

## PUBMATIC FY AND Q4 2023 AT A GLANCE

# STRONG FINANCIAL PROFILE AND SUSTAINED INNOVATION DRIVE ACCELERATED GROWTH

## 8th Consecutive Year of Profitability

### REVENUE

- FY 2023 revenue of \$267.0 million, up 4% year-over-year.
- Q4 2023 revenue of \$84.6 million, up 14% year-over-year.
- Excluding Yahoo owned & operated inventory, revenue grew 19% year-over-year in Q4 and 8% for the full year vs 2022.

### GAAP NET INCOME<sup>1</sup>

- GAAP net income in FY 2023 was \$8.9 million or 3% of revenue, compared to 11% in 2022. FY 2023 diluted earnings per share of \$0.16.
- GAAP net income in Q4 2023 was \$18.7 million or 22% of revenue, compared to 17% in Q4 2022. Q4 2023 diluted earnings per share of \$0.34.

### ADJUSTED EBITDA<sup>2</sup>

- FY 2023 adjusted EBITDA was \$75.3 million, or 28% of revenue.
- Adjusted EBITDA in Q4 2023 was \$38.9 million, or 46% of revenue.

### NET DOLLAR-BASED REVENUE RETENTION<sup>3</sup>

- Net dollar-based revenue retention for FY 2023 was 101%, partially impacted by Yahoo's shuttering of their SSP earlier in 2023 and their continued technology transition related to their owned and operated inventory. Excluding Yahoo, net dollar-based revenue retention was 108%.

### OPERATING CASH FLOWS

- Net cash provided by operating activities was \$81.1 million for FY 2023.
- Q4 net cash provided by operating activities was \$28.7 million.

### STOCK REPURCHASE PROGRAM

- As of December 31, 2023, we have repurchased 4 million shares of our Class A common stock for \$59 million in cash.
- Board of Directors authorized expansion of share repurchase program for an additional \$100 million of the Company's Class A common stock through the end of 2025.

### IMPRESSIONS PROCESSED

- In Q4 2023, we processed nearly 59.4 trillion impressions, 23% more than the amount processed in Q4 2022.
- Reduced the unit cost of impressions by 8% year-over-year.

### INVESTMENTS IN INNOVATION

- Delivered 60% more software releases in 2023, compared to 2022, driven in part by the use of generative AI across product development and engineering.
- Emerging revenue streams, which expand beyond ad monetization services, contributed three percentage points of year over year revenue growth in the fourth quarter of 2023.

### BOARD OF DIRECTORS

- Appointed Ramon Jones, Executive Vice President and Chief Marketing Officer of Nationwide Mutual Insurance Company, as independent director.

<sup>1</sup> FY 2023 GAAP net income includes approximately \$5.7 million of incremental bad debt expense related to the bankruptcy of a Demand Side Platform buyer of our platform. Q4 2022 and FY 2022 GAAP net income include an unrealized loss on equity investments with an impact of \$4.5 million, net of income taxes.

<sup>2</sup> This non-GAAP measure is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. Please see provided table for a reconciliation between GAAP net income and Adjusted EBITDA.

<sup>3</sup> Calculated by starting with the revenue from publishers in the trailing twelve months ended December 31, 2022 ("Prior Period Revenue"). We then calculate the revenue from these same publishers in the trailing twelve months ended December 31, 2023 ("Current Period Revenue") (including any upsells and net of contraction or attrition, but excluding revenue from new publishers). Our net dollar-based retention rate equals Current Period Revenue divided by Prior Period Revenue.

#### RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

(In thousands) (unaudited)

|  | Three Months Ended December 31, |          | Year Ended December 31, |          |
|--|---------------------------------|----------|-------------------------|----------|
|  | 2023                            | 2022     | 2023                    | 2022     |
| Net income   | \$18,702                        | \$12,781 | \$8,881                 | \$28,705 |
| Add back (deduct):   |                                 |          |                         |          |
| Stock-based compensation                                   | 7,337                           | 5,464    | 28,862                  | 20,646   |
| Depreciation and amortization                              | 11,039                          | 10,662   | 44,770                  | 34,249   |
| Unrealized (gain) loss and impairment of equity investment | —                               | —        | —                       | 5,948    |
| Interest income  | (2,515)                         | (1,170)  | (8,828)                 | (2,214)  |
| Acquisition-related and other expenses                     | —                               | 51       | —                       | 918      |
| Provision for income taxes                                 | 4,343                           | 4,034    | 1,624                   | 8,762    |
| Adjusted EBITDA  | \$38,906                        | \$31,822 | \$75,309                | \$97,014 |

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### BUYER CONSOLIDATION

- Over 45% of activity on our platform was via supply path optimization (SPO) agreements in Q4 2023, up from 34% in Q4 2022.
- Average 2023 net spend retention rate for SPO partners who have worked with us for three years or more was 120%.
- Activate, our end-to-end SPO solution, has an active pipeline of over 75 advertisers, agencies, and campaigns, up by 25% compared to the previous quarter.

### OMNICHANNEL VIDEO REVENUE

- Omnichannel video spans across desktop, mobile and CTV devices and represented 34% of revenues in Q4 2023. FY 2023 omnichannel video revenues increased 7% year over year.
- Programmatically monetized CTV inventory from 271 publishers, up from 214 publishers in the fourth quarter of 2022. New and expanded partnerships announced with premium streaming brands including AMC Networks, DISH Media, FOX, iQIYI, TiVo and Vevo, and expanded technology partnership with CTV ad server Freewheel to bring increased supply to the PubMatic platform.

### ADDRESSABILITY

- Over 80% of impressions on our platform have alternative targeting signals attached other than the cookie as of December 31, 2023.
- Analysis across more than 600 billion ad impressions processed daily by PubMatic concluded that when alternative IDs are present, publisher revenue increased by 16%.

## 2023 CUSTOMER VALUE, CASE STUDIES & PROOF POINTS

### BUYER VALUE CREATION

- PubMatic and dentsu Improved CPM by 37% via Sell-Side Data Targeting →
- PubMatic's SSP Improved dentsu's Campaign CPA by 45% →
- PubMatic and Havas Exceed Viewability Target with New Cookieless Targeting Solution →
- Publicis Group India Saw Improved Win Rates and More Efficient CPMs →

### PUBLISHER MONETIZATION GROWTH

- How AnyMind Group's POKKT Increased PMP Revenue with PubMatic by 194% →
- PubMatic Delivers 27% CPM Uplift for Dwango →
- Edmunds Increased Revenue and Boosted Matched Impressions with PubMatic →
- Hungry Studio Accesses Unique Brand Demand with PubMatic's OpenWrap SDK →
- Keymobile Sees 29% Increase in PMP Revenue with PubMatic →
- Newsbreak Sees 107% Increase in Revenue Across PubMatic-Monetized Inventory →
- Sofascore Increases Programmatic Revenue by 197% with PubMatic's OpenWrap SDK →
- PubMatic Delivers 3X the Fill Rate for Talkatone →
- PubMatic Drives Up to 165% Revenue Growth for Veraxen →
- PubMatic Drives 317% PMP Revenue Growth for Premium CTV Publisher →
- PubMatic's Hybrid Bidding Solution Delivers 35% Increase in Revenue →