REFINITIV STREETEVENTS

EDITED TRANSCRIPT

Q2 2021 Comscore Inc Earnings Call

EVENT DATE/TIME: AUGUST 09, 2021 / 9:00PM GMT

CORPORATE PARTICIPANTS

Gregory A. Fink *comScore, Inc. - CFO & Treasurer*
John Tinker
William P. Livek *comScore, Inc. - CEO & Executive Vice Chairman*

CONFERENCE CALL PARTICIPANTS

Alan Steven Gould *Loop Capital Markets LLC, Research Division - MD*
Jason Michael Kreyer *Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst*
Laura Anne Martin *Needham & Company, LLC, Research Division - Senior Research Analyst*
Matthew Corey Thornton *Truist Securities, Inc., Research Division - VP*
Surinder Singh Thind *Jefferies LLC, Research Division - Equity Analyst*

PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the comScore Second Quarter 2021 Financial Results Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions)

I would now like to hand the conference over to your speaker today, John Tinker you may begin.

John Tinker

Thank you, operator. Before we begin our prepared remarks, I'd like to remind all of you the following discussion contains forward-looking statements. These forward-looking statements include comments about our plans, expectations and prospects and are based on our view as of today, August 9, 2021. We disclaim any future obligation to update our forward-looking statements to reflect new information after today's call. We will be discussing non-GAAP notice during this call, for which we have provided reconciliations in today's press release and on our website.

Actual results in future periods may differ materially from those currently expected because of the number of risks and uncertainties, including those related to COVID-19 pandemic and economic impact. These risks and uncertainties include those outlined in our 10-K, 10-Q and other filings with the SEC, which you can find on our website or at www.sec.gov. I'll now turn the call over to our -- to comScore's Chief Executive Officer, Bill Livek. Bill?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Thank you, John, and thank you, everyone, for joining us today. With me are Greg Fink, our CFO; and other members of management. For the first half of 2021, it represented a turning point for comScore as the completion of the recapitalization transaction was a critical milestone for us. With this transaction behind us, we are now able to focus on growing our business and investing in new products in ways that we have been constrained over the past few years.

That said, I'm proud of the contract signing accomplishments in the quarter. Some of the contract signings have taken longer than anticipated but we expect that they will produce revenue later this year and into 2022. Before I discuss the quarter, I'd like to share with you the landscape that comScore is measuring and why we believe we have a world-class platform that measures the way media and the way our clients are demanding them today. We recently ran an [Op-Ed Media Post] that discuss this topic in quite a bit of detail. In that [op-ed] piece, we've discussed how comScore is leading a fundamental change in how media is measured and transacted in the 21st century.

We are helping the market move forward with measurement that includes 6 critical considerations. First, measurement needs to be passive and impression-based. Impressions are the common language across media inventory. Second, media impressions needed to be properly deduplicated. So advertisers can measure their true and apply frequency management to their messaging. Third, modern measurement must be built by a company grounded in technology, research and big data management. Fourth, we believe modern measurement is about audiences, not age and gender demos. Fifth, modern measurement requires a high focus on privacy. Lastly and most importantly, we believe that the company needs deep experience in digital, TV and movie measurement. [Orders] were required today, and comScore has more than 20 years of modern experience as a technology measurement and research company.

Now let me discuss the quarter. We continue to feel some of the effects of the pandemic on some of our products and to our bottom line. However, we are pleased to have a higher amount of total contract value year-over-year in the quarter. Signing of new and expanded agreements can take time, but we're beginning to see the momentum increase, and we believe these new agreements will generate higher revenue in the coming quarters and expand our margins.

With our current operating cost structure in place, we believe our new and expanded client relationships, in combination with the strategic data investments and partnerships that we have announced like LiveRamp and our new partnerships like the Google announcement that we made this morning, which I will discuss shortly, should bear fruit in the second half of 2021 as we transition back to growth. I am also proud of our success in our activation business, where revenue was up 65% year-over-year.

Now let me turn to our other recent successes, starting with National TV. We signed 6 new accounts, including Octagon, a sports marketing agency that will be exclusively relying on comScore measurement to plan and buy as well as an expanded agreement for Fox for a national TV measurement currency as we announced last week. This announcement is just like the Viacom CBS announcement that I discussed in our first quarter earnings call. Local TV measurement continues to be a core strength at comScore. We believe the scale and the stability of our service puts comScore in a unique position as the future of measurement in the local market place.

