

dTimeCode	Text
00:00:00:00	<p><b>Adam Singolda:</b> Let's start?</p> <p><b>Interviewer:</b> Yes, we can.</p> <p><b>Adam Singolda:</b> Good morning. Welcome to Taboola.</p> <p><b>Adam Singolda:</b> Introduction. Eldad is President and COO of Taboola, for those who don't know him. He generally has the luxury of not participating in investor meetings. But because we're in Israel, I've wrangled him into joining and answering us... To answer questions. And I'm Adam.</p>
00:00:30:00	<p><b>Adam Singolda:</b> I've spoken to most of you before.</p> <p><b>Interviewer:</b> Do you want to first provide an overview about... You know, where you are today? A little background and then, like, we'll get into the specific products and things like that?</p> <p><b>Adam Singolda:</b> OK. So Taboola, we play in a market called the open web. There are actually... We see the world divided into like walled gardens, which are Google, Facebook, Amazon, TikTok.</p>
00:01:00:00	<p><b>Adam Singolda:</b> Which in many respects, are all companies that are recommended but they serve themselves. If you go to Amazon, Amazon's homepage, it recommends things for you to buy. You go to Instagram, you can see pictures of friends, but recommendations that are from all kinds of advertisers around the world, the same for Google.</p> <p>When you come to open web, it's a billion dollar market that, in many respects, still looks the way it did 30 years ago, which is like a big page with content and banners and all kinds of feeds of ads and we imagine that the future, in many respects will look like</p>
00:01:30:00	<p><b>Adam Singolda:</b> Like TikTok or like Twitter, but on open web it's personalized, relevant, native. So Taboola, in fact, what we try to do is be the open web's recommendation company, to give the power of Google and Facebook and the like to all websites and all services on the open web, which is an app for your telephone device or website that you open in a browser and the like. We started 15 years ago. We're about 2,000 people and 28 offices, 22 countries. What else is interesting?</p>

00:02:00:00	<p><b>Adam Singolda:</b> What else is interesting to tell you? I'm sure lots of questions about Yahoo too.</p> <p><b>Interviewer:</b> So, actually, give us a little overview, where you stand with Yahoo now About the progress, where you stand compared to the timetable, because you delayed it a bit, towards 2024, right? From the initial forecast.</p> <p><b>Adam Singolda:</b> Yes, so we signed a deal with Yahoo, which is actually a very special transaction, a three-way deal of all the... for 30 years. Where actually Yahoo's advertisers,</p>
00:02:30:00	<p><b>Adam Singolda:</b> Yahoo's data and Yahoo itself will be Taboola's partners for 30 years. We still have not become familiar with the deal, we said from the outset that it would come up in the second half of 2023 or into 2024, so we only affirmed the timeline.</p> <p><b>Interviewer:</b> OK.</p> <p><b>Adam Singolda:</b> We said that the size of the deal is approximately \$1 billion, revenue \$150 million in EBITDA and \$100 million in free cash flow once it's fully launched. When we said that it's...</p> <p><b>Interviewer:</b> Only from the deal?</p> <p><b>Adam Singolda:</b> Only from Yahoo itself. And that's only what's there, like... What we see today on Yahoo Live, that's before e-commerce,</p>
00:03:00:00	<p><b>Adam Singolda:</b> Before many other things that can happen inside Yahoo. So in many respects, it's incredible, because Yahoo, a company that's been around for about 30 years, hasn't changed in many, many years. In other words, just to explain it clearly, Yahoo is worth about \$1 billion in revenue annually to Taboola. Yahoo itself has still not launched bottom of article recommendations.</p> <p>That means that if you look at Taboola's business, which is about \$1.5 billion annually before Yahoo, most of Taboola's revenue today, is... You read an article on CNBC or ynet, and at the bottom of the article there are...</p>

<p>00:03:30:00</p>	<p><b>Adam Singolda:</b> There are Taboola's recommendations, so... and with Yahoo, most of the recommendations, most of the revenue is actually from the homepage and section front and the like. In other words, Yahoo itself, has so much upside from things that it can do.</p> <p>So what we said about this market, if with Yahoo we only do what we see on Yahoo Live today, which is you come to Yahoo's homepage, and there's like a native feed on the homepage.</p> <p>So before header bidding and before e-commerce and before other things, there's about \$1 billion annually...</p> <p><b>Interviewer:</b> Wait a second, but what do you mean they didn't have bottom of pages? What did Gemini do?</p>
<p>00:04:00:00</p>	<p><b>Adam Singolda:</b> homepage.</p> <p><b>Interviewer:</b> homepage.</p> <p><b>Adam Singolda:</b> So Gemini Business, which is Yahoo's Taboola, is even now, only launched on the homepage, on the section front and on right trail, on articles.</p> <p><b>Interviewer:</b> And those are the figures? Meaning that Gemini is... It's the \$1.5 billion...</p> <p><b>Adam Singolda:</b> Almost a billion.</p> <p><b>Interviewer:</b> Almost a billion.</p> <p><b>Adam Singolda:</b> Yes, because there is a sort of synergy that will expect will happen on Taboola's network, so most of it is within Yahoo. So only... So...And that's before network effects, because if you look at Taboola in recent years,</p>
<p>00:04:30:00</p>	<p><b>Adam Singolda:</b> Who the biggest is in our field is very important. Let's say Taboola's gross margin was doubled over the last seven years and even today, when we are the biggest in a competitive market, Taboola's gross margin is almost double that of the company behind us, which is almost three times that of the company behind them.</p> <p>That means, you as investors know that the gross margin is a good proxy for competitive, technological advantage. So we... I believe that even the Yahoo deal is not only a lot of revenue, also because it, too, contributes to Taboola's competitive advantage. So all this brings the Taboola to the other side.</p>

<p>00:05:00:00</p>	<p><b>Adam Singolda:</b> From a company that is about \$2.5 billion in gross revenue run rate and we gave numbers, we gave guidelines for 2024, that we said that it will be no less than \$200 million in revenue and no less than \$100 million in free cash flow.</p> <p>Taboola is currently traded at 10X EBITDA or something like that, depending on what you look at, but that's what it looks like. And therefore, it's an opportunity for us and for the... community to join Taboola, the way we see it.</p> <p><b>Interviewer:</b> Really against the competitors, like taking the adtech,</p>
<p>00:05:30:00</p>	<p><b>Interviewer:</b> So it's relatively high, 10X EBITDA. How do you...like, in terms of the growth over the coming year, you are supposed to grow, according to the guidelines you gave, between 5% at the... bottom, 1%, top, 5%. How actually... Let's say, Yahoo moves forward the way it's supposed to. Is the core business actually hurt? Like, in your projection,</p>
<p>00:06:00:00</p>	<p><b>Interviewer:</b> Do you project there will be a decline in terms of... You know, project for recession and things like that? Or... You took that...</p> <p><b>Adam Singolda:</b> In the market this year, we are approximately at \$70 million in EBITDA and next year at 200. So we do anticipate high growth from this year into next year and also in free cash flow. We... The mode we gave, the assumption we made is that Taboola's yield, which is actually how much we improve the AI and how many advertisers we add, in the model, we actually showed it as flat, for both this year and next.</p>
<p>00:06:30:00</p>	<p><b>Adam Singolda:</b> I think it's conservative both because Yahoo... Joined Taboola, thousands of advertisers to Taboola, We will merge the Yahoo's data and Taboola's data and I think that...</p> <p>Like I say to people at Taboola, there is no global recession, meaning the future is in our hands, because despite this we are only at \$1.5 or \$2.5 billion of a \$100 billion market, and we are investing significantly in performance advertising, in e-commerce, in header bidding, so that's my personal opinion,</p>
<p>00:07:00:00</p>	<p><b>Adam Singolda:</b> The fact that there isn't really a recession and, therefore, Taboola, I expect us to grow and become stronger, because this will continue to progress. But to be conservative, we assumed that there would be no Yahoo revenue at all this year and for the sake of remaining conservative, assumed that the yield is flat for both this year and next.</p> <p><b>Interviewer:</b> So it could be that this will be a source of a surprise?</p> <p><b>Adam Singolda:</b> That's what we gave.</p>

	<p><b>Interviewer:</b> OK. Alright. Can you take us through the phases for Yahoo?</p>
<p>00:07:30:00</p>	<p><b>Interviewer:</b> Right, you have phase zero, phase 1. Now we're at phase zero, right?</p> <p><b>Adam Singolda:</b> Yes, I'll let Eldad get into that, but first of all, in terms of the forum, feel free to ask whatever you want. We have like a pre-structure, but... Feel free.</p> <p><b>Eldad Maniv:</b> The different phases. The phase, what we called phase zero is actually detailed planning of how the integration will be done. We actually signed the deal.</p>
<p>00:08:00:00</p>	<p><b>Eldad Maniv:</b> Without getting into all the details, and immediately after the deal closed, it started, started before that, but there was detailed planning. We actually, most things we already completed. There are still supplemental things.</p> <p>Phase one is the development phase. There are lots of integrations that need to be done, features that don't exactly match. For example, certain ad formats that take a certain form</p>
<p>00:08:30:00</p>	<p><b>Eldad Maniv:</b> When we were able to transfer certain data. So there are lots and lots of things.</p> <p>That's the phase... the phase we're currently in. Phase one actually says that as soon as we built all the features and there's a match, we begin experimenting. We send water through the pipes or a little revenue and a little advertising through this integrating and see that it actually all works. We reach around</p>
<p>00:09:00:00</p>	<p><b>Eldad Maniv:</b> 5% of the revenue that is supposed to go through the transaction goes through.</p> <p>As soon as this happens, we actually have a button that we can start growing. The problem with the integration or the... Not problem, the challenge it poses is... We've done deals with publishers, very large deals. It generally takes us days to take a new supply like Yahoo and enter it into the system.</p> <p>We've done deals with large advertisers.</p>
<p>00:09:30:00</p>	<p><b>Eldad Maniv:</b> But we didn't take a closed system, because with Yahoo there is both the supply side and the demand side together, and they work. So just to do the supply, just to add them to our network would create a problem with the advertisers. If we would enter the advertisers first, it would create a problem with the supply.</p> <p>So we actually need to enter them together.</p>

