



 Huddled Masses |  Colossus SSP® |  ORANGE 142™

AdTech Platform Focused on  
Middle Market & Multicultural Audiences

# COMPANY OVERVIEW

November 2023

# DISCLAIMER

## Cautionary Note Regarding Forward-Looking Statements

Certain statements in this presentation may constitute “forward-looking statements.” Those statements include, but are not limited to, statements with respect to the Company’s future revenue projections and other financial performance, our anticipated growth strategies, anticipated trends in our industry business prospects and opportunities. These statements are generally identified by the use of words such as “could,” “would,” “may,” “might,” “will,” “likely,” “believes,” “continues,” “anticipates,” “plans,” “expects,” “intends,” “projects,” “estimates,” “objective,” “goal,” and similar expressions. These forward-looking statements may include projections of our future financial performance, growth strategies, expected product launches and anticipated trends in our industry.

All forward-looking statements speak only as of the date on which they are made. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions concerning future events that are difficult to predict. Therefore, actual future events or results may differ materially from these statements. Although we believe that these forward-looking statements are based on reasonable assumptions, a number of factors could cause actual results to differ materially from these statements, including, but not limited to (i) our dependence on the overall demand for advertising, which could be influenced by economic downturns; (ii) any slow-down or unanticipated development in the market for programmatic advertising campaigns; (iii) the effects of health epidemics; (iv) operational and performance issues with our platform, whether real or perceived, including a failure to respond to technological changes or to upgrade our technology systems; (v) any significant inadvertent disclosure or breach of confidential and/or personal information we hold, or of the security of our customers’, suppliers’ or other partners’ computer systems; (vi) any unavailability or non-performance of the non-proprietary technology, software, products and services that we use; (vii) unfavorable publicity and negative public perception about our industry, particularly concerns regarding data privacy and security relating to our industry’s technology and practices, and any perceived failure to comply with laws and industry self-regulation; (viii) restrictions on the use of third-party “cookies,” mobile device IDs or other tracking technologies, which could diminish our platform’s effectiveness; (ix) any inability to compete in our intensely competitive market; (x) any significant fluctuations caused by our high customer concentration; (xi) our limited operating history, which could result in our past results not being indicative of future operating performance; (xii) any violation of legal and regulatory requirements or any misconduct by our employees, subcontractors, agents or business partners; (xiii) any strain on our resources, diversion of our management’s attention or impact on our ability to attract and retain qualified board members as a result of being a public company; (xiv) our dependence, as a holding company, of receiving distributions from Direct Digital Holdings, LLC (“DDH LLC”) to pay our taxes, expenses and dividends, (xv) DDH LLC may make distributions of cash to us substantially in excess of the amounts we use to make distributions to our stockholders and pay our expenses (including our taxes and payments under the Tax Receivable Agreement), which, to the extent not distributed as dividends on our Class A common stock, would benefit Direct Digital Management, LLC, the entity indirectly owned by our Chairman and Chief Executive Officer and President, as a result of its ownership of Class A common stock upon an exchange or redemption of its LLC Units, and (xvi) other factors and assumptions discussed in the “Risk Factors,” “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and other sections of our filings with the SEC that we make from time to time. Recipients are cautioned not to place undue reliance on these statements. The Company does not undertake any obligation to publicly update these forward-looking statements, except as required.

## Non-GAAP Financial Measures

In addition to financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes certain non-GAAP financial measures, including adjusted EBITDA and adjusted EBITDA margin. We believe that this information can assist investors in evaluating our operational trends, financial performance, and cash generating capacity. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. They should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation. This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

# FOUNDER-LED MANAGEMENT TEAM SUPPORTED BY EXPERIENCED BOARD



**Mark Walker**

Co-Founder, Chairman & Chief Executive Officer



**Keith Smith**

Co-Founder, Director & President



**Diana Diaz**

Chief Financial Officer



University General Hospital



**Anu Pillai**

Chief Technology Officer



**Maria Lowrey**

Chief Growth Officer



**Tonie Leatherberry**

Independent Director



**Richard Cohen**

Independent Director



**Misty Locke**

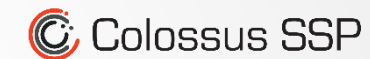
Independent Director



# DIGITAL ADVERTISING BUILT FOR EVERYONE.



Huddled Masses | Colossus SSP\* | ORANGE 142



## Buy-Side Platform

### Approach

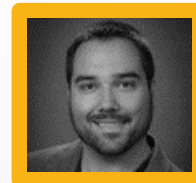
- Responsible for buying media for clients to drive ROI for clients

### Capabilities

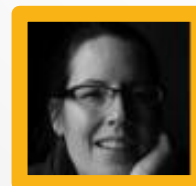
- Digital Marketing
- SEO / SEM
- Media Planning & Buying
- Digital Performance Audits
- Analytics Configuration
- Website Design & Development
- Consulting Service Partner
- White Label Partner



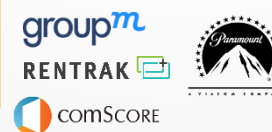
**Lashawnda Goffin**  
CEO—Colossus SSP



**Doug Mankiewicz**  
CEO—Orange142



**Kristie MacDonald**  
CEO—Huddled Masses



## Sell-Side Platform

### Approach

- Automated sell of ad inventory between advertisers and agencies leveraging proprietary technology
- Leverage your programmatic buying to reach multi-cultural and general market audience through a diverse owned supplier platform

### Capabilities\*

- 400+ billion monthly impressions
- 53+ billion multicultural impressions
- 22,100+ media properties
- 34 billion+ auctions monthly

\*As of 09/30/23

# DIRECT DIGITAL HOLDINGS



Huddled Masses | Colossus SSP\* | ORANGE 142



Founder-led, **technology platform** that assists companies **buy and sell media to deliver ROI**



Exceeding the demands of the **underserved middle market** and penetrating **multicultural audiences**



**Profitable, publicly-traded company** well-positioned to capitalize on the rapidly evolving digital advertising market<sup>1</sup>



Accelerated **organic growth** and **operational** playbook going forward



**Top performing diverse-owned supplier** helping brands, agencies, and consultancy partners reach their social DEI objectives and budget commitments across our media and advertising technology platforms



**Ninth black-owned** company to **go public in the U.S.**<sup>2</sup>

<sup>1</sup>Based on consolidated gross profit for the year ended December 31, 2022.

<sup>2</sup>Based on third-party research of initial public offerings in the U.S. capital markets between 1985–2022.

# WITH OVER 200+ CLIENTS, OUR BUSINESS IS FOCUSED ON DRIVING ROI FOR CUSTOMERS AND DIVERSE PUBLISHERS

Estimated +101% over 2022 performance



Huddled Masses | Colossus SSP<sup>®</sup> | ORANGE 142<sup>™</sup>

HM and Colossus SSP continue to add new customers and publishers

Direct Digital Holdings acquired ORANGE 142<sup>™</sup>

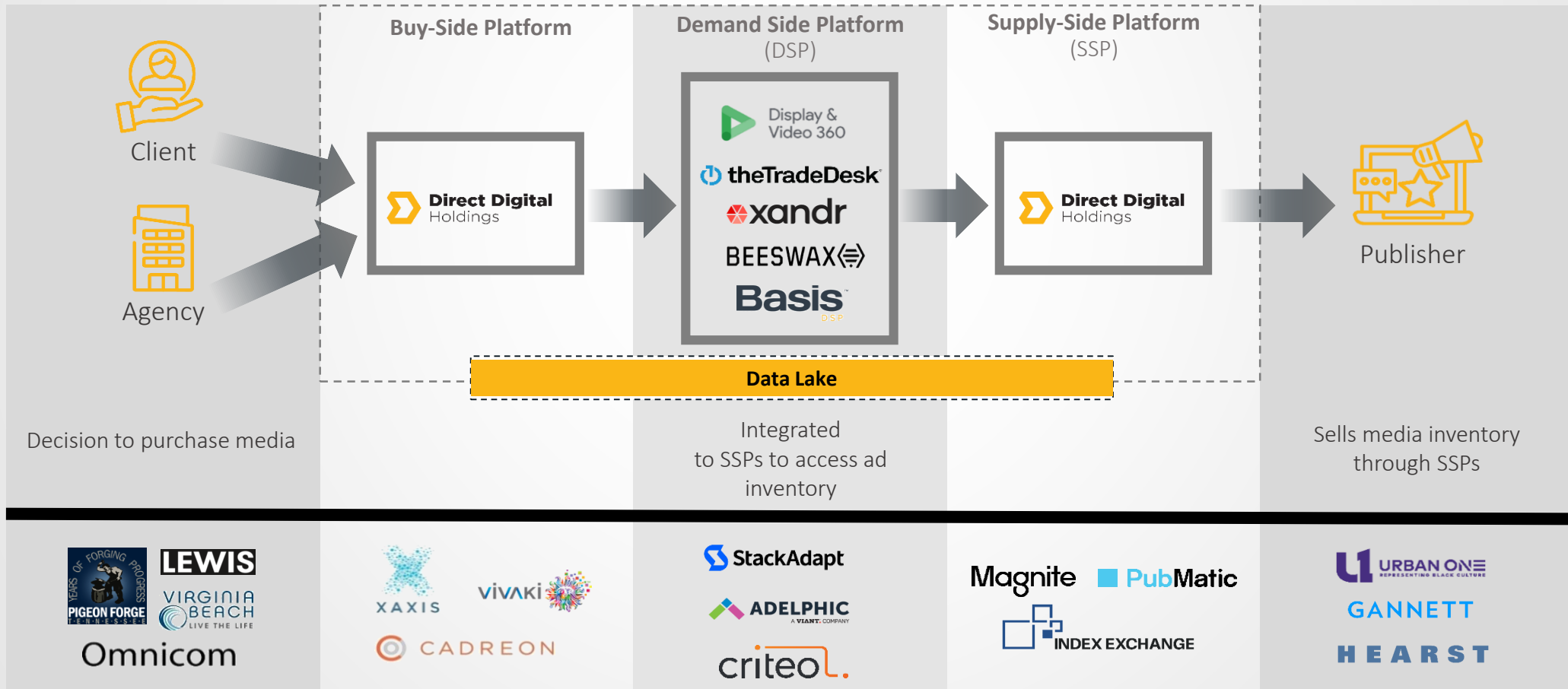
Achieved record growth at +25% YoY driven by SSP growth +325% YoY

Organic growth of +134% over 2021



\*Based on our mid-point estimate for our FY2023 revenue guidance of \$170M–\$190M as of 11/09/2023.

