



Perion Q3 2025 Earnings Call | 12th November 2025

Moderator:

Hello everybody and welcome to the Perion Network Q3 2025 Earnings Conference Call.

Today's conference is being recorded and an archive of the webcast will be posted on the Company website.

The press release detailing the financial results is available on the company's website at www.perion.com.

Before we begin, I'd like to read the following Safe Harbor statement:

Today's discussion includes forward-looking statements. These statements reflect the company's current views with respect to future events. These forward-looking statements involve known and unknown risks, uncertainties and other factors, including those discussed under the heading Risk Factors and elsewhere in the company's Annual Report on Form 20-F, that may cause actual results, performance or achievements to be materially different, and any future results, performance or achievements anticipated or implied by these forward-looking statements.

The company does not undertake to update any forward-looking statements to reflect future

events or circumstances. As in prior quarters, the results reported today will be analyzed both on a GAAP and a non-GAAP basis. While mentioning EBITDA, we will be referring to adjusted EBITDA. We have provided a detailed reconciliation of non-GAAP measures to their comparable GAAP measures in our earnings release, which is available on our website and has also been filed on Form 6-K.

Hosting the call today are Tal Jacobson, Perion's Chief Executive Officer and Elad Tzuberly, Perion's Chief Financial Officer.

I would now like to turn the call over to Tal Jacobson. Please go ahead.

Tal Jacobson:

Good morning, and thank you for joining us on Perion's earnings call for the third quarter of 2025. This quarter, we continued to strengthen our foundation and execute our long-term strategy. Our focus remains clear and disciplined, and the results we're sharing today reflect solid progress across every part of our business. We're building for sustainable growth for this year, and for the years ahead.

This quarter, we demonstrated progress across all aspects of our business: We delivered strong financial results, announced new products, initiated new partnerships to support our global expansion, and won industry awards. Our key growth engines - CTV, DOOH, and Retail Media - continued to expand and present healthy growth.

We are also expanding our share repurchase program to \$200 million, adding \$75 million to the current program, this is pending regulatory approvals. This decision was made after a deep analysis of our future capital needs that will support our growth, and it reflects our confidence in Perion's long-term value for investors and our ability to continue to generate cash.

On the innovation front, we introduced three strategic products under the Perion One vision; Outmax – which unifies all our performance-driven AI algorithms for media outcomes across CTV, Social, and Open web. This includes the Greenbids algorithms and our new performance CTV capabilities. By unifying all our AI algorithms for media outcomes under one product, we enable our global sales teams to accelerate growth with a simple yet powerful holistic solution. SODA - AI Publishers – is our new next-generation Supply Path Optimization for smarter monetization, that strengthens our supply-side technology, and our new DOOH Player – which completes the Full-Stack Marketing Operating System for DOOH and Retail Media. It is designed to drive tremendous value for our DOOH partners, and high-margin and recurring revenue for Perion.

We also advanced strategic partnerships across Retail Media and DOOH, extending our reach throughout the U.S., Europe, and Asia.

We continue to gain recognition in our industry with multiple awards, further validating our technology leadership and impact in performance-driven advertising.

These achievements highlight how Perion executes by focusing on today, while building a strong foundation for sustainable, profitable growth in the future.

All this progress aligns with one clear direction: our vision of becoming the platform of choice for the modern CMOs and their teams. While CROs rely on Salesforce, and CTOs on Jira, CMOs still lack a unified platform that connects media, data, and outcomes. Our Perion One strategy is the answer for this gap: a multi-channel, AI-powered platform that brings together creative, data and media, to deliver measurable business outcomes – a marketing operating system for modern marketers. Every product we develop and every partnership we form brings us closer to making Perion One the central system for marketing performance.

As we continue our journey toward this vision, we wanted to better understand: How do CMOs view the challenges they face today? So, in partnership with Advertiser Perceptions, we surveyed CMOs across North America, and the findings were revealing. Research results prove that there is a strong need to solve the fragmentation between Marketing and Finance, highlighting the growing need for the unified solution Perion One provides.

This validates why our mission matters – helping marketers connect creativity and data to measurable outcomes and bridging the divide between CMOs and CFOs. You are welcome to view the full research report on the [Perion.com](https://www.perion.com) website.

