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<<Laura Martin, Analyst, Needham & Company>>

We're going to get started. I'm Laura Martin, the senior media and Internet analyst here at Needham & Company. And we're going to interview Jon Carpenter at Comscore, the CEO of Comscore. Thank you for being here Jon. Thanks very much.

<<Jon Carpenter, Chief Executive Officer and Director>>

Thank you. Always a pleasure.

<<Laura Martin, Analyst, Needham & Company>>

So let's start with like level setting. Tell us what Comscore is doing now and tell us where you guys are in the cross-platform measurement space, which was the sort of great light hope of merging with – Comscore with Rentrak in 2016, I think it was. So where are we on that? And then where are we? I think you guys have been really leading Nielsen in terms of real time measurement, right, really closing this gap to real time measurement. So update us on the product suite of Comscore these days.

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes, you're right. I mean, we lead with our cross-platform capability. I mean, that was the original thesis when the original Comscore business and Rentrak came together in 2016 timeframe. And I think if you look at what's happened with media, broadly speaking, that thesis is arguably more important today than it's ever been. And so when you look at our product suite and where the investments across the portfolio that we're making, they're going directly into cross-platform. Pointing back to 18 months ago, the cross-platform capability was roughly less than 10% of our business. Today, in 2025, it'll make up somewhere close to 20% of the business, growing 30% to 40% a year. And so, we've really leaned into it. We feel like the capabilities that we have are meeting a lot of client needs that the marketplace is looking for. And that's where our time and energy is spent. And we've had a lot of success here over the course of the last 12 months.

<<Laura Martin, Analyst, Needham & Company>>

What was so hard? This is 11 years later. Okay, no, 16. I'm lying. It's nine years later. What took so long and what was so hard that we didn't see in 2016 that took all the extra time to get a decent cross-platform?

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes, look, change is incredibly hard. It still is a hard solve. If you look at the way the industry transacts today, it still does transact very much in silos. You go to the buying teams in many holdcos, they're still siloed between local, national, digital, programmatic versus traditional buying systems. And so you still have siloed ecosystems that have been built up over time and have been built to a certain way of transacting. And that workflow, if you will, that inertia is still very much in place and we've got to work through that. I think what's different today is look at the consumer experience, pre-pandemic, you still had 75%, 80% of all viewing happening through the traditional pay TV bundle. You fast forward to today and that fragmentation has reduced Linear television viewing to 50% of all audiences.

And so pre-2020, right, you can make the argument that the market really wasn't ready or in need of a true cross-platform solution. You fast forward to today and some of the challenges that the incumbent measurement partner has had. And keeping up with the pace of change from a fragmentation standpoint is a real reason why we're winning in some of our capabilities. Because just going back to that original thesis, we started with digital, we started the household level with our linear TV product, and we built from the ground up. And we think that's an important differentiator as we think about solving for cross-platform.

<<Laura Martin, Analyst, Needham & Company>>

What's been happening to pricing? Because you guys had really robust pricing. This cross-platform product is sort of by itself in the marketplace, right? Or does Nielsen have one now?

<<Jon Carpenter, Chief Executive Officer and Director>>

Nielsen has Nielsen. They talked a lot about Nielsen ONE and their Big Data + Panel. I think when you look at how we're positioned in the marketplace, most of our growth is coming from programmatic environments where we're embedded in the places where the bulk of advertising is being transacted today. And I think because we've built our product to be interoperable with the workflows and with the way media is transacting, especially digital media transacting in programmatic environments, we're having success capitalizing them.

<<Laura Martin, Analyst, Needham & Company>>

Right, because they're not competing.

<<Jon Carpenter, Chief Executive Officer and Director>>

No.

<<Laura Martin, Analyst, Needham & Company>>

In a sense, you are dividing up the market, they're doing linear first, you're doing digital first.

<<Jon Carpenter, Chief Executive Officer and Director>>

They're very much focused on that combination of, call it, of the U.S. ad industry between linear and connected TV, maybe \$100 billion of total ad spend, we absolutely play in that space. But then if you look at the programmatic ad spend that exists, that TAM is \$300 billion. And so if you're talking about how you work with a partner and a client on solving for omnichannel measurements, that captures a holistic view of audiences. You've got to have capabilities that can span across linear connected TV, traditional digital and now social, which is becoming an increasingly bigger chunk of all video viewing here in the U.S.

