Perion Network Ltd.

Second Quarter 2023 Earnings Conference Call

August 2, 2023

## CORPORATE PARTICIPANTS

**Tal Jacobson,** *Chief Executive Officer*

**Maoz Sigron,** *Chief Financial Officer*

## CONFERENCE CALL PARTICIPANTS

**Laura Martin,** *Needham & Company*

**Andrew Marok,** *Raymond James*

**Jason Helfstein,** *Oppenheimer*

**Mark Kelly,** *Stifel*

**Jaeson Schmidt,** *Lake Street Capital*

**Jeff Martin,** *Roth*

## PRESENTATION

**Operator**

Hello everybody, and welcome to the Perion Network Second Quarter 2023 Earnings Conference Call.

Today's conference is being recorded. 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 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.



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 www.viavid.com

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

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

**Tal Jacobson**

Hello everyone. I'm Tal Jacobson, and I'm excited to welcome you to our second quarter earnings report for the first time as Perion's CEO. With me is Maoz Sigron, Perion's CFO. It is truly an honor to take on this role and lead Perion into the future.

I've been running Perion's search advertising division since 2018, where we've built a thriving business model and a deep partnership with Microsoft Advertising, and I was also part of the Executive Team that built and executed the foundation of Perion. At Perion, we have an incredible team of talented individuals that built a robust foundation that will lead Perion into the future. I want to thank each and every one of them for their hard work and dedication.

Doron Gerstel, Perion's previous CEO has been a great leader, combining imagination and execution. I'd like to thank him for his outstanding leadership and for staying with us on the Board of Directors, allowing us to continue to shape the future of Perion together.

My journey to this point was full of life lessons. One of the most important lessons I've learned about business is that agility is a key factor for long-lasting success. Almost 20 years ago, I was hired together with some incredible people to create a turnaround for ICQ that was part of AOL. ICQ was the first global success to come out of Israel's start-up nation. AOL acquired ICQ for its instant messaging technology and rapid growth. At that time, ICQ finished developing a new product for mobile group messaging that had the same features that WhatsApp and Telegram have today.

Now think about it for a moment - almost 20 years ago, ICQ was already there, yet the mobile product was not launched back then. The primary objective for which I was employed had been achieved and the desktop product was a huge success. The company was so captivated by the desktop success, dropping the ball on mobile messaging, and ICQ lost its competitive edge it had in that time. The lesson here is that to be winners, we must keep one foot in the present and one foot in the future. Winners are those who can build on their uniqueness, and at the same time look forward to product innovation and quickly adapt when needed. Perion continues to grow in the digital advertising market thanks to our ability to remain agile, gaining market share in our core activities while constantly thinking of new markets to penetrate.

Now let's get down to business and review Q2 2023 results versus the market trends.

Perion continues to demonstrate a sustained ability to outperform the industry. The digital advertising industry is filled with many smart companies with strong leaders and with excellent technology, and yet we continue to outperform. Our success is a combination of our ability to capture shifts in advertising budgets while maintaining high margins. The best way to achieve both levels of growth is through our strategic diversification business model. This is accompanied by a culture that fosters agility, moving fast and seizing opportunities as they emerge.

Despite the rapid shifts in media allocation strategies in the market, Perion is well positioned to gain market share. Our diversification allows us to be flexible and "meet the moment" no matter how much it shifts and changes. Perion's Q2 growth numbers across Search Advertising, Video, CTV, Retail Media and Digital Advertising as a whole tell the story. It's all part of our strategy to follow digital advertising



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 www.viavid.com

budgets as they shift between channels and establish a strong foothold in fast-growing markets where technology matters and margins are higher.

In our 2023 second quarter performance, we also continue to outperform the industry on revenue growth, growing our revenue by 22% over the same quarter last year to above $178 million. What is even more impressive is that we achieved that against the backdrop of continued economic headwinds and uncertainties.

