

## PUBMATIC Q1 2026 EARNINGS CALL: PREPARED REMARKS

### SAFE HARBOR

A copy of our press release can be found on our website at [investors.pubmatic.com](https://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](https://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 May 7th, 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, Adjusted EBITDA Margin, 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 exceptional first quarter, with revenue and adjusted EBITDA ahead of guidance. These results reflect the continued strength of our business and accelerating adoption of our AI solutions.

We delivered 13% year-over-year growth in our underlying business. Emerging revenues grew over 80% year-over-year and climbed to 14% of total revenues, aided by AgentiOS. The new strategy we launched in summer of 2025

is delivering tangible results — we're diversifying our DSP mix, growing in high consumer engagement channels such as CTV and mobile app, and creating more value for key stakeholders across the advertising ecosystem. As a pioneer in AI, our multi-year investments are paying off and fueling new revenue streams, operating leverage and market leading advantages that are at the early stages of compounding.

Agentic AI is more than just a productivity tool, it's a structural shift that is redefining the entire digital advertising market. It simplifies the connections between advertisers and outcomes and transforms how value flows through the ecosystem.

## **AGENTIC TRANSFORMS THE VALUE CHAIN OF OPEN INTERNET**

Over the past two decades, digital advertising has undergone two profound transformations, each creating markets measured in the hundreds of billions of dollars. The first was real time bidding and the second was the shift to mobile consumption. Today, a third transformation of even larger magnitude is underway — AI driven, agentic advertising.

AI simplifies the ecosystem by automating decisions that once required large teams using fragmented systems. Our platform sits at the intersection of buyers, publishers, and audiences, enabling us to apply AI at global scale across the entire value chain — from planning and discovery to activation and measurement.

Our approach fundamentally changes how value is created. It drives performance that the legacy, fragmented model is structurally challenged to deliver. Importantly, agentic AI prioritizes outcomes, not interfaces.

At the same time, AI is leveling the playing field between walled gardens and the open internet. Capabilities that once benefited closed platforms, like efficiency, lower operating costs, and stronger advertising ROI are now achievable in the open internet, with the added benefits of transparency and choice. As advertisers allocate spend based on measurable performance, our addressable market expands and we are well positioned to capture that shift.

## **PUBMATIC MODEL PREDICATED ON PERFORMANCE AND USAGE**

Importantly, our growth engine is directly aligned with customer outcomes. We're evaluated on our ability to monetize every ad impression we process, and we earn revenue only when we deliver superior results for publishers and buyers. As customers see stronger performance, they increase usage, creating a self-reinforcing model where greater adoption and utilization drive both customer ROI and our own profitable growth. Our AgenticOS and Activate products extend this alignment further into the value chain.

## **PUBMATIC'S UNIFIED, DIFFERENTIATED PLATFORM**

Underpinning this model are five competitive advantages — assets that are increasingly difficult for new entrants to replicate and that compound over time. Further, they cannot be vibe-coded.

First is scale. Nearly the entire advertising-supported open internet is available on PubMatic. We have nearly 2,000 premium publishers representing over 100,000 websites, apps, and streamers — including 28 of the top 30 global streamers. This breadth and depth of access to omnichannel inventory is built through years of trust and performance.

Second, is Activate. Our direct buying platform was designed from the beginning to drive performance and simplify the complexity of the ecosystem. By connecting ad demand and premium supply in a single environment, advertisers see higher ROI and publishers benefit from increased yield.

Third, is AgenticOS and our growing portfolio of AI agents. We have over 20 different operational agents available for media buyers and publishers, with new agents rolling out every month to automate and optimize core advertising workflows.

Our newest agent enables buyers to discover and activate curated omnichannel supply in seconds through natural language queries. For example, a media buyer simply asks for, "CTV inventory for male sports enthusiasts," and the agent instantly surfaces relevant opportunities, audience reach estimates, and deal options. This process used to take hours or days and is now reduced to minutes.

Fourth, our owned and operated infrastructure. This is a structural advantage in the AI era. Our long-standing collaboration with NVIDIA brings advanced GPU technology directly into our platform with a variety of distinct benefits.

GPU technology improves data processing to handle the massive, advertising specific workloads that underpin bidding, pricing, and campaign optimization, cutting compute time and cost. We're using NVIDIA Triton Inference Server to deploy real time inferencing for bidding and audience decisioning. As a result, we process data and train models faster and more cost-effectively than cloud-based alternatives — while also improving model performance. In AI, faster feedback loops lead to better models, and better models attract more advertising activity. By owning our infrastructure, we keep that compounding advantage within PubMatic allowing our competitive moat to widen with every transaction processed.

