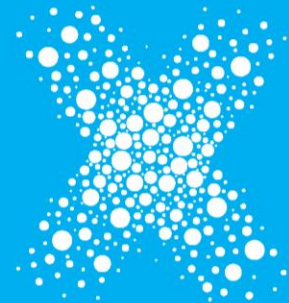




WPP Digital

Xaxis Update



XAXIS



Programmatic ad revenue in the US reached \$10.1bn in 2014, accounting for **20%** of total online ad revenue.

iab.

**BUSINESS
INSIDER**

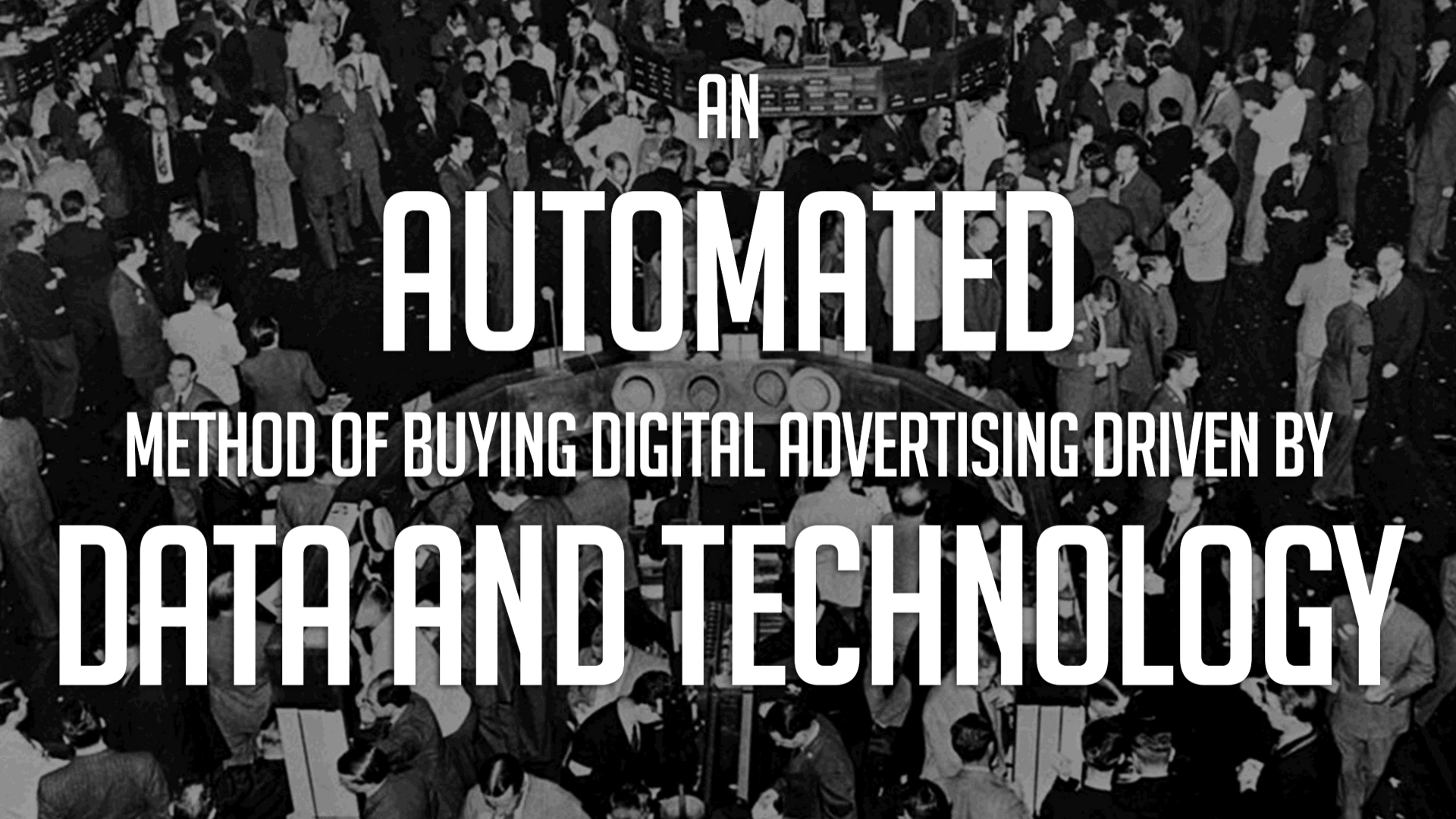
For the first time this year, programmatic transactions will be a majority (**52%**) of non-search digital-ad spend.