Another indicator of our outstanding Q2 performance is our EBITDA that grew by an impressive 45% year-over-year. Our strong results are attributed to our focus on growing profitability and margin expansion. Our innovation, execution abilities and operational efficiency are the main factors that led to our amazing EBITDA growth and our incredible EBITDA margin, among the highest in the industry.

Let's take a deep dive into our retail media business and understand what enables us to build this activity. Perion retail business is a great example of how we bring together skills and technology in a powerful way that allows us to grow our market share.

Behind those growth numbers is a smart platform. It is designed to enable large retailers to leverage their own data for greater sales, loyalty and ROI. We are replacing the outdated circular that has been around for over 100 years with the accuracy of digital targeting. Our magic begins with three layers of data: the anonymized retail data, the third party enrichment data that includes, among others: demographic, behavioral, contextual, location, and other environmental conditions; and finally and one of the most important parts, is our own proprietary iHUB data. All three layers are then being added to our AI-driven decisioning engine to produce thousands of dynamic creative permutations. Perion's solution allows us to deliver relevant personalized and localized ad experiences. For example, we can customize our retail ad creatives to reflect local weather. If it's raining in one city, they will see an ad for a comforting soup, yet if it's hot and sunny, the local ads will promote ice cream. Thanks to SORT, our AI-based cookie-less targeting technology, we can now target the right product to the right person at the right moment.

Our dynamic retail solution is distributed across all our media channels, as you would expect from a unified solution such as ours. Our technology has already won the Retail Touchpoint Award for Brand Experience and the hearts of some of the biggest retailers, such as Kroger, Rite Aid, Home Depot, Albertsons and more. They are all working with us to drive meaningful business results.

Before we dive into the numbers, I'd like to thank all of you, many of whom have been following Perion for a long time. Your continued support and belief in the Company is invaluable.

As you will now see, the future of Perion is brighter than ever. I invite you to review the Q2 results presented by our CFO, Maoz Sigron.

**Maoz Sigron**

Thank you, Tal. Good afternoon and good morning to those of you joining us from the U.S. I am very proud of the financial and business results Perion achieved for the second quarter of 2023. We built on the success of the first quarter, experiencing growing momentum.

Perion continues to outperform the ad tech industry against the backdrop of continuing economic headwinds and uncertainty. Our ability to attain these results further demonstrates our strength as a global multi-channel advertising technology company. Our second quarter numbers show that our strong technology infrastructure, our diversified product portfolio and our agility to keep up with market trends uniquely positions us for success.



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 www.viavid.com

Our strong results are also attributable to our focus on growing profitability and margin expansion, as well as implementation of our efficiency measures throughout our business operations. This is coupled with Perion's commitment to innovation and execution of our business plans across our key growth drivers, such as video, CTV and retail media. We are fully committed to continue our profitable growth through product innovation and through acquisitions.

Let's review the quarter's financial highlights. Revenue grew by 22% year-over-year to $178.5 million. Contribution ex-TAC for the quarter grew by 27% year-over-year to $77 million. Adjusted EBITDA for the quarter grew by 45% year-over-year to $41.2 million. GAAP net income increased by 10% year-over-year to $21.4 million, and non-GAAP diluted EPS grew by 65% year-over-year to $0.84 per diluted share.

The quarterly revenue clearly shows how we are consistently growing our top line year-over-year. The revenue for the second quarter was $178.5 million, an increase of 22% year-over-year that reflects a strong continued two-year CAGR of 28%.

Display advertising revenue for the second quarter increased by 22% year-over-year to $99.4 million, accounting for 56% of total revenue. SORT revenue increased by 84% year-over-year, representing 21% display advertising revenue compared with 14% in the second quarter last year. Our retail media business continued to accelerate, growing 63% year-over-year, accounting for 10% of display advertising revenue versus 8% last year. Video increased by 14% year-over-year, representing 41% of display advertising revenue compared with 44% in the second quarter last year. CTV revenue more than doubled compared with the second quarter of 2022, representing 7% of display advertising revenue versus 4% last year.