	<p>So, therefore, first of all, we check that everything works and then we slowly but surely start to increase,</p>
<p>00:10:00:00</p>	<p><b>Eldad Maniv:</b> We see that everything works and then we actually have a button so we can transfer it.</p> <p>From this phase, we check that everything works and see that it's integrative, and that everything can go through the pipes, and then the next step is to create that growth, to go from 5% to 100%.</p> <p>And the third phase that comes after this is a phase of...</p>
<p>00:10:30:00</p>	<p><b>Eldad Maniv:</b> Code on page at Yahoo, all the integrations... Today, Gemini works without code on page, but through integrations... What's called server to server. We see significant value in the integration of our code on Yahoo's pages, on Yahoo News, Yahoo Finance, Mail, everywhere, and this third phase is actually when we will have first-party data due to being on the page for the third party.</p> <p>Phase three also includes</p>
<p>00:11:00:00</p>	<p><b>Eldad Maniv:</b> Additional things like bidding and potential for growth, as Adam mentioned, like commerce, which aren't closed yet.</p> <p><b>Adam Singolda:</b> The code-on-page page... Today, all of Taboola's publishers, approximately 8,000 worldwide... One of the things that differentiates Taboola from adtech companies, historically over the past 10, 20 years, is that most adtech companies, generally do not have long-term exclusive relationships and generally try... They are in a waterfall, the bid for banner inventory. Which means that you back to the website.</p>
<p>00:11:30:00</p>	<p><b>Adam Singolda:</b> The website... This adtech doesn't know that it's the same person. So, actually... Even companies like The Traders, which are good companies, they are always third party, so they need to start from scratch every time.</p> <p>And with Taboola, one of Taboola's advantages is that you at least go back to the same website, even in an environment like Safari, we know that you are the same person, same computer, same device, and this helps us perform optimizations and improve the yield, and then at Yahoo when we meet...</p> <p><b>Interviewer:</b> For the header bidder or in general?</p> <p><b>Adam Singolda:</b> In general. In other words, on the same website... That's the competitive advantage with header bidder.</p>

00:12:00:00	<p><b>Adam Singolda:</b> So when we are participating in an environment of banners, what we have that others don't is that we already know what you clicked, what you read, all kinds of things like that.</p> <p><b>Interviewer:</b> Increases? Adam, a question about this, on this subject. So you are considered... You are, in terms of ATT and TMA and all that, are you required to have an opt-in each time or are you considered a first party for everything?</p> <p>Do you get the ATT or not? With you.</p> <p><b>Adam Singolda:</b> No.</p> <p>The publisher is... If the publisher... There are publishers who ask on their own</p>
00:12:30:00	<p><b>Adam Singolda:</b> That you do opt-in opt-out, let's say GDPR in Europe and the like. So what they manage to obtain, we're part of that.</p> <p>In most cases, they don't request it, these websites. In Europe, in Germany, and the like, they ask for it more. Most of the time, the users click OK. But we, ourselves, don't need to perform any approval process. So in most cases, we are not exposed at all to ATT or third-party cookie.</p> <p>By the way, if you also look at...</p> <p><b>Interviewer:</b> So you've stayed with the model... As opposed to, let's say, Meta, which is currently a model...</p>
00:13:00:00	<p><b>Adam Singolda:</b> Like yes and no, because we also perform extrapolations. Not about whether you are the same person, but people like you, what they do and all kinds of things like that.</p> <p>But we do know that you are the same person who is returning to the same website. Meta, what they did that we simply never did, right?</p> <p>It's not that we lost something, because we never ever had it.</p> <p>What Meta did over a very long period is... The provided an SDK to millions of apps, and the SDK was supposed to do things like Facebook Connect and Like and all kinds of things like that.</p>

<p>00:13:30:00</p>	<p><b>Adam Singolda:</b> But what they didn't tell these apps or users was that every time you order pizza from Wolt, they know that you like pizza. So alternatively, you take an uber somewhere, they know that you tend to go to that place. So they did this for many years, and that's over.</p> <p>Now, Taboola, from the get-go, never did this. Taboola is a company that is far more contextual by definition and therefore we were not exposed to this to begin with, and we are far more resilient to an environment of... To leverage the contextual and first-party data. So they had...both them and Snap.</p>
<p>00:14:00:00</p>	<p><b>Adam Singolda:</b> They lost something very powerful. We, from the beginning, never did that.</p> <p>But, yes, there's a big difference between us and SSPs and DSPs, because they... They had first party and third party and it...And it's going to go?</p> <p><b>Interviewer:</b> Question about the phases. Are you currently in phase one? In the midst of phase one? And where are you, like, on its timeline? In other words, when do you feel that you can move forward.</p> <p><b>Eldad Maniv:</b> We are constantly moving forward,</p>
<p>00:14:30:00</p>	<p><b>Eldad Maniv:</b> We are also in very, very close contact with the management and developers at Yahoo. We are currently moving forward according to plan.</p> <p><b>Interviewer:</b> All in all, are you pleased with the integration and partnership and testing that you've begun?</p> <p><b>Eldad Maniv:</b> We are pleased both from the partnership and also... Meaning from the day-to-day work and from the work at the management level. We meet every... At least once every two weeks with the CRO of Yahoo, with the President</p>
<p>00:15:00:00</p>	<p><b>Eldad Maniv:</b> of the Consumer Division, who is, in fact, the publisher. A very close relationship and partnership. They are actually shareholders and act that way.</p> <p><b>Interviewer:</b> Are there other plans with Yahoo? Like, for the future? Something that...</p> <p><b>Adam Singolda:</b> So what we said.. There's the native business. The major things that can happen beyond this are A) to grow the native business so that it's bigger. So, again, I don't know where it will go, but for the sake of our conversation, at least,</p>

<p>00:15:30:00</p>	<p><b>Adam Singolda:</b> So, to launch bottom of the article for Yahoo, if they would ever consider doing it, it's huge, yes. This means, again, for the sake of analogy, most of the publishers are with Taboola, most of the revenue is from the bottom of article, right?</p> <p>So, theoretically, it could be big. Mid-article, bottom of article, everything Taboola has done for the past ten years. So that's one option and e-commerce and header bidder, each of this is... Is big. What I said with Jim Lazone at the event is that I think it is possible to double Yahoo</p>
<p>00:16:00:00</p>	<p><b>Adam Singolda:</b> From \$1 billion to \$2 billion.</p> <p><b>Interviewer:</b> A bit about the... Excuse me, about the header bidding. In other words, in the announcement Yahoo released that they are deprecating Gemini, they also announced that they are establishing a sales team, like, especially for premium customers, for Fortune 500.</p> <p>Meaning it sounds like in their integration, they are keeping the premium inventory to themselves, the header bidding or...</p> <p><b>Eldad Maniv:</b> So it's not the premium inventory. On the side of the advertisers, their strategy is like they described.</p>
<p>00:16:30:00</p>	<p><b>Eldad Maniv:</b> It is the Fortune, the top advertisers, where they offer omni channel. In other words, they are selling them native, display, search, a complete picture. Multichannel omni channel.</p> <p>We are their exclusive native channel, meaning that they take the... Go and sell omni channel to each of these advertisers, the native component is Taboola.</p> <p><b>Adam Singolda:</b> Within and outside Yahoo.</p>
<p>00:17:00:00</p>	<p><b>Adam Singolda:</b> So this phase is wonderful, because we... Most of Taboola is mainly performance advertising. And therefore, there's very good synergy here, because they sell what we sell.</p> <p><b>Eldad Maniv:</b> If you divide the advertisers, they have thousands of advertisers, they have omni channel advertisers, they have advertisers in our context, native only. The native only advertisers, will switch over to become direct advertisers with Taboola.</p> <p>The omni channel advertisers will remain Yahoo advertisers</p>

<p>00:17:30:00</p>	<p><b>Eldad Maniv:</b> With integration making sure that every dollar of native goes through our platform.</p> <p><b>Interviewer:</b> And the native only players, they are more performance, brand? In other words, where are they...?</p> <p><b>Eldad Maniv:</b> Native only, A, there are some who are both, there are... Generally, it's more performance, but there are also those who do branding.</p> <p><b>Adam Singolda:</b> Something else that's interesting that's happening with Yahoo is that as soon as Yahoo Live, is 100% live, then suddenly Taboola is a company of a run-rate of \$2.5 billion or more, because there is growth happening outside Yahoo as well.</p>
<p>00:18:00:00</p>	<p><b>Adam Singolda:</b> So at this stage, as native advertisers and I also spoke about this at the event with Yahoo, that something else is happening, that as an advertiser today, you buy Google, because it's a must. You buy Facebook, because it's a must. You maybe buy Amazon, because it's a must in retail.</p> <p>And today, the world of all the rest is a pretty tough world. You have dozens of companies, and most are small, hundreds of millions, maybe \$1 billion. And to work as an advertiser... I sell tables now. I'm Wayfair.</p>
<p>00:18:30:00</p>	<p><b>Adam Singolda:</b> As an advertiser, opening an account with Taboola and Outbrain and RevContent and Dianomi and PubMatic and The Trade is a nightmare, It's really a nightmare workflow wise.</p> <p>And therefore, being a company that's already at \$2.5, \$3, \$4 billion in revenue, slowly but surely makes it so that it's already not worthwhile to receive another \$1 million from someone or another \$2 million from someone, and it's something that really excites me, because we are actually slowly but surely becoming a must buy with the advertisers. Search, Google, Facebook, social, Snapchat and Twitter, maybe.</p>
<p>00:19:00:00</p>	<p><b>Adam Singolda:</b> But to be a company of billions renders everything else unnecessary, because the incremental value is already with the workflow and the complication, and the teams has become very attractive.</p> <p>So, that's why being big has another advantage, which is also a workflow advantage.</p> <p><b>Interviewer:</b> But Adam, how do you convince... We are currently speaking about adtech, not about e-commerce, which is something different.</p>

