 2023 data also showed that 11% of all payments were more than 15 days late, which is flat from H2 2022.

Manual payments continue to comprise the bulk of very late payments:

- 55% of Agency payments (included in manual payments) were late, up from 44% in H2 2022
- 36% of all Agency payments were over 15 days late, up from 28% in H2 2022

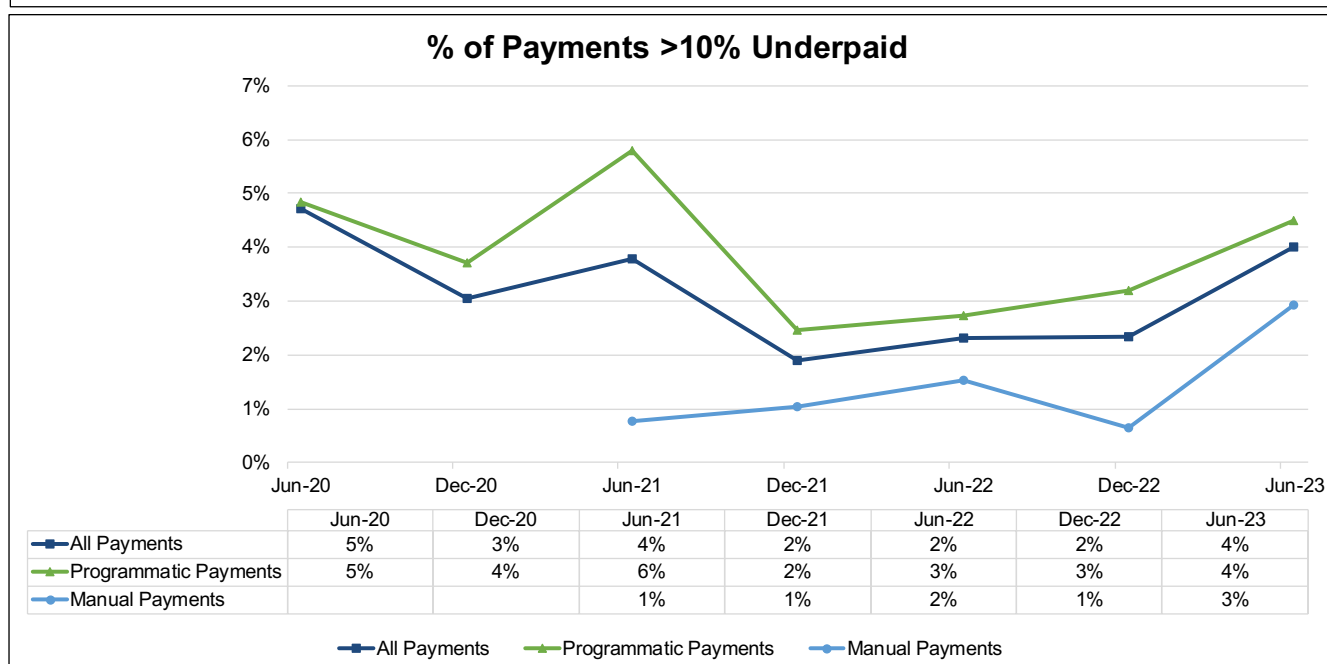
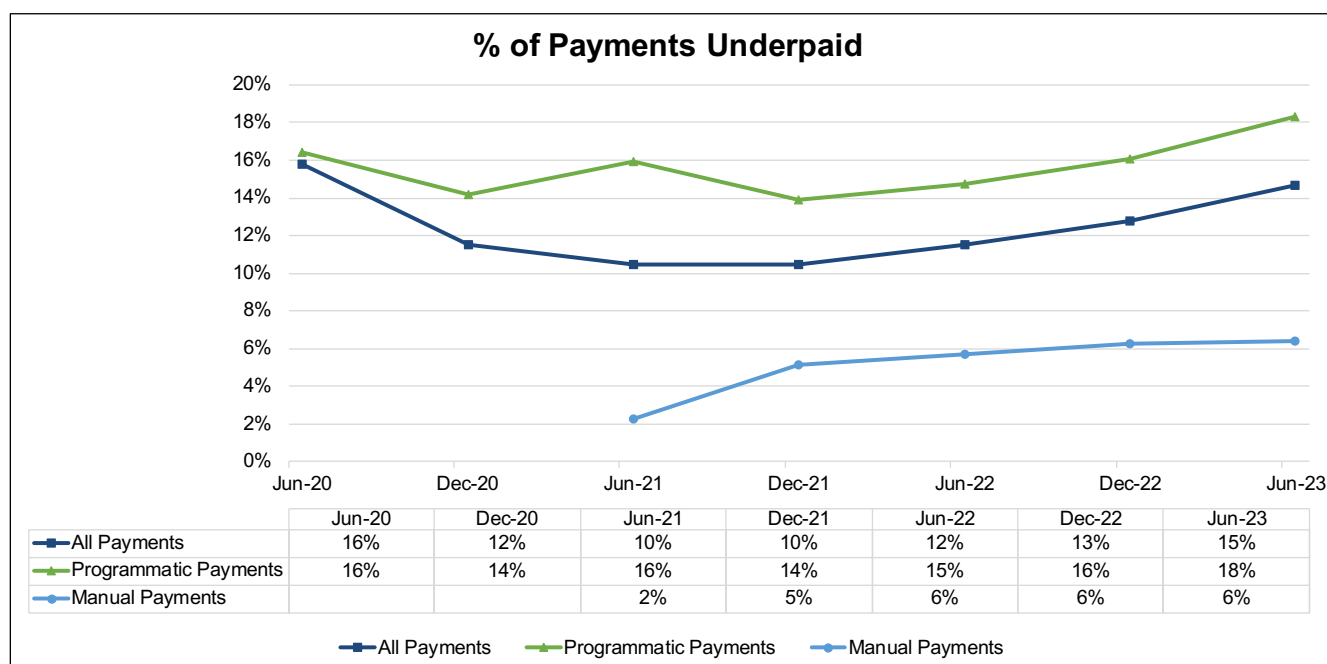