Search advertising revenue for the second quarter grew by 21% year-over-year to $79.1 million, 44% of total revenue. Average Daily Searches during the quarter grew by 68% year-over-year to 28.6 million. This was driven by a 28% year-over-year increase in the number of search advertising publishers to 159, and by increased traffic from existing publishers. RPM has also gradually increased in comparison with the first quarter this year.

Contribution excluding TAC was $77 million or 43% of revenue, compared with 41% of revenue in the second quarter last year. This margin expansion was primarily due to improved product mix and also thanks to media buying optimization enabled by leveraging data and buying power as part of our intelligent HUB (iHUB).

Our continued implementation of efficiency measures coupled with a focus on growth in high margin businesses, helped us to generate Adjusted EBITDA of $41.2 million, an increase of 45% over the second quarter last year. Adjusted EBITDA margin increased from 19% to 23% this year, while Adjusted EBITDA to contribution excluding TAC margin increased from 47% to 54% this year. This dramatic improvement is due to continuous investment in innovation and cost control, resulting in a very strong incremental margin.

On a GAAP basis, second quarter net income was $21.4 million or $0.43 per diluted share, an increase of 10% compared with $19.5 million or $0.41 per diluted share in the second quarter last year. GAAP net income includes a fair value adjustment of the contingent consideration payable with respect to the Vidazoo acquisition of $14.6 million. During the quarter, we amended the Vidazoo share purchase agreement as a result of their outstanding performance during the earn-out period. Our strong cash position and effective cash management generated $5.2 million of financial income in the second quarter. We also enjoyed an effective tax rate of approximately 15% as a result of our disciplined tax planning. On a non-GAAP basis, second quarter net income was $42.1 million or $0.84 per diluted share, an increase of 72% compared with $24.5 million or $0.51 per diluted share in the second quarter last year.

Over the past three years, Perion consistently demonstrated our ability to implement efficiency measures throughout our business operations. Non-GAAP OpEx and COGS decreased to 20% from revenue



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 www.viavid.com

compared with 22% in the second quarter last year. EBITDA per FTE dramatically increased from $56 thousand in the second quarter last year to $82 thousand this quarter. This impressive improvement in productivity is a testament to our business strategy execution. This created an efficient operational infrastructure that allows incremental top and bottom line growth at lower cost.

Second quarter operating cash flow was $47.4 million compared with $25.7 million in the second quarter of 2022. This strong operating cash flow was driven by strong collections in the second quarter. They included an $8 million customer collection that shifted from March to April this year. As of June 30, 2023, our cash and cash equivalents, short term bank deposits and marketable securities increased from $436 million at the end of the first quarter to $483 million at the end of the second quarter.

We are encouraged by the strong results we achieved in the first half of the year and therefore we are raising our 2023 annual guidance to reflect increased profitability and margin expansion. Our new revenue guidance represents a 16% year-over-year growth at the midpoint. Adjusted EBITDA is expected to grow at least 26% year-over-year.

This concludes my financial overview. We will be happy to answer any of your questions. Operator, the stage is yours.

**Operator**

Thank you, the floor is now open. (Operator instructions)

The first question is coming from Laura Martin of Needham & Company. Please go ahead.

**Laura Martin**

Good morning. Can you guys hear me okay?

**Tal Jacobson**

Yes, good morning.

**Laura Martin**

Great. Good morning Tal. Welcome to the top seat!

What I'm interested in learning from you is you've been sitting in the search seat for the last five years. I'm interested, as CEO, what you want to achieve in search over the next two or three years, and what you want to achieve in the other half of the business you haven't run in the past over the next three years, please.

**Tal Jacobson**

Absolutely, absolutely. Thanks for joining us. Thanks for asking the question.