	<p>But how do you persuade a company to come to you as a platform instead of, let's say, Meta? What do you show them? A different ROAS? Better ROAS? Like...</p>
<p>00:19:30:00</p>	<p><b>Interviewer:</b> They also have a problem doing this now.</p> <p><b>Adam Singolda:</b> Look, generally speaking, an advertiser will always buy Facebook, always search and always Amazon, and they will all be incremental to each other.</p> <p>As long as they bring the conversion, the acquisition cost that they need to bring the advertiser. The advertiser will never tell anyone what they are or anyone else in the world what the ROAS they receive is because it's a competitive advantage. They don't want them to raise the price, but if they buy, it's evidently working. By the way, there are those for whom it isn't really working too well...</p>
<p>00:20:00:00</p>	<p><b>Eldad Maniv:</b> No but the question of ROAS better is less, better ROAS. Good enough ROAS, that's the question. If I have a business and I know how to sell the product with a certain type of cost of sales...</p> <p><b>Interviewer:</b> The reason I'm asking is... Because it's really some kind of indication that was very, very strong.</p> <p>And the signal got a little lost with the ATT, let's say a company like Meta. So now they have a situation where if you get inside, because of the privacy, they will receive surplus from the DR, because otherwise they won't...</p>
<p>00:20:30:00</p>	<p><b>Interviewer:</b> Like surplus from the direct channel, because they don't understand what it is, because... Facebook, let's say everything comes from Facebook, they can't get everything, because Facebook doesn't know everything. The question... And then they start to have a problem, they don't... Their signals are not as good.</p> <p>How... So what I'm asking is how do you persuade them to come to you as opposed to someone like that, who is really a monster, like, where... Because saying \$4 billion, it doesn't help. The fact that you see better ROAS really helps, that's what they care about.</p> <p><b>Eldad Maniv:</b> So our sales process</p>
<p>00:21:00:00</p>	<p><b>Eldad Maniv:</b> Doesn't work by convincing not to do Facebook or don't do Google, it is always, do this too. Because they simply... To be the advertisers, and these advertisers remain there.</p> <p>That's also the case today, you can't not do social or not do search, so the sales process is over several channels. But first of all, that you get positive ROAS by using native, and native is a different channel. By the way, were much more</p>

<p>00:21:30:00</p>	<p><b>Eldad Maniv:</b> Influential mid-funnel, not only bottom of funnel, which is the conversion itself, but also when you are at the stage of search for the solution. I have a certain problem. I'm searching for options at the native stage, consideration is one of the more interesting places.</p> <p>So we also show, not only direct ROAS, but also ROAS in terms of... If you combine this, you do mid-funnel consideration with Taboola, it improves your other channels for you.</p>
<p>00:22:00:00</p>	<p><b>Adam Singolda:</b> And in any event, what we primarily invest in is for the technology to be good and to continue to improve so that as soon as someone checks Taboola, they'll stay. Now there are lots of people checking, right?</p> <p>But to improve... Like you need to understand that Google and Facebook's technology, even today, with all their challenges, borders on magic. They are really, really good. But... That is why being a bigger company that has enough scale, enough reach... Taboola, together with Yahoo will meet 1 billion people a month, if not more, so there is also no problem with reach, meaning your customers from Taboola.</p>
<p>00:22:30:00</p>	<p><b>Adam Singolda:</b> The question is only how we reach them in a short enough time and at a low enough cost so that the advertiser will say, Taboola is a must buy, in other words, it's... Google, Facebook, Taboola.</p> <p>And today, there is no company on the open web that is like that. This means that a company that is big enough that you can trust and has high enough conversion. And again, Taboola has 18,000 advertisers out of millions, and we are still growing, so think about how much upside there is to continue to improve the performance advertising technology.</p> <p>My opinion is that Taboola's performance advertising</p>
<p>00:23:00:00</p>	<p><b>Adam Singolda:</b> Investment is bigger than Yahoo. To continue to improve Taboola's technology on the advertiser side, which is Taboola's number one priority at this time, is bigger than Yahoo's upside. And...</p> <p><b>Interviewer:</b> The question... That I see and correct me if I'm wrong, but your biggest upside and the yield will come from some... Things that you'll do with demand. Like, if we look...</p>

<p>00:23:30:00</p>	<p><b>Interviewer:</b> Like, from the side I'm looking from, I say the demand, now you have the biggest upside in the company.</p> <p>So the question is actually how... Let's say two years from now or three years from now, not right now, what things will there be so we can see a significant increase in yield? That's really the...</p> <p><b>Adam Singolda:</b> There are several contributors. First of all, that's very right. Taboola's biggest upside... Meaning that Taboola, for the sake of the discussion, and I've also said this publicly, in my opinion can go from \$2 billion to \$10 billion without adding a single publisher, okay? This is the...</p>
<p>00:24:00:00</p>	<p><b>Adam Singolda:</b> Company can be a company with \$10 million in revenue without adding a single publisher. Obviously, we plan on adding lots of publishers, but.. But just so you understand just how much our yield can improve.</p> <p>Now, there are many contributors to this. The biggest... The biggest of them is the investment in AI, where there are approximately 200 engineers working on this at Taboola. It's the number one investment in Taboola. The thing.. It's more engineers than companies have... We have competitors, and all the engineers in the company are not like... Now, were taking a major gamble</p>
<p>00:24:30:00</p>	<p><b>Adam Singolda:</b> It's probably very important, I hope we're right.</p> <p>Two is data, it's signals and therefore Yahoo signals can be very important to this performance advertising journey. Three, is optimization on the publisher's part. So, for example, to continue doing innovation by the publishers with more parameters and more things like... Very similar to what the Tiktoks and Facebooks and such like are doing. If you think of vertical ads and carousels, and all such things that advertisers are already buying, and the users like using,</p>
<p>00:25:00:00</p>	<p><b>Adam Singolda:</b> Then there's also an upside on the part of the publisher. Then you've got UX optimization, data, AI and we're doing more things that'll also help us improve the quality of the inventory, naturally turnkey and commerce that you mentioned.</p> <p>We also invest a lot in improving the quality of the inventory so that advertisers will reach higher and higher intent within Taboola, we can also talk about it, about e-commerce a bit. But those are all kinds of contributors that can...and in my opinion, the technology part is the most important,</p>

00:25:30:00	<p><b>Adam Singolda:</b> actually the two hundred engineers and the data, are two things that'll move the needle there.</p> <p>But it's a highly difficult task, isn't it? It's as if... and there, we're talking about... there are short-term gains and long-term gains. So let's say we spoke about a roadmap, we're launching max conversion in the second half of the year, meaning you can come to Taboola as an advertiser, to do a \$1,000 campaign and tell Taboola, "Find me the most conversions that you can." You say... Taboola, tell me how much ...</p>
00:26:00:00	<p><b>Adam Singolda:</b> How much do you think I'm supposed to pay for conversion and do your thing. Like magic.</p> <p>And it's a big leap for Taboola, isn't it? It's something advertisers are used to using on Google and Facebook, not so much on other platforms, it definitely doesn't work on that level. So it's in the second half of 2023. And it's part of what we're working on... We're actually launching about five times the features for advertisers we launched last year. So the pace is very high, there's much more energy and focus on such a thing.</p> <p>And I expect we'll see short-term gains and long-term gains</p>
00:26:30:00	<p><b>Adam Singolda:</b> as we go.</p> <p><b>Interviewer:</b> What's your average amount to an advertiser? Like is there any number whatsoever that...</p> <p><b>Adam Singolda:</b> I don't think there's any...</p> <p><b>Interviewer:</b> Or does it actually fluctuate...</p> <p><b>Adam Singolda:</b> I don't think we've ever published... it's a marketplace, so I don't know what average means. It also varies between one geography to another.</p> <p><b>Interviewer:</b> Yes, okay.</p> <p><b>Adam Singolda:</b> But you know, those that offer more tend to succeed more.</p> <p><b>Eldad Maniv:</b> We work in tiers, so the sales structure, the service with customers also works due to the fact that we've got an enterprise structure</p>

<p>00:27:00:00</p>	<p><b>Eldad Maniv:</b> Before the structure of an entity, that we call it growth or SMB and self-service.</p> <p>So also according to their spend, the tier they're in, the service level, the close work level with them. And also which tools they're exposed to and can use.</p> <p><b>Interviewer:</b> If you're in numbers, I've got a question. We spoke a year, six months ago, within three years to reach a billion dollars EXTAC and maintain the margin. That's actually 300 million EBITDA.</p>
<p>00:27:30:00</p>	<p><b>Interviewer:</b> And so the tone went to Yahoo and not... is that still happening?, Is the EBITDA still 300 million within three years? Or isn't it anymore?</p> <p><b>Adam Singolda:</b> We said we think it's still relevant.</p> <p><b>Interviewer:</b> It's still relevant. And it takes the Yahoo deal into account?</p> <p><b>Adam Singolda:</b> No, we said it's before Yahoo.</p> <p><b>Interviewer:</b> I know because of it I don't know if it's... now I don't if it's still...</p> <p><b>Adam Singolda:</b> What we said is that it's still relevant to what we said. We didn't divide it into with or without Yahoo, more or less was done, but we said it's still relevant.</p> <p><b>Interviewer:</b> So it's still relevant. Another thing I'm trying to understand,</p>
<p>00:28:00:00</p>	<p><b>Interviewer:</b> I'm not in such resolutions, I don't understand anything about technology, but your margins are truly rising and rising, and that's the yield. What I haven't managed to understand until now, you say about the header bidder that you've got competition, because if somebody returns to the same site, you identify them as opposed to somebody else that competes with you there. But if you meet the same user elsewhere, do you or don't you know that it's them? Because it's like a kind of third-party cookie, right?</p>
<p>00:28:30:00</p>	<p><b>Adam Singolda:</b> So in Safari, for example, you don't have a third party at all. So if it's a website that... then I don't know that it's the same person. There you've got advantages of... there the scale is expressed in terms of, let's say if this person reads an article about... about Trump on Friday morning on his iPhone, then you can say, I know that in New York, you can say, I know, I've got enough scale to say that in the last half hour, people in New York who read about Trump on news or financial websites from their mobile</p>