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UNDER PAYMENTS BY TYPE

More payments were underpaid, especially programmatic payments

In H1 2023, 15% of all payments were underpaid, an increase from 13% in H2 2022. Additionally, underpayments that were greater than 10% rose to 4% of all payments, an increase of 2% from H2 2022. Driving both shifts were underpayments among programmatic debtors.



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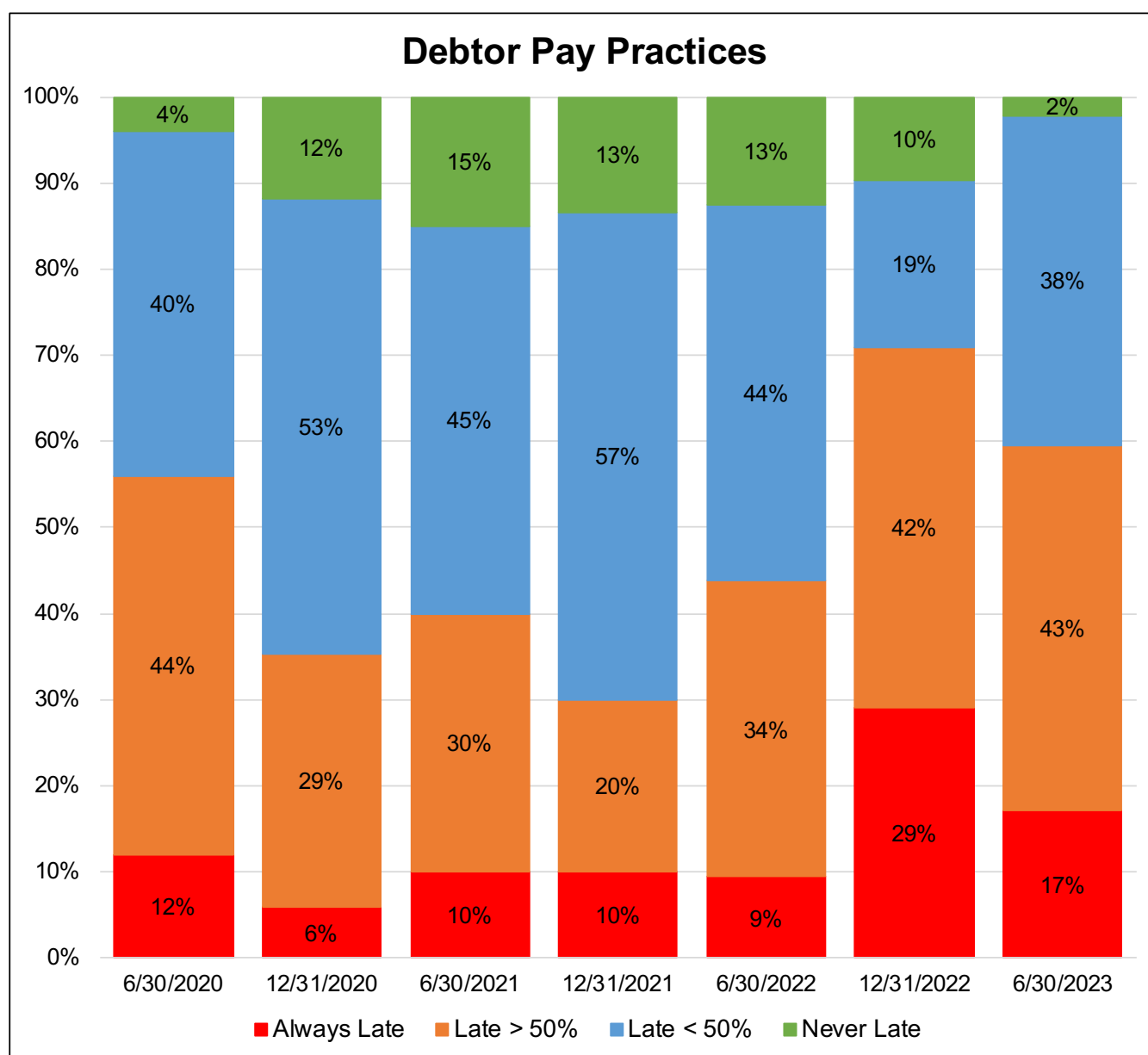
DEBTOR PAY PRACTICES