In the second quarter, we executed agreements with Capitol Broadcasting and Titan TV and signed renewals with leading companies such as Standard Media Group and the News-Press Gazette. Additionally, our marketplace prominence was further enhanced with the integration into SQAD MediaCosts research platform for national and local TV buys.

Looking to the future, we anticipate building on comScore TV 1,000 stations and delivering strong results across our 200-plus markets that we measure locally. Lastly, Spectrum Reach recently announced that is now transitioning to use comScore as its preferred local measurement source which we believe will help us sign more agencies and media companies to use us to conduct trading for their ad business.

We also remain very focused on our agency marketplace. In the second quarter, we continue to see key growth with agency holding companies like Dentsu International. We have expanded their use of our advanced -- of their advanced audiences tied to comScore data sets for their quick service restaurant and retail client base. We believe this is a large opportunity having placed an important resources in this area.

With our syndicated digital product, we are pleased that we have signed many new customers, including the Estrella Media, Fusion92, Wrap and Minute Media, along with Channel Factory. We are excited to see more returning clients such as the Jellyfish agency in the U.K. We are encouraged by the new business and the positive trend in renewals.

I am very proud in this call to announce a major accomplishment for our advertising business suite with the expansion of our integration via Google Ad Data Hubs or what they call ADH that we announced this morning. This integration will add connected TV impressions across YouTube and YouTube TV to our cross-platform advertising measurement currency. comScore Campaign Ratings, or CCR will be in the service.

This accomplishment marks 2 milestones, 1 for achieving deduplicated audience reach measurement across desktop, mobile and CTV with Google; and two, the integration will be foundations for the next generation of YouTube measurement across CTV without third-party pixels. These milestones will enable comScore to provide marketers with unmatched deduplication, reach and frequency of audiences and add exposure across linear TV, desktops, mobile and connected TV. The new capability will allow advertisers and agencies that understand co-viewing for YouTube and YouTube TV on CTV as well as the true incremental reach over their linear TV buys providing total cross-platform ad measurement.

The addition of YouTube and YouTube TV expands comScore Campaign Ratings to include coverage of one of the largest advertising destinations, enabling comprehensive cross-platform measurement. CCR measurement, including YouTube and YouTube TV will be available to our 5 side clients for their ad campaigns. I'm excited about the expansion of our cross-platform ad measurement, and we expect it will have an impact on our top line fairly quickly.

We continue to drive innovation through our next-generation cookie-free targeting for gaming audiences with our recent partnership expansion with Spiketrap. This late expansion leverages Spiketrap's deep gaming experience and it enables new market segments for advertisers to reach any audiences throughout the programmatic ecosystem.

We understand there are significant opportunities for our -- expanding our predictive audience measurement beyond North America. This global expansion includes partnerships in Europe and Latin America with Adsquare and for their European location-based targets as well as retarget for their Latin American audiences. Additionally, comScore and Commerce Signals, a Verisk financial service business and the leading provider for omnichannel payment from marketers announced an expansion to begin developing next-generation contextual audiences for ad targeting across digital, mobile and CTV ad inventory. The collaboration will pair Commerce Signals' advanced payment analytics with comScore's predictive audience contextual targeting solutions to create an innovative audience, not available anywhere else.

By combining Commerce Signals' retailing shopping data that can differentiate in-store versus online purchases with comScore's media consumption information, advertisers will better be able to understand the high-value audiences in a privacy-compliant way. With all of these new and exciting products and partnerships, we believe the activation revenue should continue its fast-growing trend and pick up even more momentum.

As we discussed last quarter, we are also in the early stages of out-of-home measure. This year, we've already signed the top 3 digital out-of-home advertising companies, including an agreement with GSTV to measure video at their gas station network. GSTV is a national video network, which delivers target audiences at scale across tens of thousands of fueling retailers. The agreement will build on our last quarter announcements with the Outdoor Advertising Association of America and the Digital Place-based Advertising Association. Given wins from the last quarter with Lightbox and with the third quarter with Captivate, and additionally with one of the largest nation's retailers, we expect this new product offering will generate revenue later this year with momentum building into next year.

With respect to movies, we experienced a rebound in revenue as U.S. theaters reopened at scale, while countries such as the U.K., Ireland and France reopened in the middle of the second quarter. The movie industry is now firmly positioning itself in a recovery mode, and we expect box office revenue to return to pre-pandemic levels over the next year.