<<Laura Martin, Analyst, Needham & Company>>

I would say one of my learnings on the stage today, Jon, is how many CEOs have sat up here just with the comment you made, whereas their competitive advantage in pricing power is coming from creating a product or service that crosses walled gardens to the open web. That increasingly the demand that has pricing power by ad buyers is measure for me something or give me comparisons open web to walled gardens, because even within the walled gardens I can't eye the buyer, can't compare Amazon to Google to TikTok to Facebook. So somebody that can connect all those and then you may as well on your way out you probably those guys start from the open web, they don't start from the walled garden enterprise.

<<Jon Carpenter, Chief Executive Officer and Director>>

Sure, sure.

<<Laura Martin, Analyst, Needham & Company>>

So an open web guy that says oh we have the ability to add these other like pieces of...

<<Jon Carpenter, Chief Executive Officer and Director>>

And what's the incrementality that you're getting across all those?

<<Laura Martin, Analyst, Needham & Company>>

Yes. Or even just put them on the same basis, don't even tell me increment, just tell me that the unit on the open web is worth a tenth of Google but it's worth five times more than Amazon and it's worth a quarter of TikTok. They just want that measurement, I think, is valuable to them. Can you – and you just said that that's one of the things you're doing is walled garden to open Internet.

<<Jon Carpenter, Chief Executive Officer and Director>>

100%, I mean some of our largest clients are walled garden kind of new media companies that have built massive advertising and video viewing platforms. They are some of our largest clients today. And you look back 18 months ago and that was a very different client picture. And I think it's because we've got products and capabilities again going back to that combination of big digital at scale plus big traditional TV at scale. From a measurement solution those two things

packaged together, and you bring that to light for the buying community and for the content creators in environments where they want to transact, walled garden and open web were there.

<<Laura Martin, Analyst, Needham & Company>>

Okay. Because you're really data, so you're really agnostic, is where your data sits.

<<Jon Carpenter, Chief Executive Officer and Director>>

Correct.

<<Laura Martin, Analyst, Needham & Company>>

And are you taking advantage of this. Another thing that showed up on stage a lot today was this what we'll call curation, which is moving the data from being on the DSP to being on the SSP. Are you guys benefiting from that transition?

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah, in fact we just announced a curated deal ID capability that we launched with Magnite on their platform where we're essentially bringing together Comscore's trusted, credible, digital rankers. You've got publishers that are in the Comscore Top 500, Top 250, we are creating curated audience buying IDs that marry our Proxemic audience segments together with Comscore's traditional digital business and creating those curated IDs inside of Magnite, and that was just launched last Monday.

<<Laura Martin, Analyst, Needham & Company>>

Targeting idea, that's a user. That's like a cookie idea, right. It's an ID idea. It isn't a target market idea, is it?

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, what it's doing is it's allowing advertisers who are fighting to quality and want to have confidence that they're buying audiences that are on, in this case, trusted publisher sites, audiences that they can target directly. They're leveraging Comscore's targeting capability, which is our Proxemic audience segments, coupled with the tried-and-true Comscore digital product, now curated in one environment that's available for you to buy against in Magnite's platform.

<<Laura Martin, Analyst, Needham & Company>>

Okay, okay. So they haven't adopted DoubleVerify is the reason they haven't – Magnite have not adopted DoubleVerify is because they're doing your segments. Or would they like they just did Comscore first and then they do others like – I don't really get this.

<<Jon Carpenter, Chief Executive Officer and Director>>

We're excited about our offering. I think it's fair to say that in the future, this opens up a lot of opportunity for us to partner with brand safety, brand verification, capabilities, fraud detection capabilities, and make that part of the curated experience as we think about how we expand our offering across these platforms. But our first approach here was to take the trusted Comscore digital product that all the buying community is leveraging and buying today, making that available programmatically through a curated ID coupled with our audience segments. And that was the first step.

<<Laura Martin, Analyst, Needham & Company>>

And the SSP doesn't charge you a fee, right, so you make more money here than if it's attached to the DSP.

<<Jon Carpenter, Chief Executive Officer and Director>>

Correct.

<<Laura Martin, Analyst, Needham & Company>>

Right. Is there a different product here? Are you attaching the same stuff to the DSP already? So it's not that much extra...

<<Jon Carpenter, Chief Executive Officer and Director>>

Our audience segments, the product that I just described doesn't yet sit in DSP environments. It's not to say that it can't. Our Proximic audience segments do sit inside of the large DSPs and are available for buyers to transact against and....