<p>00:29:00:00</p>	<p><b>Adam Singolda:</b> and reached this article from the search, tend to do five things. So you've got advantages of... like on Amazon, people who do this also do that.</p> <p><b>Interviewer:</b> But that's not a competitive advantage that you've got over other companies that are...?</p> <p><b>Adam Singolda:</b> Again, it's a competitive advantage, web-wise it's a very great competitive advantage. Because you've got the clickstream of people that do this and also do that, which is the largest part of Taboola today. Taboola's largest data signal today is one, the first party of the same person, and second, who click Taboola tens of billions of times per year.</p>
<p>00:29:30:00</p>	<p><b>Adam Singolda:</b> And it generates a kind of graph, a curiosity graph that people who do this also do that. It's an enormous competitive advantage, because if you compete with Taboola and you're smaller, then this thing's less calibrated, and then you, maybe you've got the context, but you don't have the... you don't have the... wisdom of the crowd.</p> <p><b>Interviewer:</b> I understand. Can you describe the environment a bit, this \$70 billion industry, web-wise that you're \$1.5 billion of, that...</p>
<p>00:30:00:00</p>	<p><b>Interviewer:</b> It simply sounds very fragmented between very many players, so how do you create a size advantage here at all? How do you create such competition here? How do you increase the margin, can you speak about the industry a bit?</p> <p><b>Adam Singolda:</b> Yes, so firstly, it's very fragmented, which is the problem and the advantage I think, at least the opportunity, because actually as of yet... there isn't a single company yet that's a single large open web channel that has the benefits of open web, which is to create formats in open web and give reach like Google and Facebook.</p>
<p>00:30:30:00</p>	<p><b>Adam Singolda:</b> So there's no such company, but you can imagine that if there was a company with \$10 billion in revenue in open web, then it would become a must buy on open web, which is contextual and safe of any problems of social and all kinds of things like that, which we can also talk about. So Taboola's strategy, Taboola's go-to market, to be the open web channel, the first part, what we've built in most of the last decade, is mainly to develop technological capabilities that web publishers can't live without, and they want a high margin in return for working with us forever.</p>
<p>00:31:00:00</p>	<p><b>Adam Singolda:</b> Then what that means is one... Taboola does three things to websites in open web. The first part is revenue, how much revenue we can generate from existing real estate. We believe today we're at least 30% to 50% higher than anyone else, both because of our size and because of the advertisers, the data the AI, and we see it in competitions, that we win a lot more than we lose,</p>

	<p>and if somebody takes a publisher away from us, it's very costly to whomever takes it.</p>
00:31:30:00	<p><b>Adam Singolda:</b> So that's the first important part, and it naturally helps us.</p> <p>The second part, which is very special to Taboola here, is that we offer these sites much more than money. So, for example, we offer them editorial newsroom, tools, which help editors and journalists do AB testing for headlines and get data.</p> <p>Currently 3,000 journalists and editors worldwide use it, which is a start-up in itself, it's like Adobe Analytics, right? You use it and can't stop using it. There are many wins.</p>
00:32:00:00	<p><b>Adam Singolda:</b> It happens only thanks to, let's say, McClatchey, that chose Taboola about six months ago, chose Taboola at all only as a news room, meaning, the reason they chose Taboola is because they saw everything, they wanted the entire homepage to be personalized and wanted all their journalists and editors to use an AI system that helps them manage the homepage and the content that they write smartly.</p> <p>So it's something we've already been working on for five, six years. Many engineers are working on it, which is something that... It's amazing, like, if you see the demo, it's simply very impressive. Another thing we do, we</p>
00:32:30:00	<p><b>Adam Singolda:</b> Help to enter e-commerce, so if you're a website, you say, "I want to enter commerce, I want to write commercial content, I want people to be directed to these commerce pages," or "I want to put money on it, because I see it as a strategy," so now that's something only Taboola can do.</p> <p>So, let's say, with Time Magazine, time.com, about two months ago we launched that we'll put up all the commerce as if turnkey, that we actually create the content for them, we send them people from Taboola's homepage and from Taboola's network into this thing,</p>
00:33:00:00	<p><b>Adam Singolda:</b> And now we generate income for them through Connexity, it is very strategic. The CEO of Time told me last night that they never end a meeting that without saying: "What have you done for Taboola commerce lately?" On their side. This means that it is very important for them. Now, if we're right and it becomes bigger revenue than Time, then the differentiator is huge.</p> <p>So, we help publishers to get into a subscription, then there are many abilities that are inside the ... So, if you are the CEO or the publisher's CRO, you say, I can get money if many companies,</p>

00:33:30:00	<p><b>Adam Singolda:</b> But at Taboola, suddenly my entire organization uses Taboola and this is value back, it is not only adtech. And the third part, which is Taboola News, the distribution, we take all the content of the website and we push it mainly to OEMs, we think of all kinds of other angles, where else we can put it, but if you buy Xiaomi today in 30 countries, it comes with Taboola pre-installed on the lock screen, and then you can see news from time.com or NBC or CNBC.</p>
00:34:00:00	<p><b>Adam Singolda:</b> And if you click, we send the user to the website. This is traffic that doesn't cost them money, and there are countries, such as Brazil for example, where Taboola is in many ... Or in Thailand or in all kinds of places in Asia, where Taboola is already 10% of the website traffic.</p> <p>We receive calls from publishers, how can they get into Taboola News and we tell them, "We have one way of getting Taboola News, and that is to work with Taboola in general" and then they make a deal with Taboola for five years, receive Taboola editorial tools, news and make revenue. No, if you are adtech, who wants to replace Taboola,</p>
00:34:30:00	<p><b>Adam Singolda:</b> Think how many heads you to kill on the way. You have to pay the money to Taboola and this isn't easy. It's only if we make revenue. Afterwards you need to replace all the editorial tools. We have competitors who fund other analytics companies with money to replace the newsroom, because they don't have one of their own.</p> <p>Then it costs them hundreds of thousands of dollars per year, sometimes even \$1 million a year. Cost. And then they need to think how to go about distribution into all these devices, something that, anyway, is very special to Taboola, and then what this means is it is worth taking it from Taboola.</p>
00:35:00:00	<p><b>Adam Singolda:</b> It's like having a root canal. They have to pay a fortune, which usually means losing between millions and tens of millions of dollars per year.</p> <p><b>Speaker:</b> The activity with OEM is competition for Aura of ironSource.</p> <p><b>Adam Singolda:</b> No, it's competition for companies like Glance in India, like Amobee, Upday ...</p> <p><b>Speaker:</b> Okay.</p> <p><b>Adam Singolda:</b> It is more news distribution competition. What ironSource is doing competes more with Digital Turbine. It is app distribution.</p> <p><b>Speaker:</b> Yes.</p>

	<p><b>Adam Singolda:</b> They do app installations.</p>
<p>00:35:30:00</p>	<p><b>Speaker:</b> Okay.</p> <p><b>Adam Singolda:</b> It is more side by side. This is a very rapid junction, and it is before entering carriers. Today we are mainly in OEMs, and there are numerous OEMs in the world that we can still work with, and we like that a lot.</p> <p>It is also possible in Taboola news, but there we have a lot of growth that comes also from vertical growth, I mean, Xiaomi itself says: "Okay, we haven't yet done ecommerce in the lock screen. Coming and suggesting things for me to buy. We don't do videos, like Tik Tok and stuff like that,"</p>
<p>00:36:00:00</p>	<p><b>Adam Singolda:</b> In any case, most of the users make videos on mobile. We do not yet ... Again, there are things we haven't done yet with all these people, which is super interesting, because basically all the Taboola publishers today produce videos for Tik Tok, videos for Instagram, they have vertical videos which are at the very end of the road, but they haven't brought it to Taboola yet.</p> <p>So there is a lot, even in the OEM there is much growth that can come to us, and that's even before more devices, more OEMs and more carriers, that we haven't penetrated yet.</p> <p><b>Speaker:</b> Do you have the ...</p> <p><b>Adam Singolda:</b> Wait one second, this is a question about ...</p> <p><b>Speaker:</b> Yes.</p> <p><b>Adam Singolda:</b> So, regarding Taboola's strategy,</p>
<p>00:36:30:00</p>	<p><b>Adam Singolda:</b> The vision says, if I'm very strategic, any application and any website in this open web, so in the end everyone will want to work with Taboola for one or all of these reasons. It will be very difficult to replace, and what you want to see as an investor is whether Taboola gets long-term deals, yes, exclusivity, yes, and a good margin. So Taboola has almost 40 percent gross margin, which is about twice as much as other companies.</p> <p><b>Speaker:</b> You are today number one in this market.</p>

<p>00:37:00:00</p>	<p><b>Speaker:</b> Of open web?</p> <p><b>Adam Singolda:</b> Depends how you look at it, because we already have all kinds of competitors. In ecommerce we have competitions, in Taboola news we are not the biggest, Glance is bigger than us, but overall, we are a scalable company.</p> <p><b>Speaker:</b> So, let us say, your biggest competitor, who does its PnL look compared to yours?</p> <p><b>Adam Singolda:</b> Depends. Let us say that in their bottom of article, native, there you have Outbrain and RevContent and Dianomi ...</p> <p><b>Speaker:</b> M.G.A.D...</p> <p><b>Adam Singolda:</b> Yes. M.G.A.D, all kinds of smaller ones.</p>
<p>00:37:30:00</p>	<p><b>Adam Singolda:</b> They are all smaller in every way, so they are smaller in revenue in gross revenue, by a third and more, in EXTAC by about half to more, in EBITDA and free cash flow, most of them lose money or make very little.</p> <p><b>Speaker:</b> Adam, can you tell us a bit about AI, and also a bit about how you see this world as you know it, today we ... And especially in ecommerce, we also consume a lot of our content in ChatGPT.</p>
<p>00:38:00:00</p>	<p><b>Speaker:</b> It shortens visits in news sites a lot and eliminates our need to go down to, let's call it, the end of the article or mid-article in some cases. How do you see the threat, is this an opportunity in your opinion? And also, a bit about your ventures in the company that are linked to AI, other than homepage for you, and other such things.</p> <p><b>Adam Singolda:</b> I will say one sentence and then I will let Eldad speak because I know that for at least five hours a day he talks to his wife because of ChatGPT. So, I'd say, overall, I see it as an opportunity.</p>
<p>00:38:30:00</p>	<p><b>Adam Singolda:</b> For several reasons. One, the reason why everyone is already calling it a cliché is that it will make everyone more productive, okay.</p> <p>Two, I think that there is something cultural that ChatGPT makes very fast. Today most publishers worldwide, if you tell them that you want full personalization, we'll take their section front, homepage, all of it, like, "give us your website and we will turn it into TikTok in a good way, like a trustworthy TikTok". There is still quite a cultural gap, because they need to give up something that is very dear to them, which is to control the homepage.</p>