Over the last few weeks, we have expanded our relationships with multiyear deals with 2 major studios who are both leaders in theatrical and streaming. We continue to focus on measuring TV consumption wherever it occurs. These agreements, in combination with recent box office numbers are giving us confidence the industry is healing. As such, we expect tailwinds in the future quarters. As you have heard, we are encouraged by the results we're seeing in customer acquisitions and contract closings and are confident the second half of 2021 will serve as runway for our evolution into the best modern measurement service for the future of media.

before we discuss our financials in greater detail, I'd like to address the recently announced planned departure of our Chief Financial Officer, Greg Fink. First and foremost, I want to extend my deepest gratitude to Greg for his many contributions and his leadership during the time at comScore. Greg came to comScore during the most difficult period, and he played a most critical role in putting those challenges behind the company helping to rebuild our controls and our processes. Greg aligned our cost structure, he implemented a new ERP system and he put us on to a path of growth. On behalf of everyone at comScore, including the entire management team, our Board of Directors and myself, I want to thank Greg for all of his hard work and wish him well on his next endeavor.

With that said, I'd like to turn the call over to Greg to review our financial details. Greg?

Gregory A. Fink ***comScore, Inc. - CFO & Treasurer***

Thank you, Bill. Today, we reported second quarter revenue of $87.7 million, down from $88.6 million in the second quarter of last year. Revenue from Ratings and Planning in the second quarter was $62.4 million, down from $63.8 million reported in the second quarter of last year. The decrease compared to the same period in the prior year was a result of lower syndicated digital revenue, offset by increases in TV. TV continued to experience higher revenue compared to the prior year of new and expanded partnerships. Syndicated digital revenue was lower compared to the prior year quarter, primarily from lower international business.

For the second quarter, TV revenue comprised 43% of our Ratings and Planning revenue compared to 40% last year, while syndicated digital revenue comprised 46% of our Ratings and Planning revenues compared to 48% in the second quarter of 2020.

Revenue from Analytics and Optimization in the second quarter was $17.8 million, up from $16.9 million in the second quarter of last year. The increase was due to higher Lift and Survey revenue compared to the second quarter of last year and increased Activation revenue, which was up 65% year-over-year and 27% sequentially.

Movies Reporting and Analytics revenue in the second quarter was $7.5 million compared to $7.9 million in the prior year quarter, but up 10% sequentially. As the theater reopenings began in earnest in major U.S. cities in the first quarter and in Europe in the second, we believe revenue from our movies business has bottomed and we should see revenue increase from this level continuing throughout 2021.

Turning to operating costs. Our core operating expense which includes cost of revenue, sales and marketing, R&D and G&A, increased $7.8 million year-over-year in the second quarter. Cost of revenues increased by $6.4 million in the second quarter compared to the year ago quarter due primarily to an increase of $3.5 million in data costs. We do expect cost of revenues to be higher in 2021 as compared to 2020 primarily from these data costs. However, we expect margins to improve over the course of the year as revenue increases.

Selling and marketing expense increased slightly as compared to the year ago quarter from overall lower expenses last year. R&D and G&A expense were relatively flat as compared to the prior year quarter. We do expect our operating expenses to rise slightly from these levels as we invest in new product offerings that should lead to higher revenue later this year.

In the second quarter, we reported a net loss of $18.5 million compared to a net loss of $10.4 million in the same period last year. For the second quarter of 2021, adjusted EBITDA was $2.6 million compared to $9.2 million for the same period last year. Adjusted EBITDA for the second quarter was impacted by higher data costs as well as the second quarter of 2020 stemming from a temporary reduction in operating expenses at the start of the pandemic.

We ended the second quarter with total cash of $17.7 million compared to $50.7 million at December 31. The decrease in cash primarily reflects 2 large items, which total approximately $35 million, including the repayment of the term note, transaction costs associated with the completion of the recapitalization and a dividend payment of the preferred stock.

Looking forward, based on current trends and expectations, we believe full year 2021 revenue and adjusted EBITDA margin will be at the lower end of the previously announced ranges. Those ranges estimated a revenue increase between 3% and 5% over 2020 and adjusted EBITDA margin of 6% to 8%. We've signed many new customers and expanded relationships with current customers, which Bill described earlier on the call. However, while we expect these new and expanded contracts to generate higher revenue over the long term, the timing of these agreements will result in a lower impact to 2021 revenue than we had originally contemplated.

Lastly, I want to take a minute to thank Bill and the entire comScore organization for all of the support over the last 4 years while also recognizing a terrific finance team. Now let me turn it back to the operator to take questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Your next question -- I mean, your first question will come from Laura Martin with Needham.