<<Laura Martin, Analyst, Needham & Company>>

You didn't just take those and put them on the SSP.

<<Jon Carpenter, Chief Executive Officer and Director>>

We did. We coupled those same audience – that same audience capability with the differences. We coupled it with the Comscore digital, syndicated digital offering, which is our Comscore rankers, think about your publisher in the top 100, top 250, making those IDs available with qualified audiences inside Magnite. That's what we brought to life that doesn't yet exist inside of the DSP.

<<Laura Martin, Analyst, Needham & Company>>

That's really interesting. Okay, in terms of take rates, are you seeing any pressure on your pricing to the downside or are you able to – do you still have pricing power?

<<Jon Carpenter, Chief Executive Officer and Director>>

We – one of the things, we took advantage of some pricing capability here early in the second quarter and we've been happy with how that's performed both from a volume standpoint, in terms of impressions that we're seeing scale coupled with obviously the revenue upside that comes with the volume. And so we strategically and surgically took price in a couple of places, meaning we increased price in a couple of places based on the uniqueness of our offering, particularly inside of the Proximic audience segments where we know we've got a competitive mode around some of the privacy compliance segments that we make available to health and wellness, big health and wellness buyers, think financial services, any regulated environment, the privacy focus there and the fact that we've got a ton of data governance and history managing that kind of audience targeting capability.

<<Laura Martin, Analyst, Needham & Company>>

And one of the things that would be a big difference is if you're on a programmatic platform, it's easy to take price, just raise the price and when somebody checks the box, you get the price increase. But you used to have a lot of stuff under contract, and it was so hard to raise price on those people because they were under margin pressure.

They wanted to try to get you a lower price. So what's happening with this mix of programmatic where it's easy to raise price versus contracts where they're negotiated annually, but it's just really hard to get price increases.

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes, I think for us it's just been surgical in terms of how we monitor our impression volume against where we've got uniqueness that we can differentiate. We've got a differentiated product that's not available elsewhere. Again, I go to the privacy compliance stuff that we do with Proximic as a great example where there's not a lot of other places that you can go to, to get that kind of quality when you're placing a campaign. And so that's where we've been surgical and we've had success doing it.

<<Laura Martin, Analyst, Needham & Company>>

I know you came in with a clear vision of what you wanted to achieve. What do you have yet to achieve to get to your destination?

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes. We think we're onto something with our cross-platform capabilities and the scale that we're creating. Like I said, it started with something 18 months, 24 months ago that was less than 10% of our revenue to something now that more approaches 20%. There's no reason to believe that that doesn't continue to scale and that's where we're focused. So I think we're still in the early innings in terms of what that opportunity is for Comscore as we continue to invest in that side of the business.

<<Laura Martin, Analyst, Needham & Company>>

One of the things you were really good at is you made Comscore real time. You guys shortened your feedback loop from like two weeks to...

<<Jon Carpenter, Chief Executive Officer and Director>>

Sure.

<<Laura Martin, Analyst, Needham & Company>>

I don't know, 24 hours, 48 hours, I can't remember. But where are you now in this real time ability to like mid-campaign adjust and change based on feedback?

<<Jon Carpenter, Chief Executive Officer and Director>>

The longest pole in the tent there is how quickly we can turn around our linear TV data as part of our cross-platform offering. And we've got that down to 48 hours. And so we're within what many of our clients would consider a perfectly acceptable optimizable window. So if you're trying to optimize your digital spend against what you're seeing from linear, it's that linear that's typically the long pole in the tent in terms of just given the amount of data providers we have and how quickly they are to give us the data and how quickly we're able to turn it around.

So we took that from what was a two-week window down to a two-day window. And so now our – both our linear TV product and our cross-platform product are within an optimizable window from an advertising optimization perspective.

<<Laura Martin, Analyst, Needham & Company>>

And is there a product that just is real time? It just doesn't have linear because that's like you said, that's the one that gives you the cross-platform. But is there a product that doesn't is like a pre-look like fast look product that just doesn't have linear or is that?

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, our digital data is digital on its own tends to be a much faster turnaround. And so that, that capability typically we can turn around audiences, especially within Proximic within 24 hours depending on what you're wanting to model against. But in terms of a cross-platform capability and market that has the size, scale, transparency and credibility that buyers demand, there's not a product that's faster than Comscore's capability.