Programmatic buying is on track to make up **\$14.88 billion** of the approximately **\$58.6 billion** digital advertising pie this year.

eMarketer™

AdvertisingAge

Programmatic TV to account for **\$10 billion** of TV Budgets by 2019.



AN

AUTOMATED

METHOD OF BUYING DIGITAL ADVERTISING DRIVEN BY

DATA AND TECHNOLOGY



2015 Global Ad Spend
\$560B

TV Spend
\$226B
40%

Digital Spend
\$171B
30%

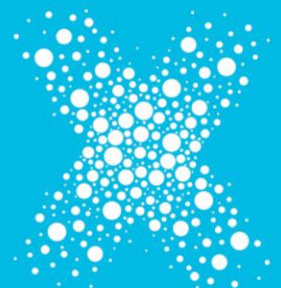
Programmatic
\$16B
3%

Programmatic Landscape



What is

Xaxis



XAXIS

More than Ads.

More than Tech.

We use
DATA AND
TECHNOLOGY
to help advertisers
REACH AND **ENGAGE**
with
AUDIENCES
at **SCALE**.

The leading programmatic media & technology platform



HISTORY OF INNOVATION

First Banner Ad Served

First Ad Server Debuted

1994-1998

WPP Launches
group^m

24/7
REALMEDIA

Real Media and
24/7 Media Merge
to form
24/7 Real Media

rm | rightmedia
launches first **ad exchange**

Google acquires
doubleclick
by Google

MediaMath

launches first **DSP**

2005-2010

WPP

WPP acquires **24/7 Real Media**

m!G
MEDIA INNOVATION GROUP

Media Innovation Group
develops first DSP and DMP

targ.ad

GroupM launches **targ.ad**, the first
proprietary audiences network in Germany
targ.ad TV launched, creating Europe's largest,
audience-based video network in 10 Markets