00:39:00:00	<p><b>Adam Singolda:</b> Now, the upside is huge. You must understand, publishers who allow Taboola to put AI on their homepage, we increase the publisher by 35 percent, okay? So, the upside is that we increase the pie. So, we really want to do it.</p> <p>But, I still see stress there, yes, some of the publishers are more innovative, some less, so one, I think that regarding the cultural issue, I hope that it will help people to say: "I use it, I like it, I know it" and will accept the Taboola AI technology more, also in more sensitive areas, and we will use this internally as much as possible</p>
00:39:30:00	<p><b>Adam Singolda:</b> To improve the results of the advertisers and publishers. Then we can tell a bit about what we did, and, but ...</p> <p><b>Speaker:</b> Why wouldn't the publishers actually use AI? I mean, if the product really increases it by five times or something like that, the conversion, or whatever, why would they not use it?</p> <p><b>Adam Singolda:</b> No, AI is generative, like the name says, the purpose of it is mainly to generate content in a way that feels human. So, it has nothing to do with ... When I talk about AI ...</p> <p><b>Speaker:</b> I understand.</p> <p><b>Adam Singolda:</b> To personalize ...</p>
00:40:00:00	<p><b>Adam Singolda:</b> I think that maybe they will use it to generate parts of their content and stuff. BuzzFeed announced that they will do that, so I do think that they will adopt it for themselves too. I don't think that it will replace content because at the end the main differentiation that these publishers have is the users' trust, and I think that they will use it themselves, but it does not really compete with Taboola's core offering.</p> <p><b>Speaker:</b> Earlier you said ... I only ... A question about privacy.</p> <p><b>Speaker 1:</b> Can you explain that, to close the ...</p> <p><b>Speaker 2:</b> Yes, that's it, about the matter of the -</p> <p><b>Speaker 1:</b> No, the AI, to close the AI. Explain, where you ...</p>

<p>00:40:30:00</p>	<p><b>Speaker 1:</b> Where you see the upside of AI compared to the current situation today? Because this website is not dynamic like Instagram, like Reels or like TikTok, these are completely different sites. Where do you see AI as making a difference?</p> <p><b>Adam Singolda:</b> I don't know what you ... First of all, it's not like Instagram and so forth, mainly because they choose to be like that.</p> <p><b>Speaker 1:</b> Yes, yes, I know, so I'm saying, given that they control, after all they do control, you're a partner, but they control.</p>
<p>00:41:00:00</p>	<p><b>Speaker 1:</b> So now, you take away their control. Where does AI, from your point of view, make this difference?</p> <p><b>Eldad Maniv:</b> No, but you say: "This is not like a closed garden, if you look at many websites, the mobile publishers for example, on the telephone, this is already very similar to a long feed of content that is still organized according to an order that they have defined. It is between that or becoming personalized.</p>
<p>00:41:30:00</p>	<p><b>Eldad Maniv:</b> For you personally or for a group similar to you, the difference is not very great.</p> <p><b>Speaker:</b> So, you're at the point of personalized? Where is your upside in your view in AI?</p> <p><b>Eldad Maniv:</b> There are many places. One is on the side of the publishers, do we really generate more from each user that reaches the publisher's website, will they come back more, stay longer and give more value. Then the concept we're looking at for the publishers is lifetime value.</p>
<p>00:42:00:00</p>	<p><b>Eldad Maniv:</b> Today the view is usually page view, what happens in page view. If they are very advanced, they go to a session from the moment I go in and I visited a few pages on the same publisher. Here the outlook is lifetime value, if I know that there is a chance that you will be a subscriber, then let us give you a certain experience in the second, third, fifth visits, so that in your next visits,</p>
<p>00:42:30:00</p>	<p><b>Eldad Maniv:</b> you will become a subscriber, because subscriber is worth more than posting messages. If by chance you are a consumer who will buy on ecommerce, we will give you the appropriate experience for that. So, in fact, the long term concept is how to generate ... To see you from the lifetime value aspect.</p> <p>This is on the part of the publisher. On the side of the advertiser, there is much more value here. Today, being an advertiser is hard work. In native, this work is harder than in other websites.</p>

00:43:00:00	<p><b>Eldad Maniv:</b> It has to produce content, it has to produce creative, headlines, to make you a landing page, special. A landing page for native is different to a landing page for search, because you come in a different context, with a different perception. Much of it can be generated automatically. We already see it today, and we have about 300 data sites of users in generative AI, for generating headlines for themselves.</p>
00:43:30:00	<p><b>Eldad Maniv:</b> They also already create, on a certain level, the pictures. We are now also working on landing pages that are used for the article that you have reached, the marketing content that you reach will also be there, you define what you want and it optimizes it. Now, if you first said that the important thing is in fact optimization for the advertiser, here you can generate dozens or hundreds of examples, run them all, again, I'm looking a bit forward, and in fact you can optimize</p>
00:44:00:00	<p><b>Eldad Maniv:</b> among them and adjust the appropriate advert personally for you.  <b>Adam Singolda:</b> You also have a huge advantage for ... Because at the end, the generative AI will be available to everyone, so what distinguishes one case from another is the data will he click on prompt in the engine.</p> <p>So, if you have many advertisers and numerous clicks and many examples and many conversions, you have a competitive advantage again. So, also today, under the advertiser's headlines, then if you're an insurance advertiser and you say: "Give me ten headlines", we prompt the generative AI to say, here is what we lost in the past and then based on this we generate ten articles.</p>
00:44:30:00	<p><b>Adam Singolda:</b> It is not that someone now went to open AI and did "give me ten articles", because that ... Because that is a commodity.</p> <p><b>Speaker:</b> Obviously.</p> <p><b>Eldad Maniv:</b> Also, in workflow, by the way, if we look at the number, I now need ... I want to advertise something, so, I need to generate some sort of landing page that will do a conversion, I need to generate creative, the pictures, etc. I create them, I present them. We must now give it to a team who will check that it complies with the policy. If it doesn't comply with the policy, to reply. This scale is complex.</p>
00:45:00:00	<p><b>Eldad Maniv:</b> Here I automatically generate according to what you wanted, I automatically check that it complies with the policy. Then as soon as I asked for it, the entire process happens at the same time.</p> <p><b>Speaker:</b> The generative AI is something that you are developing in house, or do you rely on open AI for this issue?</p>

	<p><b>Eldad Maniv:</b> We rely on existing technologies in the market, but adapt them. These platforms are platforms that data ... If you know how to get the data, then it is in fact an advantage.</p> <p><b>Speaker:</b> Okay.</p> <p><b>Eldad Maniv:</b> These algorithms, part of them, are open source.</p>
00:45:30:00	<p><b>Eldad Maniv:</b> For example, for pictures you can get this technology in open source.</p> <p><b>Speaker:</b> Okay.</p> <p><b>Eldad Maniv:</b> The question is what data set you have and how you know to run it.</p> <p><b>Speaker:</b> I understand. This technology to a certain extent has made previous AI technologies redundant, or it comes as a supplementary layer to ..?</p> <p><b>Eldad Maniv:</b> No, to personalize for homepage is not generative, it is not creative. It is done ... It is all based on deep learning as the basic technology,</p>
00:46:00:00	<p><b>Eldad Maniv:</b> But they don't replace one another.</p> <p><b>Speaker:</b> Okay.</p> <p><b>Speaker: 1:</b> To what extent do you actually see this technology as a breakthrough in the advertising world?</p> <p><b>Eldad Maniv:</b> Very, very.</p> <p><b>Eldad Maniv:</b> It is now only in a very very early stage. They are extremely basic, it is as we said, and only they will also take time, but to create ... If I am an advertising agency today, I take the technologies further and produce entire advertising campaigns without people at all, or with very little help from people.</p>
00:46:30:00	<p><b>Eldad Maniv:</b> So, in the advertising market it will in fact be used a lot.</p> <p><b>Speaker:</b> In other words, the upside is the cost as well as the revenue, because it will be more personalized?</p> <p><b>Eldad Yaniv:</b> What we spoke about up to now is revenue. On the side of the cost, we are constantly initiating how to make the company more efficient with the use of such technologies. This is less the business, our core business, this is simply an internal operation. If I now go to a sales meeting, in the past I would need</p>

<p>00:47:00:00</p>	<p><b>Eldad Maniv:</b> to plan and learn about the company and prepare and read up in all kinds of places, like you do and learn all about every company, today I know how to ... ask ChatGPT and other sources to give me a summary of the company, to take the information from Salesforce, the interaction that I had for preparing a summary, if I don't understand, I ask a few questions. Then it is ... Very significant efficiency.</p> <p><b>Speaker:</b> But aren't you concerned that it is like a drop ... By the way, I meant, by my question,</p>
<p>00:47:30:00</p>	<p><b>Speaker:</b> to go more in the direction of connectivity and ecommerce recommendations. Aren't there any concerns that at the end of the day ... after all the agenda at the end of connexity was that I rely on, for this purpose, the Washington Post or whatever, and I say, I want to buy an iPhone or swing, like those that are advertised, so I go there and because I rely on them, so I also buy from there. But today, I can, like, go into ChatGPT and tell it, "Listen, I am looking for a carousel for my daughter, give me the pros and cons",</p>
<p>00:48:00:00</p>	<p><b>Speaker:</b> Like you say, "summarize it for me and given me also a link, I don't know, maybe also the lowest price" and then, like, at the end of the entire experience that we relied on Connexity for, or when consuming content, is completely redundant.</p> <p><b>Eldad Maniv:</b> Look, so here the question starts, what is the place of the publishers in such a world.</p> <p><b>Speaker:</b> True. That's the big question.</p> <p><b>Eldad Maniv:</b> There won't be any publishers' content if there are no publishers. So, either ChatGPT will have to ... This eco-system must exist because at the end of the day</p>
<p>00:48:30:00</p>	<p><b>Eldad Maniv:</b> you will not rely on this personal assistant, if you don't have real content that it creates. Now, the question is how this eco-system is built. Today ... I, by the way, the basic search level that I personally use has dropped dramatically. My visits to the publishers for direct content according to the brand that I know, have increased, not decreased. I do less search on Google, I usually use Bing, ... Personally, because it is connected to GPT.</p>
<p>00:49:00:00</p>	<p><b>Eldad Maniv:</b> So, I do this together, but I go to CNBC and I go to local Israeli newspapers and I go to other places to consume content directly.</p> <p><b>Speaker:</b> Okay.</p>

