Q4 and FY 2021 Earnings Presentation

February 28, 2022
This presentation contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, market size and growth opportunities, the calculation of certain of our key financial and operating metrics, capital expenditures, plans for future operations, competitive position, technological capabilities, and strategic relationships, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," anticipate," "believe," "estimate," "predict," "intend," "potential," "would," "continue," "ongoing" or the negative of these terms or other comparable terminology. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

Forward-looking statements are based on information available at the time those statements are made and/or management's good faith beliefs and assumptions as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to, our dependency on the overall demand for advertising and the channels we rely on; our existing customers not expanding their usage of our platform, or our failure to attract new publishers and buyers; the rejection of the use of digital advertising by consumers through opt-in, opt-out or ad-blocking technologies or other means; our failure to innovate and develop new solutions that are adopted by publishers; limitations imposed on our collection, use or disclosure of data about advertisements; any failure to scale our platform infrastructure to support anticipated growth and transaction volume; any failure to comply with laws and regulations related to data privacy, data protection, information security, and consumer protection; and our ability to manage our growth. Moreover, we operate in a competitive and rapidly changing market, and new risks may emerge from time to time. Additional information about risks and uncertainties associated with our business are disclosed in our reports filed from time to time with the Securities and Exchange Commission, including our most recent Form 10-K and any subsequent filings on Forms 10-Q or 8-K, available on our investor relations website at https://investors.pubmatic.com and on the Securities and Exchange Commission website at www.sec.gov. All information in this presentation is as of February 28, 2022. We undertake no obligation to publicly 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 to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes certain non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, non-GAAP net income, non-GAAP net income margin and non-GAAP diluted EPS. We believe that this information can assist investors in evaluating our operational trends, financial performance, and cash generating capacity. 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. These non-GAAP measures have limitations as analytical tools. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. They should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation.

This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

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MISSION

PubMatic Fuels the Endless Potential of Internet Content Creators
FINANCIAL HIGHLIGHTS

Q4 2021

**REVENUE**

$75.6M  
+34% YOY

**GAAP NET INCOME MARGIN**¹

37%  
$28.2 MILLION

**ADJ. EBITDA MARGIN**²

51%  
$38.9 MILLION

FY 2021

**REVENUE**

$226.9M  
+53% YOY

**GAAP NET INCOME MARGIN**¹

25%  
$56.6 MILLION

**ADJ. EBITDA MARGIN**²

42%  
$96.2 MILLION

¹ GAAP Net Income includes $5.4 million unrealized gain on equity investments.

² Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. A reconciliation of Adjusted EBITDA to net income is provided on slide 27.
OUR TOTAL ADDRESSABLE MARKET HAS EXPANDED

GLOBAL DIGITAL AD SPEND

2018: $259 billion
2019: $300 billion
2020: $334 billion
2021: $439 billion
2022: $514 billion
2023: $572 billion
2024: $627 billion

Source: MAGNA Global, 2019 vs 2021

YOY GROWTH IN 2021
+31%

PROJECTED YOY GROWTH IN 2022
+17%

Pre-Pandemic Projections
Current Projections
GROWING MARKET SHARE VIA THE PUBMATIC FLYWHEEL

As of December 31, 2021

HIGH-MARGIN REVENUE

INNOVATION DRIVES VALUE

EXPANDED CUSTOMER USAGE

ESTIMATED PUBMATIC MARKET SHARE\(^\text{1}\)

3-4% +1 PERCENTAGE POINT YOY

LONG-TERM MARKET SHARE OBJECTIVE

20%+

\(^1\) As of December 31, 2021
EXPANDING USAGE VIA SUPPLY PATH OPTIMIZATION UNDERSCORES INCREASED VALUE FOR BUYERS

Robust Audience Targeting

Direct Technology Integrations & Workflows

Premium Omnichannel Ad Inventory

YOY INCREASE IN SPO PARTNERS IN 2021

44%

SHARE OF ACTIVITY ON OUR PLATFORM FROM SPO

~25%

1 Represents the increase in the number of SPO partners from December 31, 2020 to December 31, 2021.
DRIVING OMNICHANNEL EXPANSION FROM FASTEST GROWING FORMATS

CTV / OTT

SCALING A TRANSPARENT, PROGRAMMATIC MARKETPLACE FOR CTV/OTT

Online Video

CTV REVENUE GROWTH YOY IN Q4 2021

OVER 6X

Mobile App & Web
AUDIENCE ADDRESSABILITY INNOVATION DRIVES EXPANSION OF PLATFORM USAGE

1st Party Data

Known Identity

Contextual Targeting

IDENTITY HUB DRIVES PUBLISHER REVENUE IN COOKIELESS ENVIRONMENTS

AUDIENCE ENCORE HELPS BUYERS TARGET AUDIENCES IN PRIVACY-COMPLIANT WAYS
GEOGRAPHIC EXPANSION DRIVING NEW GROWTH

Madrid, Spain

Beijing, China

Paris, France

Seoul, South Korea
RETAIL MEDIA EXPANDS PUBMATIC’S ADDRESSABLE MARKET

Monetize Owned & Operated Inventory

Extend 1st Party Data Offsite

Optimize ROI For Buyers

GLOBAL RETAIL MEDIA AD SPEND\(^1\)