X AXIS
Xaxis launches

X AXIS **24/7**
-MEDIA-

Xaxis completes Merger with
24/7 Media

appnexus

Sale of **OAS** to **AppNexus**

2014-2015

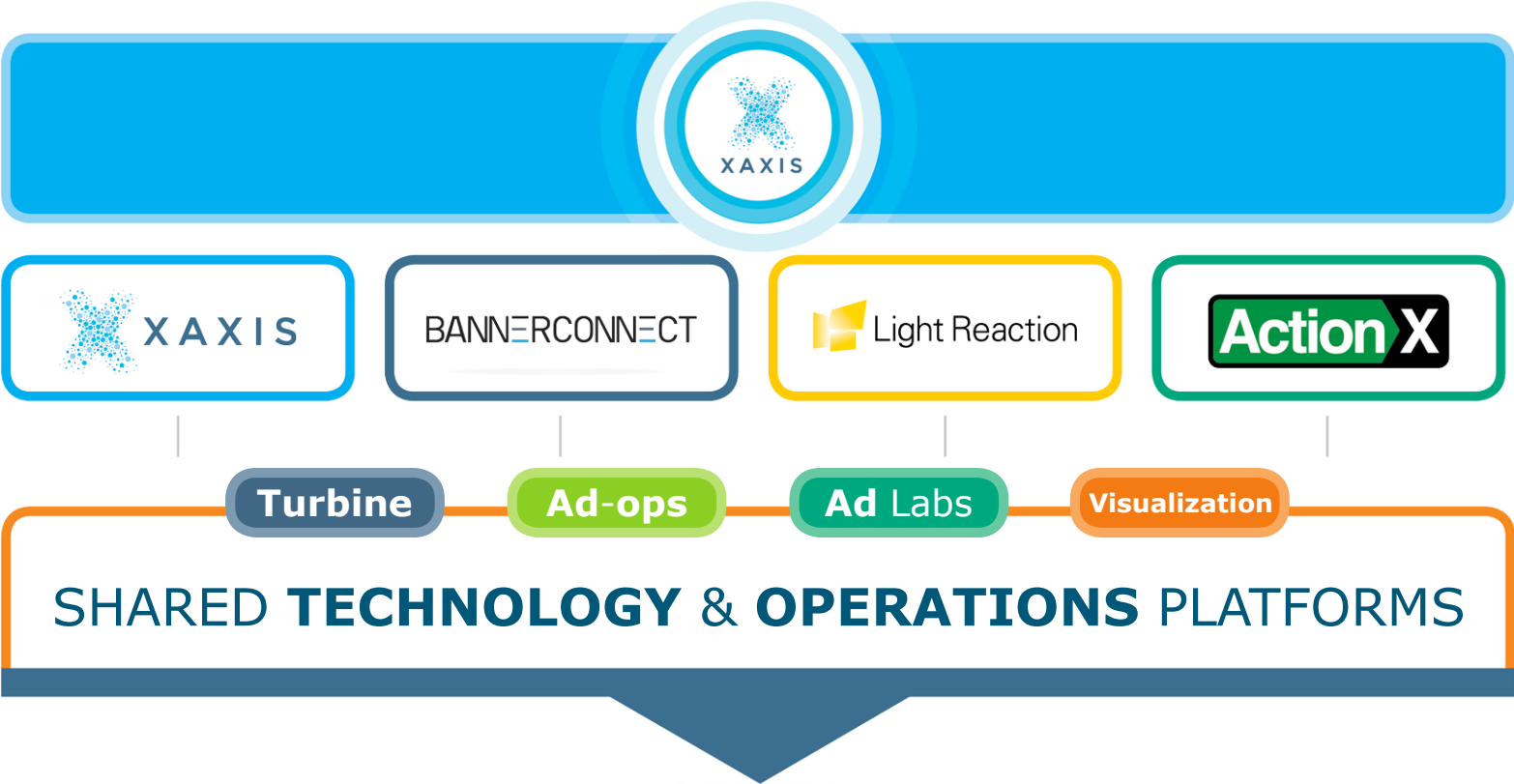


Xaxis launches **Turbine**



Xaxis launches
LightReaction

Identity & Corporate Structure



Video



Display



Radio



Social



Mobile



Xaxis

Connecting Advertisers and Consumers All Places Digital

Addressable TV



Out-Of-Home



Turbine

The background features a large, stylized turbine with numerous blue blades radiating from a central hub. The central hub is a bright blue circle containing a logo of white dots forming a star-like shape, with the word 'XAXIS' written in white capital letters below it. The overall aesthetic is futuristic and high-tech, with a dark blue and black color palette.