# WE HAVE MULTIPLE OPPORTUNITIES TO WORK WITH CORPORATIONS BASED UPON ORGANIZATIONAL NEEDS



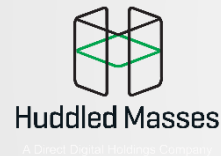
# GROWING MIDDLE MARKET CUSTOMER BASE AND EXPANDING REACH WHILE MAINTAINING PROFITABILITY



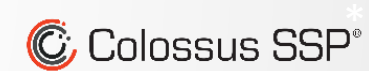
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ORANGE 142™



**228+**  
Customers

**5+ year**  
Average tenure for  
top 20 clients

**+9%** ↑ **22K+**  
Media properties

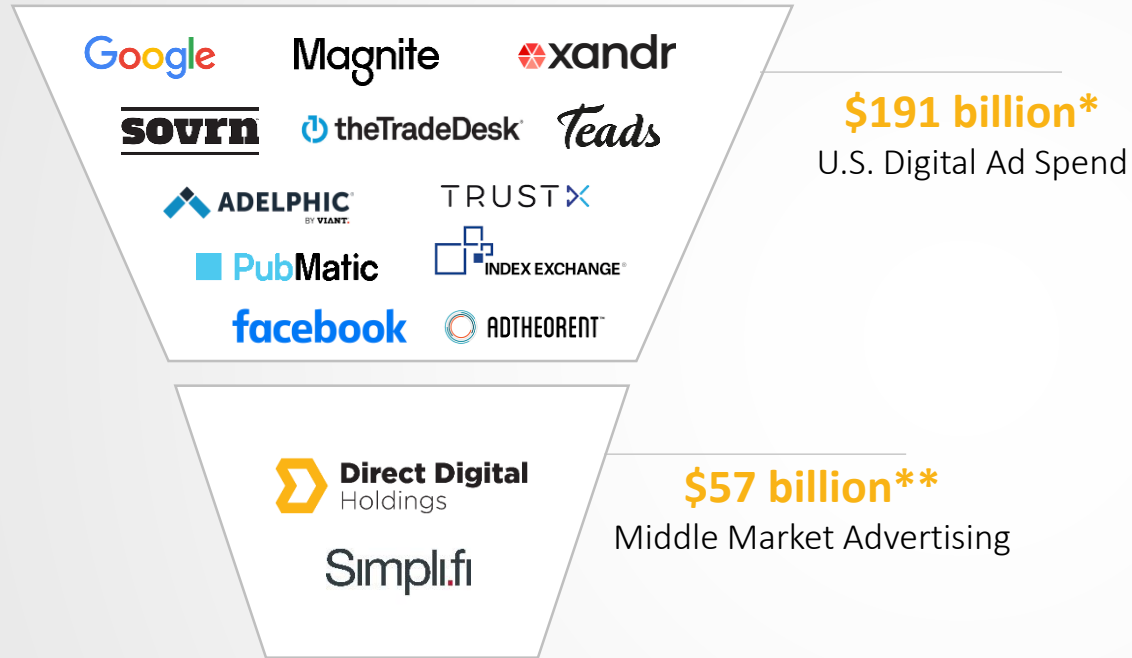
**+220%** ↑ **400+**  
**billion**  
Monthly Impressions

**+14%** ↑ **\$34K+**  
Quarterly Revenue  
Per Customer

Note: YoY comparison Q3 2023 vs. Q3 2022

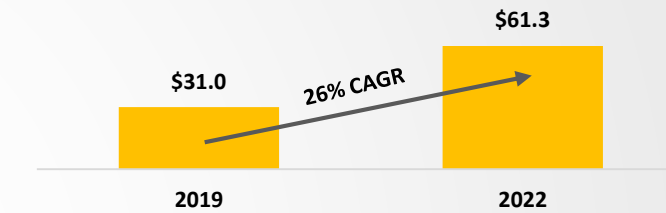


# MASSIVE, UNDERSERVED ADDRESSABLE DIGITAL ADVERTISING MARKET WITH STRONG TAILWINDS

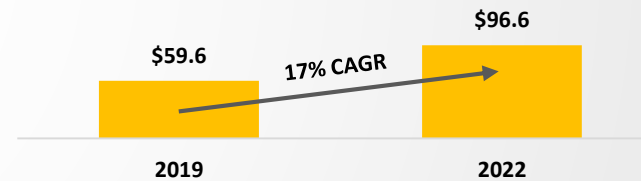


**Middle Market** is vast and highly fragmented

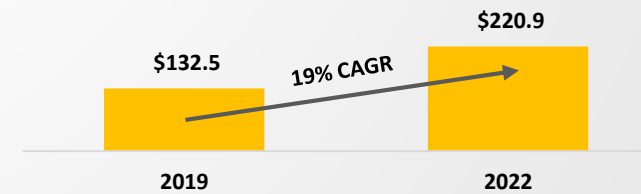
**Total CTV / Video Ad Spending**



**U.S. Programmatic Digital Display Ad Spending**



**Total U.S. Digital Ad Spending**



Note: \$ in billions Source: eMarketer

\*Source: eMarketer

\*\*Source: BIA —Market size is based on 2021E and includes traditional and digital advertising spend.

# DIRECT DIGITAL HOLDINGS



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## Blue Chip & Middle Market Advertiser Base

Quality advertisers



## High Marketplace Volume

34 billion+ monthly bid responses



## Superior Monetization

Top 10 revenue producer<sup>1</sup>



## Full Funnel Digital Platform

CTV / OTT, video, display, audio & native

### Select Multicultural Publishers

**BLAVITY**

**IONE**

**EBONY**

FASHION BOMB *daily*

the **grio**

**NGL** Collective

**UNIVISION**

**LA NACION**

**BLACK ENTERPRISE**

**textnow**

**ONDemand** KOREA

latin**on**

### Select General Market Publishers

**GANNETT**

**SAILING WORLD**

*timehop*

**HEARST**

**BuzzFeed**

**ESPN**

**REUTERS**

**GourmetAds**

**daily dot**

**USA TODAY**

**Women'sHealth**

**NBCUniversal**

<sup>1</sup>MediaVine, Largest exclusive ad management company with 8300 media properties.

# WHY DO ADVERTISERS CHOOSE DDH?



**Measurable &  
Superior ROI**



**Broad Reach**  
400+ billion monthly  
impressions



**Access to Unique  
Multicultural  
Audiences**

## Select Buy-Side Customers



## Select Sell-Side Advertisers



<sup>1</sup>Ranking as of July 2022.



# GROWTH & PERFORMANCE

# KEY Q3 2023 HIGHLIGHTS

**\$59.5  
Million**

Total  
Revenue

**\$51.6  
Million**

Sell-Side  
Revenue

**\$7.9  
Million**

Buy-Side  
Revenue

**129%  
Growth**

Total YoY  
Revenue Growth

**\$5.4  
Million**

Adjusted  
EBITDA<sup>(1)</sup>

**\$5.5  
Million**

Total Cash  
Balance

(1) Adjusted EBITDA is a non-GAAP financial measure, see reconciliation at the end of the presentation.

# KEY 2022 HIGHLIGHTS

**\$89.4  
Million**

Total  
Revenue

**\$60.0  
Million**

Sell-Side  
Revenue

**\$29.4  
Million**

Buy-Side  
Revenue

**134%  
Growth**

Total Revenue  
Growth

**\$10.2  
Million**

Adjusted  
EBITDA<sup>(1)</sup>

**60%  
Growth**

Total Adjusted  
EBITDA Growth

(1) Adjusted EBITDA is a non-GAAP financial measure, see reconciliation at the end of the presentation.