Our data platform, Connect is a key input of this flywheel. Comprised of data sets from over 300 data and commerce media partners, it's our fifth competitive advantage. With faster processing, we are improving our proprietary model training in real time, resulting in significant performance improvements and better optimization for advertiser return on ad spend. Connect is a powerful platform that enables advertisers to shift their audience targeting strategies to the sell side with greater efficiency and reach, which is a further catalyst for Activate and AgenticOS performance.

There is no other company that has all five of these components and is innovating at this pace. Further, revenue growth is building and customer adoption continues to scale quickly.

## **AGENTIC ADOPTION CONTINUES TO SCALE**

PubMatic now has AI embedded across its entire platform. Publishers use PubMatic AI Assistant to seamlessly make their inventory available to buyers on PubMatic via deals. Over 1,000 AI-powered deals have been transacted to date, resulting in millions of dollars in publisher monetization. Similarly, buyers use our AI Assistant's chat-based interface to discover audiences and inventory, and to activate new advertising campaigns.

Even more exciting is the adoption of fully autonomous, agentic campaigns. What launched at CES in January with a single campaign has now scaled to more than 30 live, fully autonomous campaigns from independent agencies, large buying platforms, and global brands across the United States, France, the Netherlands, Australia, and India. PubMatic is the only platform that has operationalized fully agentic campaigns at scale.

Agencies like Butler/Till, MiQ, and Brkthru, a digital media solutions provider for more than 1,000 brands and 235 agencies, alongside Amnet and Abovo Maxlead in EMEA, are seeing compelling results: a material reduction in fees, more dollars shifting into working media, high performing KPIs, and 80 to 90 percent time savings in campaign setup. These aren't marginal gains. These are step-function efficiency unlocks that validate agentic buying as a value-chain shift.

## **EXECUTION ACROSS STRATEGIC PRIORITIES**

I'm incredibly proud of the team and the results we're delivering. We have the technology, infrastructure, scale and innovation to lead this seismic industry shift.

At the same time, we continue to strengthen our underlying business.

## **BROAD DSP DIVERSIFICATION**

The DSP landscape continues to evolve and fragment, with a growing share of digital advertising spend coming from outside the Fortune 1000 advertisers. Our growth profile mirrors this trend as we diversify our business and accelerate expansion beyond the largest DSPs. In Q1, activity from mid-market and performance DSPs continued to grow over 20% year over year.

Many of these DSPs are also quickly innovating around agentic. AdRoll became the first DSP to connect to PubMatic's PMP deal troubleshooting AI agent via Model Context Protocol. This integration enables their agent to autonomously troubleshoot private marketplace deals, cutting resolution time from days to minutes as compared to traditional programmatic workflows. This is an exciting area of innovation and demonstrates how existing software interfaces are quickly becoming obsolete.

We also continue to innovate with the largest performance DSPs. A significant milestone this quarter was our integration with Amazon's Dynamic Traffic Engine (DTE), now launched globally. This integration shares demand signals from Amazon directly with PubMatic, so that we can better match inventory to their advertiser demand in real time. Early results are delivering increased monetization for publishers on PubMatic — up to a 10 percent increase in CPM since its launch.

## **CTV AND MOBILE APP GROWTH**

We also delivered growth in high consumer engagement channels, including CTV and mobile app.

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Our Live Sports Marketplace continues to be one of the most powerful ways to reach engaged audiences. Through PubMatic, buyers can access premium CTV inventory across major sporting leagues and global events.

The scale behind this growth opportunity is significant. We expect the FIFA World Cup alone will bring more than 100 million high-value impressions per day to our platform, with growing demand from buyers across the UK, France,

Germany, and Italy. According to eMarketer, digital live sports viewership is projected to grow 20% between now and 2030. With expansive partnerships across some of the largest premium live sports inventory, coupled with over 300 data partners and innovative CTV solutions, we expect live sports to be a strong growth driver over the next several years.

Our mobile app business grew over 25% year-over-year. Over the past quarter, we deepened our integrations across the mobile ecosystem — we're now live with the three leading global mediation platforms: AppLovin MAX, Google AdMob, and most recently Unity LevelPlay. PubMatic now has access to over 90% of global SDK inventory. For example, Zynga, a global leader in interactive entertainment that reaches hundreds of millions of players worldwide, has integrated our SDK to provide advertisers with programmatic access to their high value mobile audiences at global scale.

## **PARTNERSHIPS FUEL COMMERCE MEDIA AND EMERGING REVENUE STREAMS**

Much like mobile app, commerce media also benefits from logged-in user engagement, where buyers can prioritize performance and measurable outcomes. With an addressable market of \$18 billion, we see a significant long-term opportunity in commerce media. Fueling this are new partnerships that add scale and audience data to the PubMatic Connect platform.