	<p><b>Speaker 1:</b> From the aspect of privacy, you noted earlier that you can identify when a certain user revisits the site, so how do you actually see ... Firstly, how is this different from cookies, if you can ... Because it is context, correct? You base more on context, and how you are different</p>
00:49:30:00	<p><b>Speaker 1:</b> From products like Sort, for example, of Perion, which also has some contextual element in this section where you characterize a group, and then you see if it is the same person who came back or not. Like, how is it different from cookies, in practice?</p> <p><b>Adam Singolda:</b> I am not sufficiently familiar with Perion, but firstly, it is not different to cookies, because the first party cookie remains, then the third party cookie goes.</p>
00:50:00:00	<p><b>Adam Singolda:</b> In Safari, it's already been working since 2017, so here as investors you have access to this graph in our presentation which shows that from 2017 until 2023 Taboola's yield, is our ability to produce revenue from 1,000 impressions, comes up in Safari faster than it comes up in Chrome and Firefox, and similar, so when third party cookies go, Taboola's competitive advantage, in our humble opinion, is increasing, and first of all, at least historically, this is true. So, the first party will never go.</p>
00:50:30:00	<p><b>Adam Singolda:</b> No browser will depreciate the ability of a website to know that it is a user itself, and therefore Taboola ... Because Taboola integrates code on page, which is also what Eldad said about Yahoo, so, we are in fact part of the publisher. So, first and foremost, we have the first party that I don't ... Today, 600 million people per day, we replace the first party cookie in their browser, which is more than Snap and Twitter together. Now, with Yahoo it is bigger, but that is today, and in addition to that there is the contextual on page</p>
00:51:00:00	<p><b>Adam Singolda:</b> I am not sufficiently familiar with what Perion are doing, but the combination of these two help us to know... In connection more with what Eldad said earlier, in fact Taboola's vision is lifetime value for the consumer. You go to CNBC or ESPN, we already know that you would never click on adverts, let's say, so we show you less adverts and try other things that you might want to do. We know the chances of you acting like someone going shopping for something, so we show you, and even today, and this is also in our last letter,</p>
00:51:30:00	<p><b>Adam Singolda:</b> In case anyone reads it, we already do more and more recirculation of Taboola, of Taboola's recommendations, if once this was news, like news more from NBC, more from CNBC, more and more we already place commerce inside.</p> <p>Now, what is more and more, it is a few percent, because most people don't buy, but those that do, will maybe buy, so the value for the user can be much higher Then suddenly you ... Taboola's entire real estate on homepage in section front, in</p>

	<p>bottom of article, is able to take to all kinds of places. If we think that you won't buy anything</p>
<p>00:52:00:00</p>	<p><b>Adam Singolda:</b> and won't click the adverts, and you are ... maybe you're in the market to subscribe, so we will put in articles ... We also so editors that we tend to convert people to subscription. Now, all these things, it helps us that we have first party, because otherwise I wouldn't know that in the past two months you didn't buy anything, didn't click anything and so on, and therefore, this vision is relevant only for people who have first party for a long time. Then, in this sense, it is both in context and in first party.</p> <p><b>Speaker:</b> The first party remains .... For example, if I delete the cookies.</p>
<p>00:52:30:00</p>	<p><b>Speaker: From the browser...</b></p> <p>Adam Singolda: It's going.</p> <p><b>Speaker: It's going, you don't have it?</b></p> <p>Adam Singolda: But it's not something that happens often.</p> <p><b>Speaker: It doesn't happen?</b></p> <p>Adam Singolda: Of course not... It might happen to sophisticated people, but it doesn't happen to most people.</p> <p><b>Speaker:</b> It's interesting, what you say, because... I mean, do you have some sort of estimate of the demographics of the users of... I don't know, a board at all the publishers you work for? Because let's say Snap, in the last year, one of the things that really hit them,</p>
<p>00:53:00:00</p>	<p><b>Speaker:</b> It's a demographic... it's teenagers who don't have deep pockets and so on. So I mean, do you somehow estimate this demographic?</p> <p><b>Adam Singolda:</b> I don't know if it's...</p> <p><b>Speaker: Like, do you have DAUs?</b></p> <p><b>Adam Singolda:</b> Yes, I don't think we made a specific publication for it. I think we're more adult oriented than Snap. Also, most of the sites we work with are less children's sites and suchlike, so I guess we have some sort of bias towards older people.</p> <p><b>Speaker: And Yahoo, let's say?</b></p>

<p>00:53:30:00</p>	<p><b>Speaker:</b> I mean, where... how is their DAU?</p> <p><b>Adam Singolda:</b> They have 900 million people a month.</p> <p><b>Speaker:</b> Yes.</p> <p><b>Adam Singolda:</b> I guess it's just a lot of people, I don't know if they themselves "published" to some segmentation. But that's almost a billion people, so out of three billion people who have internet access at all. I imagine there too there's more... I think also Yahoo, they have integrations with Yahoo Finance and Apple, and they have like all kinds of integrations that drive people back to Yahoo, but I don't know, I guess there too there are older users than Snap.</p> <p><b>Speaker:</b> Okay. Could you perhaps give a bit of a picture</p>
<p>00:54:00:00</p>	<p><b>Speaker 1:</b> About the structure of the deal you make with a publisher and an advertiser, what does it look like?</p> <p><b>Adam Singolda:</b> Yes, to put it simply, with publishers it's usually deals between three and five years, exclusive, global. This means that on everything... on iPad, tablet, mobile, desktop, we install on 100 percent of the traffic. In most cases this is revenue share, about ten percent give or take from Taboola's transactions, they have a guarantee attached to it. So the absolute majority is revenue share,</p>
<p>00:54:30:00</p>	<p><b>Adam Singolda:</b> Which means that every dollar that is produced, we share it with the publishers, that Taboola today, about 40 percent stays with us and 60 goes to the publisher.</p> <p><b>Speaker:</b> Is this what lowers the EBITDA in the first quarter, the guarantee? Or is it... in a weak quarter in terms of revenues, if you have guaranteed revenue for publishers, then in a slowdown it is clear that this has a very significant impact on EBITDA, no?</p> <p><b>Eldad Maniv:</b> In the first quarter there are two phenomena, one, the first quarter in the advertising market in general</p>
<p>00:55:00:00</p>	<p><b>Eldad Maniv:</b> Is weaker, the Q4 ratio is higher, Q1 is weaker, Q2 and 3 are more average. So that's one. If there are guarantees that are supposed to come throughout the year and the first quarter is lower, then it has a bigger effect, just like the exact opposite, in Q4 it has the opposite effect.</p> <p><b>Adam Singolda:</b> But the main thing is the seasonality, like, the greater part of what affects the EBITDA in a quarter is simply if the Extac is smaller,</p>

00:55:30:00	<p><b>Adam Singolda:</b> That has the biggest effect on EBITDA, okay? So it's mainly the seasonality of the advertising market.</p> <p><b>Speaker:</b> Incidentally, you always refer to the long-term 20 percent growth in Extac. Of course, you make a lot of new products, but what do you feel most comfortable with in the business, with the original business of the native, of publishers, and advertisers and bringing in other publishers, like how is the attrition rate, do people like this product? Where does it...</p>
00:56:00:00	<p>Adam Singolda: You know, I think the ... the market fit part that Taboola has with publishers is stronger than ever. Let's say 2022 was one of the years... I think the second best year we've ever had...</p> <p><b>Speaker: It's on boarding new numbers.</b></p> <p>Adam Singolda: Yes. Only new ones.</p> <p><b>Speaker: But at some point, it's surely not worth it for you to bring in small publishers. How many of the big ones do you think you can still bring? After all...</b></p> <p>Adam Singolda: So...</p> <p><b>Speaker: Every now and then someone also takes notice, right? You need to give them...</b></p> <p>Adam Singolda: That's great attention. At 40 percent I want to give as much attention as they want. You have big publishers.</p>
00:56:30:00	<p><b>Adam Singolda:</b> First of all, the \$70... the \$100 billion market is divided into three parts. You have very big publishers, ESPN, CNBC, Disney and so on, you have mid-market, which is... time.com are in the mid, okay? Which is like good names, sometimes you know them, sometimes you don't, but it's millions of dollars, it's not... and you have Long Tail.</p> <p>Long Tail we didn't start at all. At the top of the market, in geographics that are very... like America and such, we have a higher penetration, and in the mid-market we... there is still a lot of growth there. So there is a lot of growth on the side of the publishers and in that sense, it is before</p>
00:57:00:00	<p><b>Adam Singolda:</b> Mobile devices, it's before apps, it's before cars and such, you know, in the longer term. But if you think about it, we are installed on about 70 million mobile devices, Taboola News, out of a billion or so. So there is lots and lots of growth that can also come from outside the publisher itself, and also within the publishers themselves there is lots of growth in header bidder, in mid article, in lots of things like that.</p> <p><b>Speaker: But... let's say from 20% you can say that...</b></p>