Laura Anne Martin ***Needham & Company, LLC, Research Division - Senior Research Analyst***

A couple for me. You had a couple of announcements today on the YouTube. Can you talk about how that drives long-term revenue growth, please, the announcements you made today?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Thank you, Laura. Well, look, as for YouTube and YouTube TV reporting, as many of you know who follow the industry, more people watch the nightly newscast from network on YouTube than they do on linear TV. Therefore, a lot of advertisers use Google as an advertising mechanism. But until now, with what comScore is actually providing with our comScore Campaign Ratings is being able to validate the true reach that those campaigns on YouTube and YouTube TV report versus linear TV and look at the unduplicated reach.

So if an advertiser for a certain brand is running an ad campaign through their ad agency, and the ad agency is held accountable for total reach goals, they can validate this now through comScore. So our customers here are going to be the ad agencies and the brands who want to validate what their campaigns are actually reaching in addition to linear TV. So we talked about it for a long time, how CTV and linear TV works together. I think this is a major example of how we're going to earn revenue out of the combination of the 2.

Laura Anne Martin ***Needham & Company, LLC, Research Division - Senior Research Analyst***

Okay. And now I wanted to say my follow-up would be still on costs and content costs. You're paying Comcast a ton of money and now YouTube to basically make your measurement product better but we still don't see growth in the top line. So my worry or my question to you is how would you respond to investor pushback that we get whether -- you're paying a fortune for linear ratings, which are becoming less valuable every day because consumers are moving from linear to streaming?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Well, we are not paying Google for this. This is a service that we integrate into our...

Laura Anne Martin ***Needham & Company, LLC, Research Division - Senior Research Analyst***

I meant Comcast.

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

And yes. On our investment that we've made with the operators, people, we think, will continue to watch linear TV for a long time but the true value is how linear TV and over-the-top and connected TVs work in harmony. They are not working alone. So as we all know that the magic here that comScore brings to this dynamic is what is the total audience. How do you verify that across all these different platforms.

Now as we stated in our earnings script or prepared remarks, we had a great contract signing in the second quarter, but they did not result in revenue in the second quarter, that will be later this year and into 2022. And we believe the investments that we've made with the operators will bear fruit for the shareholders.

Operator

Your next question will come from Jason Kreyer with Craig-Hallum.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

Bill, just wanted to see if you could spend a little bit of time talking in some more detail about the Spectrum Reach agreement, kind of some details on what doors that opens up for you and potentially how that changes your competitive position in the market.

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Thank you. That's a great question. One of the reasons that Charter came in as an investor was their goal to move the whole industry to an impression-based measurement. So the inventory that is out there on linear and connected TV can finally be used with the standard of impressions. And comScore is doing just that. And again, the YouTube announcement, YouTube TV is another validation of those impressions.

So as Spectrum Reach starts rolling out their markets, where they're using us as their principal service given that they're one of the largest ad providers within local markets, we believe that we'll encourage the local ad agencies to switch to us and switch to us as their primary source or their exclusive source, and it will encourage television stations to do the same. We think that is the start of an industry trend. And Spectrum Reach, being one of the largest providers in their markets, are rolling it out starting from the Southeast region throughout the United States. And we'll be announcing more the effects of that in the coming quarters.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

Perfect. And then understood obviously, some of the new deal flow doesn't give you full year contribution. I get all that stuff. Curious, is there any way to quantify any potential revenue benefit? I know you mentioned TCV, just wondering if there's another way to look at what the opportunities of the deals that you've landed.

And then in conjunction with that, if there's any sense of the cadence on how the back half of the year looks? Just curious if Q3 looks a little more like Q2, will we get a big year-end ramp or if it's a little bit more linear than that?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Greg, would you like take that?

Gregory A. Fink ***comScore, Inc. - CFO & Treasurer***

Sure. Thanks, Jason. I appreciate that. Look, as I say, timing matters, right? So some of these contracts, right, that we signed, obviously, will have an impact in the back half. We had thought and believe that if they had happened sooner, they would obviously had impact to the second quarter, which would have improved the 2021 total revenue. We did keep the low end of our guidance. We didn't move the guidance, so we still expect the back half to be as we always have, higher than the first half, and we expect the cadence to begin to see that benefiting starting in Q3 as you move forward.

