

PUBMATIC Q4 2025 EARNINGS CALL: PREPARED REMARKS

SAFE HARBOR

A copy of our press release can be found on our website at investors.pubmatic.com.

I would like to remind participants that during this call, management will make forward-looking statements, including without limitation, statements regarding our future performance, market opportunity, growth strategy and financial outlook.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and future conditions. These forward-looking statements are subject to inherent risks, uncertainties and changes in circumstances that are difficult to predict. You can find more information about these risks, uncertainties and other factors in our reports filed from time to time with the Securities and Exchange Commission and are available at investors.pubmatic.com, including our most recent Form 10-K and any subsequent filings on Forms 10-Q or 8-K.

Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you therefore against relying on any of these forward-looking statements. All information discussed today is as of February 26th, 2026 and we do not intend, and undertake no obligation, to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

In addition, today's discussion will include references to certain non-GAAP financial measures, including Adjusted EBITDA, Non-GAAP Net Income, Cash Flow from Operations and Free Cash Flow. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. A reconciliation of these measures to the most directly comparable GAAP measures is available in our press release.

And now, I will turn the call over to Rajeev.

CEO REMARKS

Thank you, Stacie, and welcome everyone.

We delivered an exceptionally strong fourth quarter, with revenue and adjusted EBITDA ahead of guidance, healthy margins and strong cash flow. Our results highlight continued growth in our underlying business, our leadership position in AI solutions, and the durability of our business model.

For the full year, CTV grew over 50% year over year excluding political, and Activate activity grew over 3x. Emerging revenues – which include Activate, Commerce Media and new AI solutions – nearly doubled over 2024 and now represent nearly 10% of total revenues.

Over the past year, we made decisive moves to reposition PubMatic for renewed, profitable growth. Those actions are bearing fruit and have directly contributed to our performance over the last two quarters. They have strengthened our competitive moat and have positioned us to deliver accelerated, double-digit percentage growth for the second half of 2026.

These moves represent the first critical steps of our five-year roadmap designed to reaccelerate growth, expand margins, and compound long-term shareholder value. This roadmap marks an important turning point for PubMatic and coincides with a pivotal transformation in the industry driven by AI. In fact AI, in the form of agentic advertising, has emerged as a new and incremental tailwind to our business.

LEADING THE INDUSTRY TRANSITION TO AGENTIC AI

Advertising is entering a new phase—one defined by AI-driven, autonomous systems operating in real time. We sit at the center of a highly competitive, millisecond-level auction environment where value is determined by measurable outcomes such as yield, performance, and efficiency. PubMatic is enabling AI adoption across the open internet. Our proprietary data, scaled infrastructure, and thousands of deep integrations across buyers and publishers form a real-time execution layer that cannot be replicated by “vibe-coded” software. Our leadership in agentic advertising gives us confidence we can shape this next evolution of digital advertising, and we are investing and executing aggressively to capture that opportunity.

In October, we co-founded the Ad Context Protocol alongside Yahoo, LG Ad Solutions, Raptive, and others — setting industry standards for safe and interoperable agent-to-agent interaction.

In December, we partnered with Butler/Till and Geloso Beverage Group to launch the industry’s first fully autonomous, end-to-end agentic campaign, proving that PubMatic’s agents can execute media plans and optimize outcomes on behalf of advertisers. The campaign delivered more than 5x cost efficiencies, enabling significantly more advertiser spend to shift directly into working media. Following this success, the agency quickly launched a second campaign. In addition to delivering top-tier agentic performance, our AI-powered platform handles more complexity with significantly less manual effort. We are cutting campaign setup time by 87% and speeding up issue resolution time by 70%. This means faster activations, higher productivity and better outcomes for our customers.

In January agent-to-agent transactions became a scalable reality. At the Consumer Electronics Show, we unveiled AgenticOS alongside our launch partners including WPP Media, Foxtel Media, and multiple independent agencies and tech partners. As Skyler McGill, Head of Video and Programmatic at independent agency Wpromote put it, “We’re witnessing the biggest transformation in programmatic since real-time bidding. Our work with PubMatic puts us at the forefront of defining how human strategy and autonomous systems converge to unlock new capabilities in personalization and scale.

”Building on this momentum, we recently delivered one of the industry’s first agentic CTV advertising campaigns with Above Maxlead in Europe, integrating directly with the largest independent media agency in the Netherlands.

