

# Mediaocean-Innovid could be the first of many ad tech deals to challenge Google's supremacy

Article

**The news:** Innovid, an independent advertising and measurement platform focused on connected TV (CTV) and digital video advertising, will be acquired by **Mediaocean** for \$3.15

per share, valuing the company at **\$500 million**.

- Mediaocean will merge Innovid with its **Flashtalking** subsidiary to create a global omnichannel ad tech platform offering services like ad delivery, creative personalization, and measurement across CTV, social, and linear TV channels.
- The deal is expected to close in early 2025, with Innovid CEO **Zvika Netter** set to lead the combined entity, reporting to Mediaocean CEO **Bill Wise**.

**Why it matters:** It's not a big deal in terms of dollars, but it is a big deal in terms of why it's happening.

- The timing of the acquisition aligns with the ongoing **antitrust trial against Google**—the company is currently **pushing back** against DOJ's proposed **forced sale of Chrome**—which could disrupt Google's dominance in digital advertising. Innovid competes directly with Google's **Campaign Manager 360**.

**Innovid 101:** The company helps big brands in three ways: delivering ads, creating custom ad content, and measuring ad performance. The platform lets advertisers track and optimize campaigns across both traditional TV and streaming services.

Innovid operates in a competitive segment of the digital advertising landscape, facing stiff competition from the likes of **Teads** and **MNTN**, among others. In the category of ad creative management, Innovid's primary competitors include **Steelhouse** and **Adacado**. It's also been compared with Flashtalking itself, **Celtra**, **AdRoll**, **Smartly**, and **AdCreative.ai**.

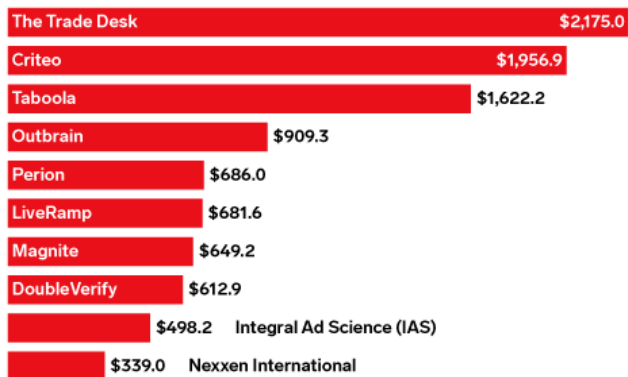
**Market context:** Innovid's stock has dropped 90% since its IPO, falling from a \$1.3 billion SPAC valuation. The acquisition price offers a 100% premium over its current stock price, highlighting the benefits of consolidation for ad tech acquirers.

- Despite its post-IPO blues, Innovid has rebounded operationally, showing consistent profitability in recent quarters. For Q3 2024, the company reported \$38 million in revenues, a 6% increase YoY, with a net profit of \$4.7 million.
- Mediaocean, the larger company with \$500 million in revenues, wants to use Innovid's expertise to expand beyond TV into social media and display ads. It's aiming to give advertisers one platform that works across all ad channels worldwide.

**Our take:** This could be a portent of things to come. **We expect increased consolidation in the ad tech space** as platforms like Innovid and Flashtalking aim to offer advertisers greater control over data and decisions.

**Top 10 Pure-Play Ad Tech Players, Ranked by Gross Revenues Worldwide, trailing 12 months to June 2024**

millions



Note: ranked by gross revenue for combined H2 2023 and H1 2024; pure-play publicly listed ad tech companies with omnichannel platform operations shown; additional players may exist

Source: EMARKETER Analysis; company earnings releases, Sep 19, 2024

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