We recently announced an exciting partnership with Walmart Connect, which unlocks new advertisers and new ad spend on our platform, particularly for CTV. Our partnership with Walmart Connect Select integrates their first-party shopper audiences with the media on our platform, enabling new performance-oriented ad transactions for SMB and enterprise advertisers.

I'm also excited to share that we have integrated with payments leader PayPal, integrating the PayPal Ads ID. This integration brings over 25 billion transactions across 400 million verified PayPal and Venmo accounts to the PubMatic platform, giving buyers high-value data to activate across the open internet. It enhances targeting accuracy, verified identity across devices, and true closed-loop attribution in a privacy-safe way. As this partnership scales, we expect it to contribute to emerging revenue streams and deliver incremental margin.

## **CLOSING**

In closing, we delivered a great quarter. We continue to add marquee partnerships, focus on innovation, and execute across our strategic priorities. AI is an accelerant to our already diverse growth engine. The repeat engagement we're seeing from customers underscores that this technology is driving performance. Each additional transaction compounds our data advantage, driving superior performance and accelerating organic growth across our core business, including CTV, mobile app, and commerce media. With our proven model, differentiated infrastructure, and expanding global footprint, PubMatic is positioned to capture this next transformational shift in digital advertising — creating long-term value for our customers, partners, and shareholders.

I'll now turn the call over to Steve for the financials.

## CFO REMARKS

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Thank you Rajeev and welcome everyone.

We delivered a strong quarter, with Q1 revenue of \$62.6 million and adjusted EBITDA of \$2.6 million, both ahead of the preliminary figures we shared on April 22<sup>nd</sup> and well above the high end of our guidance ranges.

Excluding revenues related to the legacy DSP referenced mid-2025, our underlying business grew 13% year-over-year and represented 83% of our total revenues. This double-digit growth reflects the health of our business, ongoing benefits from our multi-year secular growth investments, and the momentum of our strategic transformation.

This execution, coupled with the rapid expansion of PubMatic's AI tools and AgenticOS, positions us for accelerating double digit revenue growth in the second half of the year.

The majority of the revenue beat, once again, flowed through to adjusted EBITDA. Q1 was the 40th consecutive quarter of positive adjusted EBITDA, underscoring the inherent durability of our model, ongoing productivity gains and expense discipline.

We also generated \$10.7 million in free cash flow, a 17% free cash flow margin, and returned value to shareholders through the repurchase of 1 million Class A common shares.

### KEY SECULAR AREAS DELIVER REVENUE GROWTH

Moving on to the quarterly highlights.

Our outperformance was driven by double digit year-over-year growth in total company monetized impressions reflecting the structural strength of our usage-based model.

Our investments in high value formats and channels also delivered outsized growth. Combined, revenue from CTV, mobile app, and emerging revenues grew over 20% year-over-year, and represented the majority of total revenues.

Breaking this down further:

Strength in CTV was led by the Americas, where revenue grew 13% year-over-year, and represented approximately 80% of total CTV revenue. With 28 out of the top 30 global streamers on PubMatic's platform and growing access to live sports, we saw an increase in both the number of CTV advertisers and premium inventory available. Excluding the legacy DSP buyer, global CTV revenue grew 18% year-over-year.

Mobile app extended its momentum as revenue increased over 25% year-over-year. This growth reflects the ramp-up of strategic partnerships, ongoing product innovation, and continued expansion of our global app publisher base. Notably, mobile app saw broad based growth in both video and display. With its sizeable scale on our platform, mobile app also meaningfully contributed to our overall display revenues which grew 5% year-over-year.

Emerging revenue streams were again a standout category and grew over 80% year-over-year, and represented 14% of total revenues, driven by increased adoption across our new AI products including AgenticOS. On a global basis, direct buying on Activate grew more than 3X year-over-year.

We also continued to diversify our DSP mix. Q1 ad spend from our mid-market DSP partners was up over 20% year-over-year, highlighting the impact of our increased focus and investment accelerating these high-growth, innovative partners.

Revenues in the first quarter related to the legacy DSP buyer were better than expected, as we further optimized our platform to meet the needs of this buyer.

Across our well diversified portfolio of ad verticals, we saw double digit percentage growth in Health & Fitness, Technology & Computing and Hobbies & Interests. This growth helped offset softness in the Business and Food & Drink verticals. Overall, our top 10 ad verticals increased mid-single digit percentages year-over-year.