One of our new strategic partnerships is with Albertsons Media Collective, a leading retail media network in the U.S. According to eMarketer, Retail media in the U.S. is a \$60 billion opportunity growing at double-digit annual rates. This partnership gives Perion a strong foothold with one of the largest grocery retailers in the U.S.. By combining Albertsons' first-party data with our retail media technology, we deliver commerce-connected, measurable campaigns that align perfectly with where the market is moving.

A great example is Primo Water, a brand that wanted to drive product sales among Albertsons shoppers on the go. The campaign delivered over 5.5 million impressions and achieved a 5.5% sales lift. This demonstrates how Perion's technology directly connects ad exposure to measurable business outcomes.

Let's take a look (CLIP- Primo).

Campaigns like Primo Water demonstrate how our creative, data, and technology excellence translates into real business performance. Outmax takes that principle further, unifying all our outcome-driven AI algorithms under one solution. A solution designed to maximize outcomes by connecting creative intelligence with real-time optimization. Outmax is built to power results across every media environment. It represents the next step in Perion's evolution - transforming AI-driven algorithms and insights into measurable, scalable growth.

Outmax unifies optimization across CTV, Social, and open web that now also includes the GreenBids technology that we acquired earlier this year.

What sets Outmax apart from all other solutions? Outmax continuously learns where performance truly happens. The algorithm analyzes multiple signals — such as device, time, and context — to identify the most effective audience and inventory combinations in real time. It then reallocates budgets toward those high-performing segments, driving stronger ROI and more efficient media investment. By connecting insights across CTV, Social, and open web, Outmax creates one continuous optimization loop, improving results for advertisers while enhancing Perion's scalability and growth potential. We've already seen strong validation through recent case studies. Outmax optimized YouTube campaigns for Ford using carbon-aware bidding, improving viewability by 12 points, lowering CPMs by 22%, and cutting carbon intensity by 33%, demonstrating how the Outmax algorithm delivers better results through advanced AI.

We're continuing to strengthen our supply-side technology with the launch of SODA, our AI monetization engine for publishers. SODA combines Perion's multiformat bidder technology with an AI real-time algorithm that optimizes every impression's path. This drives higher yield, reduces waste, and provides better ad delivery both for the publisher and for advertisers. What's most exciting is that SODA makes Perion an embedded technology partner within the publisher stack. I'm confident that this will expand our recurring, high-margin revenue base. It's a clear example of how we're executing and translating innovation directly into growth and operating leverage.

Another major milestone is the launch of the Perion DOOH Player. This completes the full-stack Marketing Operating System for DOOH and Retail Media. The DOOH Player extends our full-stack supply-side technology, giving media owners, and digital signage partners a single platform to manage both direct and programmatic campaigns. It replaces fragmented, legacy systems with a dynamic, hardware-agnostic solution, improving efficiency, transparency, and control across global signage networks.

The new Perion DOOH Player is designed to drive tremendous value for our DOOH partners, and high-margin and recurring revenue for Perion. This new product broadens our total addressable market by integrating with DOOH media owners and retailers. It has the potential to generate high-margin, and recurring software income through embedded deployments over time. It also strengthens our role as a technology partner of choice within the DOOH and Retail Media ecosystem - another important step in connecting the supply side under Perion One platform.

As we look ahead, it's important to remember that everything we're delivering today is part of a broader, long-term transformation.

After laying the foundation in 2024, we've spent this year activating the Perion One vision, unifying our technologies and brands under one platform, and streamlining our operations for improved efficiency and scalable growth.

The next phase, beginning in 2026, is about scaling the platform. We are expanding Perion One across more channels, deepening adoption with global brands, and increasing recurring, high-margin revenue streams powered by AI, automation, and self-service capabilities.

Each step brings us closer to our vision of a single, intelligent platform that delivers better performance, faster decisions, and long-term value for marketers and shareholders.

To conclude, our message to investors is clear: Perion is executing on its strategy and building for long-term value. We operate in high-growth areas, supported by a proven track record of profitability and positive cash flow.

We have a global team with deep high growth experience, focused on building technology and accelerating our global go-to-market strategy, for the AI-first era of advertising.