XAXIS

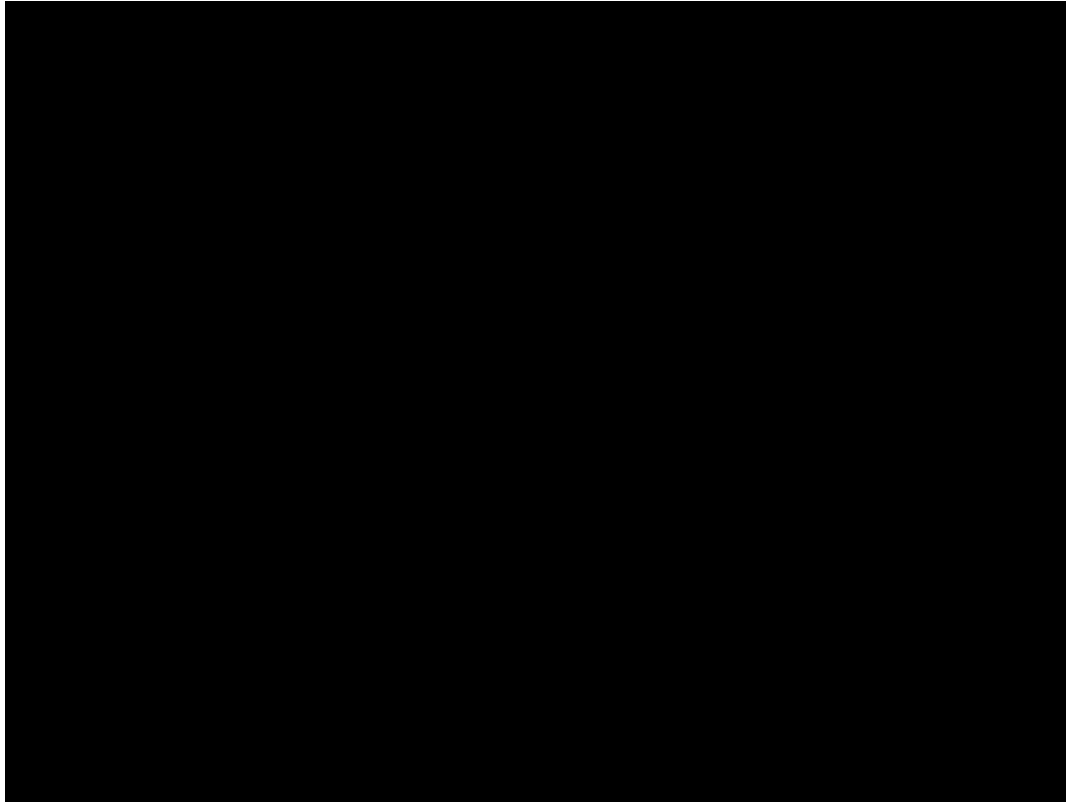
Proprietary, Next Generation DMP

Gives clients an unprecedented advantage to make better
data-driven media buying decisions in Real-Time

Delivering for Leading Global Marketers



Innovation Drives Our Best Cases



Xaxis in 2015

2015 Priorities

MOBILE

video

DIRECT

PERFORMANCE SUPPLY



XAXIS

Action X



Xaxis 2015 Performance

Global

EMPLOYEES
1,100

MARKETS
42

ANNUAL SALES

\$950MM

CLIENTS

2,800+

GROWTH YoY

+27%



Light
Reaction

2015

HIGHLIGHTS

LIGHT REACTION IN 2015



1500+
CAMPAIGNS

300+
CLIENTS



24
MARKETS

121
EMPLOYEES

HIGHLIGHTS



Technology

- Integrated ActionX, Quismax and Turbine to create Light Reaction platform

Products

- Launched four new products: Mobile Performance, Mobile Re-engagement, App Performance and Call Performance

Insights

- Established Perceptual Science research lab to bring principles of neuromarketing to Light Reaction clients

Clients

- Developed new direct client relationships in addition to GroupM client base

Challenge

- Generate new customer sales online



Strategy

- Look alike modeling
- Dynamic creative format



Results

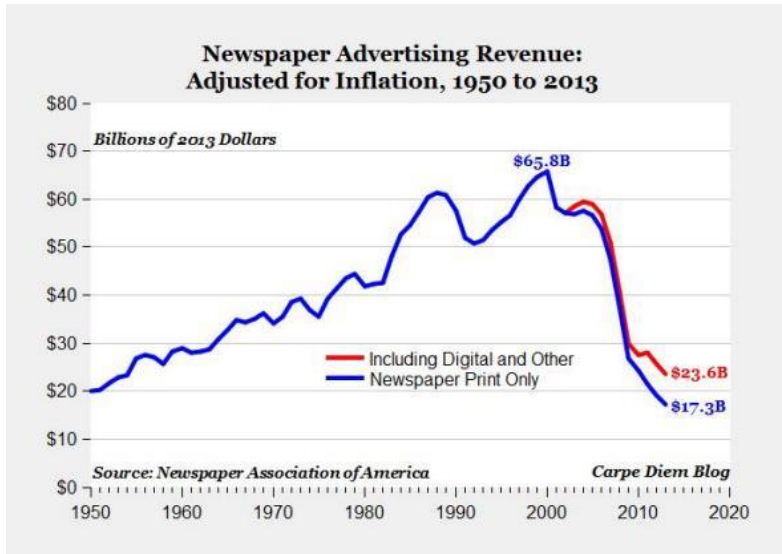
- +17% in post-click sales
- +10% revenue turnover
- -8% cost per customer