# CONTINUED YEAR-OVER-YEAR GROWTH

(\$ In Millions)

## Quarterly Highlights

	Revenue	Adj. EBITDA <sup>(1)</sup>
<b>Q4 2022</b>	<b>\$30.7M</b> <i>+135% YOY</i>	<b>\$3.1M</b>
<b>Q1 2023</b>	<b>\$21.2M</b> <i>+87% YOY</i>	<b>\$0.5M</b>
<b>Q2 2023</b>	<b>\$35.4M</b> <i>+67% YOY</i>	<b>\$3.1M</b>
<b>Q3 2023</b>	<b>\$59.5M</b> <i>+129% YOY</i>	<b>\$5.4M</b>
<b>TTM</b>	<b>\$146.8M</b> <i>+105% YOY</i>	<b>\$12.1M</b> <i>+36% YOY</i>

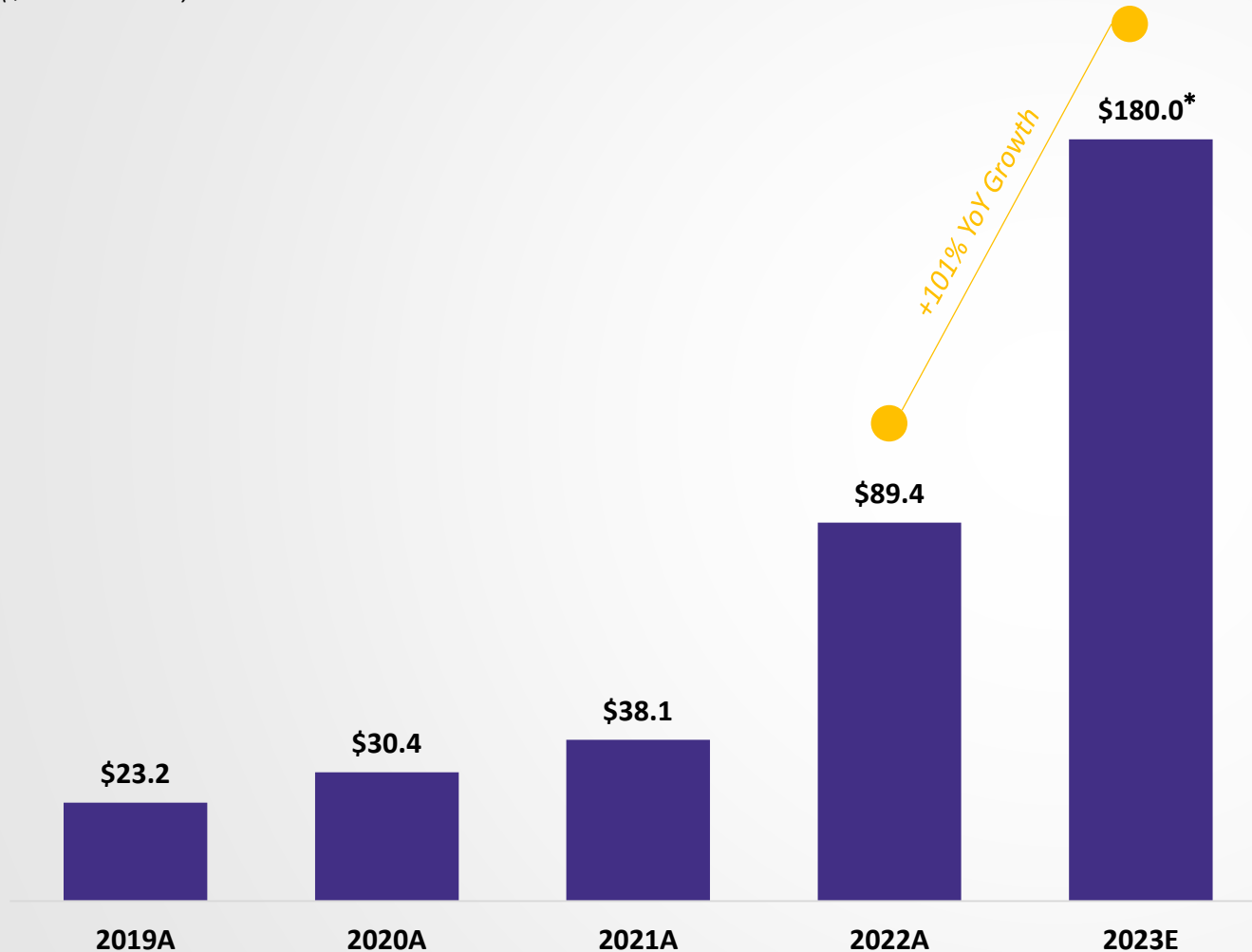
## YTD 2023 Highlights

Revenue	<b>\$116.1M</b>
Gross Profit	<b>\$28.3M</b>
OpEx	<b>\$21.7M</b>
Net Income (Loss)	<b>\$3.2M</b>
Adj. EBITDA <sup>(1)</sup>	<b>\$9.0M</b>

(1) Adjusted EBITDA is a non-GAAP financial measure, see reconciliation at the end of the presentation.

# REVENUE GROWTH — CONSOLIDATED

(\$ In Millions)



## Continued Focus on Organic Growth Initiatives Drives Revenue +134% in FY2022

- In FY 2022, sell-side contributed **\$60 million** or 400% growth YoY.
- In FY 2022, buy-side contributed **\$29.3 million** or 12% growth YoY.

\*Based on our mid-point estimate for our FY2023 revenue guidance of \$170M–\$190M as of 11/09/2023.

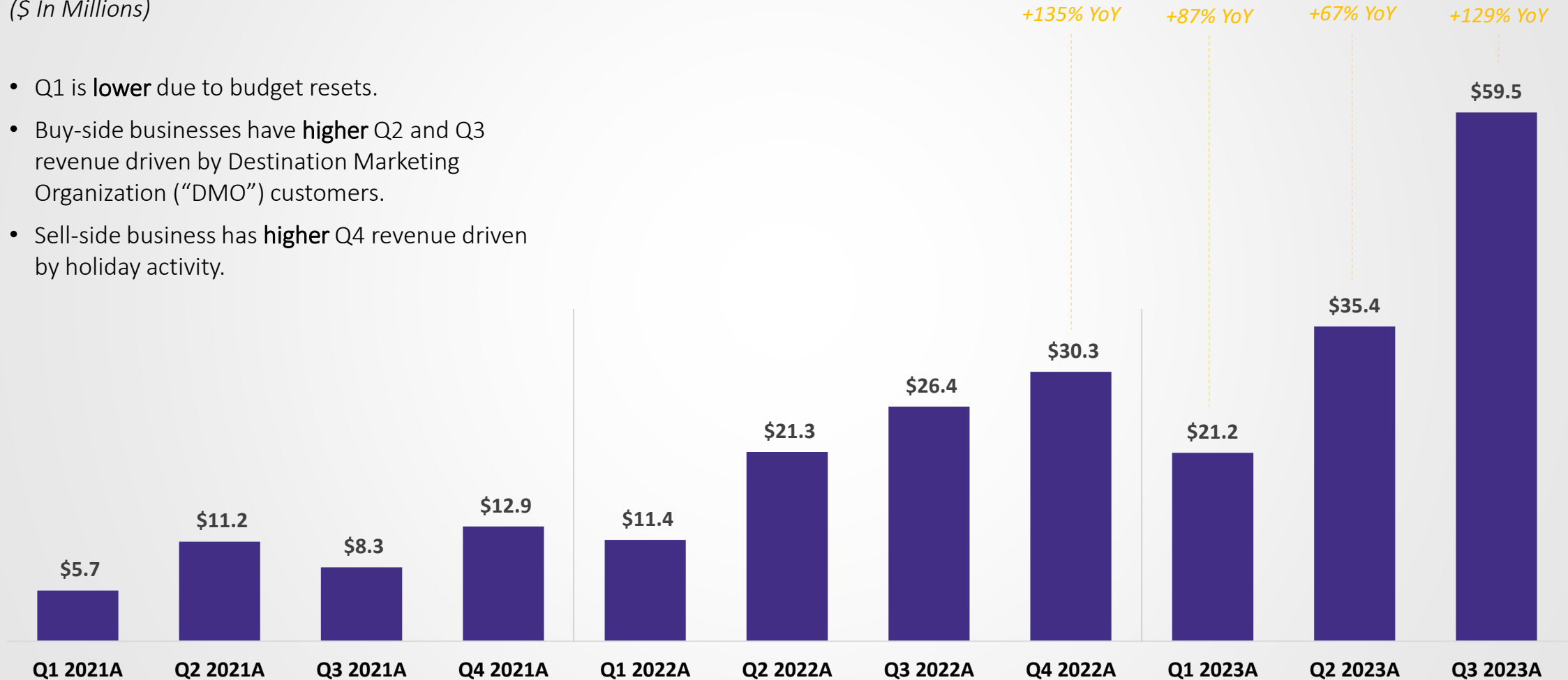


# QUARTERLY SEASONALITY

## Consolidated Revenue

(\$ In Millions)

- Q1 is **lower** due to budget resets.
- Buy-side businesses have **higher** Q2 and Q3 revenue driven by Destination Marketing Organization (“DMO”) customers.
- Sell-side business has **higher** Q4 revenue driven by holiday activity.