On search, we obviously are looking to grow. We're increasing the number of publishers, through the number of searches, and we are constantly looking for more and more strategic publishers to be added to our network. On the other side, on the advertising side, the display side, we're constantly investing, as you saw in the presentation, in other verticals, so to extend our display advertising solution into other verticals such as retail. All of that is going to be through investment in technology and that's the organic



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 www.viavid.com

part, and M&A, so we're constantly looking to add more and more technology and more and more companies, and that's the goal, to keep increasing both sides.

**Laura Martin**

Fantastic, and then my second question is on generative AI. I know you guys are using Microsoft Cloud in generative AI, and you're integrating that into your products. Can you talk about your road map over the next two or three years and how you think about using generative AI to make your products better, please?

**Tal Jacobson**

Yes, absolutely. Without going into too many details on specific features, we're investing heavily in generative AI, again as you saw in the presentation, creating thousands of permutations in each ad based on data. One person in a specific location will get a specific ad, on another location will get a different ad, and we're now adding another layer of generative AI to add brand safety, because you know generative AI keeps randomly create images, so we want to make sure it's a brand-safe environment, that nothing would be broken on those images, so that's another layer that we're investing in.

Again, I think through the year, we're going to show more and more things that we're releasing. I don't want to ruin the surprise, but we are working on a few pretty incredible things.

**Laura Martin**

Thank you very much.

**Tal Jacobson**

Thank you.

**Operator**

Thank you. The next question is coming from Andrew Marok of Raymond James. Please go ahead.

**Andrew Marok**

Hello, thank you for taking my questions, and Tal, again welcome to the seat.

First question from me, wanted to dig a little bit deeper on the search volume versus revenue per query dynamic. I know we still have some comp issues from pricing strength this time last year, but does that account for the entirety of the revenue per query decline?  I mean, I know you're also growing publishers at a good clip. Are there any characteristics or attributes of the new publishers coming on that could affect that volume versus pricing situation?

**Tal Jacobson**

No, so let's divide it into two parts. We're in charge of adding publishers, which are adding searches - that's our side. Price, the economic unit of what we call RPMs, which is per thousand searches, that's not based on us, that's based on the economic conditions, advertising budgets. Those are things that are not based on our ability to control. This is why we're not focused on RPMs because we can't control that. That's the economic conditions. We're focusing on adding more and more publishers, which are going to add more and more searches. That's the game here.



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262    1-604-929-1352    www.viavid.com

**Andrew Marok**

Okay, and then on the margin side, you know, another really good margin quarter. It seems that you have a number of tech-focused opportunities in front of you, whether it's building the CTV and retail media businesses, expanding and enhancing SORT and iHub, to say nothing of, for instance, the generative AI opportunities that are yet to come that you've talked about. R&D spend was down again Q-over-Q in absolute dollars in 2Q, so how do you think about that tech and product investment? Is there room to maybe devote more spend since you're running at such high margins?

**Tal Jacobson**

Maoz. do yu want to take that?

**Maoz Sigron**

Yes, so first, we are taking this advantage to be competitive and to be able to keep the good momentum, and to make sure that we are attractive, and we can definitely share this great margin also with our partners and our customers. This is first, and I agree with you - and we agree with you - that as we have very good margin on the gross, we're talking about 43%, on the net this is above 50%, so we have definitely margins that we can translate into investment that will help us to keep the great momentum when thinking about 2025, 2026 with different investments. This is something that is happening, and of course part of what we have today on the R&D including investment, but there is more to come and this is more a long term plan, but we are definitely adapting with the flexibility that we have based on our current financials.

**Andrew Marok**

Thank you for taking my questions.

**Tal Jacobson**

Thank you.

**Operator**

Thank you. The next question is coming from Jason Helfstein of Oppenheimer. Please go ahead. Jason, please make sure you've un-muted your line.

**Jason Helfstein**

Hey, can you hear me now?

**Tal Jacobson**

Yes.

**Jason Helfstein**

All right. I was doing two calls at once. Okay.



