PubMatic

STRONG FINANCIAL PROFILE AND SUSTAINED INNOVATION DRIVE ACCELERATED GROWTH

Connected TV Revenue Reaches All Time High

REVENUE

- FY 2024 revenue of $291.3 million, up 9% year-over-year.
- Q4 2024 revenue of $85.5 million, up 1% year-over-year.
- Excluding the impacted DSP and political advertising, revenue grew 16% year-over-year in Q4.

GROSS PROFIT

- Gross profit increased 13% year-over-year in FY 2024.
- Gross margin increased 250 basis points year-over-year in FY 2024.

GAAP NET INCOME[1]

- GAAP net income in FY 2024 was $12.5 million or 4% of revenue. FY 2024 diluted earnings per share of $0.23.
- GAAP net income in Q4 2024 was $13.9 million or 16% of revenue. Q4 2024 diluted earnings per share of $0.26.

NET DOLLAR BASED RETENTION[2]

- Net dollar-based retention for FY 2024 was 107%.

ADJUSTED EBITDA[3]

- FY 2024 adjusted EBITDA increased 23% over 2023 and was $92.3 million, or 32% of revenue.
- Adjusted EBITDA in Q4 2024 was $37.6 million, or 44% of revenue.

OPERATING CASH FLOWS

- Net cash provided by operating activities was $73.4 million for FY 2024.
- Q4 net cash provided by operating activities was $18.0 million.

STOCK REPURCHASE PROGRAM

- As of December 31, 2024, we have repurchased 8 million shares of our Class A common stock for $134.6 million in cash.
- As of the end of the fourth quarter, we had $40.4 million remaining in our repurchase program authorized through December 31, 2025.

IMPRESSIONS PROCESSED

- In Q4 2024, we processed nearly 74.7 trillion impressions, 26% more than the amount processed in Q4 2023.
- Reduced the unit cost of impressions by 18% year-over-year.

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[1] 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.

[2] Calculated by starting with the revenue from publishers in the trailing twelve months ended December 31, 2023 ("Prior Period Revenue"). We then calculate the revenue from these same publishers in the trailing twelve months ended December 31, 2024 ("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.

[3] 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.

PUBMATIC FY AND Q4 2024 AT A GLANCE

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BUYER CONSOLIDATION

- Over 53% of activity on our platform was via supply path optimization (SPO) agreements in 2024.
- Average 2024 net spend retention rate for SPO partners who have worked with us for three years or more was 107% per year.

OMNICHANNEL VIDEO REVENUE

- Omnichannel video spans across desktop, mobile and CTV devices and represented 43% of revenues in Q4 2024. FY 2024 omnichannel video revenues increased 37% year over year.
- Connected TV represented 20% of total company revenue in Q4 2024. New and expanded partnerships announced in 2024 with premium streaming brands including Roku, Dish Media, Disney+ Hotstar, TCL and Xumo.
- Mobile app channel scaled to over 900 mobile app publishers. Mobile app revenue increased 16% year-over-year and represented 20% of total revenue in 2024.

INVESTMENTS IN INNOVATION

- Improved engineering productivity by over 15% in 2024 over 2023 through scaled adoption of generative AI across our software development, testing and release processes.
- Emerging revenue streams, which expand beyond ad monetization services, contributed 3 percentage points of year over year revenue growth in the fourth quarter 2024.

RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA
(In thousands) (unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Net income	$13,899	$18,702	$12,504	$8,881
Add back (deduct):				
Stock-based compensation	9,409	7,337	37,676	28,862
Depreciation and amortization	11,421	11,039	45,352	44,770
Interest income	(1,604)	(2,515)	(8,477)	(8,828)
Benefit from income taxes	4,521	4,343	5,270	1,624
Adjusted EBITDA	$37,646	$38,906	$92,325	$75,309
Revenue	$85,502	$84,600	$291,256	$267,014
Adjusted EBITDA Margin	44%	46%	32%	28%

RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME
(In thousands, except per share data) (unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Net income	$13,899	$18,702	$12,504	$8,881
Add back (deduct):				
Stock-based compensation	9,409	7,337	37,676	28,862
Adjustment for income tax benefit	(1,865)	(1,590)	(7,728)	(5,695)
Non-GAAP Net Income (Loss)	$21,443	$24,449	$42,452	$32,048
GAAP diluted EPS	$0.26	$0.34	$0.23	$0.16
Non-GAPP diluted EPS	$0.41	$0.45	$0.78	$0.57
GAAP weighted avg. shares outstanding - diluted	52,623	54,940	54,294	56,027
Non-GAAP weighted avg. shares outstnding - diluted	52,623	54,940	54,294	56,027

PubMatic

2024 CUSTOMER ANNOUNCEMENTS, CASE STUDIES & PROOF POINTS

EXECUTIVE DIALOGUE VIDEO SERIES

- Executive Dialogues: PubMatic + dentsu →
- Executive Dialogues: PubMatic + FreeWheel →
- Executive Dialogues: PubMatic + Roku →

BUYER VALUE GROWTH

- PubMatic Partners with GroupM to Deliver First-of-its-Kind AI Generated Cohort Modeling Capability for Advertisers →
- PubMatic and GroupM Expand Partnership to Boost Latin America Market Impact →
- Haleon Selects PubMatic as Supply Optimisation Partner to Enable More Effective, Sustainable Media Buying →
- Cross-industry Team Led by IPG Mediabrands, SeenThis and PubMatic Creates Climate Action Marketplace →
- Mars Petcare Exceeds Incremental Sales Goal by 126% Leveraging Activate →
- Wpromote Selects PubMatic as Preferred Partner →

PUBLISHER VALUE CREATION

- PubMatic's OpenWrap SDK Joins AppLovin MAX as a Certified Bidding Partner →
- Disney+ Hotstar collaborates with PubMatic to scale advertising reach in India →
- Philo and PubMatic Partner on CTV Transparency Innovation →
- Roblox Taps PubMatic to Offer Programmatic Immersive Video Ads on Its Platform →
- Smartstream Partners With PubMatic to Expand Programmatic Buying Across Its Premium Inventory in the DACH Region →
- SoundCloud Selects PubMatic to Enhance Access to Programmatic Advertising on a Global Scale →
- TCL and PubMatic Join Forces to Drive Demand and Efficiency in Streaming Live Sports Advertising →
- PubMatic Delivers 24% Revenue Uplift for Tokyo Tsushin Group →
- PubMatic, Tokopedia Announce Strategic Partnership to Enhance Advertiser Reach, Engagement →
- Virgin Media Partners with PubMatic to Scale FAST Advertising in the UK →
- Elon Musk's X Has Signed Up a New Adtech Partner as it Looks to Boost Advertising Revenue →
- Xumo and PubMatic Partner to Expand Programmatic Advertising →

COMMERCE MEDIA VALUE GROWTH

- PubMatic and DIGITS Agency Bring Advanced AdTech to Local Grocery and Convenience Stores →
- PubMatic Announces Instacart Ads Integration to Leverage Retail Media Data Across CTV →
- PubMatic Forges Partnership with Intuit SMB MediaLabs to Advance B2B Advertising with Privacy-Protective Solutions →
- Klarna and PubMatic Partner to Boost Advertiser Access to High-Intent Shopper Community →
- Programmatic Retail Media Capabilities to Retailers, Commerce Properties and Advertisers in Italy →
- PubMatic Expands its Collaboration with Western Union to Unlock New Commerce Media Opportunities →

DATA PROVIDER VALUE CREATION

- 33Across Expands Partnership with PubMatic, Integrating Lexicon's Addressable Capabilities for Enhanced Cookieless Audience Reach →
- Adsquare Selects PubMatic to Enhance Omnichannel Campaign Targeting →
- PubMatic Becomes the First Supply-Side Platform to Integrate with Digiseg →
- Illuma Partners with PubMatic for AI-Enhanced Holiday Campaigns →
- PubMatic & KERV.ai Partner to Enhance Programmatic Advertising with Premium Supply Curation via Deal IDs →