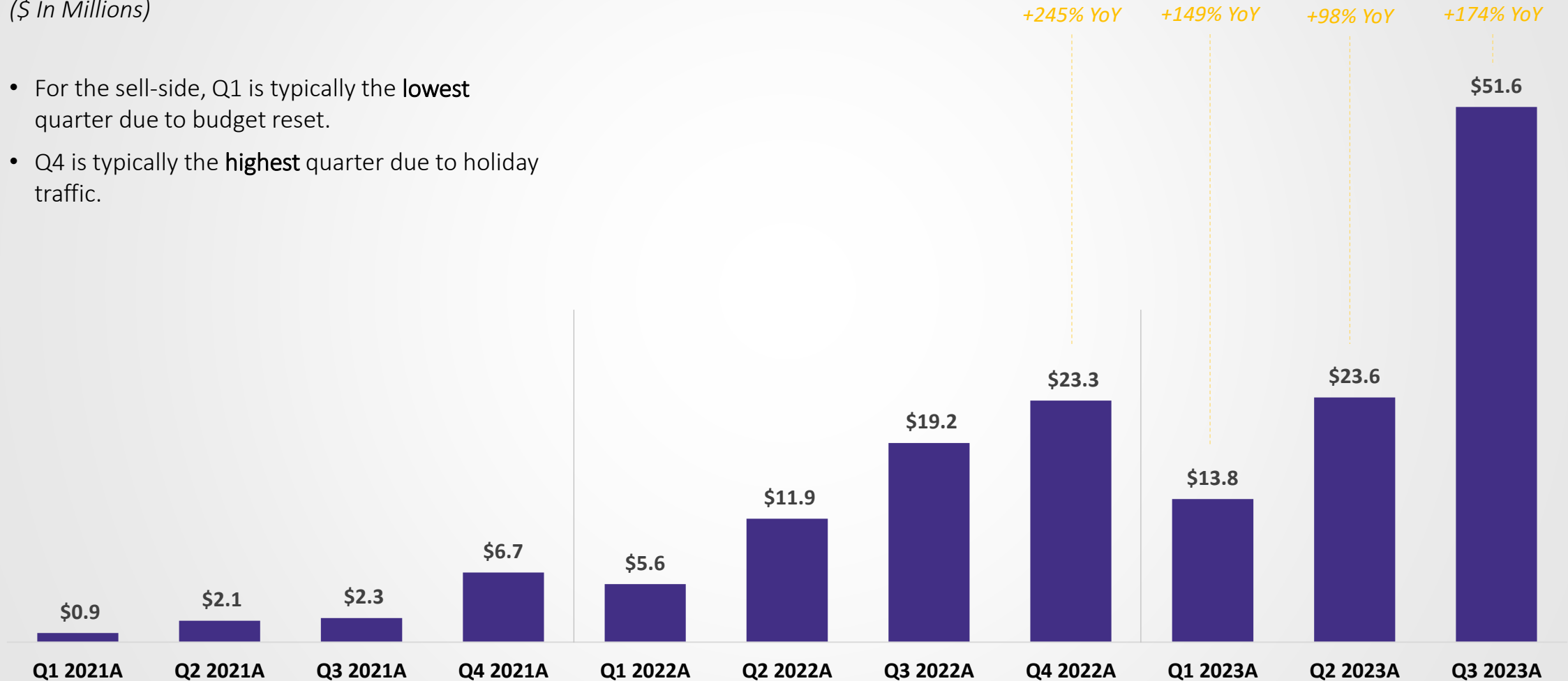


# QUARTERLY SEASONALITY

## Revenue—Sell-Side (Colossus SSP)

(\$ In Millions)

- For the sell-side, Q1 is typically the **lowest** quarter due to budget reset.
- Q4 is typically the **highest** quarter due to holiday traffic.

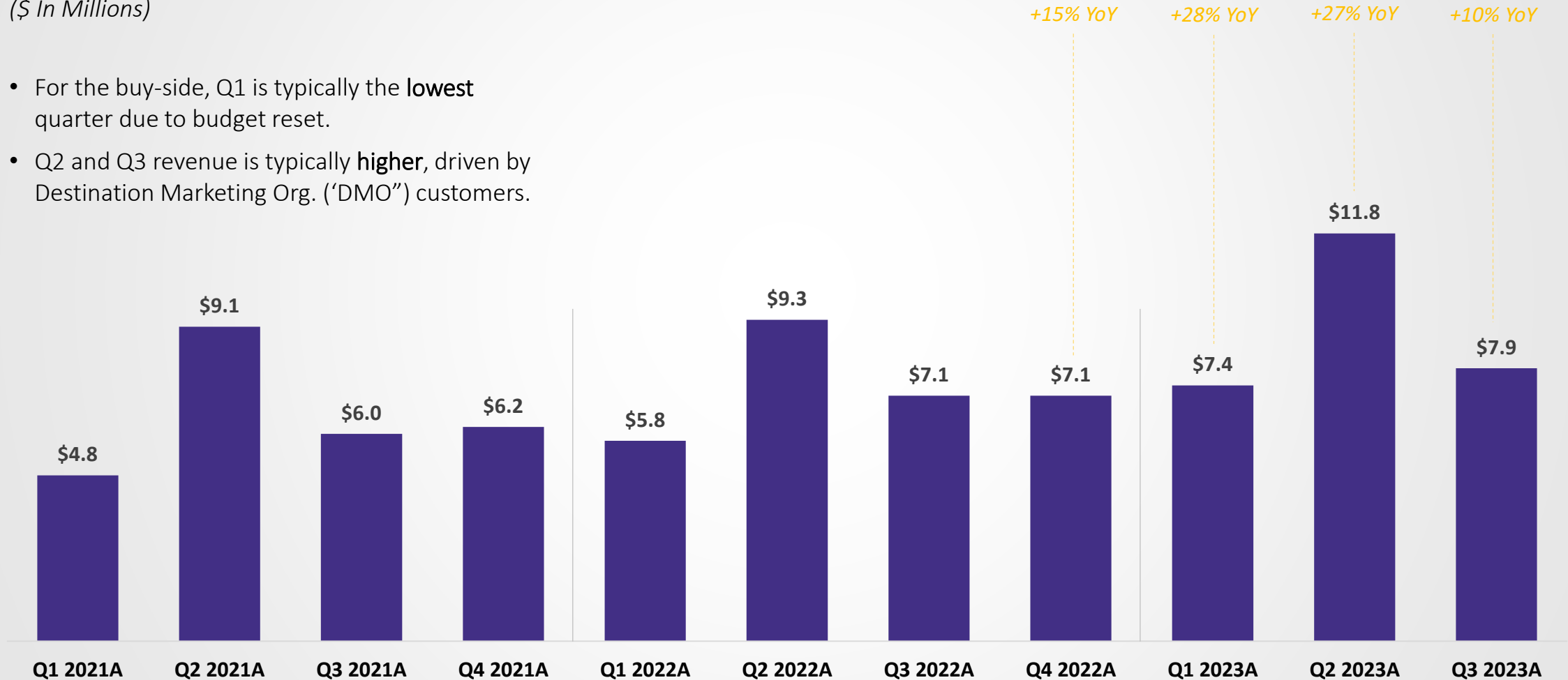


# QUARTERLY SEASONALITY

## Revenue—Buy-Side (Orange 142 & Huddled Masses)

(\$ In Millions)

- For the buy-side, Q1 is typically the **lowest** quarter due to budget reset.
- Q2 and Q3 revenue is typically **higher**, driven by Destination Marketing Org. (“DMO”) customers.



# BUSINESS MODEL AND OPERATING METRICS

## IPO — February 2022

Company impacted by additional public company costs, gross margin profile changes due to revenue mix, as well as growth and investments in the business.

	2021	2022	Q1 2023	Q2 2023*	Q3 2023*	Long-Term Range
<b>Revenue Mix</b>						
Buy-Side	69%	33%	35%	33%	13%	20% - 25%
Sell-Side	31%	67%	65%	67%	87%	75% - 80%
	100%	100%	100%	100%	100%	100%
<b>Gross Margin</b>						
Buy-Side	62%	64%	60%	61%	60%	60% - 65%
Sell-Side	18%	16%	14%	12%	14%	13% - 15%
	48%	32%	30%	28%	20%	22% - 25%
<b>Operating Expenses</b>	37%	24%	31%	22%	12%	15% - 20%
<b>Operating Income Margin</b>	11%	8%	-1%	6%	8%	7% - 10%

\*Sell-side gross margin in Q2 and Q3 was negatively impacted by \$0.6 million and \$0.5 million, respectively, of hosting costs for servers, which will continue for the next two quarters to support growth. Without these costs, sell-side gross margin would have been 14.6% and 14.6%, respectively, in line with the long-term range.

# Q&A



**APPENDIX**

# RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)

(\$ In Thousands)

	Three Months Ended							FY2022	YTD FY2023
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023		
Net income (loss)	\$ (671.6)	\$ 2,614.4	\$ 810.8	\$ 1,413.1	\$ (1,333.9)	\$ 1,195.0	\$ 3,350.9	\$ 4,166.6	\$ 3,211.9
Add back (deduct):									
Amortization of intangible assets	488.5	488.5	488.5	488.5	488.5	488.5	488.5	1,953.8	1,465.4
Depreciation and amortization	-	-	-	34.2	56.5	65.0	63.7	34.2	185.2
Interest expense	713.8	650.3	905.6	961.0	1,017.3	1,027.5	1,059.9	3,230.6	3,104.7
Income tax expense	-	86.7	128.4	111.5	(74.6)	74.3	166.0	326.6	165.6
Loss on redemption of common unit	590.7	-	-	-	-	-	-	590.7	-
Gain on forgiveness of PPP Loan	-	(287.2)	-	-	-	-	-	(287.2)	-
Stock-based compensation	-	15.4	70.0	68.3	94.5	209.5	241.5	153.8	545.5
Loss on early extinguishment of deb	-	-	-	-	299.8	-	-	-	299.8
Adjusted EBITDA	\$ 1,121.3	\$ 3,568.0	\$ 2,403.3	\$ 3,076.5	\$ 548.0	\$ 3,059.8	\$ 5,370.4	\$ 10,169.1	\$ 8,978.1

# NON-GAAP FINANCIAL MEASURES

In addition to our results determined in accordance with U.S. generally accepted accounting principles ("GAAP"), including, in particular operating income, net cash provided by operating activities, and net income, we believe that earnings before interest, taxes, depreciation and amortization ("EBITDA"), as adjusted for stock compensation expense, loss on early termination of line of credit, and loss on early extinguishment of debt, and loss on early redemption of non-participating preferred units ("Adjusted EBITDA"), a non-GAAP financial measure, is useful in evaluating our operating performance. The most directly comparable GAAP measure to Adjusted EBITDA is net income (loss).