So I think we try to highlight, and I'm going to have 4 things here. One is we highlighted in our prepared remarks that we're seeing higher renewal rates. We closed a higher contract value year-over-year. We continue to see the transaction businesses such as Activation, significantly above year-over-year levels. And now we're seeing that improvement in movies. And so all 4 of those in combination should begin to increase the bottom line and the top line, of course, first in the coming quarters at a cadence that will get us to where we laid out our guidance today.

Operator

Your next question will come from Surinder Thind with Jefferies.

Surinder Singh Thind ***Jefferies LLC, Research Division - Equity Analyst***

Just following up on an earlier question, any color on maybe why it took a little bit longer to sign some of the contracts that you did? And then I'm assuming that now that most of those have been signed at this point, your outlook for 2022 should theoretically be unchanged. Is that right?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Well, we're not giving guidance, but let me address why this takes longer. All of you who listen to our media customers' earnings calls and they're having great top line. The ad markets recovered. But everyone is very cautious about spending. So I mean, we are not immune to that dynamic, and it takes longer. But as we said in our prepared remarks, we had very good contract signings in the quarter, but they did not result in revenue.

Surinder Singh Thind ***Jefferies LLC, Research Division - Equity Analyst***

Understood. I guess maybe -- any additional color that you can provide in terms of just the conversations you're having about visibility with your clients and how that maybe impacts your visibility? Is there just a lot of consideration around how dynamic -- I guess the question is more around your comfort level with additional kind of macro chatter around COVID and the delta variant and so forth.

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Well, everyone is concerned, but I also believe that customers have gotten back to business. Let's remember that most companies do budgets in September of every year. So let's go back to September of last year. We had political disruption, an election that had not yet happened, and we didn't have a vaccine, okay? So companies put in the cost structure that was assuming a very different environment that actually happened. The ad market has recovered. But the recovery on spending does not completely happen. So decisions are, in fact, taking longer, but we are encouraged by what we see in our market segment. Look at the announcement that we made on FOX TV for our service. I think that is significant that our customers want a stable, predictable and a modern measurement service.

Surinder Singh Thind ***Jefferies LLC, Research Division - Equity Analyst***

That's helpful. And then maybe turning to the movie business. If I heard the commentary right, is the anticipation that we will return to kind of full revenues at some point in time or pre-pandemic revenue levels at some point in time. I think the commentary was also theaters are generally about 90% open, but any kind of color on that dynamic or if there's other structural changes in the marketplace that maybe we're not going to quite get back to the full run rate revenues pre-pandemic?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Yes. We have said that we'll return to pre-pandemic levels with our revenue, but please don't confuse the windows that have permanently changed with the need for our service. Our service is not tied to box office for seats. Our service is tied to theaters being opened. Now the theatrical experience provides a great deal of profit for the movie companies, all of them, okay? And they rely on our service.

Now that, that environment is open, they're deciding on different windows, depending on COVID and to spending under streaming service. So for our movie business, as our movie business is today, we believe that we will return to pre-pandemic levels. And the work that we're doing on measuring movies everywhere, we think we'll add additional revenue out into the future, but we're not predicting that at this point. We're working on those products. We're working on those services but that business is in a recovering mode.

Operator

Your next question will come from Matthew Thornton with Truist Securities.

Matthew Corey Thornton ***Truist Securities, Inc., Research Division - VP***

Greg, absolutely best of luck in your future ventures. A couple, if I could, I guess. Maybe just starting on the activation -- or excuse me, the analytics and optimization segments. You talked about activation being up. I think Lift and Survey were up. If we take a step back and look at that segment, I'm wondering if you'd be willing to size activation at this point. And then maybe just talk a little bit about what the puts are, what's kind of in decline in that segment just so we can kind of see the puts and takes there.

And then just secondly, I guess, over at digital. I'm wondering if you can talk a little bit about what percentage international is at that point and then maybe compare and contrast the growth trends you're seeing international versus domestic in that segment.

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Greg?

Gregory A. Fink ***comScore, Inc. - CFO & Treasurer***

Thanks, Matt, and thanks for those kind words. Let me talk about -- a little bit about the M&A area. So we did talk about Activation. We did talk about Lift and Survey. I think the other big thing that's in there is Custom. And over the years, we've talked about customs is one of those areas that can be a little bit lumpy. We had a really good first quarter in Custom as we talked about at year-end, some of those projects got pushed out and they got delivered in Q1. So sometimes that Custom can move up or down, something -- given us an example, it gets delivered on July 1 as opposed to June 30, right, it misses the quarter. So from that standpoint, that one's a little hard to predict from a Custom perspective because different quarters have different lumpiness, although the fourth quarter generally is the highest quarter where we have a lot of Custom projects.

