

CANNES 2025

PROGRAMMATIC ADVERTISING THEMES & INVESTOR TAKEAWAYS

During Cannes 2025, PubMatic executives held meetings with over 275 clients and partners across our four core customer segments – publishers and streamers, media buyers, commerce media networks, and data partners. This investor roundup highlights the top themes that consistently emerged in these conversations, as well as key announcements from across the media and advertising industry.

Our goal is to provide investors with insight into how the digital ad market is evolving, and how PubMatic is strategically positioned to grow its underlying business¹ by 15% YOY in 2025. Unlocking long-term growth are a number of catalysts to our business which were reinforced by major industry players at Cannes.

GROWTH OF PROGRAMMATIC CONNECTED TV

Key Themes from Cannes

Cannes underscored the accelerating shift of ad dollars from linear TV to connected TV (CTV). Free, ad-supported streaming services are exploding in scale – for example, Fox’s Tubi just surpassed 100M monthly active users and hit over 1B hours watched in May, particularly as live sports moves from linear to CTV. Programmatic is becoming the default buying mechanism as the channel grows into a performance medium. New cross-platform integrations – such as Amazon Ads’ DSP access to Roku households – are further accelerating the flow of brand dollars to streaming environments. These moves signal that even walled gardens are adapting to meet advertiser demand for reach, frequency control, and efficiency.

PubMatic’s Advantage

PubMatic is a key beneficiary of the secular shift to streaming, with one of the highest growth rates in CTV revenue across the ad tech industry. In Q1 2025, revenue from CTV grew over 50% YOY as we partner with 80% of the top 30 streaming media companies, including Roku, DirecTV, MLB and Spectrum Reach, giving buyers premium access to high-quality, high-engagement environments. We’re also forging deep partnerships with the industry’s most trusted measurement leaders and transforming CTV into a robust performance engine for ad buyers and a monetization powerhouse for content creators and publishers.

Additionally, our deepening integration with Amazon’s DSP positions PubMatic as a natural beneficiary of the Amazon-Roku partnership announced at Cannes. With omnichannel buying increasingly centered on streaming, PubMatic’s supply path optimization (SPO) relationships and sell-side transparency tools offer differentiated value.

AI’S IMPACT ON ADVERTISING

¹ Underlying business is defined as total revenue, excluding revenue from one DSP buyer and political advertising

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Key Themes from Cannes

AI took center stage at Cannes, with key players launching tools designed to improve campaign performance and automate workflows. Meta unveiled 11 AI-driven ad features, while Reddit unveiled AI-powered ad tools that let marketers tap into real-time community insights.

Publishers also discussed how they are adapting to new search capabilities. For example, The Daily Beast shared how it is optimizing content to increase traffic from Reddit and Facebook.

As AI usage scales in advertising, industry leaders highlighted that strong data infrastructure is now mission-critical as brands want AI-powered optimization but most lack the data connectivity to fully realize its value.

PubMatic's Advantage

PubMatic is at the forefront of advertising's AI-driven transformation. Our newly launched AI-powered buying platform enables faster planning, targeting, and campaign optimization at scale. It solves a key challenge for advertisers and their demand for actionable intelligence with fewer intermediaries. PubMatic is already in discussions with major AI search firms as they develop and deploy advertising capabilities, offering us a clear advantage in performance-driven sponsored and native formats and commerce ad tech.

We operate with agility and flexibility and continue to diversify our business. Approximately 40% of our business is from mobile app and CTV channels that are unaffected by AI search. Of the remaining portion, we estimate that only 10-15% of our web-based impressions are referral-based. Given we work with the head of the market – top publishers like NewsCorp, the BBC, and Dotdash Meredith with significant brand names and therefore direct navigation traffic – that share could be even lower.

As a result, we estimate that this trend will have limited impact on our business, no more than a mid-single percent. As AI search evolves, we will continue to adapt to the dynamic environment on behalf of our customers and partners. This includes a number of mitigation levers like onboarding more traffic from non-browser-based publishers.

CONTINUED RISE OF RETAIL & COMMERCE MEDIA

Key Themes from Cannes

The growth of retail and commerce media was a hot topic at Cannes, as the channel is expected to surpass \$169 billion globally in 2025 and is on a path to overtake linear TV by 2026. New partnerships and platforms announced at Cannes point to this category becoming a fixture in omnichannel media planning. At the center of it all is the overarching challenge of how ad buyers can tap into first-party data and consumer insights, which requires a leading technology platform for strategic data integrations that can scale.

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[Omnicom's announcement](#) that it will use PayPal's Transaction Graph to power targeted streaming TV buys via PubMatic underscores the growing demand for real-time, purchase-based targeting at scale. Meanwhile, commerce media networks like Uber, Marriott, and Instacart are making pivotal moves to expand their ad businesses, launching new ad formats, and allowing controlled buyer access to their large-scale first-party data.

PubMatic's Advantage

Commerce media represents one of PubMatic's most powerful growth drivers. We estimate that our entry into this market expanded our TAM by \$10 billion as we enable full-stack monetization (onsite and offsite), first-party data activation, and turnkey access to hundreds of demand partners.

Our partner footprint spans a range of retail and commerce verticals including traditional retailers, fintech, travel, mobility and B2B ecosystems. Partners like Instacart, Klarna, Western Union, Trainline, and Intuit SMB MediaLabs leverage PubMatic technology to activate their data and connect to unique demand across the open internet.

Our scale, global reach, and ability to integrate with agency workflows make us a core disruptor in this shift from closed platforms to interoperable, data-driven marketplaces. As commerce media becomes core to brand performance strategy, PubMatic is exceptionally well positioned to help drive adoption at scale.

LOOKING AHEAD

As we look to the back half of 2025 and beyond, we believe the converging themes of AI transformation, commerce media acceleration, and the shift to CTV are creating multi-year tailwinds for PubMatic. Buyers and sellers alike are seeking more efficient, transparent, and flexible platforms to execute data-rich, results-driven campaigns across channels and regions, playing directly into our global footprint, omnichannel capabilities, and differentiating investments in SPO, CTV, and enterprise software.

Importantly, the advertising ecosystem is also preparing for the anticipated remedies in the DOJ's antitrust case against Google, with the remedies trial scheduled to begin on September 22. Structural changes are likely to reduce the influence of Google's demand-side tools over publisher monetization and are expected to increase demand for interoperable, independent infrastructure, precisely the role PubMatic plays for publishers, commerce networks, and marketers across the open internet. We expect the remedy implementation to further diversify ad buying across formats and channels and increase adoption of performant media buying, and we are actively investing to capture share from any resulting market realignment.

Our combination of product innovation, global scale, and financial discipline positions PubMatic to deliver durable growth as structural shifts, regulatory actions, and evolving customer needs reshape the \$600B+ digital ad market.