In addition to operating income and net income, we use Adjusted EBITDA as a measure of operational efficiency. We believe that this non-GAAP financial measure is useful to investors for period-to-period comparisons of our business and in understanding and evaluating our operating results for the following reasons:

- Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as depreciation and amortization, interest expense, provision for income taxes, and certain one-time items such as acquisition transaction costs and gains from settlements or loan forgiveness that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;
- Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance; and
- Adjusted EBITDA provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations, and also facilitates comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Our use of this non-GAAP financial measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. The following table presents a reconciliation of Adjusted EBITDA to net income (loss) for each of the periods presented.





**IN THE PRESS**

Direct Digital Holdings just issued its second quarter earnings late last week after going public in February, reporting that revenue reached \$21.3 million, an impressive 90 percent hike over the same quarter in 2021, while net income grew 58 percent over Q2 2021 to \$2.6 million. Though the company wasn't yet public — and was growing off a small base — Direct Digital Holdings had previously generated revenue growth of 330 percent in 2021 and 235 percent in 2020, attracting business from the likes of the National Basketball Association, HP and Bayer.



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PUBLISHERS

## Newly Public Company Direct Digital Holdings On Why Smaller Pubs Also Need Some Programmatic Love

By [Allison Schiff](#)

Friday, April 1st, 2022 – 11:18 am

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Before co-founding ad tech and mar tech holding group Direct Digital Holdings in 2018, Mark Walker was chief operating officer at Ebony Media.

His experience on the sell side was formative. A big part of Walker's job was to help Ebony with its digital transformation and transition front print to digital, including programmatic monetization.



Mark Walker, CEO & Co-Founder



Walker quickly realized there was "a hole in the market."

"We saw that small, midsize companies had difficulty getting connected into the programmatic ecosystem from a lack of resources and expertise," Walker said. "We saw firsthand that if we didn't have the name brand of Ebony, we wouldn't have gotten the attention of SSPs to monetize."



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## Black-owned holding company Direct Digital Holdings goes public



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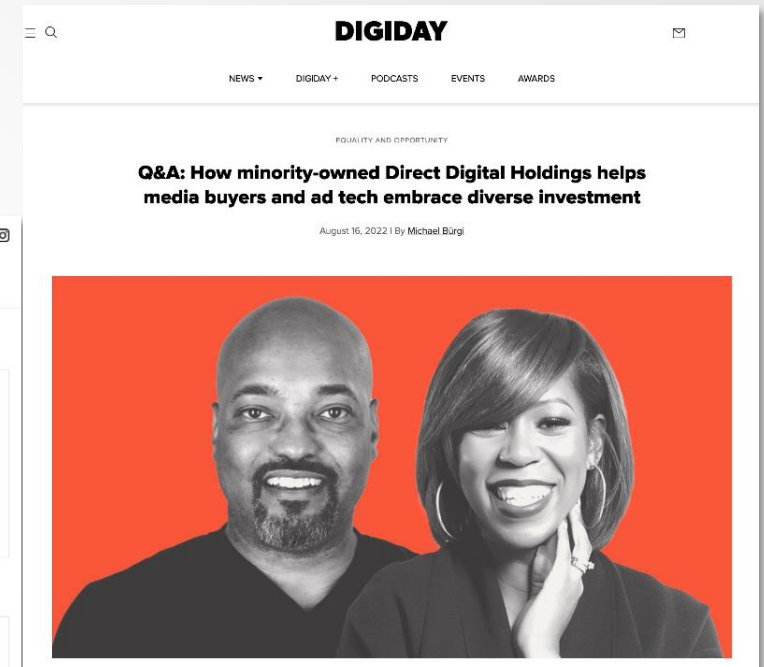
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For Direct Digital Holdings, going public is a way to further support the growth of multicultural media owners in the marketplace through programmatic advertising, Walker told Campaign US in an email.

"We believe this IPO will give us the necessary capital to accelerate our growth and become one of the go-to companies within the programmatic ad tech space," he said.

Direct Digital Holdings will use the IPO proceeds to bulk up its sales force and expand into new markets, as well as invest in proprietary software and technology for Colossus SSP, Walker said.



**DIGIDAY**

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QUALITY AND OPPORTUNITY

**Q&A: How minority-owned Direct Digital Holdings helps media buyers and ad tech embrace diverse investment**

August 16, 2022 | By Michael Bürgi

**Goffin:** Between cold calling and beating down the doors, once we finally get someone to give us their ear, they get it. Colossus was formed from a place of need, where we saw a lack of diversity in a scalable place — a one-stop-shop. We really wanted to position ourselves to be efficiency partners. And so once you really explain the whys, I don't want to say it's a no-brainer, but it just makes sense. While we are inclusive, we're not exclusive. One thing that we wanted to make sure that you can do when executing any buys within the Colossus exchange is that it was representative of what you saw outside of your windows.

TRENDING: AGENCY REPORT CARDS BIG AWARDS 40 OVER 40 WEBINARS

## Ad industry demands 'tsunami of truth' from Twitter in wake of whistleblower complaint

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Kristie MacDonald, CEO of performance marketing company Huddled Masses, said Twitter has "consistently been a low priority for our mid-market brand clients since the performance results just aren't there."

"This news gives us some clearer insight as to why the deliverables haven't been strong enough to merit clients' ad dollars," she added.

REGISTER FREE

## Orange142 Extends Its 25-Year Relationship With Pigeon Forge Department Of Tourism

by Laurie Sullivan @lauriesullivan, March 9, 2022

Direct Digital Holdings on Wednesday announced that Orange142, the company's buy-side advertising platform, has once again been named digital

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"With each digital advertising campaign, we capture front-end key performance metrics such as impressions, clicks, video views, conversions with backend performance once on site to ensure we're not only delivering website traffic but quality website traffic," said Ross Ramon, President and CEO of Orange142. "All data points are used to refine geographic and demographic audience targeting in real-time."

PUBLISHING

## How This SSP Helped Blavity and Black Enterprise Grow Ad Revenue

Colossus connects advertisers to African American, Latinx, AAPI, LGBTQ+ and women-owned publishers

 Colossus SSP

**"We knew that there was a rich population that just needed to have the opportunity to be connected to the ecosystem."**

Mark Walker, CEO and co-founder, Digital Direct Holdings

The number of brands and media agencies tapping into Colossus SSP rose by 87% between Q1 2021 to Q1 2022, including clients like Bayer, HP and the **NBA**.



“One of the main impetuses we looked for was the opportunity to raise money in the public market to fuel our organic growth strategy and acquisition growth strategy,” Walker said.

**A global collective of ad execs has launched an open-source resource to help brands support quality journalism**  
 June 21, 2022 | By Seb Joseph

“It is vital that marketers work very closely with their verification partners to understand the taxonomy behind their brand safety categories,” said Lashawnda Goffin, CEO of ad tech vendor Colossus SSP. “This is especially necessary when trying to reach under-represented audiences. Same goes, if a brand is advertising along news content that focuses on multicultural communities. There are different vernaculars or cultural sayings to consider. Words such as ‘dope’ could be flagged, when in the Urban community the term means ‘good’. There’s a disconnect in the way — and it starts with language.”

**Minority Founded And Publicly Traded Direct Digital Holdings Appoints First Chief Growth Officer**

by Laurie Sullivan @lauriesullivan, August 22, 2022



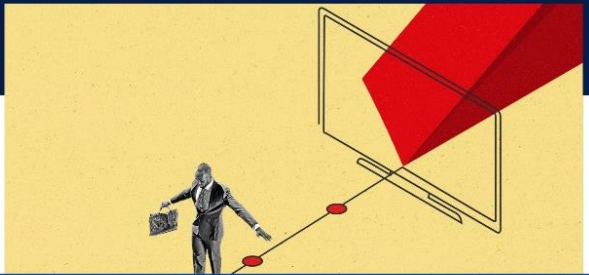
“As a new public company that provides both programmatic buy- and sell-side solutions for an array of advertisers, I look forward to increasing brand awareness for Direct Digital Holdings and its successful portfolio of operating companies,” Vilchez Lowrey said.

UPCOMING EVENTS  
 Email Insider Summit December 11 - 14, 2022  
 Stein Eriksen Lodge, Park City, UT

WEBINARS FROM MEDIAPOST ADVERTISERS  
 How Advertisers Can Deliver Results This Holiday Shopping Season  
 Tuesday September 27 1:00pm ET  
 PRESENTED BY nexstar DIGITAL

*the Current*  
**Netflix says it’s adopting a ‘crawl, walk, run model’ to addressability**

JULY 20, 2022 • 3 MINUTE READ  
 f t in e



FUTURE OF TV  
 Explore how advertisers are embracing new opportunities on the world’s most influential advertising medium.