\(^1\) Source: Zenith, 2021
REINVESTING PROFIT TO ACCELERATE FUTURE GROWTH AND MARKET SHARE EXPANSION

2022 Investment Areas

OWNED & OPERATED INFRASTRUCTURE

ENGINEERING & INNOVATION

SALES & CUSTOMER SUCCESS

Specialized cloud infrastructure for digital advertising
Financial Results
FY & Q4 2021 FINANCIAL HIGHLIGHTS

**Revenue (in Millions)**

- **FY'19**: $114, 15%
- **FY'20**: $149, 31%
- **FY'21**: $227, 53%

**Q4 Revenue Growth %**

- **Q4'19**: 9%
- **Q4'20**: 64%
- **Q4'21**: 34%

**2021 YoY Revenue Growth**

53%

**Q4 2021 YoY Revenue Growth**

34%

**Q4 2021 YoY Revenue Growth Excluding Political**

40%
I N C R E A S I N G  P R O F I T A B I L I T Y

GAAP NET INCOME

<table>
<thead>
<tr>
<th></th>
<th>FY'19</th>
<th>FY'20</th>
<th>FY'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net</td>
<td>$7</td>
<td>$27</td>
<td>$57</td>
</tr>
<tr>
<td>Margin %</td>
<td>6%</td>
<td>18%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>FY'19</th>
<th>FY'20</th>
<th>FY'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$23</td>
<td>$50</td>
<td>$96</td>
</tr>
<tr>
<td>Margin %</td>
<td>20%</td>
<td>34%</td>
<td>42%</td>
</tr>
</tbody>
</table>

1Q4 2021 and FY 2021 GAAP Net Income include an unrealized gain on equity investments before tax of $5.4M. Net of income taxes, the impact was $4.2M.

2Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. A reconciliation of Adjusted EBITDA to net income is provided on slide 27.
STRONG, DIVERSIFIED ADVERTISER SPEND GROWTH IN Q4 2021

ADVERTISERS PLACING ADS ON OUR PLATFORM

60,000+

YOY AD SPEND GROWTH OF TOP 10 AD VERTICALS

50%+
STRONG REVENUE GROWTH ACROSS CHANNELS IN Q4 2021

YOY MOBILE & OMNICHANNEL VIDEO\(^1\) REVENUE GROWTH
41%

YOY CTV REVENUE GROWTH
6X+

YOY DESKTOP REVENUE GROWTH
26%

\(^1\) Omnichannel video is the sum of online video plus CTV/OTT
**GROWING REVENUE VISIBILITY AND PREDICTABILITY**

**Expanded Usage from Publishers Via Land & Expand Strategy**

**Expanded Usage from Buyers Via Supply Path Optimization**

**NET DOLLAR-BASED RETENTION¹**

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>109%</td>
<td>122%</td>
<td>149%</td>
</tr>
</tbody>
</table>

¹ Net dollar-based retention is calculated by starting with the revenue from publishers in the trailing twelve months ended December 31, 2020 (“Prior Period Revenue”). We then calculate the revenue from these same publishers in the trailing twelve months ended December 31, 2021 (“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 the Current Period Revenue divided by Prior Period Revenue.
ROBUST GROSS MARGINS

<table>
<thead>
<tr>
<th></th>
<th>FY’19</th>
<th>FY’20</th>
<th>FY’21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$78</td>
<td>$108</td>
<td>$169</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>68%</td>
<td>72%</td>
<td>74%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q4’19</th>
<th>Q4’20</th>
<th>Q4’21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>$25</td>
<td>$45</td>
<td>$59</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>73%</td>
<td>80%</td>
<td>78%</td>
</tr>
</tbody>
</table>

DRIVERS

High marginal profitability from structural leverage:

- Scale efficiencies from continued reduction in cost of revenue per million impressions processed
- Increased infrastructure utilization
OPERATING EXPENSES: INVESTING FOR GROWTH

**DRIVERS**

- Increased headcount by 30% with focus on technical and go-to-market teams
- Incremental public company expenses and stock-based compensation in FY’21 / Q4’21
- Achieved scale efficiencies
GAAP and Non-GAAP Diluted Earnings Per Share

GAAP Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>GAAP Net Income</th>
<th>GAAP Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'19</td>
<td>$7</td>
<td>$0.04</td>
</tr>
<tr>
<td>FY'20</td>
<td>$27</td>
<td>$0.46</td>
</tr>
<tr>
<td>FY'21</td>
<td>$57</td>
<td>$1.00</td>
</tr>
</tbody>
</table>

Net Income: $57

GAAP Diluted EPS: $1.00

Non-GAAP Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-GAAP Net Income</th>
<th>Non-GAAP Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'19</td>
<td>$8</td>
<td>$0.08</td>
</tr>
<tr>
<td>FY'20</td>
<td>$30</td>
<td>$0.53</td>
</tr>
<tr>
<td>FY'21</td>
<td>$65</td>
<td>$1.14</td>
</tr>
</tbody>
</table>

Net Income: $65

Non-GAAP Diluted EPS: $1.14

Q4 2021 and FY 2021 GAAP Net Income include an unrealized gain on equity investments before tax of $5.4M. Net of income taxes, the impact was $4.2M.

Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP measures. A reconciliation of Non-GAAP net income to net income is provided on slide 28.

EPS = Earnings per share

Q4'19: Net Income = $4, Diluted EPS = $0.06

Q4'20: Net Income = $19, Diluted EPS = $0.34

Q4'21: Net Income = $28, Diluted EPS = $0.50

FY'19: Net Income = $8, Diluted EPS = $0.08

FY'20: Net Income = $30, Diluted EPS = $0.53

FY'21: Net Income = $65, Diluted EPS = $1.14

Q4'19: Non-GAAP Net Income = $5, Non-GAAP Diluted EPS = $0.07

Q4'20: Non-GAAP Net Income = $20, Non-GAAP Diluted EPS = $0.36

Q4'21: Non-GAAP Net Income = $27, Non-GAAP Diluted EPS = $0.48
**DELIVERING CASH FLOW**

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Provided (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'19</td>
<td>$35</td>
</tr>
<tr>
<td>FY'20</td>
<td>$24</td>
</tr>
<tr>
<td>FY'21</td>
<td>$89</td>
</tr>
</tbody>
</table>

**DRIVERS**

- Workflow automation
- Continuous optimization of infrastructure (software and hardware)
- Offshore R&D leverage
- Focus on profitable publishers and ad impressions
- Efficient capacity expansion to capture growth / market share
- Working capital efficiency
**2022 GUIDANCE**

We expect FY 2022 CapEx to be in the range of $30M – $33M.

Although we provide guidance for Adjusted EBITDA, we are not able to provide guidance for net income, the most directly comparable GAAP measure. Certain elements of the composition of GAAP net income, including stock-based compensation expenses, are not predictable, making it impractical for us to provide guidance on net income or to reconcile our Adjusted EBITDA guidance to net income without unreasonable efforts. For the same reason, we are unable to address the probable significance of the unavailable information.

### ($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2022</th>
<th></th>
<th>FY 2022</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Revenue</td>
<td>$53</td>
<td>$55</td>
<td>$282</td>
<td>$286</td>
</tr>
<tr>
<td>Y/Y%</td>
<td>23%</td>
<td>27%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$14</td>
<td>$16</td>
<td>$101</td>
<td>$106</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>27%</td>
<td>29%</td>
<td>36%</td>
<td>37%</td>
</tr>
</tbody>
</table>

Note: Numbers rounded for presentation purposes
Note: Chart does not depict underlying data, but is intended to illustrate the Company’s beliefs regarding the extension of its infrastructure to additional ad formats and customer types as a driver of its addressable market and growth.
<table>
<thead>
<tr>
<th>($ in Millions)</th>
<th>Three Months Ended December 31,</th>
<th>Fiscal Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$4.1</td>
<td>$18.8</td>
</tr>
<tr>
<td>Add back (deduct):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td>$0.5</td>
<td>$1.1</td>
</tr>
<tr>
<td>Impairment of Internal Use Software</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrealized gain(loss) on equity investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$3.3</td>
<td>$4.2</td>
</tr>
<tr>
<td>Interest Income</td>
<td>($0.3)</td>
<td>($0.1)</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>$1.7</td>
<td>$2.9</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$9.3</td>
<td>$26.9</td>
</tr>
<tr>
<td>Revenue</td>
<td>$34.4</td>
<td>$56.2</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>27%</td>
<td>48%</td>
</tr>
</tbody>
</table>

**NON-GAAP RECONCILIATION – ADJUSTED EBITDA**
### NON-GAAP NET INCOME RECONCILIATION

($ in Millions, except for Non-GAAP Diluted EPS$)  

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended December 31,</th>
<th>Fiscal Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$4.1</td>
<td>$18.8</td>
</tr>
<tr>
<td><strong>Add back (deduct):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-Based Compensation</td>
<td>$0.5</td>
<td>$1.1</td>
</tr>
<tr>
<td>Unrealized gain(loss) on equity investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment for income tax benefit on stock-based compensation</td>
<td>-</td>
<td>($0.2)</td>
</tr>
<tr>
<td><strong>Non-GAAP Net Income</strong></td>
<td>$4.5</td>
<td>$19.7</td>
</tr>
<tr>
<td><strong>Non-GAAP Diluted EPS$</strong></td>
<td>$0.07</td>
<td>$0.36</td>
</tr>
<tr>
<td>Revenue</td>
<td>$34.4</td>
<td>$56.2</td>
</tr>
<tr>
<td>Non-GAAP Net Income Margin</td>
<td>13%</td>
<td>35%</td>
</tr>
</tbody>
</table>

1 EPS = Earnings per share.