With that, I'll now turn it over to Elad Tzuberly, our CFO, who will walk you through the financial results for the third quarter.

Elad Tzuberly:

Thank you, Tal, and thank you all for joining us on the call today.

Our third-quarter results mark another strong step forward in Perion's strategic transformation. We are now seeing the tangible impact of the structural, operational, and technological foundations we've built over the past 20 months.

During this quarter, we achieved our first year-over-year revenue and contribution ex-TAC growth since the first quarter of 2024. This is a milestone that reflects our disciplined execution, and it's a direct result of our enhanced organizational structure, our continued adoption of unified Perion One platform, and a strong go-to-market strategy.

Importantly, our adjusted EBITDA increased 63% year-over-year to \$12.1 million. This reflects the early results of our efficiency initiatives that are expected to fully materialize in 2026.

Our core growth engines — CTV, Retail Media, and DOOH — are also among the strongest growing channels and market verticals in adtech. All of them continued their momentum and delivered strong performances with a year-over-year growth of 75%, 40%, and 26%, respectively.

We also continued to execute our capital allocation plan with discipline. During the quarter, we repurchased 800 thousand shares for \$7.5 million. Due to our confidence in Perion's long-term growth, and the strength of our cash generation, we approved in principle, an expansion of our share repurchase authorization by an additional \$75 million to a total amount of \$200 million. It reflects the balance between returning capital to shareholders, and continued investment in innovation and in strategic opportunities, to strengthen our core business and drive sustainable growth.

Looking ahead, we are firmly establishing the infrastructure for sustained growth in 2026 and beyond. This is supported by operational efficiency, scalable technology, and disciplined capital allocation.

Moving on to our key financial metrics for the third quarter.

Revenue accounted for \$110.5 million, representing 8% year-over-year growth. Contribution ex-TAC came in at \$51 million, up 7% year-over-year, maintaining a healthy 46% margin. Notably, this marks the first time since the first quarter of 2024 that we've achieved year-over-year growth in both revenue and

Contribution ex-TAC. This is a testament to Perion's growing ability to deliver measurable outcomes for our customers, as well as the strong performance of our core growth engines and our disciplined operational execution. We believe, our revenue contribution excluding TAC represents a more accurate measure of our top-line performance than the revenue alone.

Adjusted EBITDA this quarter was \$12.1 million. This represents a 63% year-over-year increase. Our ex-TAC margin was 24%, signifying an encouraging margin expansion.

Non-GAAP net income was \$12.5 million, resulting in a non-GAAP diluted earnings per share of 28 cents. Cash flow from operations was \$5.9 million, bringing our year-to-date total to \$20.1 million. This further demonstrates the strength of our underlying business model and our consistent ability to generate cash.

Our growth engines continue to be the cornerstone of Perion's future growth. Both CTV and DOOH channels are growing at a fast rate. They are continuously outpacing the overall market growth on an annual basis, as projected by eMarketer. This positions Perion as a high-growth player in two of the most dynamic segments in digital advertising.

CTV continues its strong growth trajectory with revenue up 75% year-over-year, driven by a sustained demand for our advanced formats. Looking ahead, we expect CTV revenue to continue outpacing the market, supported by the ongoing shift from linear to connected TV, and growing customer adoption of our performance CTV solutions.

Our DOOH channel remains a highly strategic entry point into new markets. We continue to leverage its differentiated capabilities, to position Perion for sustainable profitable growth through cross-selling and product synergies. We recently launched our DOOH Player – an advanced solution that completes our full-stack Marketing Operating System for DOOH and Retail Media. The DOOH Player strengthens our customer stickiness and recurring revenue streams, making our business model more predictable and scalable across this fast-growing channel.

Our Retail Media market vertical continued to demonstrate strong momentum, with revenue up 40% year-over-year. Retail Media remains one of the fastest-growing verticals in advertising, projected to expand at a 14.7% CAGR through 2029. As new and existing customers continue to adopt our retail-focused solutions, we are well-positioned to capture market share, and outpace market growth.

Our third quarter channel mix demonstrates the growing portion of CTV and DOOH. These two channels combined represent 37% of revenue vs. 28% in the same quarter last year.

