[Daisy](#) has the potential to become the **Applovin for social media**. We believe:
1. Influencer marketing is on a similar growth trajectory to the mobile gaming industry
2. The ads network for influencers is at least as valuable as one for mobile games
3. Daisy has proven PMF and early signs of network effects with influencers in <1 year
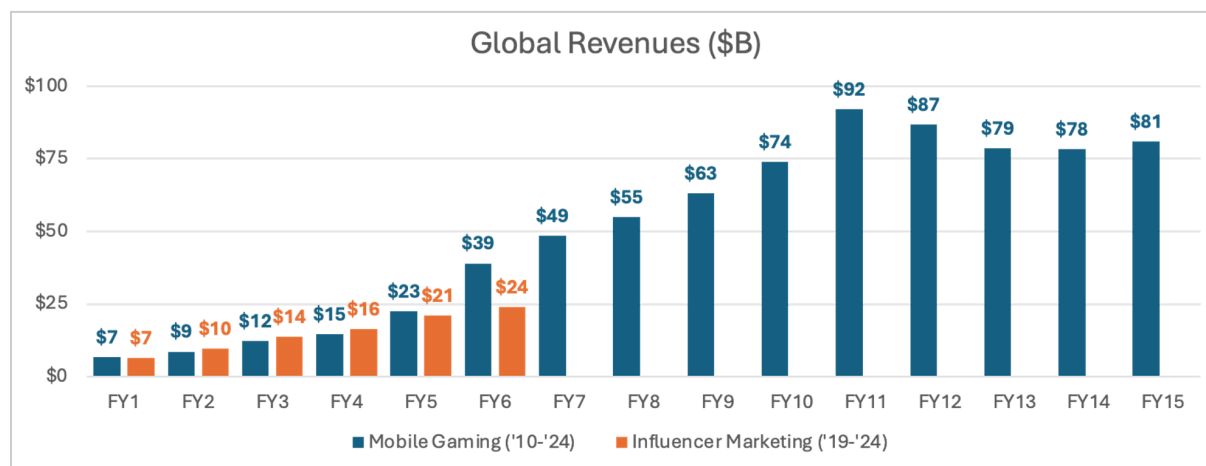
Applovin Overview

Applovin is the leading ads network for mobile games. They have two core products:
- AppDiscovery (demand): helps games **acquire** users by placing ads in other apps
- MAX (supply): helps games **monetize** users by auctioning off in-app ad space

Applovin generates $1B in quarterly advertising revenue with a 78% adj. EBITDA margin as of Q4'24. The stock ([$APP](#)) has 5x'd over the past year and currently sits at a $110B market cap, implying a 35x multiple of run-rate adj. EBITDA for a business growing revenues >75% YoY.

Applovin was founded in 2012 and found PMF serving a small but rapidly-growing community of mobile game developers with tools to 1) acquire, and 2) monetize, their users. The company rode massive tailwinds in the mobile gaming industry over the following decade ([>10x](#)) and only recently - as a >$100B public company - began its expansion beyond gaming. Notably, the company hit profitability early on less than $5m of venture capital raised.

Ad networks are in the business of turning *attention* into *intent*. Applovin made a non-consensus bet in 2012 that mobile games would go on to command a massive amount of attention, and rode that wave to build a $100B+ business. Today, we believe a similar opportunity exists for social media influencers: as new modalities like generative AI and augmented reality allow influencers to engage with audiences in ever more intimate ways, influencers will command an increasing share of human mindshare and attention. Everybody will be an influencer. In terms of global revenues, influencer marketing today is roughly where mobile gaming was a decade ago.

Global Revenues ($B) — bar chart comparing Mobile Gaming ('10-'24) and Influencer Marketing ('19-'24):
- FY1: Mobile Gaming $7, Influencer Marketing $7
- FY2: Mobile Gaming $9, Influencer Marketing $10
- FY3: Mobile Gaming $12, Influencer Marketing $14
- FY4: Mobile Gaming $15, Influencer Marketing $16
- FY5: Mobile Gaming $23, Influencer Marketing $21
- FY6: Mobile Gaming $39, Influencer Marketing $24
- FY7: Mobile Gaming $49
- FY8: Mobile Gaming $55
- FY9: Mobile Gaming $63
- FY10: Mobile Gaming $74
- FY11: Mobile Gaming $92
- FY12: Mobile Gaming $87
- FY13: Mobile Gaming $79
- FY14: Mobile Gaming $78
- FY15: Mobile Gaming $81

Applovin's Moat

Applovin's moat is that they own **both the supply and the demand** sides of the marketplace (i.e., mobile game developers use them to both **acquire** and **monetize** users). They were able to build this moat by being early to and then focusing exclusively on the mobile games channel.