With data collected from over 900 digital media and advertising debtors, we analyzed the percentage that pay late versus on time. Below is a breakdown of pay practices over time (only including debtors with at least 6 payments per period).

The result: *There was a significant decrease in debtors that always paid on time and the best payors got worse and the worst payors got better.*

Only 2% of payors were always on time, a decrease from 10% in H2 2022.

Offsetting this, there was a decrease in those that always paid late -- from 29% to 17%.



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 06/30/2023	% of Payments			Avg. Days vs. Terms		
Payor	Early	On Time	Late	Late / (Early)	Days Early	Days Late
33Across, Inc.	17%	0%	83%	12.5	(3.0)	15.6
Adcolony, Inc.	0%	0%	100%	2.2		2.2
Amazon.com, Inc.	50%	19%	31%	0.7	(1.0)	3.7
Bidswitch, Inc.	0%	0%	100%	37.7		37.7
Click Sales, Inc.	7%	86%	7%	(0.3)	(5.1)	0.6
Connatix Native Exchange, Inc.	13%	0%	88%	4.1	(2.5)	5.1
Ebsco Industries, Inc.	0%	0%	100%	5.6		5.6
Edge Solutions Ltd.	0%	100%	0%	-		
Epsilon Data Management LLC	100%	0%	0%	(7.3)	(7.3)	
Etsy, Inc.	45%	45%	9%	(11.7)	(29.0)	16.0
Google, Inc.	86%	11%	3%	(1.5)	(1.8)	2.0
Index Exchange USA, LLC	16%	70%	14%	0.1	(3.0)	3.9
Magnite, Inc.	7%	9%	84%	1.8	(2.0)	2.3
Media.net Advertising FZ-LLC	93%	7%	0%	(2.5)	(2.7)	
Monet Engine, Inc.	0%	9%	91%	3.3		3.6
Nativo, Inc.	0%	40%	60%	1.2		2.0
Next Millennium Media, Inc.	17%	33%	50%	0.7	(1.0)	1.7
OB Media LLC	100%	0%	0%	(4.4)	(4.4)	
Ogury Ltd.	43%	0%	57%	(20.6)	(55.8)	5.8
Onfocus SAS	57%	0%	43%	(1.3)	(3.0)	1.0
OpenX Technologies, Inc.	20%	77%	3%	(0.7)	(4.0)	2.8
OpsCo, LLC	75%	25%	0%	(12.3)	(16.4)	
Perion Network Ltd.	0%	22%	78%	5.8		7.5
Pro Sportority Ltd.	80%	0%	20%	(7.5)	(10.4)	4.0
Proper Media, LLC	0%	71%	29%	0.3		1.0
Publisher First, Inc.	0%	50%	50%	0.5		1.0
PubMatic, Inc.	54%	31%	15%	(1.3)	(2.8)	1.4
Pulsepoint, Inc.	0%	75%	25%	0.3		1.0
Sabio, Inc.	50%	50%	0%	(1.5)	(3.0)	
Sedo.com, LLC	100%	0%	0%	(3.1)	(3.1)	
Sharethrough, Inc.	0%	3%	97%	2.9		3.0
Sonobi, Inc.	43%	14%	43%	(0.4)	(3.3)	2.5
Sovrn Holdings, Inc.	0%	0%	100%	3.3		3.3
Teads, Inc.	74%	0%	26%	(7.0)	(11.4)	5.2
The MediaGrid Inc.	0%	0%	100%	6.1		6.1
TripleLift, Inc.	92%	8%	0%	(2.6)	(2.9)	
TypeA Holdings Ltd.	50%	50%	0%	(0.9)	(1.8)	
Unruly Group Ltd.	14%	0%	86%	3.0	(22.0)	7.2
Vidazoo Ltd.	75%	0%	25%	(8.9)	(12.4)	1.3
Xandr, Inc.	0%	21%	79%	2.3		2.9
Yahoo Inc.	35%	35%	29%	(0.4)	(2.5)	1.8
Zelto Inc.	0%	0%	100%	1.4		1.4

Read This

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