Playmaker Capital Inc.
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Corporate Participants

Jordan Gnat
Chief Executive Officer

Mike Cooke
Chief Financial Officer

Jake Cassaday
Chief Operating Officer

Conference Call Participants

Matthew Lee
Canaccord Genuity

Rob Goff
Echelon Wealth Partners

Nicholas Cortellucci
M Partners

Gianluca Tucci
Haywood Securities

Adhir Kadve
Eight Capital

PRESENTATION

Operator

Good morning, and welcome to the Playmaker Capital Incorporated Second Quarter Earnings Conference Call. All participants will be in listen only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star then one on a touch tone phone. To withdraw your question, please press star then two. Please note, this event is being recorded.

I would now like to turn the conference over to Playmaker Chief Operating Officer, Jake Cassaday. Please go ahead.

Jake Cassaday

Thank you, operator. Good morning. As mentioned, I'm Jake Cassaday, and I'm joined today by our Chief Executive Officer, Jordan Gnat, and our Chief Financial Officer, Mike Cooke.

Before we begin, I'd like to remind you that today's call will include estimates and other forward looking information from which our actual results could differ. Please review the cautionary language in yesterday's press release regarding various factors, assumptions, and risks that could cause our actual results to differ.

Furthermore, during this call, we will refer to certain non-IFRS measures. These measures do not have any standardized meaning under IFRS, and our approach in calculating these measures may differ from that of other issuers and so these measures may not be directly comparable. Please see yesterday's press release for more information about these measures.

As a reminder, this conference call is being recorded, and a replay will be available on Playmaker's website. An updated investor overview presentation is also now available on the website inclusive of Q2 details discussed here.

At this time, I would like to introduce Jordan Gnat, Chief Executive Officer of Playmaker.

Jordan Gnat

Thank you, Jake. Good morning, everyone, and welcome to our second quarter 2022 earnings call. Q2 was a very busy quarter for us as we focused on continuing to invest in the underpinning of the foundation of our business and integrate the companies that we acquire, further developing our operational efficiencies and centers of excellence.

In Q2, we completed the previously announced acquisition of The Sports Drop, and we are seeing immediate results that will benefit the company for the balance of the year into 2023 and beyond. Subsequent to the quarter end, we completed two acquisitions of World Soccer Talk and JuanFutbol and last week, announced the launch of The 90th Minute, our new soccer-focused podcast, video, and social brand.

We are leaning into the soccer vertical in North America. We are dominant in South America, and we believe that we can have the same level of dominance in North America. With these assets, our knowledge, and our team, we are set up not just for this World Cup, with Canada, the U.S. and Mexico participating, but also well positioned to march towards World Cup 2026 taking place in North America.

We are prepared for the upcoming North American sports calendar. In Q2, Yardbarker launched our new sports betting focused newsletter, BarkBets, and we entered into our new affiliate partnership with Oddschecker, which launched officially the past few weeks. This new sports betting hub delivers deeper SEO-forward sports betting content to fans and include actionable information such as promotions, free bets, odds comparisons, predictions, and more.

At Futbol Sites, we expanded our offices in Buenos Aires and moved into our new video production facility in Guadalajara to house our creator team, Cracks. This new facility provides us with the flexibility to leverage the Cracks' expertise and scale our video capabilities for the benefit of the entire Playmaker Group.

On the balance sheet side, we completed a $20 million U.S. financing with Beedie Capital in July, bringing additional institutional capital into the company. This investment gives us the flexibility to execute on our strategies and provide a partner in Beedie Capital that brings unique expertise and perspective that will greatly complement our business.

Between the existing credit facility, which we closed in Q1, and the new Beedie facility, we have $14 million of available credit. That credit, along with the cash we currently have on hand, gives us capital to execute acquisitions that are of the size and scale that move the needle for our business.

Our Q2 organic growth of 10% was very strong. If you recall, in Q2 2021, there were two global events that straddled June and July, being Copa America and the European Championship as well both the NHL and NBA playoffs did not finish until July '21. General macro conditions in '22 are certainly different than '21. And despite that, we had a great quarter, a real hats off to our Playmaker team.