The ads value chain is sketched out below. At a high-level, for every $1 spent by brands roughly $0.55 ends up in the hands of publishers / content owners, after paying an agency ($0.10), demand-side ($0.10) and supply-side ($0.10) aggregators, and the ads marketplace ($0.15).
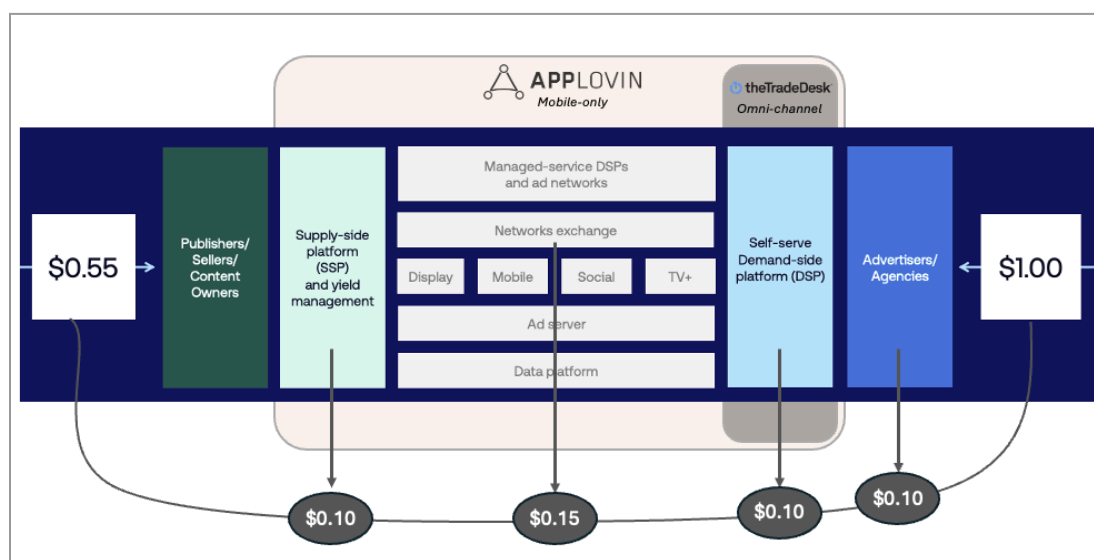
Source: Tradedesk and Applovin financials and investor presentation, EV3 research

The other large publicly-traded ads business is TheTradeDesk ($TTD). Unlike Applovin, TTD operates only as a demand-side aggregator, however they operate across all channels including mobile, social, TV, display, etc. Because they operate only on the demand-side, TTD's margins and valuation are meaningfully worse than Applovin—it's more valuable to have network effects in a single, high-growth channel, than to be a one-sided aggregator that's omni-channel.

Q4'24 Annualized	AppLovin	TheTradeDesk
Net Revenues	$4.0B	$3.0B
YoY Growth	73%	22%
Adj. EBITDA	$3.1B	$1.4B
Adj. EBITDA Margin	78%	47%
EV	$110B	$35B
EV / EBITDA	35x	25x

Daisy's Opportunity

Social media is undoubtedly a bigger opportunity than mobile gaming: by user base (+60%), time spent in-app (+615%), revenues per user (+80%), and overall revenues (+190%). It's also more attractive from a platform risk perspective, considering there are 5-10 competing social media platforms globally vs only 2 mobile operating systems.

That said, influencers capture a fraction (~10%) of total social media advertising spend. To underwrite a $5B+ outcome for Daisy, we need to believe influencers will capture an increasing share of advertising economics over social media platforms long-term. The trend is positive, as influencer marketing growth has outpaced overall social media ad spend since inception.

Global	Mobile Gaming	Social Media (Influencers)
Revenues	$81B	$235B ($24B)
Publishers	11m developers	127m influencers
Avg Revenue per Publisher	*$7.3k*	*$1.9k ($190)*
Users	3.2B	5.2B
Avg Revenue per User	*$25*	*$45 ($4.6)*
Avg Mins per User per Day	20	143
Avg Revenue per User-Hour	*$0.20*	*$0.05 ($0.005)*
Platform Dependencies	Apple, Android	Meta, ByteDance, Snap, X, LinkedIn

Influencer Marketing as a % of Social Media Ad Spend
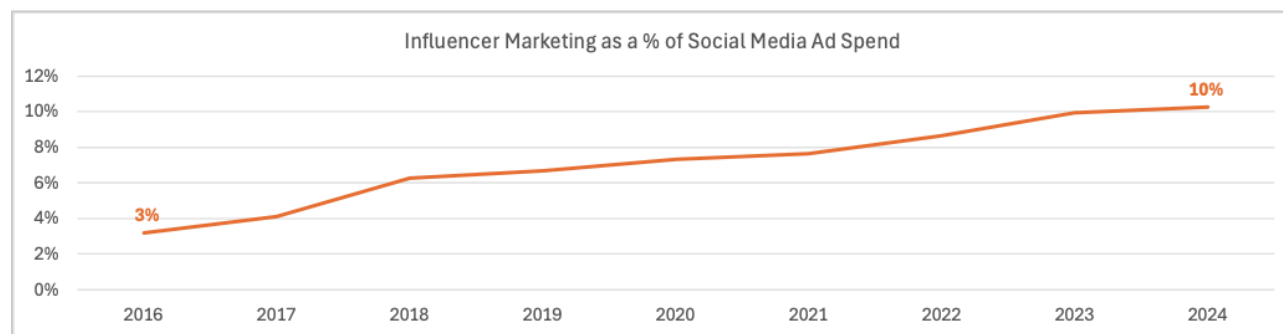
In short, we believe that 1) a growing % of social media users will want to monetize their profiles by becoming influencers, 2) social media networks will increasingly need to rely on influencers to curate feeds amongst a deluge of AI-generated content, and 3) social media feeds are the single most valuable piece of real estate in the attention economy.

For all three reasons, we think influencer marketing will become a $100B+ industry.