Adoption of AgenticOS continues to be swift: we have already run over 250 agentic deals across our platform, many of which represent new and incremental advertisers to PubMatic. Our Agentic AI Accelerator Program enables customers and partners to launch live agentic campaigns within weeks and quickly scale usage. Remarkably, almost 100 brands, agencies and streamers have applied to join, making it the fastest early-stage adoption of any product we've launched.

This strong uptake underscores two important and distinctive points.

First is the magnitude of the secular growth opportunity as digital advertising adopts agentic AI. By 2028, I expect 25% of all digital advertising to be executed autonomously via agentic AI, and by 2030, I expect that to jump to 50%. As an early AI leader, this unlocks transformative growth for PubMatic long before our peers. With our scale already building in agentic AI, this leading advantage is widening, with each transaction enhancing our models' ability to drive improved performance, fueling long-term revenue growth and incremental margin expansion.

And second, the opportunity is much bigger than simply technology revolution. Agentic AI will upend and collapse the industry's value chain, bringing advertisers and publishers much closer together. This will create a step-function change in advertising efficiency and effectiveness, which will significantly expand the open internet advertising market in aggregate with new advertisers and increased budgets. In short, AI is an incremental tailwind for PubMatic, and we are uniquely positioned to take advantage of this opportunity with nearly 2,000 premium publisher integrations representing over one hundred thousand sites and apps, 250+ data partners on Connect, our direct buying platform Activate, and our fully owned AI-enabled infrastructure.

PUBMATIC'S AI ADVANTAGE

While the past 20 years were about real-time bidding, the next decade will be about AI-led intelligence that connects the entire customer journey.

The depth of our publisher inventory, combined with our tech stack, gives PubMatic a clear competitive advantage in this transition: we own our own infrastructure, sit at the intersection of media and the consumer, and innovate rapidly without dependence on third parties. These strengths power our three-layer architecture of advertising intelligence:

- At the infrastructure layer, our NVIDIA partnership enables next gen AI models to run in our private cloud, with hardware and software solutions optimized for digital advertising. Owning our infrastructure also means that as compute requirements grow, our efficiency and margins expand with scale.
- At the application layer, AI is embedded into core workflows and publisher solutions that unlock new revenue opportunities. Nearly 10% of publishers on our platform are now deriving revenue from our Generative AI solutions and generating incremental revenue for PubMatic.
- And at the transaction layer, Activate and AgenticOS are transforming how advertisers and publishers connect, delivering higher performance and efficiency.

Together, these layers form a flywheel for growth; each innovation drives usage and strengthens our long-term competitive moat.

They also allow us to innovate around growing opportunities within open internet advertising. We recently partnered with Kontext, a monetization layer for generative AI content experiences. Our integration enables publishers to monetize

conversational AI experiences programmatically, while maintaining control over their content, data, and user experience. Our direct integrations and AI-first infrastructure position us well to support and scale as these and other emerging ad formats evolve.

EXECUTION ACROSS STRATEGIC PRIORITIES

Even as agentic advertising accelerates, we remain sharply focused on the five strategic priorities we set mid last year. These priorities are fueling underlying growth across our platform and will underpin double digit revenue expansion in the second half of 2026.

DSP DIVERSIFICATION

First, we continued to diversify our buyer mix, integrating with 50 new DSP partners last year. The mid-market advertisers represented by these DSPs are the fastest growing segment of the market as demand for performance-oriented solutions accelerates.

This growth is reinforced by the strength of the open internet which offers professionally created content and a growing logged-in user base across CTV and mobile app. This logged-in scale is critical for measurement, conversion, and ROI, making the open internet increasingly compelling for performance advertisers.

BUYER GROWTH & ACTIVATE

Second, we grew our buyer-focused go-to-market team by nearly 20% year-over-year and strengthened that team with new leadership to support deeper market penetration and account expansion. These investments are translating into stronger direct relationships with brands and agencies, with Activate consistently delivering top-tier performance that drives repeat spend and broader adoption.

For example, in an IPG Kinesso-led campaign, Activate outperformed on every key metric, generating 72% more clicks, 11% more impressions purchased and nearly 20% lower CPMs for a leading global oil company – upending their traditional approach to programmatic buying.

Similarly, MiQ, a global programmatic partner, significantly boosted brand visibility. Using Activate, MiQ powered a CTV campaign that required transparent, show-level reporting – capabilities unavailable in its legacy buying platform.

These outcomes demonstrate how Activate collapses the value chain in the open internet, improving efficiency and ROI. What's more, with AgenticOS, Activate will increasingly serve as a gateway to AI-enabled advertising for a broad range of advertisers.