Playmaker has experienced incredible growth in the past 12 months. This time last year, we had just completed our acquisition of Yardbarker, our third since April 1, 2021. We were a team of under 200 people. We have now completed 14 acquisitions, are a team of over 400, and have trailing 12-month pro forma revenue of over USD 30 million.

Playmaker's sales and monetization teams continue to drive strong results. As mentioned on our last call, we have begun to lean into direct ad sales in a more meaningful way. Direct sales from Tier 1 advertisers and sports betting operators continues to be an area of focus and growth for Playmaker. Direct sales for Playmaker's owned and operated platform media businesses increased by 50% in Q2 2022 over Q2 2021, with direct sales accounting for over 50% of total revenue this quarter.

As evidenced by the transactions in the quarter and subsequent to quarter end, our pipeline for M&A remains very steady. We are seeing valuations stabilize and the willingness of parties to transact. Our strong balance sheet provides us not only the ability to execute on these opportunities, but also the credibility. The most recent acquisitions have been focused on countries or areas where we had gaps to fill or verticals we wanted to lean into in a more meaningful way. Our focus going forward will be to look at businesses that will provide more meaningful scale to the company from both a revenue and EBITDA perspective.

I'll now hand the call over to Mike to walk you through our Q2 results.

Michael Cooke
Thanks, Jordan. Good morning, and thank you all for joining us today. Last night, we reported our results for the quarter ended June 30, 2022. Including the results of the businesses we have acquired to date on a pro forma basis, revenue was $7.4 million in Q2 2022 compared to $6.7 million in Q2 2021, an increase of $700,000 or 10%. We achieved this organic increase in pro forma revenue despite headwinds in the macroeconomic climate and despite a comparatively quiet sporting calendar this quarter compared to Q2 of 2021, which featured two major international soccer tournaments as well as extended NBA and NHL playoffs that went into July 2021.

Regarding earnings, we use adjusted EBITDA as a key measure of earnings. Adjusted EBITDA is intended to present the results of our operating segments, so it excludes any onetime costs and head office costs incurred within our corporate segment.

Pro forma adjusted EBITDA was $1.9 million in Q2 2022 compared to $2.2 million in Q2 2021, a decrease of $300,000 or 14%. The decrease in adjusted EBITDA stems partly from our investments that we have made to drive anticipated growth and partly from differences in timing in the sporting calendar, where 2021 saw major soccer tournaments fall in Q2 and Q3, whereas 2022 will feature the World Cup during Q4.

On an IFRS basis, we produced $7.0 million of revenue this quarter compared to $3.0 million in Q2 2021, an increase of $4.0 million or 130%.

Operating loss was $700,000 in the quarter compared to $400,000 of operating income in Q2 2021. It's important to note, however, that the $700,000 of operating loss in the current quarter includes $1.5 million of noncash expenses relating to share-based compensation and depreciation and amortization.

Turning our attention to the balance sheet. We finished Q2 with cash of $2.5 million. Subsequent to quarter end, we closed a $20 million credit facility on July 11, and we received an initial advance of $15 million on closing. The combination of the $2.5 million in cash we had at quarter end, the $15 million of cash drawn on that credit facility in July, and the $14 million of additional credit that remains available to us on our two credit facilities provides us with significant flexibility to continue pursuing M&A opportunities as they arise.

I will now turn it back over to Jordan as we near the end of the call.

Jordan Gnat
Thanks, Mike. As I said on our Q1 call, 2022 is about building on top of the foundation that we laid in 2021. We have invested organically in our businesses, building out teams, centers of excellence, and an organization that is positioned for long-term sustainable, organic, and

inorganic growth. We are concentrating our efforts on areas where we believe we have the ability to generate outsized impact and return.