Ongoing success

- Price on outcome of new customer sales only
- Always-on optimization and testing of creative formats

Industry Trends

In the US, Digital Viewing Surpasses TV Viewing in Five Years



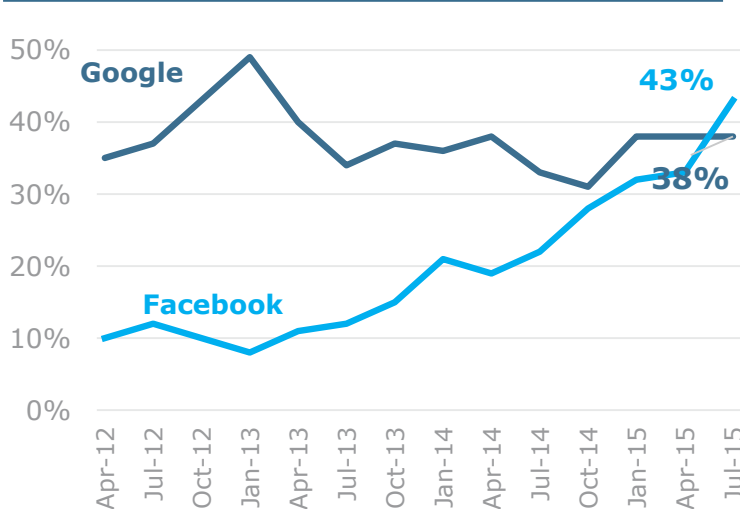
- US TV viewing is now in decline across all age groups for the first time ever
- History shows that when a physical medium begins to be eclipsed by a digital one, its decline can be rapid

"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction."

Bill Gates

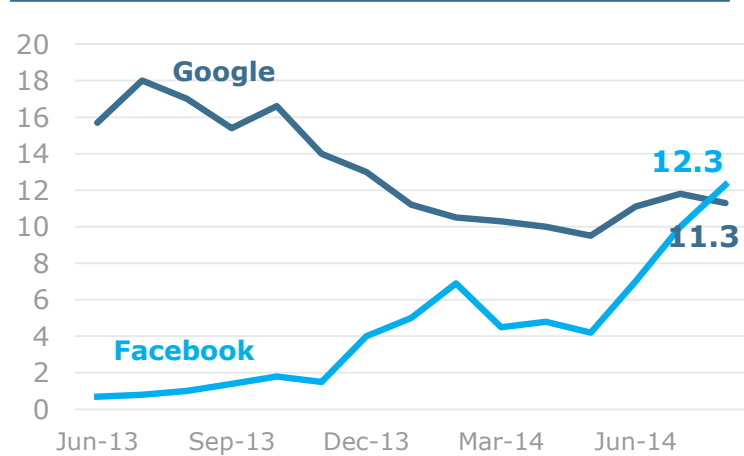
Facebook Main Locus of Content Discovery and Consumption

Parse.ly Network* Traffic by Source: Google vs. Facebook
\$, billions



Discovery is shifting away from Google search...