**The Latest**

“While consumers may not understand the conversations surrounding cookies and identity, they are affected by it when it comes to their consumption — and have been given the right to choose,” Mark Walker, CEO of the ad tech holding group Direct Digital Holdings, tells *The Current*. “If buyers want to use their budgets efficiently to target potential clients, [solving for] identity will be a necessary tool.”



### DATA POINTS Infographic: Diverse Audiences Value Brands That Show Up Where They Are

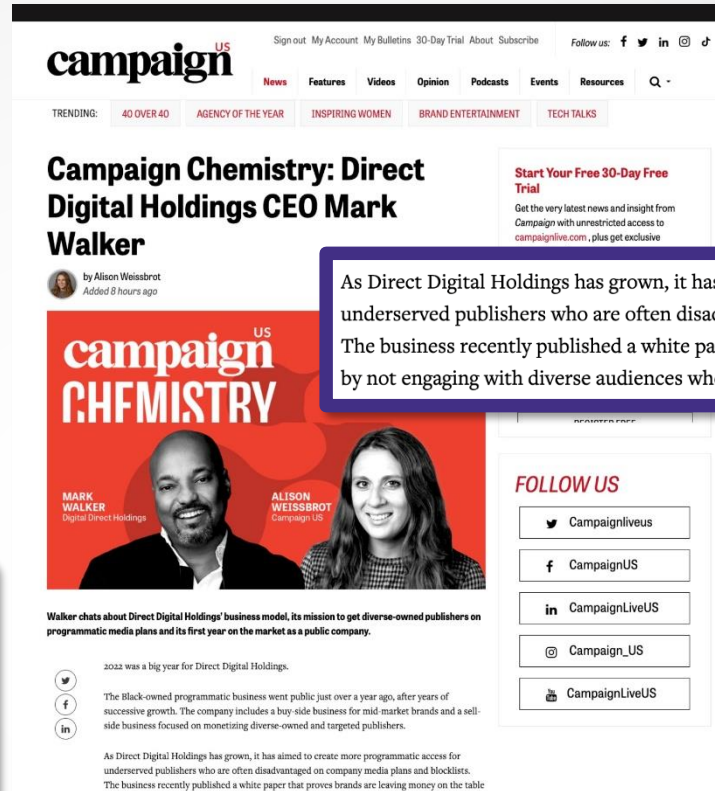
Marketers have a 'significant opportunity' to grow sales by demonstrating their support



"A significant opportunity exists for brands to grow sales and expand their market share by demonstrating support," said Mark Walker, co-founder and CEO of DDH.

A survey of AAPI, Black, LGBTQ+ and Hispanic/Latinx adults reveals they're more likely to notice ads on diverse media than mainstream outlets. Most are also inclined to take action, whether that means telling a friend or buying the product.

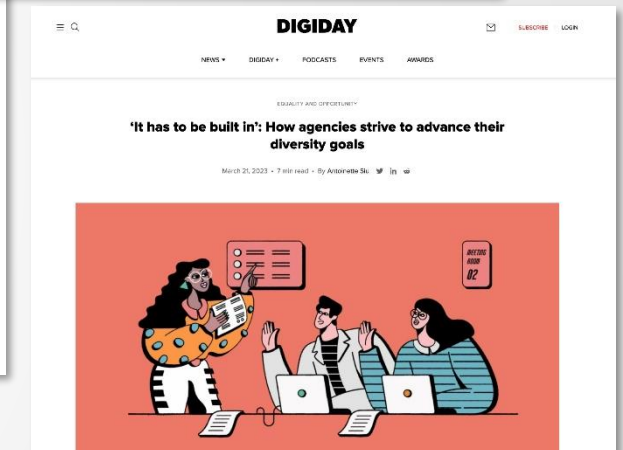
Overall, nearly 8 in 10 diverse consumers feel more positive about brands that advertise on media properties either led by or directed at people like them. As Walker put it, the figures show this group of shoppers is "telling brands, unambiguously, that if marketers show up for them, they will show up for the brands."



As Direct Digital Holdings has grown, it has aimed to create more programmatic access for underserved publishers who are often disadvantaged on company media plans and blocklists. The business recently published a white paper that proves brands are leaving money on the table by not engaging with diverse audiences where they spend their time.



Huddled Masses Colossus SSP ORANGE 142



In advertising, there is also a business incentive in engaging communities of color. Research shows that consumers will stick with brands or favor a company when they see diverse and multicultural media. Some 90% of U.S. consumers belonging to BIPOC (black, indigenous and people of color) and LGBTQ+ communities said they would switch over from a competitor, tell others about a brand or support it on social media if a company is investing in their community, according to data from ad tech firm Direct Digital Holdings.



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**MUST READ**



**PODCAST: ADEXCHANGER TALKS**

### Walking The DEI Walk With Direct Digital Holdings CEO Mark Walker



Tuesday, Feb 14, 2023

Brands targeted

Marginalized that rec Mark Wa Digital H AdExch

"Audien noticing

Brands that don't invest in diverse-owned and targeted media are missing out on revenue.

Marginalized consumers appreciate the brands that recognize them in an authentic way, says Mark Walker, CEO and co-founder of Direct Digital Holdings (DDH), on this week's episode of AdExchanger Talks.

"Audiences in those communities reward you for noticing them," Walker says.



A podcast interview with **Mark Walker**

CEO & Co-Founder  
Direct Digital Holdings

"Consumers consistently told us that they factor in whether brands exhibit genuine support for their communities -- so much so that a large majority factor in this support when deciding what to buy or not to buy," Mark D. Walker, co-founder, chairman and CEO of Direct Digital Holdings, said in the report.

MediaPost News Events Awards Members More Q

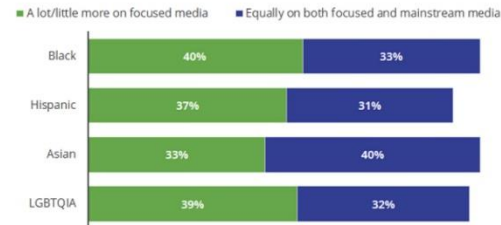
PREMIUM

ResearchIntelligencer

## Multicultural Consumers Notice Where Brands Advertise

by Robert Williams, 21 minutes ago

How do you notice ads on focused or mainstream media?



Source: Direct Digital Holdings, Horowitz Research; base = 1,342 U.S. adults 18+ including more than 300 respondents each from the Black, Hispanic/Latin, AAPI and LGBTQIA+ communities, Sept.-Dec. 2022

As the U.S. population becomes more multicultural, brands need to adjust their advertising strategies to reflect changing norms and sensibilities.

That's because consumers in diverse social groups are more likely to be aware of brands that advertise in media channels catering to their communities.



Huddled Masses Colossus SSP ORANGE 142

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TRENDING: INSPIRING WOMEN SUPER BOWL AGENCY PERFORMANCE REVIEW BRAND ENTERTAINMENT TECH TALKS

### The Trade Desk draws in \$1.6 billion in 2022

by Jessica Hygate February 16, 2023

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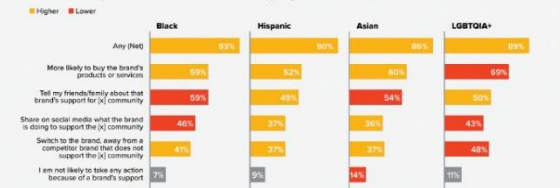


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#### Trends

Diverse consumers pay close attention to the brands they see advertised on diverse-focused media properties, according to a survey conducted by Horowitz Research on behalf of Direct Digital Holdings. The survey of over 1,300 adults, including 300 Black, Hispanic/Latin, AAPI and LGBTQIA+ respondents, found that more than half say they are more inclined to purchase a brand's products when they see them supporting their community.

#### Actions Likely to Take as a Result of a Company/Brand's Support for Diverse Communities



# CYNOPSIS

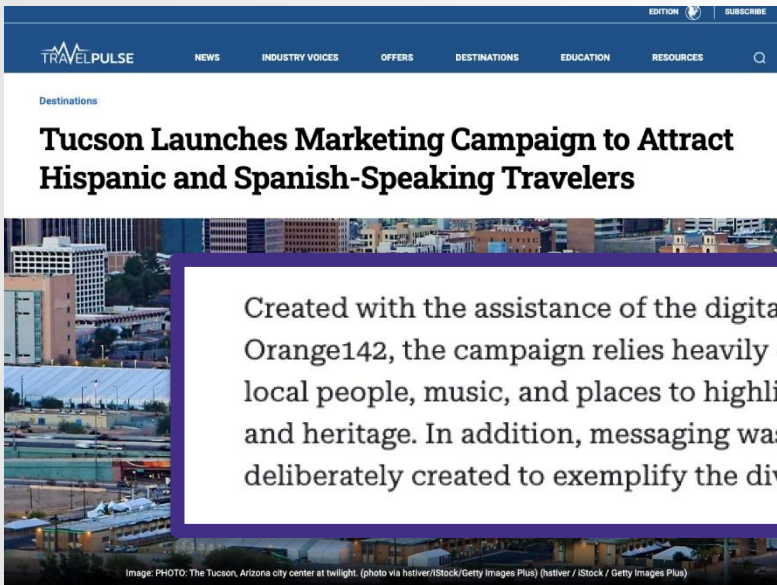
Media's First Morning Read

Wednesday February 15, 2023



Huddled Masses Colossus SSP ORANGE 142

**Almost 90 percent of diverse/multicultural consumers report taking action** because of a company investing in their community, according to a whitepaper from Direct Digital Holdings, "Dollars & DEI: Multicultural Consumers Insights on Brands' Media Buying and Marketing Practices."