Regionally, our APAC and EMEA businesses grew rapidly, with year-over-year revenue growth of 25% and 10% respectively, offsetting a (12)% decline in the Americas, which was primarily due to the spend declines we anticipated from the legacy DSP buyer.

## **AI DRIVEN EFFICIENCIES**

Turning to our owned and operated infrastructure. The number of impressions we processed increased 26% year-over-year through optimization efforts and targeted capex investments. The combination of these efforts and AI-driven efficiencies enabled us to manage our cost of revenue growth to 2% year over year, despite industry-wide utility cost pass throughs from datacenter colo providers. On a trailing twelve-month basis, our unit costs declined 20% year-over-year.

Today, we efficiently process over 1 trillion impressions per day, which is a significant asset and long-term revenue opportunity for us as we accelerate our strategic transformation. Our platform is becoming smarter, faster, and more profitable because of the compounding effects of our multi-year investments in AI and advanced computing, growing pool of premium inventory and 300 plus data partnerships. We will continue shifting our investment away from predominantly capacity expansion towards targeted GPU centric infrastructure that supports higher value, differentiated offerings like live sports, CTV, mobile app, and AgenticOS. We believe this approach will be a durable accelerant to growth over the long term and supports the broader industry shift to performance-based advertising.

We also continue to harness AI and automation internally across our company. Last quarter I called out significant productivity gains in engineering, finance, and legal. We've also extended AI operationally across our customer success organization, which is now achieving double-digit productivity gains performing their function. Cumulatively, these internal efficiency gains are sizeable and allow us to reallocate people and investments towards our biggest revenue growth initiatives.

## **MANAGING EXPENSES AND DELIVERING PROFITABILITY**

Moving onto operating expenses:

Total operating expenses in the first quarter marginally increased 3% as compared to last year and includes the incremental investments in our buyer-focused sales team and broader Go To Market organization. Our productivity gains from AI that I just called out helped fund these investments. Our total company headcount was down year over year as a result of this disciplined operating strategy.

Q1 adjusted EBITDA was \$2.6 million, or 4% margin which included a foreign exchange headwind of approximately \$1 million, due to the weakening U.S. dollar over the quarter.

Q1 GAAP net loss was \$12.5 million or \$(0.27) per diluted share.

## **CASH & CAPITAL ALLOCATION**

Moving to cash and our capital allocation.

Our balance sheet remains a core strategic advantage. We generated \$17.3 million in net operating cash flows in the first quarter, up 11% over Q1 last year and delivered free cash flow of \$10.7 million, a 47% increase over last year.

To underscore our long-term ability to generate cash, since the beginning of 2021 through Q1 2026, we have generated over \$429 million in net cash from operations and more than \$232 million in free cash flow.

We ended the quarter with \$145 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 Q1, we have bought back 13.5 million Class A common shares for \$190 million. We have \$85.1 million remaining in this program authorized through the end of 2026.

## **OUTLOOK**

Moving onto our outlook:

We expect Q2 revenue to be in the range of \$68 to \$70 million, which includes continued momentum from high value formats and channels and expanded use of our AI tools and AgenticOS. In April, our usage-based model continued to perform well with continued growth in monetized impressions. Ad spend across our top 10 ad verticals was also healthy in April.

As a reminder, our Q2 outlook includes the impact from the legacy DSP we called out mid-2025 and which we will lap in Q3.

Q2 adjusted EBITDA is expected to be in the range of \$8 to \$10 million and assumes a similar FX headwind as Q1. The sequential margin expansion compared to Q1 reflects our revenue scaling on a largely fixed cost base.

Beginning in Q3, we expect to return to revenue growth and accelerate through the second half. With this revenue growth we anticipate margin expansion supported by targeted investments in sales and AI products, expense discipline, and continued AI driven cost efficiencies across all functional areas.

Sequentially, quarterly cost of revenue and operating expenses are anticipated to marginally increase in the low to mid-single digit percentages.

Full year capex is projected to be approximately \$16 to \$19 million with the majority of our capex to be invested in AI capabilities and advanced computing infrastructure.

## **IN CLOSING**

In closing, Q1 was a strong start to the year demonstrating both the durability of our model and the momentum building behind our strategic transformation.

Our growing diversification across DSPs, verticals, geographies, and high-engagement environments reduces concentration risk and positions us to grow from a broader base.

As we lap the DSP impact in Q3 and accelerate through the second half, we are well positioned for both revenue and margin expansion.

Importantly, AI is not just a product catalyst, it is a financial lever. We are driving new revenue from AI-powered solutions while using AI to expand margins, improve productivity, and fund the investments that drive our next phase of growth.

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