US Desktop Video Views, Age 15+
Billions

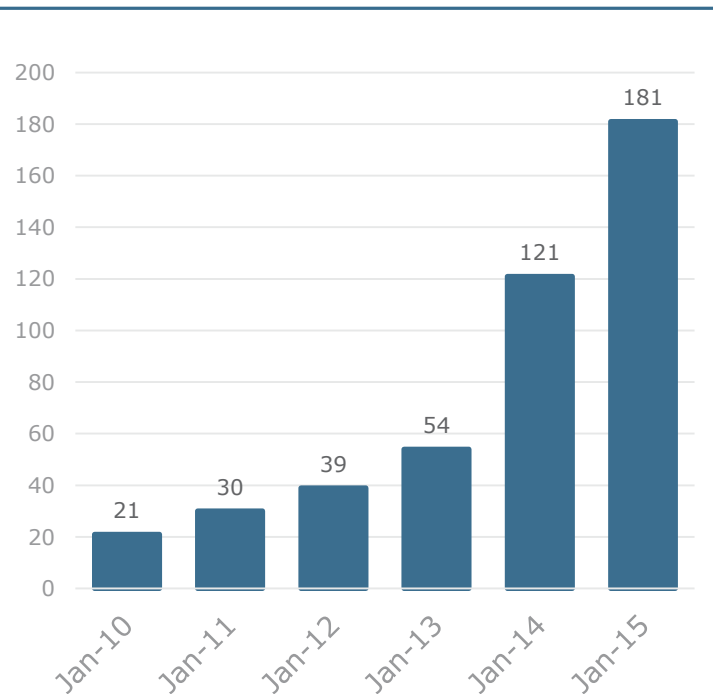


...while consumption is shifting away from YouTube



Ad Blocking Poised to Become Widespread

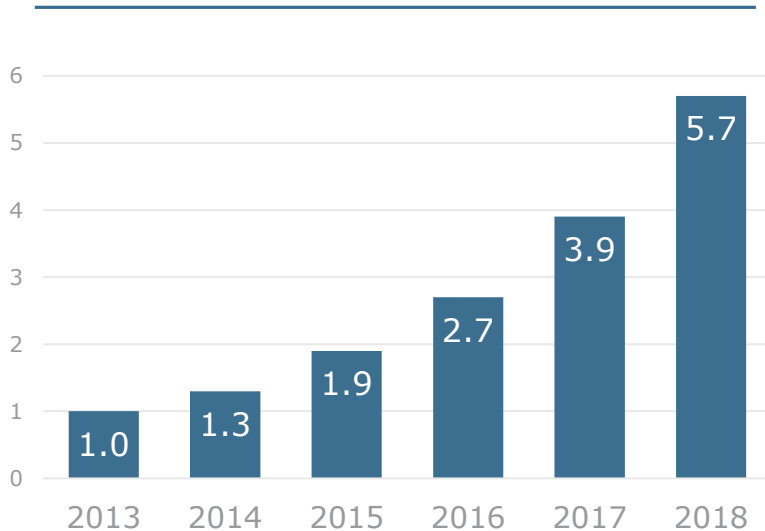
Global monthly active ad-blocking software users
millions