00:57:30:00	<p><b>Speaker:</b> Without header bidder and without phones and without News and without I don't know what, AI and everything we talked about before, do you think the original business is still growing?</p> <p><b>Adam Singolda:</b> Look, it's growing... look, we're also seeing that... what Steve, our CFO, says is that about 40% is from new and 60% is from the existing, in the core. It's usually...</p> <p><b>Speaker:</b> From the delta revenues?</p> <p><b>Adam Singolda:</b> Yes, so the new revenue, it's usually 40% new, 60% existing, and we think there is a lot of growth. And again, as I said before, the competitive advantage is only increasing,</p>
00:58:00:00	<p><b>Adam Singolda:</b> And so we think that more... over time, what I expect will happen is that it will simply be... people will lose their jobs because they didn't choose Taboola. I mean, if you are renewing with Taboola or alternatively with another publisher and you don't choose Taboola, you have to write an analysis of why you did it, because the value you are going to say "no" to is already... it's growing and growing and growing over time. And also remember that when you choose a partner that is not Taboola, it is losing money, and it always loses money if it is not Taboola, if you take it from Taboola, in most cases,</p>
00:58:30:00	<p><b>Adam Singolda:</b> So you also have a partner who is stressed. It no longer does up-selling, it is just always trying to lose less.</p> <p><b>Speaker:</b> Is there a retention percentage of publishers that you track? I don't know, publishers who renew or have stopped renewing?</p> <p><b>Adam Singolda:</b> There is retention that we talk about, it's just that last year it was a bit...</p> <p><b>Speaker:</b> But this is from the publishers?</p> <p><b>Adam Singolda:</b> Who are both publisher and advertiser.</p> <p><b>Speaker:</b> There is a point...</p> <p><b>Speaker 1:</b> What is it that causes this market still to be fragmented, to talk about the fact that most of these entities are losing money?</p> <p><b>Adam Singolda:</b> The publishers?</p>

	<b>Speaker: No, your competitors.</b>
00:59:00:00	<p><b>Adam Singolda:</b> What is the reason for losing money?  Speaker: What makes this market remain fragmented when most of your competitors are actually losing? At least that's how I understood it, still losing money.</p> <p><b>Speaker 1:</b> Why isn't there consolidation?</p> <p><b>Speaker:</b> Exactly, why don't we see</p> <p><b>Speaker 1:</b> Why don't you buy Outbrain</p> <p><b>Adam Singolda:</b> First of all, I think that... I don't think it will happen [laughs] I think that... yes I think that by the way... I see a very large consolidation in the future, in my humble opinion, because there is no longer... When I started Taboola, \$100 million was considered a huge success.</p>
00:59:30:00	<p><b>Adam Singolda:</b> A \$100 million company. Today a billion dollars is a start-up. Now, today there isn't ... and that means most of them haven't even reached the startup stage. I think that companies will either disappear or consolidate, but it is very, very difficult to justify, I think, existing if you don't have \$5, \$10 billion dollars in revenue, and we aren't there yet, but we... with Yahoo we are 2.5, and with other things I hope we'll get there in our line of sight, so first of all, I do think we will see consolidation and disappearance of small companies in general.</p>
01:00:00:00	<p><b>Adam:</b> Certainly in the world of... in the world we live in today. I think a lot of companies don't have a culture of being profitable and thinking about free cash flow and EBITDA as something that is very important. And all of them... there are many companies that in 2020 and 2021 ruined their culture because they raised money to finance growth. In this sense, I think Taboola has a competitive cultural advantage, we have Eldad who is amazing, but we also have a kind of culture that is very data driven, and old school</p>
01:00:30:00	<p><b>Adam:</b> Financial metrics driven. So I do think we'll see it. Taboola personally, I don't think we... we have no desire to buy companies that are similar to Taboola because what I see is that first of all, there is no reason to dilute investors, we are winning, time is on our side, and certainly with Yahoo.</p> <p>Now, other things interest us, okay. We talked about distribution of OEMs, maybe??? at some point, CTV which is also an interesting field.</p>

<p>01:01:00:00</p>	<p><b>Adam:</b> So we are looking at the world, I do want to say that, you know, in the next year or the next two years, we are very lay low execution, reducing distraction, the chance that we will make a big ... is very small in my eyes. I never want to say never, but we as a company right now mainly want to execute. We don't need... everything we need is in-house.</p> <p><b>Eldad:</b> The question, but...</p> <p><b>Interviewer:</b> <b>The question is whether you will really see this process of consolidation which is starting to gain momentum...</b></p>
<p>01:01:30:00</p>	<p><b>Interviewer:</b> <b>You're getting to that point on the fault line where you're really going to see in this segment of the open web that consolidation is accelerating.</b></p> <p>Eldad: I would just like perhaps to add to this question that consolidation makes sense in terms of your business model... I think there are two weaknesses that I identify here, which are the guarantees and the upfronts, and the less competition there is, the less of a burden it will be on your cash flow. So, in other words, it is a good long-term investment.</p>
<p>01:02:00:00</p>	<p><b>Adam:</b> First of all, we use the guarantees and the cash flow mainly as tools to generate long-term deals. Now, if we wanted today... we see a very big advantage in five years versus three years. So we will use it if we have an opportunity. We are very good at modeling the publisher's margin. So if we see an opportunity to move a publisher from three to five and this means a pre-payment or guarantee that we think is in line with the model, we see it as an investment that is very good for Taboola.</p>
<p>01:02:30:00</p>	<p><b>Adam:</b> In this sense also, by the way, if we were to buy another company, and we were bigger and I would see an opportunity to turn it from five to ten, then the publisher, you know, has... in many ways it's like turning Taboola almost into a consumer company, because you have predictable inventory for a very long time. So it is not even necessarily because of the competition, a publisher can say, "I have already chosen you." We offer them three years or five years. Three years without pre-payment, without guarantee and that's it, five years you have already chosen Taboola, five years with guarantee, with some kind of pre-payment, and you will choose it.</p>
<p>01:03:00:00</p>	<p><b>Adam:</b> And we think that both are win-win, so we see it as a lock-in of inventory for a longer period because it gives us the license to continue building as Ziv said before, to invest on the advertiser's side and increase the... so we see it as a very, very good investment.</p> <p>So it's not so much about competition in this section.</p> <p><b>Interviewer:</b> <b>Okay. You mentioned streamlining because of AI and we see all kinds of large companies even cutting back on employees, streamlining in this respect.</b></p>

<p>01:03:30:00</p>	<p><b>Question: Do you have anything in this direction? Are you cutting back, are you thinking of cutting staff?</b>  <b>Eldad:</b> Not at the moment.  <b>Interviewer: Not at all?</b>  <b>Adam:</b> Like we did last year, we parted ways  <b>Eldad:</b> The deal with Yahoo means a very significant growth, we moderated this growth. So, if we need to bring in, as Adam said, \$1 billion in revenue, then there is a cost to it with regard to customer management, versus... there is a lot here.</p>
<p>01:04:00:00</p>	<p><b>Eldad:</b> We moderated this growth that should be coming with it, and so we are actually introducing much more efficiency.  <b>Adam:</b> We are around the corner, 2024 is almost here.  <b>Eldad:</b> True.  <b>Adam:</b> And we talked about \$200 million at least. In EBITDA at least for cash flow. So, in that sense we feel we're in a good place, and that's before performance advertising, e-commerce, and header bidding that each of these three is...</p>
<p>01:04:30:00</p>	<p><b>Adam:</b> If you do... Taboola's forecast does not include that e-commerce or header bidding or performance advertising are happening in a significant way. That means the yield of Taboola is flat. We assume flat. It kind of means that performance advertising, like, in the model, nothing happens with it, which I think, I will be very disappointed if this is what happens. Okay, in particular because we influence it a lot, but for the purpose of the discussion performance advertising is a huge upside.</p>
<p>01:05:00:00</p>	<p><b>Adam:</b> The header bidder that is in Taboola today is relative ... I mean Microsoft which is the hand... Like Taboola bidding. Microsoft is big which is bidding, we have about fifty or so publishers that use it. Which is still relatively small, but it adds up, but there is Yahoo which can also grow.  But theoretically this is a market of, we estimate it at least \$2 billion that is just for us from the existing Taboola publishers. So, if we take 10%, 20%, 30% of that, it is a significant contribution to Taboola.</p>
<p>01:05:30:00</p>	<p><b>Adam:</b> So, each of these are big, and therefore we are in the execution mode and to cause them, at least these three, now four with Yahoo, to succeed.  <b>Interviewer: Is the rev sharing with Yahoo dilutive?</b>  <b>Adam:</b> No, no, we announced ...  <b>Adam:</b> Obviously, it's competitive, and therefore they gave the EBITDA and free cash flow. We think that the fact that there is generally synergy with Yahoo in Taboola's network is also a contribution.  This means, we think that Yahoo, that Steve also spoke about, when Yahoo comes up,</p>