<<Laura Martin, Analyst, Needham & Company>>

That gives you competitive advantage, I suppose.

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah, sure.

<<Laura Martin, Analyst, Needham & Company>>

Right. Because if you can adjust in the middle of a campaign, you save a lot of money...

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah.

<<Laura Martin, Analyst, Needham & Company>>

...if you can optimize. Okay. What do you – do you have any play in this? Generative AI is going to allow us to do content creation. So one of the issues I have with programmatic writ large is we're doing a lot of work on targeting and add to the best target market, and we keep the creative the same, which seems like a really lost opportunity. To the extent we're spending a fortune in the programmatic world finding audiences, it feels like those audiences might be best served by the girls in pink, the girls 21, not 47, or vice versa. It feels like there should be content iterations that Generative AI opens up. Do you have any play in that? Do you benefit from that kind of trend at all?

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, I think one of the other differentiators that Comscore has versus, let's say, some of the other measurement players that we bump up against is that we're cross – we do cross platform and measurement and content measurement. So if you think about it, you're a content producer, whether you decide you want to put something on your local O&Os, you want to put it in a primetime lineup, you want to put it on your D2C channel, or you want to license it all together, clients will leverage Comscore's cross platform content capability to help them determine how they monetize their content across their platform or outside their platforms.

And so as they're making investments in AI and creative around what's showing up on their platforms, our audience capability in terms of a measurement function plays a critical role in that. And we see the content measurement arm of this as being as big a differentiator in market as our Proxemic audience segments are. But we don't play directly in the creative. There are some of our competitors that are more upper funnel. They get involved in some of the creative measurement. We generally do not get involved in that.

<<Laura Martin, Analyst, Needham & Company>>

What's interesting is that just thinking about DoubleVerify, DoubleVerify used to have – they started when they came public. It's only a post solution. You'd run your campaign and then they were a currency after the fact and said, look, a million of these impressions were not viewable. It was a bot, not a human that viewed it or they were out of the demo target. Like, you delivered a

49-year-old and this – and then you don't have to pay. But then they smartly introduced a pre-product that's bundled like you can't buy the pre-product without the post. So it feels to me like this thing about content, what would be smart on measuring content is to have a pre where you basically it's like an AB test where you're doing pre before you roll it out, where you would do a – and then you would only roll out the one that had the better of the AB test. But you would bundle it with the – like you wouldn't let them just measure that because that's probably small, it's probably 100,000 people each. But you would bundle it with the post product, but it'd be an upsell. So do you guys ever think about that for content?

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah, I mean most – in virtually, every case where we've got a cross-platform capability, it's more often than not married to again one of our traditional products. So you're not leveraging Comscore's cross platform capability unless you've got a subscription to our...

<<Laura Martin, Analyst, Needham & Company>>

It's an upsell, not a standalone.

<<Jon Carpenter, Chief Executive Officer and Director>>

It's an add on. So if you want cross platform capabilities, you also need to be laddered on with our linear TV product and our digital product.

<<Laura Martin, Analyst, Needham & Company>>

But those are all after the fact measurement.

<<Jon Carpenter, Chief Executive Officer and Director>>

Those are all 100%.

<<Laura Martin, Analyst, Needham & Company>>

And I'm saying, isn't there a space here to do pre-measurement that's tied to the post that makes, doesn't waste as much money. The way you guys have it, somebody runs an ad campaign, you measure it, now they go away and fix it for next time. A pre-measurement product lets them do like a little test market before they...

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, that's where – that's generally where we're working with whether it be the buying community or in other cases it could be directly with the publisher ecosystem with their planning capabilities. So oftentimes our data is already integrated into their planning capabilities where they're looking at prior campaigns that ran or something they want to run up front and how's that going to perform and then our product helps them determine where to optimize again. So, I want

to suppress linear eyeballs and target social or digital display, video display. Programmatically they are using our product to do that. But that's all based off the pre-upfront planning work that we would have done with them ahead of time to integrate that offering.

<<Laura Martin, Analyst, Needham & Company>>

Questions from the audience? Okay, I will get going. Okay, great. Okay. So – okay, bring us up to date on the balance sheet. What is happening with the balance sheet because I haven't looked lately? So, what's happening with the balance sheet?

<<Jon Carpenter, Chief Executive Officer and Director>>

I think we've made quite a bit of progress over the course of the last 12 years on the balance sheet – 12 months on the balance sheet. At the end of the year we raised \$45 million facility, which helped us address an old Bank of America line that we had in place, gave us some extra dry power to spend on investment against our cross-platform capabilities and some of the product enhancements that we talked about here today.