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 www.viavid.com

Two questions. Retail media has become 10% of ad revenue very quickly. What's your incremental value-add versus other solutions in the market, and where do you think the mix goes over the next 18 months? Then second, cash continues to grow. What's the catalyst to do an acquisition, and if you're not finding something that's meeting your targets, would you consider share buybacks?  Thanks.

**Tal Jacobson**

Thanks for the question. First of all, retail media, I think the name of the game there is data, so once you connect your systems to the retail data, it's within the house, so you can create more and more campaigns and that continues to grow. As opposed to other segments in online advertising as a whole, retail media is a lot stickier, so we predict that this will continue to grow.

As for your other question, M&A, we're aiming to become even bigger in our revenue and our growth, so we definitely need to buy companies. We're growing organically, as you can see - you know, retail is organically, CTV is organically, we didn't buy companies to do that. But if we want to continue to grow even faster, for that we're looking for M&A. Again, M&A in those specific verticals is very attractive for us, so CTV, (Digital) out of home, maybe some technological components for retail media. Those are the companies we're looking at and that's our main focus, to use that to continue to grow. That's our fuel for continued growth.

**Operator**

Jason, did you have any additional questions? Your line was muted.

**Jason Helfstein**

No that's it, thank you.

**Tal Jacobson**

Thank you.

**Maoz Sigron**

Thank you.

**Operator**

Thank you. The next question is coming from Mark Kelly of Stifel. Please go ahead.

**Mark Kelly**

Great, good morning everybody. Thanks for taking the questions.

I wanted to focus on CTV - obviously very nice growth, outpacing the industry. Anything you would call out there that stood out in terms of whether it's ad units or different types of creatives that outperformed relative to the rest of it?

Then second on the search side, totally get that you guys are continuing to add publishers. Your growth outpaced the growth at Microsoft, or at least the segment that search would fall into. Can we also read into that a bit and assume that maybe Bing is a smaller contributor? I know you're adding search partners as well. Thank you.



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262    1-604-929-1352    www.viavid.com

**Tal Jacobson**

So CTV, we don't have a breakdown per creative, but CTV is really growing. Live CTV, is a great growth engine for us. We're using live CTV on sports events, especially now that people are looking at more live events as opposed to content, if you know about whatever is going out in Hollywood with fresh content, so live CTV is definitely solving that. That's the CTV part.

What was the other question - search?

**Mark Kelly**

Yes, search. Let's separate the adding publishers' side, can we assume that also your other search partners are maybe mixing up and becoming a bigger part of that segment for you?

**Tal Jacobson**

Yes, so again, we're working with more than one search partner. Obviously, Microsoft is the biggest one here, but we currently work with more partners to diversify to different countries, different devices, so we definitely have a mix.

**Mark Kelly**

Okay, thank you.

**Tal Jacobson**

Thank you.

**Operator**

Thank you. The next question is coming from Jaeson Schmidt of Lake Street. Please go ahead.

**Jaeson Schmidt**

Hey guys, thanks for taking my questions. Sorry if I missed it, but on the search side, it continues to be strong on the publisher growth. Do you see continued publisher growth over the next 12 months, or does it cool off?

**Tal Jacobson**

You know, we work at full speed ahead to add more and more publishers. We don't see any slowdown in the amount of publishers we're adding, so from the visibility we have now, it seems like it's going to continue growing.

**Jaeson Schmidt**

Okay, great. Then just as a follow-up, Tal, any areas you'll be focused on to a greater extent as far as people, process or product development?



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 www.viavid.com

**Tal Jacobson**

Sure, so I think technology is what drives all parts of digital advertising, so we're going to focus really hard on technology, AI. We have two teams of AI here, one for the supply part, one for the demand part. We constantly invest more and more in that, and we're constantly looking to add more technologies into all our businesses, all our activities, for example, adding more data features to our retail activity, so strengthening what we do now and adding more things. That's our focus.