CONNECTED TV AND MOBILE APP LEADERSHIP

Third, CTV remains one of our most exciting growth channels.

We recently added a new marquee global streamer to our platform, and now partner with 28 of the top 30 global streamers including Roku, Samsung TV Plus, DirecTV, Fox Sports, Tubi, Vizio, and more.

This leadership continues to attract top global brands to our platform. Sony Network Communications recently chose PubMatic to seamlessly reach both linear and CTV audiences programmatically via our platform. The campaign

highlights how PubMatic helps brands unlock new, incremental customers — while driving stronger monetization for CTV publishers. Longer term, this campaign illustrates how PubMatic’s programmatic solutions can drive execution across linear formats.

Similarly, our mobile app business continued to scale with major mediation solutions. Most recently, we announced that PubMatic’s OpenWrap SDK is now integrated with one of the largest global mobile ad networks - Google AdMob and Google Ad Manager for mobile app. This integration gives buyers a direct connection to high-quality, brand safe inventory. As we enter 2026, mobile remains a strong, secular growth area for us with more partnership announcements in the near future.

EMERGING REVENUE STREAMS

Fourth, emerging revenues will continue to be a significant growth driver in 2026 as adoption increases across several new products – in particular new AI powered solutions. Strategically, these solutions strengthen our revenue model in two ways: they increase platform usage as automation drives more transactions and higher performance, and they introduce incremental revenue streams.

For example, earlier this month, we announced AI Insights, which gives publishers actionable sales intelligence so they can maximize yield. Using these insights, leading CTV and online video publishers are unlocking 20%+ higher CPMs. Realtor.com’s senior vice president of digital media and advertising, Yi-Fang Yen, explained that “PubMatic’s AI Insights deliver the timely, market-level visibility we need to spot performance opportunities, understand shifts in demand, and make confident, real-time optimizations as conditions change.”

AI INTEGRATION AND OPERATIONAL EFFICIENCY

And finally, just as we’re using AI to drive increased customer performance, we’re also using AI to drive our own operational excellence. AI has become a core productivity engine across PubMatic, embedding into processes and workstreams across the business. In engineering, over 40% of new code in the second half of 2025 was written by AI, boosting productivity and accelerating time to market. These efficiencies funded new investments in sales and marketing while slightly reducing overall headcount. We’ll continue to drive increased productivity in 2026 through AI adoption which in turn will fund investments for profitable growth.

IN CLOSING

I’m proud of the progress we’ve made and the discipline with which we’ve built a more durable, scalable growth model.

As we enter 2026, we remain focused on our key strategic priorities—Activate adoption, DSP diversification, and accelerating growth in CTV, mobile, and emerging revenue streams. We expect these initiatives to drive double-digit year-over-year revenue growth in the second half of the year.

Looking ahead, agentic AI is an incremental tailwind and a defining advantage for PubMatic. It enhances advertiser performance, expands our addressable market, and increases the flow of budgets to the open internet. With adoption accelerating faster than anticipated, PubMatic is leading the next wave of innovation—helping our customers drive better outcomes through more automated, intelligent, and transparent advertising.

We have the strategy, technology, and team in place to capture the opportunities ahead and to create lasting value for our shareholders.

Let me now turn the call over to Steve.

CFO REMARKS

Thank you Rajeev, and welcome everyone.

Q4 was a pivotal turning point for us, as we significantly exceeded expectations on both revenue and adjusted EBITDA.

Adjusting for political revenues and revenues derived from the legacy DSP referenced mid last year, the remainder of our business, which represented 83% of revenue in Q4, grew 18% year over year. This strong double-digit growth was driven from secular growth areas - CTV, mobile app, and emerging revenues - as well as solid performance in display.

These results materially expanded our Q4 adjusted EBITDA margin to 35% for Q4, underscoring the efficiency and operating leverage of our business as incremental revenue dropped to profit.

Our strong Q4 capped a year in which we established ourselves as an AI leader among our peers, successfully realigned our business to address the dynamic changes in our industry, and positioned the company for sustained, profitable growth.