DOOH increased by 26% year-over-year, reaching 22% of revenue, up from 19% last year. This reflects the continued global momentum, with new partnerships across APAC, the U.S., and EMEA.

CTV increased by 75% year-over-year, representing 15% of revenue, compared to 9% last year. This significant growth is a testament of increasing customer adoption of our full funnel solutions offering.

Web revenue declined by 11% year-over-year due to a continued trend of lower advertiser appetite for standard display and video formats. It is important to note that the comparison to the third quarter of 2024 is skewed, due to the discontinuation of lower-margin activities in late-2024 as previously announced this year.

Search increased by 9% year-over-year, representing 21% of revenue, and continues the search business stabilization.

While in this quarter we enjoyed strong growth across each of our core growth engines, Perion's platform is built to be channel-agnostic. This structure, enables us to seamlessly adapt as advertising spend naturally shifts across channels. This flexibility allows us to capture growth wherever demand emerges, and helps to increase advertiser spend and retention.

Contribution ex-TAC in the third quarter grew by 7% year-over-year to \$51 million, representing a stable margin of 46%. As we move forward with our unified platform, we expect to grow our revenue contribution excluding TAC at a faster pace compared to total revenue. This measure better represents our top-line performance than revenue alone.

Adjusted EBITDA for the third quarter grew 63% year-over-year to \$12.1 million, representing 24% of contribution ex-TAC and 11% of total revenue. This significant margin expansion reflects our improved operational leverage.

The efficiency initiatives we've implemented this year, continue to bear fruit and drive improved profitability. We continue to further optimize our cost structure to align with our unified operating model. We expect to benefit from these improvements throughout the remainder of 2025 and into 2026 as these efforts gain momentum.

On a GAAP basis, our third quarter net loss was \$4.1 million, or 10 cents per diluted share. On a non-GAAP basis, Net Income improved year-over-year to \$12.5 million, compared to \$11.9 million in the third quarter of 2024. This represents, a non-GAAP diluted earning per share of 28 cents this quarter, compared to 23 cents per diluted share last year - representing a 22% year-over-year increase.

In the third quarter of 2025, Cash generated from Operating activities was \$5.9 million, and our Adjusted Free Cash Flow was \$4.8 million. Looking ahead, we are confident that we will maintain a strong cash flow conversion rate of over 70% in 2025.

As of September 30th, our balance sheet includes \$315 million in cash, cash equivalents, short-term bank deposits, and marketable securities. Our strong cash position gives us the financial flexibility to support the broader capital allocation framework, pursuing our diversified growth strategy while continuing to return capital to shareholders.

During the quarter, we continued to execute our share buyback program. Due to regulatory volume restrictions, our repurchase activity was limited, leading to the repurchase of 800 thousand shares for a total amount of \$7.5 million.

As of September 30th, 2025, we have repurchased a cumulative total of 10.4 million shares for \$94.2 million. This continued buyback commitment underscores our confidence in Perion's long-term value proposition. As of today, during the fourth quarter, we already purchased an additional 1 million shares, and we expect to complete the current plan by the end of this year.

We are pleased to announce the principle approval of expansion of our previously authorized share repurchase program. Our confidence in Perion's future allows us to expand the program by an additional \$75 million. This increases the total program from \$125 million to \$200 million. The overall program represents an estimated shareholders implied return of nearly 50% since initiation.

We believe our current share price is not reflective of the value and opportunities we have at Perion. The share buyback program, alongside disciplined investments in organic growth and in M&A opportunities, is the best use at present for our excess cash.

Turning to our financial outlook.

We are reiterating our full-year 2025 guidance with revenue at \$430 to \$450 million, and adjusted EBITDA at \$44 to \$46 million.

The progress we made in Q3 — from returning to year-over-year growth to expanding profitability — underscores the strength of our transformation and the resilience of our model.

As we continue consolidating our operations into the Perion One platform, we are confident that we have established a strong foundation for sustainable growth and profitability heading into 2026.

With that, I'll now turn it back to the Operator to open the line for questions. Thank you.

Moderator:

We'll take our first question from Andrew Marak with Raymond Jones. Please unmute your line and ask your question.