Eyeballs are key. Diversification of channels and content is key. Soccer is key. Audio is key. Leveraging social to drive traffic is key. And, affiliate revenue is key. I've said this many times, we will not grow at the expense of profit and we will not profit at the expense of growth. Our Q2 results exemplify this philosophy. Our audience growth has been nothing short of incredible, a year-over-year increase of 27% in monthly users to 95 million, a 40% increase in sessions to over 670 million in the quarter versus 2021; and our social media properties now have approximately 160 million followers, an increase of 51% over Q1 2022 across all major platforms including Facebook, Twitter, TikTok, Instagram, YouTube, and Twitch.

We are now, according to the June 2022 Comscore rankings, the fourth largest digital sports media company in the Americas, up from sixth just six months ago. This can 100% be attributed to the dedication and the work ethic of the entire Playmaker family. While there are macro headwinds that are being felt in all parts of all of our lives, we have been very fortunate to be focused on an industry that has such strong macro tailwinds. We are geographically diverse. We are focusing on new areas of growth. We are very disciplined in our M&A strategy. We are integrating companies and creating true synergies. We are a team that is very excited to come to work each and every day.

Operator, you can now go ahead and open the line for questions.

QUESTION AND ANSWER

Operator
We will now begin the question answer session. To ask a question, you may press star then one on your touch tone phone. If you are using a speakerphone, please pick up your handset before pressing the keys. If at any time your question has been addressed and you would like to withdraw your question, please press star then two. At this time, we will pause momentarily to assemble our roster.

The first question today comes from Matthew Lee with Canaccord. Please go ahead.

Matthew Lee
Hey. Morning, guys. I just wanted to start by talking about how you expect to deploy the capital that you raised going forward. You have the convertible in place. Are there any particular areas you're looking to bolster in terms of either capabilities or geographies?

Jordan Gnat
Yes. Thanks, Matt. How are you? Great question. So we put this money on our balance sheet because we are very, very focused on finding, I would say, chunkier M&A. We've done a lot of M&A that is really about filling gaps. JuanFutbol was a great acquisition for us, filled the gap for social in the Mexican market, gives us another soccer brand. World Soccer Talk is a great acquisition, gives us affiliate revenue, focusing on soccer in the North American market.

But what we're really looking for is M&A that is in, one, of a geography, U.S. would be our first choice of geography from a media property to get big scale in the U.S., organic takes a long time. Even though Yardbarker has almost doubled in size in terms of audience in the last year, in order to get to media properties of scale in the U.S., we would need M&A that would be chunky.

The other would be channel. Affiliate revenue, we've talked about three approaches to it: buy, build, or partner. We have bought World Soccer Talk, small affiliate operator focused on the streaming service business, and we've partnered with Oddschecker.

I think on the affiliate side to get scale in the North American market and point to future opportunity in the South American market needs to be acquisition. And so I think what you would see from us in looking at how to deploy this capital would be businesses of scale, businesses with EBITDAs measured in the seven figures-plus, and looking for chunkier revenue so that we can truly move the needle for the business.

Matthew Lee
That's great and great color. So maybe then we can switch to the EBITDA margin. Chalking around 25% right now, shouldn't you see some improvements as we go into the back half of the year? I assume World Cup should be a substantial driver. And then maybe how does that trend continue in F '23?

Michael Cooke
Yes. Thanks, Matt, It's Mike here. I can take that one. Yes. So we don't give guidance on this, but a couple of important data points to call out. I think last year, for the full year, we were at 34% as our adjusted EBITDA margin. Going forward, we've said we want to invest, and we said that we won't profit at the expense of growth. And so it would be reasonable to expect some decrease from that 34% that we saw last year, but a modest decrease in something. Staying in the low 30s for the full year makes sense. And that's for the full year.

When you think about the split between the quarters, what we've historically seen is margins climbing each quarter from Q1 up to Q4, peaking in Q4 each year. There was a bit of an anomaly to that last year because of the summer soccer tournaments. So you had a higher-than-normal margin in Q2, Q3.

But this year, seeing a return to the more historical pattern of margin climbing each quarter through the year and peaking in Q4 makes sense. And that's especially true with the World Cup timing falling in mid-November to mid-December. And then yes, I think beyond that, I think that's where we expect to sit for the full year. And I think beyond that, I wouldn't expect any substantial change. We're early innings here. Our desire to invest will stay strong going into next year.

