

## Digital Media Revenues Remain Strong Despite Slowing Growth Rate, According to OAREX

The 2022 Q2 OAREX Digital Media Revenue Report reveals a slowdown but median revenues for publicly traded digital media companies are up 19% year-over-year

CLEVELAND, OHIO, UNITED STATES, September 21, 2022 / EINPresswire.com/ -- <u>OAREX</u>, the provider of fast and flexible funding for digital media businesses, today announced the release of its 2022 Q2



<u>Digital Media Revenue Report</u>, which reveals the second quarter revenues of publicly traded US-based digital media companies and overall performance against previous quarters. The report shows that while there is an overall slowdown in digital media revenues, companies are still reaching pre-pandemic revenue levels.



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Nick Carrabbia, EVP at OAREX

The report evaluated data from publicly traded companies that primarily earn revenues from digital media operations and have been underwritten by the OAREX credit team. To ensure the data reflects true sector performance and is not outweighed by industry giants, the report does not include some of the larger AdTech companies such as Google, Meta, and Twitter.

The analyzed data revealed the following insights:

- With median company growth of 19% YoY, revenue growth has slowed but remained strong vs pre-covid performance
- 81% of the companies reviewed showed an increase in revenues, higher than most quarters prior to 2021
- The broader digital media industry is outperforming "Big AdTech" companies (such as Google,

Meta, Snap, and Twitter)

In addition, the analysis indicates that unprecedented revenue comparisons seen over the pandemic are impacting growth expectations. In Q2 2020, revenues plummeted as a result of Covid. By Q2 2021, revenues crushed YoY growth expectations because the economy was pumped with liquidity, and conditions began to improve. Now, as liquidity dries up and conditions return to normal, companies are unable to maintain those parabolic expectations. Therefore, this three-year dataset may not be indicative of true business growth. Instead, these fluctuations could be attributed to the cyclical effect of the economy and companies playing "catching up" and then normalizing.

"Recent press reported that many large advertising companies are struggling," said OAREX EVP, Nick Carrabbia when discussing the 2022 second quarter data and report insights. "We conducted the report to provide a more balanced view of the digital media industry. Yes, Meta and Twitter saw year-over-year revenues decline by 1%, while Snap and Google had marginal gains and missed earnings. However, 81% of our sample had revenue growth, and many of them were in the double-digits."

While 2022 is not over yet, taking a step back to look at the industry with a wider lens and not focusing on the giants can offer a more authentic look into how companies in this sector are performing and the potential for future growth.

This report was released on the heels of the <u>OAREX Half Year 2022 Digital Media and Advertising Payments Report</u>, which provides data and trends in the digital ad payment space. OAREX will publish the next Digital Media Revenue report in early 2023.

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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