Andrew:

Hi. Thanks for taking my questions. Maybe one for Tal and one for Elad. Tal, if you could dive into some of the CTV strength drivers we saw in 3Q with the 75% growth. I know you had mentioned some spend shifts or budget shifts last quarter out of 2Q into the second half, but any more specificity there would be appreciated. Then, maybe on the guidance range, given that you're reiterating the guidance range, it does seem like a fairly wide range for 4Q. I guess, what should we be inferring from that in terms of what you're seeing to date in either October or expectations for the holiday season? Thank you.

Tal:

Yeah, thanks for the question. So, absolutely. On CTV, I think what we see is that our performance CTV, together with our new algorithm, GrimBits, which we now call Outmax, are really performing well. We're seeing healthy pipeline and deals from our customers, and that's what drove a significant growth that we're seeing. Elad, do you want to answer on the guidance?

Elad:

Yeah, sure. In terms of the guidance, the quarter right now, it is generally in line with our expectations, so far as we are entering to an important holiday season. We feel very good with our ability to deliver within this range of guidance, and we already increased the guidance at the beginning of the year in May, and it was important for us, of course, to make sure that we are delivering on everything that we are saying and maintaining the guidance is, of course, but we do feel very confident in our ability to meet those numbers, because as we see, overall, we do not see right now any slowdown, I would say, the spend of the advertiser. It is just a change, in terms of timelines, of how the budget are getting or spending within the month.

Tal:

Yeah, so I'll just add to that. As Elad said, we did raise our guidance within the year, and ever since then we continue to build strong momentum, and as Elad said, the quarter is aligned with our expectation, but we're waiting for the shopping season to see how that's going to evolve.

Andrew:

Understood, thank you.

Tal:

Thank you.

Moderator:

We will take our next question from Eric Martinuzzi from Lake Street. Please unmute your line and ask a question.

Eric:

Yeah. I kind of wanted to revisit the Q4 growth. Just based on the projections here, that growth rate would be down versus the growth you had in Q3. I realize we're early in the holiday spending season. Is it just conservatism, that that sequential growth rate would be down?

Elad:

Yes, Eric. Thank you. I would say it's a bit conservative as well. As we mentioned, Q4 is, obviously, the peak of the year in terms of advertising budget. Just before the holiday season, it was important for us to be cautious.

Eric:

Okay. Then, I know you haven't, you're not addressing 2026, but right now there's an expectation for double-digit growth there. I think the street consensus is at 11% growth in 2026. Should that be coming down, based on what you're seeing for Q4?

Elad:

No, not at all. We haven't provided the outlook for 2026. We are providing it as usual at the end of the year. What I can tell you by the way, is that we are aiming for next year to capture much, much more market share, and we actually believe that we will be able to beat next year as well. The speed expectation and our growth engines will continue to outperform the market, and I believe that it will drive our growth going forward, and as much as we are focusing on the efficiency, we start to see this in terms of the numbers, starting already for this year. We are also investing in our current business to allow us to scale and to grow much faster also for next year.

Eric:

Understand, and congratulations on the return to growth here in Q3.

Elad:

Thank you.

Tal:

Thank you.

Moderator:

Our next question comes from Jason Hestin with Oppenheimer. Please unmute your line and ask your question.

Jason:

Thanks, everybody. I guess, kind of following on to what you just said, it sounds like you're having more success now selling the package of services across the different disciplines. There's been a pretty significant investment in sales and marketing to get here. Just how are you thinking about the investment needed, particularly as we go into next year on sales and marketing? Is it still like another heavy lift or can you harvest? Then, obviously, the implied web business, I think, is down something like 11%, year over year, give or take our math in the quarter, but it is still roughly half of revenue. So obviously, CTV, digital out of home, some of the other areas are going to grow still meaningfully faster than that. Just, how are you thinking about, again, the puts and takes there, right? Web declining, everything else, or display, really, declining and everything else really growing, as we're just thinking out over the next two years? Thank you.