Matthew Lee
Alright, thanks.

Operator
Your next question comes from Rob Goff with Echelon. Please go ahead.

Robert Goff

Thank you very much and good morning guys.

Jordan Gnat
Morning, Rob.

Robert Goff
You did talk about how Q2 of last year was a really difficult bogey, given the sporting lineup. Can you -- with that context, can you talk to the session growth in Latin America given the tough comp?

Jordan Gnat
Yes, absolutely. Thanks, Rob. I think you're pointing to the year-over-year session growth that we saw of over 40% across our entire audience footprint. And we saw really strong growth, specifically in Latin America. This time last year, the key here is we didn't own Fanáticos this time last year. It was, at the time, a very relatively small but powerful social media page that we put our playbook to and turned into a very strong web property in just a matter of months and have since seen Fanáticos become the #3 sports media brand in all of Brazil, falling just behind Bolavip, our other owned and operated brand in Brazil, and ESPN.

So in Latin America, we've seen strong organic growth in each of our major markets, but Brazil has been a major frontier for us, and we've seen significant, significant growth in that market and we're really well positioned to capitalize on significant tailwinds in that market with sports betting coming live just at the end of this year.

And then even just a quick comment on North America. We saw a 16% growth in our sessions in North America in the quarter compared to Q2 of '21. And again, this is in a quarter where we didn't have the NHL and NBA pushing into July. So it just goes to show that the organic traffic that we're generating on both Nation Network, Yardbarker, as well as Bolavip in the U.S. is also keeping really strong growth rates in the North American market as well.

Robert Goff
And if I may, we all lived and see and breathe the pain of public capital markets. Could you talk to what you see in private markets in terms of valuations? Have they changed and enhanced structures that might be available to you given the new climate?

Jordan Gnat
Yes. Thanks, Rob. As we're looking at M&A targets right now, I think a couple of things that we have noticed is in the private markets, the private markets are beginning to catch up to the public markets in terms of valuation expectation. And as we look at some of the more chunky M&A opportunities that are in our pipeline today, we're seeing that that trend has brought valuation expectation back in line with the level of discipline that we have shown on our current M&A transactions.

So we have been successful at keeping multiples of EBITDA on a fully loaded basis with structures that we're familiar with and you're familiar with from us, which are cash, stock, and earnouts, being consistent with what we have been able to do in the past. I would say that was not the case in December through, I would say, the end of May. I think up into those six months, everyone was really on pause and hold, waiting to see if this market was a bump or whether there was an actual change.

And I think people have settled in that there is some valuation compression, that that is there. Whether it will stay another month, six months, the market will tell us. But for now, given the fact that we have the cash on our balance sheets, those conversations have gone from exploratory to certainly more aggressive, because we're seen as a very credible buyer with cash and the ability to do transactions, but also a track record of integration and a bunch of other members who have joined the Playmaker family, that these companies that we're talking to can diligence us on.

And I wouldn't dismiss how important that is that when we go to a target and we say to a target, "You'll have to believe that these are the things that happen when you join our family." We give them the opportunity to talk to the other companies that have joined Playmaker in this journey in the last 12 months. And that transparency that we offer builds credibility for us right on day one.

Robert Goff
Okay. And if I may, one last question. You did highlight the growth in your direct sales. Can you talk to the investment you've made in building out this reach and to the extent that perhaps a smaller player can or cannot do this?

Jake Cassaday
Absolutely, Rob. Yes. Direct sales, you'll continue to hear us really, really focus on direct sales. We're in a unique position, given our scale and our footprint across the markets that we operate in, to generate a lot of value for major brands and agencies. We've been doing this over the years, and the team at Futbol Sites has built out a relatively significant direct sales team that covers the Latin American audience.

We've continued to invest in this, not only for our Latin American group, but also in North America. We recently brought on Adam Seaborn to run our direct sales efforts for North America, and we are starting to see the fruit come from this effort. We've been in the mode right now really building pipeline ahead of Q4, particularly the North America with us really starting direct sales for the first time.