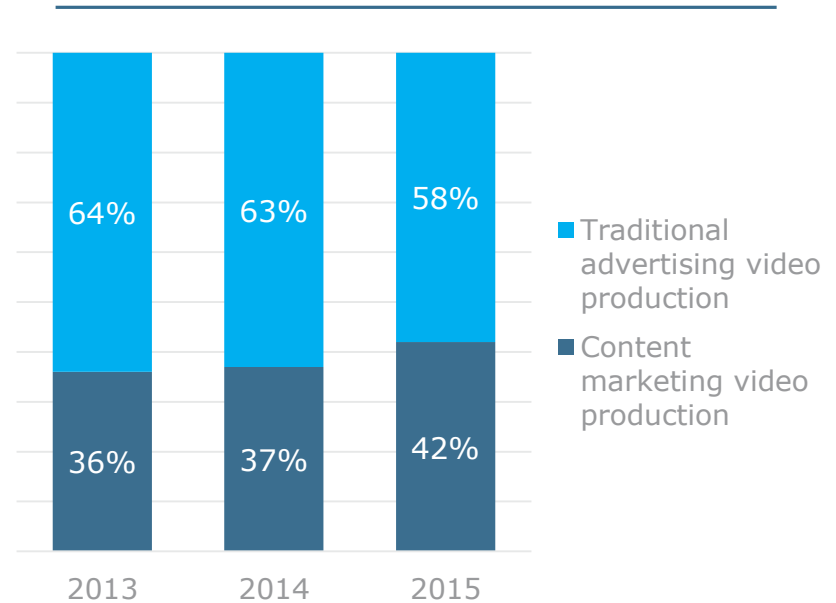
- Ad blocker usage grew 41% globally Q2 2014 to Q2 2015
- Short term financial impact minimal
 - Ad blocking in iOS 9 will only affect mobile web ads, which account for <1/3 of total mobile ad spend
 - UBS estimates that iOS 9 ad blocking will cost the advertising industry ~\$1bn in 2016, assuming 20% of iOS 9 users choose to block ads
- Proactive strategy required now
 - Value exchange: Sourcepoint
 - Experience: Native / Content marketing

Publishers Embracing Native Formats; Advertisers Spending More on Content Marketing

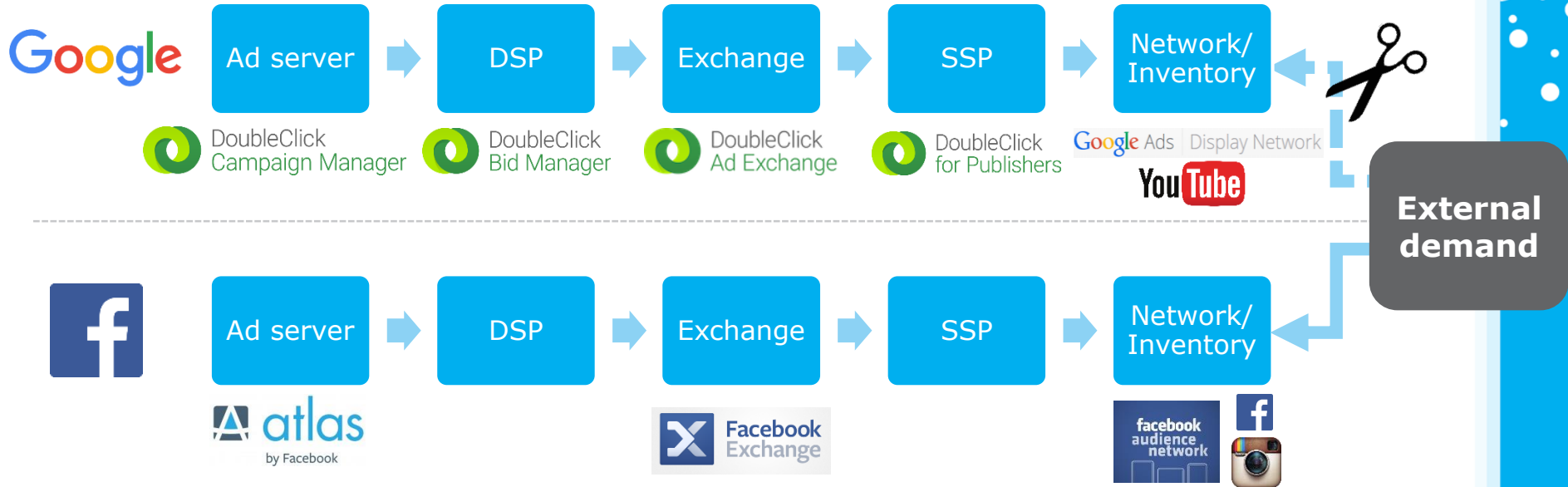
US Native Display Advertising Market
\$, billions



Content Marketing Production
% of total budget



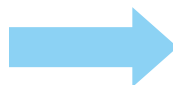
“Walled Gardens” Divided Among FB/GOOG + Emerging Entities



- Facebook + Google continue to execute walled garden approach; Emerging platforms e.g. Pinterest, Kik, Twitter, Instagram
- Other middleweight proponents are softening approach e.g. Amazon, AOL, Yahoo
- Partnership with specialist buying platforms; Focus on Cross-garden metrics / targeting

Ad Quality: What Comes After Viewability?