Here are some of the notable achievements we delivered in 2025:

- We generated revenue and increased usage on our platform from newly launched AI solutions. These existing products along with new products being launched in the coming months provide an incremental tailwind for us in 2026.
- We ended the year with nearly 50% of our revenues coming from high-engagement, first-party data-rich environments of CTV, mobile app, and emerging revenues.
- We added 50 new DSPs partnerships, and reshaped the mix of our largest DSPs towards fast growing commerce and high-value ad verticals like Pharma.
- We increased productivity through the effective use of AI across every business function, enabling us to increase investment in revenue growth initiatives while reducing overall headcount.
- We accelerated our free cash flow by 32% compared to 2024.
- And, we've made significant progress executing against our multi-year innovation roadmap, investing in key growth areas with operational discipline -supported by a strong financial profile.

I'm incredibly proud of what the team has accomplished and the momentum we're carrying into 2026.

KEY SECULAR AREAS DELIVER REVENUE GROWTH

Our multi year journey transforming our business focused on high value, high engagement, data driven revenue streams is on track.

Beginning with CTV, our 2025 results represented the fourth year in a row of significant organic revenue growth. Over this period our compound annual growth rate has been over 50%.

We now monetize inventory from 28 of the top 30 global streamers and over 450+ CTV publishers. It is a global business with approximately 60% of our customers in the Americas and 40% in the rest of the world. In Q4, we saw robust, incremental monetized impression growth from both newly signed partnerships and existing publishers.

The 4 year compound annual growth for our mobile app business has been 15% and in Q4, mobile app delivered over 25% year-over-year revenue growth. This performance reflects the ramp-up of strategic partnerships, ongoing product innovation, and continued expansion of our global app publisher base.

Emerging revenue streams in the fourth quarter grew over 75% year-over-year, and represented roughly 12% of total revenues, driven by increased adoption across several new products. Just three years ago, emerging revenues represented less than 1% of revenues demonstrating our ability to scale innovation and diversify our revenue base into high value, profitable areas.

We've achieved double digit percentage revenue growth across our curation, data, commerce and Activate offerings.

Notably, our new AI powered solutions are already starting to scale. In just a few months, nearly 10% of publishers on our platform are now deriving revenue from our AI solutions and generating incremental revenue for PubMatic. We anticipate our AI solutions will provide an incremental and growing tailwind for us in 2026 and beyond.

Display revenues in the fourth quarter returned to year-over-year growth in the mid-single digit percentages. Excluding the legacy DSP referenced earlier, display revenues grew over 20% in the fourth quarter, significantly outpacing the market rate of growth.

Turning to ad spend, we benefit from a diversified portfolio of ad verticals. In Q4, we saw strong year-over-year double digit percentage growth in the Shopping, Health & Fitness, and Technology & Computing verticals. We saw some softness in the Business and Food & Drink verticals which declined year-over-year in the single digit percentages. Overall, our top 10 ad verticals in aggregate grew nearly 10%.

As Rajeev shared, we continue to expand our business beyond the largest legacy DSPs, focusing on both product innovation and targeted sales execution. These efforts gained momentum in Q4, with ad spend from our mid-market DSP partners up 30% year over year, accelerating from 25% growth in Q3. With the addition of 50 new DSP partners to our platform, we are well positioned to further diversify our buyer mix.

Regionally, our APAC and EMEA businesses grew rapidly, at over 25% and 15% respectively, offsetting a (18)% decline in the Americas, which was primarily due to spend declines from political advertising and the large DSP buyer.

AI DRIVEN EFFICIENCIES

Throughout 2025, disciplined cost management and AI-enabled automation supported both growth and profitability. We significantly expanded infrastructure capacity, processing 337 trillion impressions, up 28% over 2024, while keeping cost of revenues relatively flat. On a trailing twelve-month basis, unit costs declined 20% year over year, demonstrating the efficiency and scalability of our owned infrastructure and the leverage in our model.

We also harnessed AI and automation across our back-office functions to drive measurable and sustainable efficiency gains.

- For example, in Legal, the application of AI-enabled contracting tools has reduced average contract cycle times by roughly 15% while also supporting a higher overall contract volume.
- In Accounting, we achieved over 35% efficiency gains in our procure-to-pay process, enhancing speed and control in our financial operations.
- In FP&A, we've significantly reduced manual data aggregation efforts by nearly one-third while maintaining analytical rigor via AI assisted data processing and reporting.

Collectively, these initiatives showcase how AI-driven automation is unlocking real productivity, cost efficiency, and operational leverage across PubMatic.

MANAGING EXPENSES AND DELIVERING PROFITABILITY

Illustrating this point, in the fourth quarter, total operating expenses were flat year-over-year. At the same time we increased investments in revenue-driving initiatives, most notably our buyer-focused sales team which increased by nearly 20% year over year.