Between The Nation Network and Yardbarker, direct sales was a relatively non existing component of their go-to-market prior to us building out a direct sales team to support those brands. And so we've been seeing a really strong pipeline create ahead of the start of the NFL season, the start of the NHL and NBA season and, of course, for World Cup.

We built out brands. Also, this is not a driving factor, but nice to know that we can bring a product like The 90th Minute to market, knowing that there's an appetite from major advertisers to align with the talents that we're bringing to market with these products as well as the message and the core audience being a soccer fan heading into Q4 and World Cup. So it's an ongoing investment. It takes energy, effort to build that pipeline. And like any pipeline, you want to maintain its health, but you're going to see the fruits of the labor really pan out for us in Q4.

Robert Goff
Very good. Thank you, guys.

Operator
The next question comes from Nicholas Cortellucci with M Partners. Please go ahead.

Nicholas Cortellucci
Morning, gentleman. Congrats on all the progress this quarter.

Jordan Gnat
Great. Thank you very much.

Nicholas Cortellucci
I was wondering if you guys could provide some more color on the rationale for focusing on affiliate revenue and how that can impact the margins going forward?

Jordan Gnat
Yes. Thanks. It's a great question. The reason we want to look at affiliate revenue is, for us, we look at it as something that's completely net new. We haven't leaned into it in any meaningful way because it does require specific expertise. We've been building a huge audience. What affiliate operators do is they need audience to convert into a product, whether it's sports betting properties, where they'll go, and they'll get an affiliate fee from a sports betting operator, or in the case of World Soccer Talk, and Bolavip, a core focus on working with streaming providers.

Because we have the audience of scale that we have today and the number of sessions that we're delivering each and every day, it gives us the opportunity to look at affiliate as opportunity cost, different from others who have to look at it from a way where they have to go find through SEO or paid, they have to go find traffic. We don't have to do that. We own the traffic today. And simply, we have to find -- use the affiliate secret sauce, if you will, to create the effective conversion that will allow us to get CPA-based payments or lifetime value payments depending on the type of arrangements we make with affiliate operators.

Done properly, it's a very, very profitable business. You take a look at some of the comps in the marketplace, Better Collective, GiG, they're sitting in margins in the high 30s, low 40s for that type of business. So if we can find an affiliate operator that can help deliver us the business, that sort of scale that we can acquire that can deliver that, the scale as well as that margin is certainly something that would be attractive.

Jake Cassaday
Yes. And Nick, just to add a little bit, on the affiliate side, we're incredibly excited about the new partnership that we announced with Oddschecker. This is a team that's going to be driving the lion's share of value on a new sports betting hub that we launched on Yardbarker.

And as Jordan said, affiliates is not easy. It's both an art and a science, and driving conversions is not as simple as putting ads or widgets on a page and hoping that people convert. You need to think of this as a funnel. You need to have highly engaging SEO-forward content at the top of that funnel, and that content needs to help move people along the funnel with easy to understand next steps, a broad offering of betting markets, compelling offers, contextual widgets.

And again, when we think build, buy or partner, this is an area where we understand it's not a core competency today. So Oddschecker is a partner that knows this business and they're incredibly partner-oriented and with their skill set, combined with the editorial strength of Yardbarker, the domain authority of Yardbarker, as well as our deep relationships with sports betting operators across the entire Playmaker universe, we think that partnership, on its own, will drive a lot of value for both Yardbarker and Playmaker.

Nicholas Cortellucci
Amazing. Okay. Thank you for that. And then my other question was, a couple of your recent acquisitions was done with equity at $0.70. Maybe if you guys could just provide some rationale on that and how you guys were able to negotiate that.

Jordan Gnat
So I'll only say it was $0.75. The rationale was simply this, that we look at -- every time we buy a company, we issue stock as part of a deal. We look at it as somebody investing in Playmaker. And we believe that, especially with Beedie underpinning its valuation at $0.70, which is the -- that's their convert price for the convertible debenture they put in place. The business gets healthier every single day. That's the position that we take when we're negotiating these deals.