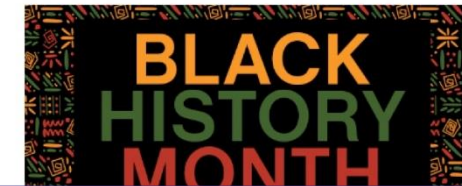
Created with the assistance of the digital marketing agency Orange142, the campaign relies heavily on stories and images of local people, music, and places to highlight Tucson's vibrant culture and heritage. In addition, messaging was thoughtfully and deliberately created to exemplify the diversity of the Tucson region.



## A Seat at the Table With Lashawnda Goffin, CEO, Colossus SSP

By Yakira Young February 28, 2023

FOUND IN: Programmatic Black History Month Colossus SSP SSP yyoung



To say she is a star in her own right would be an understatement. CEO by day, mommy and singer by day and night, Lashawnda Goffin takes pride in being inclusive, not exclusive, with a people-first mentality.

**LG:** Colossus was formed before the unfortunate incident where social unrest was triggered. That was the pivotal moment when brands started to think of ways to give back to the community. DDH just released a white paper, **Dollars & DEI: Multicultural Consumers' Insights on Brands' Media Buying and Marketing Practice**, and it speaks about advertisers needing to put their money where their mouth is and how consumers in these audiences react and choose to support brands that give back to their community.

HOUSTONINNO

STORIES / NEWS

## Direct Digital Holdings reports net profit despite 'volatile year for advertising' in first public year-end results

Mark Walker, left, and Keith Smith are co-founders of Direct Digital Holdings.

By Jishnu Nair - Reporter  
March 24, 2023, 02:06pm CDT

MONSTERS EVENTS MONSTERSHIP SPONSORSHIP TOPICS DECODER WRAPPER PLAYBOOKS JOBS

TOP WOMEN IN MEDIA & AD TECH 2023 CALL FOR ENTRIES

## The Neglected Demographic: Multicultural Ad Spend

By Andrew Byrd February 17, 2023

FOUND IN: Brand Safety Brand Suitability Sites of Our Lives Ad spend DEI Direct Digital Holdings aburd

Back in the 90s, when Mark D. Walker, Co-Founder and CEO, Direct Digital Holdings, started in the media business, he heard murmurs that the consumer landscape was evolving to become more ethnically and culturally diverse.

Black Americans drove culture and wielded immense spending power, birth rates for Hispanic Americans were rising, AAPI's consumers were increasing in income, and marketers began to allocate a significant portion of their ad spend to these groups. Yet, industry spending on these groups was minimal.

In 2023, Walker hears the same murmurs. He says that as the industry evolves, marketers need to be more intentional in their advertising strategies to reach these diverse communities.

### "Put Your Money Where Your Mouth Is": Action v. Empty Promises



Marketers are aware of the changing demographics, but what methods should they use to reach these communities?



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WHO'S WHO

## 3 Houston innovators to know this week

Natalie Harms Feb 20, 2023, 8:35 am

Mark Walker, Will Womble, and Steve Altemus

Editor's note: In this week's roundup of Houston innovators to know, I'm introducing you to three local innovators across industries — from adtech to aerospace — recently making waves.

"If you think the process is hard — it actually is," Walker says on the journey to IPO. "We were a privately held company, and we knew we had a good growth trajectory and we looked a couple different options. We decided to go public in a very traditional way." [Read more.](#)

Houston-based advertising technology company Direct Digital Holdings (Nasdaq: DRCT) reported a solid finish to its first year as a public company, despite what CEO and co-founder Mark Walker referred to as a "volatile year for the advertising industry."

DDH finished 2022 with net income of \$2.9 million, compared to a net loss of \$1.5 million in 2021. Its full-year revenue was \$88 million, a 131% increase from the previous year.





# Awards & Recognition

# Awards & Recognition



Huddled Masses | Colossus SSP | ORANGE 142

Mark Walker named by [Texas Black Expo, Inc.](#) as a 2023 Corporate Titan Award recipient, an award for demonstrating exemplary commitment to investing in and supporting businesses that positively impact urban communities.

[Direct Digital Holdings](#) honored as the **5th fastest growing** Longhorn owned or led businesses in the world at the inaugural **Longhorn 100** awards celebration

Mark Walker and Keith Smith Named as [EY's Entrepreneur Of The Year® Gulf South Award Winners](#). It's an honor to be recognized as the founders of a high-growth technology company that is actively working to build a more equitable, sustainable and prosperous world through the digital advertising solutions we offer through [Colossus SSP](#), [Huddled Masses](#), [Orange142](#).

[Direct Digital Holdings](#) honored by [Houston Business Journal's](#) as Top 2023 Diversity in Business Awards program honoring organizations and individuals committed to promoting practices that advance diversity and inclusion in the workplace

[Direct Digital Holdings](#) recognized by The [Houston Business Journal](#) for Top 2023 Fastest Growing Houston-area middle market companies.

Lashawnda Goffin, Chief Executive Officer of Colossus SSP, has been selected to win the 2023 Catalyst Award, a special accolade that is part of the AdExchanger and AdMonsters' 2023 Top Women in Media & Ad Tech program. The award is given to a woman industry leader who has driven a tremendous amount of growth for the business and team over the past year



# Awards & Recognition (continued)



Huddled Masses | Colossus SSP\* | ORANGE 142

Deloitte announced that Direct Digital Holdings placed 108<sup>th</sup> on the [Deloitte Technology Fast 500™](#), a ranking of the 500 fastest-growing technology, media, telecommunications, life sciences, fintech and energy tech companies in North America, now in its 29<sup>th</sup> year. During the measurement period, Direct Digital Holdings grew 1,325%, making it the 8<sup>th</sup> ranked company in Deloitte's Digital Content / Media / Entertainment division. The Company placed among the top 20% of all companies on the list and was ranked #6 in Texas.

**500™**  
**Technology Fast 500**  
**2023 NORTH AMERICA**  
**Deloitte.**



Ernst & Young LLP (EY U.S.) announced that [Mark D. Walker and Keith Smith of Direct Digital Holdings were named an #Entrepreneur Of The Year® 2023 Gulf South Award winner](#). The Entrepreneur Of The Year Awards program is one of the preeminent competitive awards for entrepreneurs and leaders of high-growth companies. Mark and Keith were selected by an independent judging panel made up of previous award winners, leading #CEOs, investors and other regional business leaders. The candidates were evaluated based on their demonstration of building long-term value through #entrepreneurial spirit, purpose, growth and impact, among other core contributions and attributes.



Colossus SSP was recognized with a SAMMY Award for its unique technology stack combining #insights and #intelligence in the #digital #advertising buying ecosystem.





# Case Studies & Whitepaper

# Case Studies



Huddled Masses  
A Direct Digital Holdings Company



Huddled Masses Colossus SSP ORANGE 142

## ORANGE 142™

**Case Study**

**Huddled Masses**  
A Direct Digital Holdings Company

### How we drove visitation at the Naples Zoo

The Naples Zoo was looking to find a new agency partner who could help them drive ticket sales and increase their overall ROI. Their current agency had only been having them run brand awareness campaigns and was not tracking anything beyond clicks. In addition they also were looking for a partner who had experience running multicultural campaigns.

**PRE-LAUNCH APPROACH**

Our team created pixels and assisted the client with placing them on their website. We also did test purchases to ensure everything was tracking properly prior to launch. One week after the campaign launch, we tested all of the data we had gathered and began making optimizations and moving budget towards the strategies that were driving the most conversions, creating new strategies based on our learnings and testing out strategies that were not working.

**LAUNCH TACTICS**

Behavioral Targeting: We used to Market for Latent Audiences, Family Fun & Hispanic Families.

Contextual Targeting: We targeted content related to parenting & families.

Lookalike Modeling: Our proprietary algorithm identified lookalike audiences and targeted consumers who are similar to ones that are converting.

Remarketing: We retargeted to people who visited the site but did not purchase a ticket.

Cart Abandonment: We created a unique remarketing strategy for users who had added tickets to their cart, but did not complete checkout.

A/B Testing: We used Spanish and English versions of the ads to determine which version of the ad resonated best with the Hispanic audience and tested to see what drove more sales.

**Case Study**

**ORANGE 142™**  
A Direct Digital Holdings Company

### Orange142's Digital Advertising Success with Multicultural Hispanic Audiences

Orange142, a digital marketing agency, successfully targeted a multicultural Hispanic audience with digital advertising channels. The objective was to increase website traffic for the "Venos a Tucson" website and personally connect with the target audience. Through targeted messaging, high-quality creative assets, and various ad channels, Orange142 aimed to increase engagement and drive significant results.

**STRATEGY**

Orange142 used a multi-faceted strategy to reach the multicultural Hispanic audience. This included a variety of ad channels such as social media, display advertising, and search engine marketing. The targeted messaging resonated with the Hispanic audience's specific interests, focusing on culture and heritage. High-quality creative assets relevant to the Hispanic language and culture were also used to stand out.