Q4 adjusted EBITDA was \$27.8 million, or 35% margin which included a foreign exchange impact of approximately \$0.5 million, due to the weakening U.S. dollar over the quarter.

Q4 GAAP net income was \$6.7 million or \$0.14 per diluted share.

CASH & CAPITAL ALLOCATION

Moving to cash and our capital allocation.

Our balance sheet remains a core strategic advantage. We generated \$81 million in net operating cash flows in 2025, up 10% over 2024. We delivered free cash flow of \$46 million, a 32% increase over last year.

In addition to our disciplined approach in managing our working capital, cash flow benefited from lower cash taxes following the new federal tax legislation.

To underscore our long-term ability to generate cash, since the beginning of 2021 through Q4, we have generated over \$410 million in net cash from operations and more than \$220 million in free cash flow.

We ended the quarter with \$145.5 million in cash and zero debt.

Our capital allocation strategy remains disciplined and balanced, focused on long-term shareholder value creation.

We continue to invest in innovation and infrastructure to drive incremental organic growth while maintaining the flexibility to pursue strategic M&A opportunities. We have also made a long term commitment to return capital to shareholders via our share repurchase program.

Since the inception of our repurchase program in February 2023 through the end of Q4, we have bought back 12.4 million Class A common shares for \$181.1 million. We have \$93.9 million remaining in our repurchase program authorized through the end of 2026.

OUTLOOK

Moving onto our outlook:

In terms of the latest trends, our January revenues came in line with our expectations and ad spending was healthy.

Factoring in the changes from the legacy DSP we called out mid 2025, we expect Q1 revenue to be in the range of \$58 to \$60 million. Spend from this DSP continues to be stable and in line with normal seasonal patterns. We expect to lap this impact by the end of Q2. Excluding this DSP, the midpoint of our outlook implies year-over-year growth in the high single-digit percentages.

Q1 adjusted EBITDA is expected to be in the range of minus \$(0.5) million to positive \$1 million, which includes a negative FX impact due to continued weakness of the US dollar. As a reminder, we have a fixed cost model and margins scale as we gain leverage over the course of the year.

Looking beyond Q1, we expect to return to double digit revenue growth in the second half of this year, with a corresponding expansion of our margins from revenue growth supported by disciplined investment and increased efficiencies from AI.

Full year cost of revenue is expected to marginally increase in the low single digits primarily due to industry-wide utility cost pass throughs from datacenter providers beginning in Q1. We anticipate partially offsetting these costs by continued efficiency efforts already underway.

Full year operating expenses are expected to grow in the mid-single digit percentages and include the costs to pursue our litigation against Google. Sequentially, quarterly operating expenses are expected to marginally increase in the low single percentages. We will continue to invest in high return AI revenue initiatives while pursuing cost savings unlocked by AI productivity efforts across all functional areas.

Full year capex is projected to be approximately \$15 to \$19 million and reflects a shift away from investments for increased ad impression capacity and instead towards expanding support for AI workloads, where we are seeing strong performance gains and revenue from our AI solutions.

IN CLOSING

In closing, Q4 represented an important structural inflection point for PubMatic.

As our secular growth engines in CTV, mobile app, and emerging revenues scale, our model generates operating leverage. In Q4, we delivered 35% adjusted EBITDA margins and strong free cash flow, reinforcing the durability of our owned infrastructure and fixed-cost base.

As we move through 2026, three dynamics give us confidence.

First, revenue growth is broadening. We are increasingly diversified across DSPs, verticals, geographies, and high-engagement environments, which reduces concentration and strengthens the resilience of our model.

Second, AI is not just a product catalyst; it is a financial lever. We are simultaneously driving incremental revenue from AI-powered solutions while using AI to expand margins, improve productivity, and fund growth investments. Few companies in our space are capturing both sides of that equation.

Third, our balance sheet remains a strategic advantage. With approximately \$146 million in cash and no debt, strong operating cash generation, and nearly \$94 million remaining under our repurchase authorization, we have the flexibility to invest, return capital, and pursue strategic opportunities, all while maintaining financial discipline.

Importantly, we expect to return to double-digit revenue growth in the second half of this year, with corresponding margin expansion driven by revenue scale and AI-enabled efficiencies.

We enter 2026 with a stronger revenue mix, a more efficient cost structure, and a scalable AI-enabled platform. That combination positions us to expand margins, grow cash flow, and create durable long-term shareholder value.

With that, I'll turn the call over to Stacie for questions.