So, I feel a lot better about our balance sheet now than I did 12 months ago. That said, we still have a capital table that frustrates a lot of my common shareholders that we spend a lot of time talking about and figuring out how to resolve. But in terms of balance sheet, flexibility to put capital to work in the areas that are going to drive growth for the business, I feel a lot better about that today than I did 12 months ago.

<<Laura Martin, Analyst, Needham & Company>>

Great. Well, I know you needed access to capital, and it was frustrating.

<<Jon Carpenter, Chief Executive Officer and Director>>

That was – I mean, look, the company hadn't had any growth capital to speak of since that 2015, 2016 timeframe. So, you talk about how far the market has come and on one hand it's remarkable what the team has been able to achieve just in terms of the product progress that has been made in the absence of any meaningful capital. But now to have a bit more dry powder, we are excited about the investment opportunity in front of us.

<<Laura Martin, Analyst, Needham & Company>>

And one of the things that the two – let's talk about Comscore first. The Comscore, let's call it Legacy Comscore had such, I would say siloed – had such a siloed and there was so much inefficiency in it, and I don't know if it was poor work ethic. But have we gotten rid of a lot of those issues in the culture of the historical legacy Comscore?

<<Jon Carpenter, Chief Executive Officer and Director>>

We've made a lot of change over the course of the last three years, and we still have some wood to chop. But I'm pleased with the way we've reorganized the company to get hyper focused on the areas of the business where we've got a very clear right to win. And to me that is bringing together, going back to that original thesis when Comscore and Rentrak came together, that cross-platform omni-channel capability.

We've totally aligned the organization around that mandate and have been very deliberate about the things that we say yes to and the things that we say no to. And we're saying no to a lot more things than I think the company has done in the past. So, I'm pleased with the progress that we've made, like anything, a company that's been around 25 years, you're sitting on a fair amount of tech debt. And that creates resource debt. And there's still work to do there. But we've come a long way, and I think the team is excited about some of the growth prospects that...

<<Laura Martin, Analyst, Needham & Company>>

And I remember Rentrak essentially had a monopoly in local, and Nielsen had been uncredited or discredited, whatever it's called. It lost its accreditation is how you say it, and I think they recently got it back. But I mean, what's happening in the local side of the – you had two monopolies. One that was a real monopoly, which was your box office measurement, which was really a monopoly. And then you had what I would call monopoly or clear – what do you call it? A clear right to win in local measurement. Are you guys the currency now in local?

<<Jon Carpenter, Chief Executive Officer and Director>>

We are the currency in many instances in local. We're the only measurement company outside of Nielsen that can produce a local rating. And I'd argue that Nielsen's ability to produce a local ratings is highly suspect. And so I think what we've been able to do, because we've invested in that part of the business because we believe it's a big differentiator and not just our ability to command and win in that marketplace, which is a \$20 billion marketplace that is not going away. We're the only other player that can deliver a product there. But it's also core to what our cross-platform capabilities are. If you're an advertiser, your ability to not just advertise at a national level, but to be able to optimize down to a hyper local level requires you as a measurement company to have that, not just the linear data set, but the digital data set to help them do that.

And so we think our local strength is a big differentiator. And it's the Trojan horse for everything that we're unlocking as it relates to our growth strategy going forward, whether it be cross-platform, whether it be our ability to work with advertisers across both local and national traditional measurement landscape. And so yes, we've taken share in local. The clients recognize the investments that we're continuing to make there. And the good news is, it supports not just those local broadcasters and local ad marketplaces, but it supports the double-digit growth that we're driving in cross-platform.

<<Laura Martin, Analyst, Needham & Company>>

One of the things that's been happening is this, I'm going to call it the underfund, the defunding of news that affects local broadcasters affects a lot of things on the open web too, right? A lot

Washington Post or USA Network today. So my question is, I mean, is there a future for local broadcasters and/or for news on the open web that needs measurement? If we don't turn around this ability or the willingness of advertisers to advertise in live news content.

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, I think you still, like I said, it's still a very robust marketplace. You look at just last year's political season. Those battles are all won at the local level. The amount of money that got dumped into local markets and local broadcasters specifically was significant. And so the power of local. Think about it, most purchase decisions are generated at the household level. We all live hyper locally. We live in the restaurants that we go to, the weather we care about. The news that we're tuning into most often or not. It all comes back to a local route, if you will.