**EXECUTION**

Within the first three weeks of the campaign, Orange142 could serve/deliver:

- 1,228,925 ad impressions
- 13,771 ad clicks delivered
- 500% increased web traffic

One of the most significant reasons for Orange142's success in reaching the multicultural Hispanic audience was the use of the Direct Digital Holdings platform. The platform allowed Orange142 to identify and target audiences based on language, location, and cultural interests.

**Case Study**

**ORANGE 142™**  
A Direct Digital Holdings Company

### Emory Goizueta Results

Orange142 established unique objectives for Emory Goizueta School of Business' FY23 graduate enrollment campaign with a strong focus on lead generation measured by RFI and application completions.

**GRADUATE PROGRAMS**

- One-Year MBA
- Two-Year MBA
- MS in Business Analytics
- Master of Analytical Finance
- Executive MBA

**TARGET AUDIENCES**

- Undergraduate business students
- Working Business Professionals
- Executive Schools

**TIMELINE: ONE YEAR**

- IMPRESSIONS: 24M
- LEADS: 12K
- CLICKS: 300K

Data-driven analytics. Creative thinking. Leading-edge technology. We want to use our tools and knowledge to meet your needs and envision your business. We are Orange.

**Case Study**

**ORANGE 142™**  
A Direct Digital Holdings Company

### University of Pennsylvania Summer Program

The University of Pennsylvania's Summer Program campaign aimed to attract potential students for their "Penn Summer" program. This program provides summer classes for students in the 16-state area who wish to take courses at home or attend an Ivy League school during the summer.

**STRATEGY**

The campaign employed various channels to reach the targeted audience effectively. Most of the focus was on the Delaware Valley (PA) to attract local students, accounting for 80% of the campaign's volume. Additionally, 50% of the targeted area allocated towards students from feeder schools such as Pennsylvania, Cornell, Boston College, and Colgate. To optimize reach and engagement, the campaign used different methods such as paid search, social lead generation, in-feed targeting, streaming audio, and display/targeting.

**EXECUTION**

- 1. Paid Search:** Strategic keyword targeting and conversion tracking to ensure high-quality leads.
- 2. In-feed Targeting:** Content tailored to user interests and behavior patterns to increase engagement.
- 3. Social Advertising:** Display ads with video content on social media platforms to reach a wider audience.
- 4. Remarketing:** Retargeting users who visited the program website but did not complete an application.

**Case Study**

**ORANGE 142™**  
A Direct Digital Holdings Company

### Dollywood/Pigeon Forge Co-Op Campaign

The objective of the Dollywood/Pigeon Forge Co-Op campaign was to increase awareness of Dollywood's seasonal festivals and on-site resort among individuals strongly considering a visit to Pigeon Forge. The campaign aimed to leverage the target audience from the Destination Marketing Organization (DMO) partner, Pigeon Forge, Tennessee, and provide a compelling reason for them to visit Dollywood.

**STRATEGY**

To attract more visitors to Dollywood, the marketing strategy targeted people already interested in Pigeon Forge through their digital media campaigns and mobile ID audience segments. The goal was to capture these individuals' attention and encourage them to choose Dollywood as their next destination.

**EXECUTION**

**THE CAMPAIGN RAN FOR NINE MONTHS**

The primary markets targeted: Created ads, targeted, placed, tracked, and optimized. South America and the Caribbean, Europe, and Asia.

Additionally, the campaign strategically had cross-market reach with the US and other regions such as Chicago, Cleveland, Houston, and Washington, DC.

The tactics used in the campaign included Video Instream, Mobile Audio, Native, Display, and Search-Based Display. These channels allowed for a multi-faceted approach, reaching the target audience across various platforms and formats, ensuring maximum visibility and engagement.

**Case Study**

**Huddled Masses**  
A Direct Digital Holdings Company

### How we help agencies

An agency in Colorado RFP'd Huddled Masses for an upcoming annual campaign for a travel client that they had been running with a different partner. They were looking to see what we could do to improve the current campaign results.

- We presented a comprehensive plan that included foot traffic reporting as an added value and were able to provide a lower CPM with more transparency into where ads were running.
- The agency awarded us the business on a trial basis, with the expectation that we would increase visitation by a minimum of 10% over the prior partner.
- The agency has since RFP'd and awarded Huddled Masses multiple campaigns for additional advertisers, as well as renewing the current campaign.
- When asked why the agency enjoyed working with Huddled Masses they stated that the client service, transparency, pricing and reporting were above and beyond expectations.

The foot traffic reporting revealed that Huddled Masses drove 7,738 visitors into the town of Telluride, exceeding the last partners efforts by 27%.

huddledmasses.com

**Case Study**

**ORANGE 142™**  
A Direct Digital Holdings Company

### University of Georgia Online

The objective of the University of Georgia Online campaign was to drive program awareness and generate leads for select programs offered by the university's online arm. The campaign targeted specific demographics and psychographics to create program-based personas and effectively promote the university's diverse master's programs and graduate certificates.

**STRATEGY**

A targeting mix was developed to effectively reach potential students by creating targeted personas for each program. This involved analyzing the demographics of higher education prospects and program-specific psychographics to understand their characteristics and interests. By tailoring the messaging and selecting appropriate marketing channels, the campaign aimed to engage the target audience effectively.

**EXECUTION**

- 1. Program Research & Identification:** Identify key programs and their unique value propositions.
- 2. In-feed Targeting:** Utilize user interests and behavior data to target relevant audiences.
- 3. Social Advertising:** Deploy targeted ads on social media platforms to reach potential students.
- 4. Remarketing:** Retarget users who visited the program website but did not complete an application.
- 5. Search-Based Display:** Utilize search-based display advertising to reach users actively searching for related content.
- 6. Video Instream:** Place video ads on streaming video platforms to reach potential students during their leisure time.

**Case Study**

**ORANGE 142™**  
A Direct Digital Holdings Company

### Cape Resorts Luxury Destination Campaign

The Cape Resorts campaign aimed to position their properties as premier luxury destinations in select geographical markets, including NYC, Philadelphia, Connecticut, Maryland, and Delaware. The campaign aimed to increase brand awareness and generate qualified traffic to the designated landing page.

**STRATEGY**

To achieve the client's goal, we developed a comprehensive strategy focused on persona targeting, demographics, and lead intent while considering luxury brand consumers' high household income (HHI) characteristics. The campaign utilized various tactics to reach the target audience effectively.

**EXECUTION**

- 1. Audience Segmentation:** Identify and target high-income, luxury-seeking individuals.
- 2. In-feed Targeting:** Utilize user interests and behavior data to target relevant audiences.
- 3. Social Advertising:** Deploy targeted ads on social media platforms to reach potential luxury travelers.
- 4. Remarketing:** Retarget users who visited the landing page but did not complete a booking.
- 5. Search-Based Display:** Utilize search-based display advertising to reach users actively searching for luxury travel options.
- 6. Video Instream:** Place video ads on streaming video platforms to reach potential luxury travelers during their leisure time.

Released

Pending Release

# Direct Digital Holdings Whitepaper – *Dollars & DEI: Multicultural Consumers’ Insights on Brands’ Media Buying and Marketing Practices*



Huddled Masses | Colossus SSP\* | ORANGE 142



## Dollars & DEI: Multicultural Consumers’ Insights on Brands’ Media Buying and Marketing Practices



ORANGE 142 | Colossus SSP\* | Huddled Masses

Digital advertising built for everyone.

The findings reveal that brands, at a time of economic uncertainty, are currently missing out on significant revenue and market share growth opportunities – and jeopardizing future growth – due to a lack of appropriate and purposeful focus on the Black, Hispanic/Latin, AAPI, and LGBTQIA+ communities.

Featuring both quantitative research and commentary from industry leaders, the paper offers actionable guidance for brands, agencies, media buyers and businesses.

### Takeaways include:

- ❑ How diverse/multicultural communities respond when brands purposefully show up for them – and how they react when marketers fail to deliver on earlier promises to engage
- ❑ What it takes to inspire positive action and vocal brand advocacy from diverse/multicultural audiences
- ❑ The critical role that marketers’ media buying strategy plays in the mix – and how investing in targeted diverse/multicultural media creates greater impact
- ❑ Insights into other factors, such as creative representation and diverse business/vendor partnerships, that also influence these consumers

### Press Coverage:

Adweek February 14, 2023  
[Infographic: Diverse Audiences Value Brands That Show Up Where They Are](#)

AdExchanger February 14, 2023  
[AdExchanger Talks: Walking The DEI Walk With Direct Digital Holdings CEO Mark Walker](#)

Cynopsis Media Tech February 15, 2023  
[In the News: Almost 90 percent of diverse/multicultural consumers report taking action.](#)

Campaign U.S. February 16, 2023  
[Tech Fix: Trends](#)

MediaPost February 16, 2023  
[Research Intelligencer: Multicultural Consumers Notice Where Brands Advertise](#)

AdMonsters February 17, 2023  
[The Neglected Demographic: Multicultural Ad Spend](#)

Cynopsis Media Tech February 27, 2023  
[Advertising: Almost 90 percent of diverse/multicultural consumers report taking action.](#)

Campaign U.S. March 20, 2023  
[Campaign Chemistry: Direct Digital Holdings CEO Mark Walker](#)