

PUBMATIC Q2 2023 AT A GLANCE

STRONG FINANCIAL PROFILE PROVIDES FOUNDATION FOR LONG-TERM SUCCESS

Delivered Revenue Ahead of Guidance

REVENUE

- Q2 2023 revenue of \$63.3 million, up 0.5% year-over-year.

GAAP & NON-GAAP NET INCOME (LOSS)

- Included in GAAP and Non-GAAP results for Q2 2023 is incremental bad debt expense of approximately \$5.7 million related to the bankruptcy of one of our demand side platform buyers.
- GAAP net loss in Q2 2023 was \$(5.7) million, or \$(0.11) per diluted share.
- Non-GAAP net income in Q2 2023 was \$1.3 million, or \$0.02 per diluted share.

NET DOLLAR BASED RETENTION¹

- Net dollar-based retention for TTM Q2 2023 was 100%.

ADJUSTED EBITDA²

- Adjusted EBITDA in Q2 2023 was \$12.0 million, or 19% of revenue.
- Excluding the \$5.7 million of bad debt expense, adjusted EBITDA would have exceeded our Q2 2023 guidance.

NET CASH PROVIDED BY OPERATING ACTIVITIES

- Cash flow from operations was \$15.8 million for Q2 2023.

IMPRESSIONS PROCESSED

- In Q2 2023, we processed nearly 48.8 trillion impressions.
- Reduced the unit cost of impressions by 12% year-over-year for TTM Q2 2023.

BUYER CONSOLIDATION

- Supply path optimization (SPO) represented over 40% of total activity in Q2 2023.

OMNICHANNEL REVENUE

- Revenue from omnichannel video, which includes desktop, mobile and Connected TV (CTV) devices represented approximately 31% of total revenue in the second quarter.
- Q2 2023 Connected TV revenue increased over 30% year-over-year.
- Added more premium CTV inventory to our platform and announced new and expanded partnerships with premium streaming brands including AMC Networks, FOX, iQIYI, and TiVo.

INVESTMENTS FOR GROWTH

- PubMatic launched Convert, a unified, self-service advertising platform for commerce media, adding to our growing software suite for commerce media companies that includes Connect and our SSP.
- Initial commerce media offering launch partners include dentsu, IPG, Lyft, MiQ and Wallpop.
- Activate, our recently launched end-to-end SPO solution, is gaining traction and enthusiasm across every region and agency and advertiser discussions are in progress with several dozen accounts.
- New products like Activate and Convert expand our TAM by over \$75 billion.

¹ Calculated by starting with the revenue from publishers in the trailing twelve months ended June 30, 2022 ("Prior Period Revenue"). We then calculate the revenue from these same publishers in the trailing twelve months ended June 30, 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.

² 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.

STRONG FINANCIAL PROFILE PROVIDES FOUNDATION FOR LONG-TERM SUCCESS

Q2 2023 Case Studies & Customer Proof Points

BUYER VALUE CREATION

- PubMatic's SSP Improved dentsu's Campaign CPA by 45% →
- PubMatic and Havas Exceed Viewability Target with New Cookieless Targeting Solution →

PUBLISHER MONETIZATION GROWTH

- PubMatic Drives 317% PMP Revenue Growth for Premium CTV Publisher →
- PubMatic's Unique Demand Delivers 282% YOY Revenue Increase for LocalNow →
- PubMatic Delivers 9X the Bid Requests and 6X the Revenue for iQIYI →

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA

(In thousands) (unaudited)

| | Three Months Ended June 30, | |
|---|-----------------------------|-----------------|
| | 2023 | 2022 |
| Net income (loss) | (\$5,724) | \$7,819 |
| Add back (deduct): | | |
| Stock-based compensation | 7,266 | 5,391 |
| Depreciation and amortization | 10,898 | 7,321 |
| Unrealized (gain) loss on equity investment | — | 915 |
| Interest income | (2,176) | (325) |
| Acquisition-related and other expenses | 1,182 | — |
| Provision (benefit) for income taxes | 545 | 1,927 |
| Adjusted EBITDA | \$11,991 | \$23,048 |

RECONCILIATION OF NON-GAAP NET INCOME

(In thousands, except per share amounts) (unaudited)

| | Three Months Ended June 30, | |
|---|-----------------------------|-----------------|
| | 2023 | 2022 |
| Net income (loss) | (\$5,724) | \$7,819 |
| Add back (deduct): | | |
| Stock-based compensation | 7,266 | 5,391 |
| Unrealized (gain) loss on equity investment | — | 915 |
| Acquisition-related and other expenses | 1,182 | — |
| Adjustment for income tax benefit on stock-based compensation | (1,390) | (1,093) |
| Non-GAAP Net Income | \$1,334 | \$13,032 |
| Non-GAAP Diluted Earnings per Share | \$0.02 | \$0.23 |
| Revenue | \$63.3 | \$63.0 |
| Non-GAAP Net Income Margin | 2% | 21% |