Xaxis has been leading Google and Facebook on viewability, but they are now making moves to catch up



Where can we focus our attention to get ahead in 2016?



May 2014

Began guaranteeing 100% viewability (3P verified) in the US, based on the GroupM standard



September 2015

Announced third-party viewability verification for YouTube



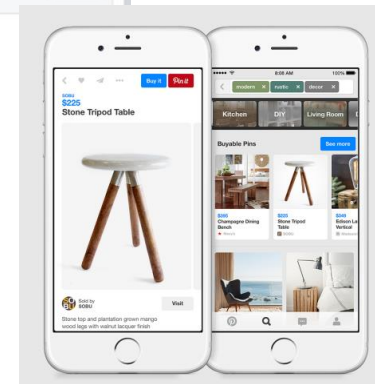
September 2015

Announced third-party viewability verification

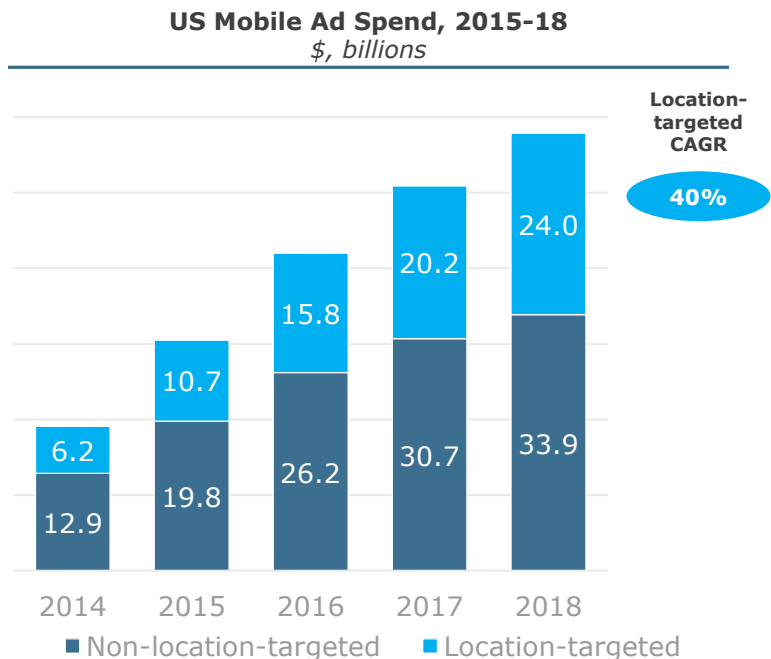
- Fraudulent traffic
 - Highly visible problem
- Mobile fraud: new methods
 - Fraudulent in-app purchases
 - Location data spoofing
 - Still nascent, but gaining visibility
- Other metrics:
 - Earned media; audience...

eCommerce: Buy Buttons Evolving Affiliate Marketing

- **Problem:** Clicks on mobile ads convert to sales 40-50% less often than do clicks on desktop ads
- **Solution:** “Buy buttons” on ads within apps where user credit card information is already stored
 - **Pinterest** launches initial trial of buy buttons with Macy’s, Nordstrom, and other retailers – June 2015
 - **Facebook** launches buy buttons for Page Posts and Promoted Posts via Shopify’s e-commerce platform – June 2015



Location Data Increasingly Used to Target Mobile



- Location-targeted ads will account for >40% of US mobile spend by 2018
- New use cases around location as an indicator of behavior:
 - Event-based targeting
 - In-store attribution
 - Foot traffic analysis
- Accuracy will be key: 54% of ads are off target by more than 1km

THANK YOU

BRIAN LESSER



X AXIS