Tal:

Yeah, absolutely. Thanks for the question. I'll divide it into a few parts. One, we think that web and search is going to be totally aligned with human behavior. As AI agents or AI chatbots are growing, less and less web search is going to happen. With this whole trend of zero clicks on Google, I think less traffic is going to go on web, but that only means that a lot of the budgets are going to shift towards closed gardens, Meta, TikTok, Google, YouTube, out of home, and CTV, which is exactly why we bought green beds. That's exactly why we bought High Stack, and this is exactly why we're investing at those areas, just because we think this trend is going to continue, but we do think our algorithm, Outmax, our CTV, and out of home is going to outpace the growth of the market going forward.

So, that should show good growth in the next year or the year after that. In terms of sales of marketing, before Elad is going to go a bit on the numbers, but certain marketing is now so much easier since we have Perion One. We're seeing more and more an increasingly, big number, and it's increasing by the day of customers that are using more than one of our products. So, we do have algorithm with CTV customers. We have CTV with out-of-home customers, so we're seeing synergies even faster than what we could have imagined at this time of stage within the transformation, but it also helps us with marketing since we're spending marketing very focused on to drive new customers to the platform. We're seeing great success there. Elad, do you want to add to that?

Elad:

Yeah, I would add about the sales, the SM investment that we are planning to do also for next year to increase our ability to tap into more and more customers into the platform. So, first of, and of course we will going to increase course our marketing budget as well. Because we are going to the market, we want to get as spread as possible when we are going into into 2020, as Tal mentioned, '26 and '27 are years that we're aiming to scale Perion One as much as possible globally.

As part of the changes, also we are doing, we are increasing also a bit the sales team, just to get more and more reach points towards more customers and to be able to showcase the Perion One capabilities into more customers. So, definitely, this is an area that we are going to increase our investments next

year. Also, around, let's say, R&D as well, this is something that we are planning to increase also some of our resources around investing about R&D in order to make sure that we are expediting our roadmap, coming to the streets to our customers with more and more solutions and ability to spend more within this platform.

Moderator:

Our next question comes from Jeff Martin with Roth. Please unmute your line and ask a question.

Jeff:

Great, thank you. Was curious, you mentioned that there was a clouded comparison on web versus last year, due to some low margin business that was exited. Could you give us an apples-to-apples comparison and then pair that with how web trended, relative to your expectation? I know the last two quarters you've talked about a bottoming out of that a little earlier than expected, so just curious how that trended in the quarter relative to your internal expectations. Thanks.

Elad:

Yes, so thanks for the question, Jeff. Actually, web acted exactly as we expected. I would say even a bit better than our original plans. As I said, and if you remember on February's call, we announced that we are closing some of our previous technology that we needed to web, but they were very, very low margin, and they were de-focused on Perion One strategy. When we are comparing Q3 to Q3, a major part of the decrease that you see in the web is because of those business lines that we decided we are shutting down. Comparing to our expectations, it actually did better if you are removing those terminated business.

Jeff:

Great. And just one more if I could, you've talked in the past about expanding the TAM dramatically. Just curious if you could give us an update timing of that and how it's trended so far this year. Thanks.

Tal:

Yeah, sure. So, when we bought Greenbids, we got into YouTube and Meta, which is something that we never had the capability to do, so now every advertiser that spends money on YouTube, Google Ads, and Meta can actually work with us at the Trade Desk. Now we're in process of integrating this into more social platforms and more and more DSPs, so that will continue to increase our time, and you're going to see more and more growth out of that part. Out of new channels, hopefully next year you're going to see more channels than just web and CTV and auto phone.

Jeff:

Thank you.

Moderator:

Our next question comes from Laura Martin with Needham. Please unmute your line and ask a question.

Laura:

Hi, guys. I need to ask the AI questions. So, I'm merely interested in how you're using AI internally, because it sounds like you're still hiring people, and it's our thesis that if you're a tech company you're

using AI and not people, so can you talk about, internally, how you're using new tools with AI to replace people? Then, secondly, I wanted to drill down, follow up on some of my competitors' questions on web.

I know Tal, you think sort of that the open web is going to lose share too, and that's why you've gone into digital app home and CTV, but then Elad said that a lot of the 11% decline in the quarter was attributable to actions you took in February, and therefore the declines would've been much less, which implies to me, Tal, that by February, we anniversary those, let's call it self-harm that you decided to do, and that we could maybe return to growth in the open web, it sounds like. So, could you talk to me about how much of this web decline you think is structural, because it sounds like it's a lot less than the 11% decline that you reported in the web business in the quarter? Thank you.