The business that Futbol Sites bought into when we bought Futbol Sites pre-going public was a riskier business than the business that World Soccer Talk bought into when it received its shares at $0.75 or JuanFutbol at $0.75. So we continue to take the position that the business is less risky day in and day out as we continue to be profitable. And as a result, we believe that when we are issuing equity and we are selling shares, therefore, we should be doing it on an uptick each and every time.

How have we been able to do it, just discipline. We don't budge on that point. I never like to use the term “deal breaker” because I don't believe that there are necessarily deal breakers in all things, but I would just say that that's a position we hold very firm to in all of the discussions very upfront.

Robert Goff
Perfect. Thanks for the time, guys. I’ll hop back in the queue.

Operator
The next question comes from Gianluca Tucci with Haywood Securities. Please go ahead.

Gianluca Tucci
Hey, good morning, guys. Thanks for taking my questions. Just at a higher level, Jordan, if you could speak to the activity that you're seeing in the iGaming ad market given all the macro concern out there had some softness in the overall ad market. I'm curious to what your customers are telling you in terms of their spending budgets and plans into the end of the year and, given that it is the World Cup in Q4.

Jordan Gnat

Yes. Thanks, Gianluca. So as we've stated from the very beginning, our audience is located in the newly regulating or the newly regulated sports betting markets, and that's really by design. We're focused on Canada, the U.S., Latin America.

And in those markets, as they regulate and as new customers are needed, and we're still in early, early innings, the sports betting operators need to continue to acquire customers. A sports betting customer is born every day. Someone turns 21 or 19, and they're somebody that a sports betting operator is looking to target.

You've also got, in Latin America, as you saw yesterday, Peru was another country that just decided to sign off on formal regulation. We are already big in these countries, in these states. So in Peru, as an example, it's a top 10 market for us. I think it's our eighth largest country that we operate in. We've been building audience for years in the Peruvian market. Bolavip is a household brand. Now we're going to turn on a new revenue source for us, but ultimately because sports betting operators are now going to pour into that market in a regulated way.

Brazil is going through the process. Brazil will still be towards the end of this year. But then there's the U.S. as well. You've got six states in the U.S. that have got legislation passed in Maine, Massachusetts, Maryland, Ohio, Kansas, and Florida, that have not launched mobile sports betting yet. You've got California with legislation in front of them, Alaska with legislation in front of them. So it's not just the existing markets, it's also the new openings of these markets that are coming online. And for us, we're building audience in all of these markets now. So when they turn on, we're the natural place that these operators go. We're not seeing a softening there at all.

Gianluca Tucci
That's great color. Thanks. And that ties into my second question on organic growth. So a pretty good print despite a tough comp. I'm hearing that the expectation is that that's going to pick up in the back half of the year.

Jordan Gnat
Yes. I think one of the things when you look at our organic growth as well is, keep in mind that when we show our numbers we're doing our level best to provide the fairest comp possible. We're showing pro formas for the companies we all own. So when you take a look at that 10%, keep in mind that there's a bunch of businesses in there that we haven't owned for very long. So we haven't had a chance even to attach our secret sauce to it, if you will, and to be able to really drive that growth.

So I think when, as well, hopefully, when we sit here this time next year and we're talking about Q2, and we've owned these businesses for that full length of time and have the benefit of all of those being part of Playmaker Bench, all of those having the investment we're putting into new websites, into new podcasts, having all of that pushed through, I think we're going to continue to see a strong focus on that organic growth.

Gianluca Tucci
Excellent. And just finally on our end here. Comscore has you guys now as the fourth largest in the Americas. Can you speak to the advantages that that has in M&A discussions and in terms of pricing power?

Jake Cassaday
Yes. From an M&A perspective in terms of the groups we're talking to, I think it matters. It also matters with the audience that we're going out to speak to when it comes to agencies and brands from a direct sales perspective. But yes, I think two years ago, not only were we not sixth on the list, we were not on any list anywhere. And so to be able to show entrepreneurs that have been running businesses, a lot of the entrepreneurs that have had companies acquired by Playmaker have been running these businesses since the mid-2000s. So to see a business that in such a short period of time has the growth, ambition, and ability to execute on something that puts us in a position of fourth across the Americas, I think it really does help from an M&A perspective.