And as we've talked about over the last few years, we dialed back some of those Custom projects that were profitable. But now that we've got our cost structure in place, we're going after more of those Custom projects because they are profitable, at least putting more dollars to the bottom line in our adjusted EBITDA. So we're very focused on that.

We haven't given an exact number for Activation. As it grows, that is something that we're thinking about as we move through the third quarter and it was moved to year-end as far as being able to break that out from a product level revenue item within the M&O space. And you should hear more on that in another quarters.

You had a question about digital. Again, it's not something we break out. We haven't provided that historically. Digital is pretty much a U.S.-centric story. I don't want to say that international isn't big, but over the last few years, again, similar to Custom where we've had international locations that were profitable, we exited those markets. We do think that there's still opportunity there, and we're going after that. And some of our win backs this quarter were in the international market. So we're actually positive on that. And I think Bill highlighted 1 in his prepared remarks in the U.K. So I think that's an area where it has shrunk over time, some of it by our own choosing, but we're very focused on winning back those customers and we saw some good wins in the quarter.

Matthew Corey Thornton ***Truist Securities, Inc., Research Division - VP***

Great. And maybe I could just sneak one more in there. Maybe this is for you, Greg. Just the cash balance and just how you're feeling about the balance sheet right now. I think you guys have got a small credit facility outstanding, but I'm just kind of curious how you're feeling about cash levels, again, just to operate the business kind of looking forward. Any color there would be great.

Gregory A. Fink ***comScore, Inc. - CFO & Treasurer***

Yes. Matt, I mean, I highlighted the fact that we had to get through the first half with pretty large needs of cash. Those are now behind us. From our standpoint, we do expect revenue to increase. We talk about that. That should help our cash balances as we move forward in our cash flow. So I think we obviously ended the quarter substantially down from where we ended year-end, but we did pay the dividend and did cover the transaction costs, right, and we did pay off the term loan. So we feel good about where we're headed in the back half of the year.

Operator

(Operator Instructions) And your next question will come from Alan Gould with Loop Capital.

Alan Steven Gould ***Loop Capital Markets LLC, Research Division - MD***

I'd like to also extend my best wishes to you, Greg. I've got 3 questions. First, on streaming. The press release talked about 2 studios signing for both theatrical and streaming. Can you -- in addition to YouTube and these 2 studios, can you give us some idea where you are on measuring TV streaming or streaming overall?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Right. Well, streaming that is ad supported is extremely important to us. And every -- with every company, we have a slightly different strategy. But the objective is to measure ad campaigns on all the streaming services. So like what we announced with Google, that we can do everywhere to have a holistic platform. And in future calls and on our Investor Day, we'll be drilling into that a lot more.

Alan Steven Gould ***Loop Capital Markets LLC, Research Division - MD***

Okay. And then, Greg, can you give us some sense of backlog type of number?

Gregory A. Fink ***comScore, Inc. - CFO & Treasurer***

We do disclose the backlog number in our filings. I don't have it in front of me right here now, but we do publish that. I think sometimes that can be a little bit tricky, given that the accounting for that requires that backlog. These were contracts that are in excess of a year. And so depending on where certain contracts are, that number can move around. It tends to be the highest as the fourth quarter of every year and then kind of [spill] its way down. But it can be found on our filing. I'm happy to follow up with you after the call if you like more information around that.

Alan Steven Gould ***Loop Capital Markets LLC, Research Division - MD***

Okay. That's fine. And the last question, I know you have a deal with -- you had to deal with Arbitron, the Nielsen Audio, which I think goes through September, it's an 8-year deal. Is that still necessarily helpful required? Or have you replaced that for your measurement services?

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Great question. We obviously knew that, that was happening, and we have a plan in place. We'll be announcing shortly what it is. It will be seamless for our customers that utilize it, and we have an improved process that is based on our strengths and not about a small panel. So we're pretty excited about what we've developed, and we look forward to sharing it very shortly.

Operator

(Operator Instructions) I'm showing no further questions at this time. You may continue.

William P. Livek ***comScore, Inc. - CEO & Executive Vice Chairman***

Thank you, operator, and thank you all for attending today. We remain excited about the future and I'm very pleased with the project and the progress that we made with contract signings in the second quarter as we return to growth in the second half of this year. Thank you for joining us today, and we look forward to talking with you next quarter.

Operator

This concludes today's conference call. Thank you for participating. You may now disconnect.