<p>01:06:00:00</p>	<p><b>Adam:</b> It has the opportunity of improving Taboola’s yield on the Taboola network. Because we see here that there was yield contribution from Yahoo, because of the Yahoo data and advertisers we see that Taboola’s entire network will be more active. We did not advertise anything specific, but these two things ...</p> <p><b>Interviewer:</b> What is the difference between the EBITDA and the free cash flow, from one to two hundred?</p> <p>Adam: Servers, that we are still setting up many servers ...</p> <p><b>Interviewer:</b> Tax is 15 percent or something like that? I don’t remember where the number 15 percent appears in the model?</p>
<p>01:06:30:00</p>	<p>Adam: I don’t remember that... Possibly ... from Steve and all that, but the big things are the servers that could be a large purchase, certainly in an investment year like Yahoo, and tax, it's all the big stuff.</p> <p><b>Interviewer:</b> One question, the proforma that we mentioned, the addition from Yahoo, it was sometime around November, since then we assume that you also decreased your guidance to 23 from the aspect of EBITDA</p>
<p>01:07:00:00</p>	<p><b>Interviewer:</b> Because, in fact, of the macro conditions and such, Yahoo wasn't affected from that? I mean, the numbers there didn't go down?</p> <p>Adam: What did we base the projection on?</p> <p><b>Interviewer:</b> Yes.</p> <p>Adam: We still believe that it is relevant.</p> <p><b>Interviewer:</b> Okay, but in terms of ... Relevant, but let’s assume it was conservative then, it's a matter of ... At the end of the day, what is the current trend at Yahoo, they aren't affected by the macro like you are?</p> <p>Adam: We are what we said, by the way, this is Taboola’s EBITDA,</p>
<p>01:07:30:00</p>	<p><b>Adam:</b> It is less because of the macro, what we said is that it is the year invested in Yahoo, performance advertising. And we started with ...</p> <p><b>Interviewer:</b> If I take Yahoo out of the picture and all the investments, you still gave some sort of guidance of it says 110, I believe?</p> <p>Adam: If you take the run rate at the end of the past year, because Taboola is a run rate business, and you calculate the EBITDA as run rate for 2023, then you roughly get 110.</p> <p><b>Interviewer:</b> Yes, that is again compared to 150, 160 of ...</p> <p>Adam: Yes, because 2022 began very strong and then declined.</p>
<p>01:08:00:00</p>	<p><b>Interviewer:</b> Yes.</p> <p>Adam: Then we ... That’s how we reached these numbers.</p> <p><b>Interviewer:</b> Okay, so from there, what ...</p> <p>Adam: Then in Yahoo’s model, when they gave it, in other words at the end of last year. By the way, it could be that from here it dropped more because I don’t have any idea what would happen in the world afterwards, but given that the world remained roughly as it was at the moment we made the announcement, which was the end of last year, then the numbers are relevant.</p>

	<b>Interviewer: And as of today? How do you see ...?</b>
01:08:30:00	<p><b>Interviewer: How is the conversation with the advertiser? How does their appetite increase the spend?</b></p> <p><b>Adam:</b> They are anxious. Ah, because of Yahoo or in general?</p> <p><b>Interviewer: In general, with them.</b></p> <p>Adam: So, now we have the advantage that the advertisers know that any time now when Yahoo goes up then they will have a bonanza when it comes, and Yahoo has unbelievable supply because it is people, many people who buy things and come back again and love Yahoo. We made an event also here in Israel, that Israel is a very large export business in the world in the advertisers sector. And there was much excitement for when Yahoo will happen.</p>
01:09:00:00	<p><b>Adam:</b> In general, what we saw last year, at least, was less advertisers churn with Taboola, they just lowered the spend.</p> <p>Which is relatively good news.</p> <p><b>Interviewer: In principle, we are getting closer to the end, so if there is something you want to expand on, that we didn't ask or someone didn't ask?</b></p> <p>Adam: Can we just ask questions that people have?</p> <p><b>Interviewer: Okay.</b></p> <p><b>Speaker 1: Another two questions. One, regarding e-commerce. I can refer to a few,</b></p>
01:09:30:00	<p><b>Speaker 1:</b> What is the ecommerce share, let's say, the forecast for this year, how much do you say it will reach? That is one question, and the second question which is not related, in my opinion, is the elephant in the room, you have large cash balances against a relatively large debt with high interest ... And another ten percent. I mean, if you think how much ten percent of two hundred million dollars is when you have debt of tens of million dollars, this is twenty percent of the free cash flow forecast.</p>
01:10:00:00	<p><b>Speaker 1: Then, do you also intend somehow to recycle the debt and make it a more attractive deal?</b></p> <p>Adam: So, about the first part, ecommerce, it's also public, that it is about 15 percent .. About 15, 16, 14, something like that, but it is maximum 25 of the value of EXTAC. It is a discount I think that it is a good discount.</p> <p><b>Speaker 1: With profit margins???</b></p> <p>Adam: We aren't breaking it down to ... Specifically, but EXTAC is about 15 percent. Regarding our interest, already part of it,</p>

01:10:30:00	<p>Adam: We paid part of it a few months ago, and the debt. And we said that we intend to continue doing this. The board approved some amount that we can do, to pay the debt. And we think that we want to continue to pay it as we go.</p> <p><b>Speaker 1: Then how do you intend doing it, more attractive conditions to see the, the ...</b></p> <p>Adam: I don't know what, I don't know what we said publicly, but we did say that we want to pay part of it, so ...</p>
01:11:00:00	<p><b>Speaker 2: Does the share price have some effect of your business actions?</b></p> <p>Adam: Upside for employees.</p> <p><b>Speaker 2: With Yahoo, on the level of the employees?</b></p> <p>Adam: No, you know, it is obvious that we look at the share price and I think that it is relatively helpful that we're not alone, and the world is in some place. On the other hand, you know, I think that as management we are very encouraged by it ... By how we ...</p>
01:11:30:00	<p><b>Adam:</b> 2024 is around the corner, there's plenty of good work, if you assume our numbers are... That we think they're conservative??? In 2024, then every Taboola employee, even by the multiple of the EBITDA now, has about three X's on the way. Now, again I'm not making a projection for you, I'm only telling you how, what we think has an upside in Taboola. And it's before performance advertising, e-commerce and header bidding, each of which can be,</p>
01:12:00:00	<p><b>Adam:</b> Like, performance advertising... Can be bigger than all of Yahoo in itself. And we are on it at full steam. There were three weeks in Israel now when I didn't have a single publisher meeting, all meetings were almost on advertiser success, so we are working like mad. So I say, in terms of the staff, I think it isn't fun for us to be part of it. On the other hand, it's extremely rare for employees coming for a job who have already seen the future.</p> <p>Because you usually have a plan, you hope it will happen. When we signed a contract, we were already in the future and we went back only to do it now. So in this sense, I think it helps people cross the bridge,</p>
01:12:30:00	<p><b>Adam:</b> and we believe in ourselves that we'll succeed in causing at least one or two or three of this trio that I've been talking about the whole time, to happen.</p> <p>And then you know you're coming to work from a company that writes code on the gene level for 600 million people per date on a scale of two and a half or more billion dollars annually. This, we're the biggest on the open web on the other hand. So I spoke in that sense in the presentation that we made with Yahoo in New York,</p>
01:13:00:00	<p><b>Adam:</b> Then I saw, you know, Printerest and TradeDesk, it simply moves to completely different area code and in this regard, I think employees are encouraged, happy and work hard.</p> <p><b>Interviewer:</b> One of the things that bothers when you look and that's why in general, the companies, the advertisers are listed at a relatively low multiple, that</p>

	<p>the profitability radar her is very, very not visible, meaning, it's hard to say, okay, 2024 is closed, two hundred million dollars, like time it can continue? What can create some disruption that will very, very significantly make the profitability of this segment disappear?</p>
<p>01:13:30:00</p>	<p>Very hard to weigh, to truly understand the... It's a kind of behavior like of... You rush up and then suddenly you can have some landing as a result of some agreement cancellation or all things like that.</p> <p><b>Adam:</b> I think that historically what you're saying is quite right. One of the most problematic things in this adtech sector is that it isn't very predictable. By the way, mainly because it wasn't every company that succeeded in making long-term exclusive global transactions with the internet. It never happened.</p>
<p>01:14:00:00</p>	<p><b>Adam:</b> And Yahoo after thirty years, which is obviously very long, has ten-year transactions, many five-year transactions and a number of three-year transactions. So, it wasn't a company that managed to generate so much value for Disney to say that we will work with this company for the next five years or for Comcast or BBC, it simply will never happen, and therefore, if you're a company that does bids, you're very good today, but suddenly something changed, something in data, and then you can't bid anymore, and then you slump, it was very unpredictable. In this sense, the inventory is ours. Which is very similar to consumer companies whose users are theirs, and therefore, they're usually better companies,</p>
<p>01:14:30:00</p>	<p><b>Adam:</b> because they're more stable, because the chances are low that suddenly thirty percent of the users stop coming to Twitter. So in this sense, we, I think it very much differentiates us. And it wasn't a company that was large enough to have the advantages of large companies, historically.</p> <p>But I think that scale and... Plus the way we do business with publishers really sets us apart from what was twenty, thirty years ago. And in terms of... Microsoft, it is a large publisher in Taboola.</p>
<p>01:15:00:00</p>	<p><b>Adam:</b> I don't remember if in the last report, which is already smaller than the large part, and when Yahoo gets added, it will become even a smaller part. But after Microsoft, the next in line is... very small, the following one is already less than one percent. So there is already none with Taboola... and with advertisers, they are all small. So there's nothing a Taboola that could rock the boat significantly. Other than Yahoo. Yahoo is the biggest, but Yahoo is over 30 years, so let's say, that I will renew this when I'm 70, it will be a challenge for us, but until then,</p>

<p>01:15:30:00</p>	<p><b>Adam:</b> It has to be very predictable.</p> <p><b>Interviewer:</b> Are there any stipulations regarding the Yahoo deal? In other words do they have any specific targets?</p> <p><b>Adam:</b> They have a year that they don't. But we are a very large part of their revenue. We are highly aligned with each other.</p> <p><b>Interviewer:</b> Is there anything that could blow up the relationship with Yahoo? In other words, poor execution, could that create some kind of cancellation of the deal?</p>
<p>01:16:00:00</p>	<p><b>Interviewer:</b> Or something that?</p> <p><b>Adam:</b> It's not something that... we feel very good about this transaction for the next 30 years, including everything the two of us can do.</p> <p><b>Interviewer:</b> Is Twitter's current situation perhaps an opportunity?... In the cards?</p> <p><b>Adam:</b> Seems interesting to me. I also think that the deal with Yahoo opened the chakras for many other big companies that didn't think it was possible to do a deal for \$1 billion annually and to outsource advertising to another company.</p>
<p>01:16:30:00</p>	<p><b>Adam:</b> And suddenly I can be possible, perhaps for all kinds of companies that are currently at 1 billion or two billion or three billion, and think that maybe they aren't so good at this, maybe its not their core focus. I do think that there is a world where Taboola makes huge channel partnerships, but without too many illusions, without ... that we did in this regard, but I think this is an opportunity, Sound.</p> <p><b>Thank you all.</b></p>
<p>01:17:00:00</p>	<p>Thank you. (The conversation ended)</p>