They're joining not just a fledgling start-up, they're joining a real platform with significant audience across varied key markets. And from a revenue perspective, for them joining that ecosystem, to my point around brands and agencies, it matters. This is not a small audience. We're not cobbling together different sort of impression metrics and vanity metrics. This is third-party validated. We are the fourth biggest across the Americas. And that allows us to generate really good demand and foster really good relationships with major brands. So not only does that benefit the Playmaker brands today, but I think entrepreneurs running businesses in and around this market see it as an opportunity to really catalyze the growth of their businesses as well.

Gianluca Tucci
Thanks, guys. I appreciate the color and congrats.

Jordan Gnat
Thanks, Gianluca, I appreciate it.

Operator
As a reminder, if you would like to ask a question, please press star then one to be joined to the question queue.

The next question comes from Adhir Kadve with Eight Capital. Please go ahead.

Adhir Kadve
Thanks guys. Thanks for taking my questions this morning. Maybe I'll ask a little bit on the integration efforts for some of the larger properties. How are those efforts coming along this quarter?

Jake Cassaday
Yes. Adhir, thank you for the question. Yes. So listen, integration takes form in many different ways. We spoke a little bit around the investments that we're making in properties, be it overhauling front end, launching new businesses. This is all part of our broader integration strategy.

I think what we've spoken about at length in the past is really around the monetization. For us, owning the monetization of our web properties has been and will continue to be a major focus and competitive advantage for us. And really, it's three major reasons why we're doing that, three major benefits.

For one, we know that we're doing this at best-in-class levels. We know this from experience and migrations to date, they we're able to monetize our properties better than third-party groups that have done it for the same groups in the past. And for us, that translates into greater revenue. As we reported in the past, we saw 50% increases in the RPMs that we generated on a post migration basis at Yardbarker.

It also allows us to have all of our properties and their respective audiences on one network. This means that we have scale. It allows us to share demand across these properties and offer both SSPs and direct brands and agencies access to massive and then scale across the entire network.

And then third, those first two points around revenue synergies, there's also meaningful cost synergies. These third-party groups that will run monetization for publishers, they're charging anywhere from 10% to 20%. So our ability to keep that in-house now is not just a revenue generator, but a real cost synergy for us as well.

Previously, in our last call, we talked about the fact that we had just concluded the migration of all of The Nation Network sites over to Playmaker Bench. And I mentioned at the time that it was a Herculean effort. I think it's important to realize, when we did Yardbarker, Yardbarker was one property. The Nation Network was 10. So it was a big effort. Not only was it a bigger lift, but optimization is more complex and requires ongoing effort.

Since that migration, we've seen RPMs outperform each month on a year-over-year basis. And we're now actually beginning to see double-digit RPM increases against last year. So our lack of reporting on this is more around just optimizing and the fact that we have 10 sites that we're constantly playing with CPM floors, constantly playing with fill rates, constantly making sure we have the right SSPs for the right markets for the right -- for companies that have certain Android users, certain web users, certain iOS users. It is a lot of optimization.

And as it relates to monetization, we've also recently kicked off an overhaul of our Nation sites, as mentioned earlier. And this isn't just a UI/UX thing. This means that we have much stronger web vitals and also much stronger ad placements and ad layouts to further drive monetization at Nation. So it's early days, but we're starting to see numbers that are incredibly encouraging. And most of all, it's because of the Herculean effort that went into it, we're proud of the effort and trust from all parties putting this in place and I think we're really set up for success moving forward.

Adhir Kadve
That's great. It sounds like great progress. And then maybe just touching on another point that someone else had asked about. I know in the iGaming space, maybe a little bit more, some softness. And you guys are able to counteract that given your offering. But how about in the broader ad spending environment, just outside of sports betting specifically? I know a lot of the larger platforms have said, hey, a little bit of pullback given an uncertain macro. Are you guys seeing the same thing? Or is the your offering for the iGaming market also translating to the broader consumer ad spending environment?