Tal:

Yeah. Thanks, Laura.

Laura:

Sure.

Tal:

So, two things. As you said, I think you're absolutely right with time and automation. The amount of people we would hire is going to be lower, but as we build this company for scale, there are two parts where we do hire people. One, R&D, to continue to build AI driven products, because AI is everything and we're becoming more and more of a technology company than anything else, and on the other part is sales, which sales should bring our new platform into more clients. Those are the areas where we look to hire more people, but everything else, we hired a new COO six months ago just for that, to transform all our internal operation to be AI driven and more efficient, so less and less manual work, more and more automation to AI. That's on the internal part.

Now, within when we built, we're building period one also within that, everything is AI driven. Even everything that we built within R&D is now supported with AI, so we can actually say that 100 percent of our R&D work is supported now with AI, so that's on the AI part. On the web part, I'll just say generally, and then I'll let Elad answer his part, but I'll just say, as far as human behavior, I do not think editorial websites are going to see a huge growth in the future, and that's what we call web. Having said that, we did a few things within in-house, like releasing SODA and other products for web. Since we're such a small part of web globally, even though it can grow within us, it doesn't necessarily mean that humans are going to use more and more editorial websites. As a general trend, I don't think that's going to be the future. Elad, anything you want to add to that?

Elad:

I can just add, is to make sure that I was clear. The expectation that we had when shutting down those businesses, that the web will continue to decline more. Keep in mind, Laura, we are channel agnostic in a way, and our growth engines, our digital out of home, and CTV, of course, but it also allows us, in a way, to tap on the opportunity that's related also to web. I'm not expecting, by the way, going to the future, that I will see increase in web that dramatically, but on a year-over-year comparison, as we will continue to increase the overall spend that will come through the system, I believe that also the web will capture some of those spend yet. Was that answering your question?

Laura:

Well, so I think Elad what would help me is, of the 11% decline, you said that most of it was this decision you'd made in February. Was it 8% of the 11%, like you would've only been down 3% in web if you hadn't taken the actions yourself in February? How much of the 11% decline was your actions in February?

Elad:

No. Actually, more closely towards 13% was related to our action, so overall, otherwise I would say the web is increasing at roughly 2%.

Laura:

Okay. Well, that answer, I like a lot, so thank you. That's perfect.

Elad:

Thank you. Thank you.

Moderator:

Our last question comes from Jason Krayer with Craig-Hallum Capsule group. Please unmute your line and ask your question.

Jason:

Good. Thank you, guys. Just one for me. So you'd highlighted how SODA and the out-of-home player create more predictable revenue streams. Wondering if you can just size up those opportunities and give a little more detail on how you monetize those solutions. Thanks.

Tal:

Yeah. Thank you, Jason. First of all, welcome. We're very happy to have you with us. So in terms of SODA and the digital at-home player, the thing is we're trying to be the operating system, the marketing operating system within the tech stack of the inventory part, right? While Perion One is the operating system for marketers, SODA and the digital at-home player is the operating system for the inventory part, and we want to be as implemented as possible within their tech stack, which SODA for out-of-home and web publishers, and obviously the digital at-home player can get a bigger chunk of all the spend that going through the screens.

What it means is, a lot of the time when digital at-home screen owners, the budget that we're seeing through them is the programmatic part, but when we implement the digital at-home player, we can actually benefit from all the budgets that are going through that, and that means direct and programmatic. That actually increases our time quite dramatically, and once that's going to be deployed in big scale, that will provide us better visibility and predictability into our revenue streams. Does that answer your question?

Jason:

Yeah, that's perfect. Thank you.

Tal:

Thank you.

Moderator:

This now concludes the question and answer session. I'll now hand back to Tal Jacobson for closing remarks.

Tal:

Thank you, everyone, for joining us at the Q3 earnings goal. We're happy to show that we're making good progress on our Perion One vision, and I hope to see you, everyone, at our next earnings call. Thank you.

Moderator:

This concludes today's call. Thank you, everyone, for joining. You may now disconnect.