

MILLENNIAL IPO SOARS



Millennial Media nearly doubled in value within a few hours on its first day as a public company. Priced at \$13 yesterday shares for the Baltimore based company almost doubled to \$25 by market close, making the company worth nearly \$2 billion. Advertisers are expected to spend a mere \$861.7 million on mobile display ads in the U.S. in 2012. Millennial President-CEO Paul Palmieri in a statement, said, "We are thrilled today to become the first pure-play mobile advertising platform to sell shares on the public market," Millennial Media allows advertisers to target consumers through applications on devices such as smartphones and tablets. As the U.S.'s second-largest mobile-ad company after Google Inc. the company is in a business that's attracting growing interest, Eric Jackson, founder of Ironfire Capital LLC, a Naples, Florida-based hedge fund said Jackson who does not own any Millennial shares himself says, "A lot of investors are hungry for returns, everything that's seen as a growth company gets a lot of attention." Though a still a small-line item for the nation's advertisers, they have nevertheless become ubiquitous on the mobile web and on smartphone apps. Millennial may be the first to be completely dedicated to ads for mobile devices and is, in quite some time, the first ad network to go public. Millennial going public has served to pull away from the small pack of small mobile-ad networks in an increasingly crowded and fragmented field. Mobile search advertising is expected to reach \$1.3 billion in 2012; nearly all of that going to Google. Millennial is the best known challenge to Google and Apple in mobile advertising, among the independent advertising companies. Noah Elkin, principal analyst for eMarketer, says, "Though much smaller than Google or Apple's, Millennial has moved into a middle tier between some of the others; separated itself from the smaller ad networks." Millennial opened a U.K. office in 2010 and another in Singapore in 2011. It has only recently started expanding on its international operations. Millennial working with both app developers and advertisers places mobile ads within applications and on mobile Web sites, a comparatively smaller market that pales in comparison to the broader online advertising market but is increasingly attractive to marketers who are captivated by the amount of time we spend staring at our smartphones; a market that is shaking and in need of further consolidation. Millennial's new funding could give it the footing to establish itself as a solid player.

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