**Jaeson Schmidt**

Okay, perfect. Thanks a lot, guys.

**Tal Jacobson**

Thank you.

**Operator**

Thank you. The next question is coming from Jeff Martin of Roth. Please go ahead.

**Jeff Martin**

Great, thanks. Good afternoon guys.

I wanted to ask a couple more questions around search. The first is how does growth in international markets compare to, say, the U.S. or North America? I know with the renewed partnership with Bing a while back, international expansion was a big part of that.

Then secondly, are you seeing any noticeable impact from ChatGPT with respect to Microsoft Bing?

**Tal Jacobson**

Yes, so we've added a lot more countries with the new agreements we signed two years ago, but still the majority of our business with Microsoft is in the U.S., but we do have a lot of activities across Europe. It's definitely a good addition that we have those countries.

Now on the ChatGPT part, I think we all agree that generative AI is the future of the internet, not just advertising. Having said that, I think it's really early days to see how this movers forward and in what way. From our conversations with Microsoft, we have a great belief in Microsoft Advertising, that they can make Microsoft Bing even greater and add those features to create stickiness and more engagement, but it's early days.

Everybody is releasing their own AI chatbot and it's great, and I think this is really driving technology forward; but at the end of the day, it doesn't drive--currently it doesn't drive a lot of advertising budgets, extra advertising budgets, so it's early days. We'll have to wait.

**Jeff Martin**

Great, and then for my follow-up question, your flow-through of incremental revenue to EBITDA is about a 40% margin - that's pretty consistent the last six quarters. Just curious if you think that's a sustainable flow-through rate, and as a second part of that question, your customer acquisition and media buy costs have come down as a percent of revenue. Do you think that trend persists?



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 www.viavid.com

**Maoz Sigron**

Thank you for the question. You know, we're definitely always trying to find the area for, first of all, investment - we got that question before and this is one angle - and the second angle is how we are optimizing first the media buying, and based on the fact that we are growing the business and getting more and more opportunities, with the iHUB we can have better margin, but this is something that where we are today with 43% of the second quarter, it's very much aligned with the product mix of the second quarter. As we're expecting to get to the second half of the year, we're expecting the year to be around 42%, so Q3 will be similar to Q2 and Q4, where the product mix will be lower than that. Again, not dramatic with the number around 40% in Q4.

If you're thinking about '24, again we are now with a model that is very optimized with the iHUB and how we implement it. I will not assume something that is more than that. Once we will end other things that we are doing, we will reflect it, but currently this more or less reflects the focus and our model and how we're expecting to end the year from a margin point of view.

**Jeff Martin**

Thank you.

**Operator**

Thank you. The next question is a follow-up from Mark Kelly of Stifel. Please go ahead. Mr. Kelly, do you have a follow-up?

**Mark Kelly**

Didn't realize I was still in the queue - sorry about that. I will ask another one. On the SORT products, is there still a plan to maybe monetize that over the long run, or do you still see that as something that is just a nice to have and something that brings more advertising to the platform? Thank you.

**Tal Jacobson**

I think SORT is a bit more than just nice to have. Currently we're using that as a secret sauce to gain more and more advertising budgets and run campaigns through that. I think the numbers are showing that we're gaining—you know, it gains traction and pulls more campaigns to it, and we'll continue to use it that way.

As we think about what is SORT 2.0, where can we take this even further, maybe more platforms, maybe more countries, maybe more models; but currently it helps us drive more results, which is great.

**Mark Kelly**

Okay great, thank you.

**Operator**

Thank you. We're showing no additional questions in queue at this time. Did you have any additional or closing comments today?



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 www.viavid.com

**Tal Jacobson**

Thank you everyone for joining us and hope to see you next time.

**Operator**

Thank you. Ladies and gentlemen, this concludes today's conference. You may disconnect your lines or log off the webcast at this time and enjoy the rest of your day.



ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.
1-888-562-0262 1-604-929-1352 www.viavid.com