Jake Cassaday

The reality is like we're seeing a bit of a mixed bag in terms of trying to look at comps and really get a sense for where the industry is heading. We saw some of the large platform players, Snap, Meta reporting on the pullback in ad revenue. We've also seen groups like Buzzfeed, Arena reporting on growth when it comes to ad revenue. So it is a bit of a mixed bag. And there's no question that we're in uncertain environments. But we believe we are in a moment in time here.

We're coming off of what was a record year for digital ad spend growth. In 2021, digital ads grew 29%. So this, to us, isn't about digital ads falling off a cliff. Far from it. Perhaps we're going to see some growth slow comparatively. But the market is still in high growth. We're continuing, as we've mentioned several times here, not only just in light of these headwinds. This is separate, but supports our ability to navigate those headwinds. We continue to really ramp up our direct sales in both Latin America and North America. And we work with advertising partners on very unique value-add campaigns that are designed to deliver results.

And just a testament to that, seeing our media brand increasing direct sales 50% in the quarter over last year. And I think even with major brands potentially holding budgets a little tighter in the macro environment, we offer something that we believe is unique. We have a massive audience and it's a relatively homogenous audience. Our audience is all sports fans, and sports fans are some of the most transactional demographic on the planet.

And so when we speak to advertisers, they know exactly who they're reaching and what the preferences of those individuals are. So we've been able to navigate these headwinds. And I think even in just the last few weeks here, we have started to see CPMs creep up from what was a little bit lower in earlier Q2 to start to get closer to 2021 levels. And we certainly expect to continue to see that trend into Q4.

Adhir Kadve
Okay. Great. And then just last one for me and I'll pass the line. Just on The 90th Minute and some of the monetization efforts on the podcast. Obviously, we all know audio is one of the largest parts of digital ad spending, so good to see you guys leaning into this area. But how are those monetization efforts going?

Jake Cassaday
Yes. Another good question. Yes, podcast for sure, is going to continue to be an area for growth for us. We believe that the medium is very much still in its early stages of maturation. And there have been some macro things that have happened that have caused this. For one, we're seeing more penetration of dynamic ad insertions and attribution that have allowed podcast groups to monetize its scale. And we're also seeing that translate into ad budgets.

Podcast ad spending is expected to grow to -- I think it's close to $3 billion by the end of 2024, and it was roughly $1.5 billion in 2021. So we're seeing this real opportunity right in front of us, and it's because the group of The Nation Network came to us with a strong and growing podcast network to begin with.

We've also recently added not only The 90th Minute, but World Soccer Talk brings the longest-standing soccer podcast in the market with their podcast. So we're incredibly excited about the category and we're going to continue to focus on it.

We've recently migrated all of our podcasts over to Acast, which is allowing us to better monetize and do that programmatic dynamic ad insertion. And they've been a great partner, and they're happy to help support us along this growth curve.

And I think one addition here is we see this as multichannel as well. When we talk about podcasts, we're not just talking about audio. The majority of the podcasts that we are doing, we're shooting in video and cutting and clipping that content across many different channels, whether it's YouTube, YouTube Shorts, Instagram, Twitch, TikTok. So it's not only a vertical in itself, a medium in itself that's very desirable. But it also creates, it's the epicenter of a lot of content that can be cut across different platforms, which is not only a deeper way to engage our audience which is what we're striving to do every single day. But it's another chance for us to monetize that same content. So yes, you'll see us continue to invest in this both organically and certainly interested from an M&A perspective as well.

Adhir Kadve
Great. Thanks a lot, guys. I'll pass the line.

CONCLUSION

Operator
This concludes our question and answer session. I would like to turn the conference back over to Jake Cassaday for any closing remarks.

Jake Cassaday
Thank you very much, operator. As there are no further questions at this time, this concludes today's call. As always, we thank you for your continued interest and continued support of Playmaker and your participation in today's call. You may now disconnect, and enjoy the rest of your week.

Jordan Gnat
Thanks very much, everybody.