And you see the biggest players in the market investing against their local offerings. Amazon just announced a big team that stood up their local capabilities. Look at all the investment that local broadcasters are making in sports against the demise of regional sports networks. The local broadcasters are the ones that are making significant investments in those spaces and the advertising dollars are following.

<<Laura Martin, Analyst, Needham & Company>>

Well to stay on that. It doesn't actually save an industry to every two years have record levels of political fundraising go into broadcasters, if they can't then sell in the other year and a half between those six-month political cycles. So that's my question. In the 18 months between political money coming into the area. News isn't getting funded, because if people don't want to be near political. They don't view a brand safe, because it can hurt people purchasing their brand. And a lot of its war which, so they don't like news.

So the question is, can the open internet survive, not be funding news and actually can linear broadcast survive if 18 months if people aren't going to fund news?

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, look, I think that's why you see many of them again continue to invest against their sports rights in their local communities.

<<Laura Martin, Analyst, Needham & Company>>

Just diversifying their content offerings which you're saying.

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah.

<<Laura Martin, Analyst, Needham & Company>>

So news might not get funded, but if they spend a bunch of money on a new form of content that might be able to get funded is what you're...

<<Jon Carpenter, Chief Executive Officer and Director>>

You're commanding audiences that still do tune in to the lineup of programming that you have across your offering. So we're certainly focus group of one here, but I don't see a future in which local the way it transacts, the way, it's – the way sales teams maybe make their inventory available may change, but audiences are hyper local, and I don't see that changing certainly in the next five years, five, 10 years.

<<Laura Martin, Analyst, Needham & Company>>

Which makes your currency your best-in-class local currency for investors.

<<Jon Carpenter, Chief Executive Officer and Director>>

Correct.

<<Laura Martin, Analyst, Needham & Company>>

Okay. I'll be interested to see somebody was on my stage this day and I haven't seen any content guys, was saying that they're going to do more with RSNs. Oh, they were saying that the RSNs are going bankrupt, are now the leagues are creating fast channels and they're putting the fast channels programmatically on platforms to generate ad revenue directly to the fast channel that represents, not the big, not like the NFL, NBA.

<<Jon Carpenter, Chief Executive Officer and Director>>

Sure.

<<Laura Martin, Analyst, Needham & Company>>

But like the sports you don't – you and I don't think of cricket...

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah. Yeah.

<<Laura Martin, Analyst, Needham & Company>>

...sailing and biking and stuff like that, which I thought was sort of a smart idea.

<<Jon Carpenter, Chief Executive Officer and Director>>

Yeah, agreed.

<<Laura Martin, Analyst, Needham & Company>>

Okay. So let's talk about your recent data partnerships with the MVPDs, the OEMs, the platforms, and how it affects your measurement capabilities and your competitive moat.

<<Jon Carpenter, Chief Executive Officer and Director>>

Look, we've got, when we think about our data partnerships specifically in terms of what it supports for our business, we think about it in a couple of different ways. There's the data that we collect from our MVPD relationships that support largely that pay TV bundle, traditional broadcast linear television viewing. And we've got partnerships with all the major players in that space. And we see – we sure anybody can buy that raw material if you will, other measurement companies do. It's one thing to be able to turn that data into a product that can be used as a currency in the marketplace to transact billions of dollars of advertising. And I think that's where we've differentiated ourselves in terms of that capability.

We get over 145 patents that support the work that we do around all that data that we bring in on the linear TV side. So that's one piece of it. And then we've got partnerships with, whether it be direct integrations with D2C platforms to ingest their data to then complement the linear TV data. So we capture the streaming behavior that way. ACR technology is another investment that we have made to capture streaming viewing. And then we invest in any given year, call it \$15 million or so, against the panel asset that gives us real first party intelligence in terms of what consumers are doing on a fully consented, opted in basis that we then calibrate our big datasets against. That gives us the ability to have a true set, if you will against our big data offerings that we bring to market.

And then, of course, we've got the Comscore digital footprint, which is in some cases the combination of third-party data plus first-party data across 10,000 publishers globally that make up our digital footprint. And so those partnerships are what make up the anchor tenants, if you will of our cross platform and overall measurement capabilities.

<<Laura Martin, Analyst, Needham & Company>>

Okay. All righty. So you have all these – you have big competitive advantage. Has the price, so one of the things you guys have always bought is you always had this sort of anchor tendency in all the big OEMs, Comcast, Charter.

<<Jon Carpenter, Chief Executive Officer and Director>>

Sure.

<<Laura Martin, Analyst, Needham & Company>>

Is their price going down? Is the number of data points they give you, or do they want a price increase even though the number of linear TV subscribers is falling?

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, we've – we, I mean, most of those contracts have been in place for many years. Charter's an investor in Comscore. And so we've had in a lot of ways a unique data partnership relationship with them. Part of the deal that we did at the end of the year was we renegotiated that element of the contract. It was our most expensive data partnership, and that renegotiation will result in at least, at least \$35 million of cash and operating expense savings over the remainder of that deal, which goes till 2031.

And so as these deals have come up or where there's opportunity to engage in conversations, we've taken the liberty to try and right size those as their business models have changed to benefit not just, their business models are changing too. They're getting – they're getting data from – you look at some of the deals that they're doing with – with content providers. They're getting different data today than they were previously. And so we're trying to be, take a very strategic approach when those things come up to try and reduce our cost.

<<Laura Martin, Analyst, Needham & Company>>

I would guess you don't need as many of them to the extent you probably used to have everybody. Now you could probably get away with half of the market because you only have to compete against the other guy who has a panel of 40,000 people?

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes. It depends, right? Because there's not a lot of overlap, right? Charter and Comcast are in completely different markets.

<<Laura Martin, Analyst, Needham & Company>>

You must know by now how to turn one into the other.

<<Jon Carpenter, Chief Executive Officer and Director>>

Well, that's the beauty of – that's the beauty of – having a nationally represented panel as well that we continue to invest in. That also allows us long-term to take more control over our data costs as things change.

<<Laura Martin, Analyst, Needham & Company>>

That makes sense to me. But even with 10 years of data knowing how Comscore can change. I'm sorry how Charter versus Comcast lives. If you got rid of, let's say Charter you have to keep because they own part of you. But I mean, it seems like you could get rid of Comcast if they were being ridiculous on the price of their data and just model that based on historical behavior. Because households don't change that radically.

<<Jon Carpenter, Chief Executive Officer and Director>>

But their viewing behaviors do. Right. If you just look at how rapidly things have changed and so we feel like we've got...

<<Laura Martin, Analyst, Needham & Company>>

Compared to the Charter people.

<<Jon Carpenter, Chief Executive Officer and Director>>

We've got a – again, there are data – this is another thing that gets lost. But from a data governance standpoint as well, many of these agreements do require us to and other partners they work with to have multiple parties so that they're not the only source of viewing in a particular marketplace. And so that comes into consideration as well as we look at our measurement capability. But again, we're so diverse that I feel like we're uniquely positioned versus some of the other players that are out there that don't have the history that we have to know this.

<<Laura Martin, Analyst, Needham & Company>>

And it's about cost to negotiating leverage. Like even if they need, they don't want to be the only guy in Mississippi. You don't want to have to pay for Comcast data as your second source to keep them not being the only one. Because Comcast isn't a professional negotiator. So you'd rather be able to say Comcast. We're willing to walk away and we'll find iSpot or Samba in this market to be our second. Right?

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes. Good luck getting accurate measurement.

<<Laura Martin, Analyst, Needham & Company>>

Good luck. Well, still. But again, that's my point. If you have 10 years of how Comcast viewers compared to Charter viewers, you still – look the Charter viewers...

<<Jon Carpenter, Chief Executive Officer and Director>>

I'm not disputing the point. Like cost is a big factor and data costs have been. They're a large portion of our P&L. And I think what we continue to do is figure out ways in which we can take more control over our future as those deals come up for renegotiation. And so investment in our...

<<Laura Martin, Analyst, Needham & Company>>

Five-year deals or longer?

<<Jon Carpenter, Chief Executive Officer and Director>>

That some of them now are we've got an annual opt-out on some of our data agreements now, but most of them we try and lock, because we're building products. Right. And so we need to be thoughtful about that investment against the right time horizon.

<<Laura Martin, Analyst, Needham & Company>>

Yes – and usually you can get cheaper prices if you do it longer, so that you can lock it in. Questions from the audience? Okay. So, I'll call it there, then. Thank you very much.

<<Jon Carpenter, Chief Executive Officer and Director>>

Yes. Thanks.