

PUBMATIC Q1 2023 AT A GLANCE

STRONG FINANCIAL PROFILE PROVIDES FOUNDATION FOR LONG-TERM SUCCESS

Revenue and Adjusted EBITDA Ahead of Guidance

REVENUE

- Q1 2023 revenue of \$55.4 million, up 2% year-over-year.

GAAP & NON-GAAP NET INCOME (LOSS)

- GAAP net loss in Q1 2023 was \$(5.9) million, or \$(0.11) per diluted share.
- Non-GAAP net income in Q1 2023 was \$0.9 million, or \$0.02 per diluted share.

NET DOLLAR BASED RETENTION¹

- Net dollar-based retention for TTM Q1 2023 was 105%.

ADJUSTED EBITDA²

- Adjusted EBITDA in Q1 2023 was \$8.4 million, or 15% of revenue.

NET CASH PROVIDED BY OPERATING ACTIVITIES

- Cash flow from operations was \$12.8 million for Q1 2023.

IMPRESSIONS PROCESSED

- In Q1 2023, we processed nearly 46.5 trillion impressions, 43% more than the amount processed in Q1 2022.
- Reduced the unit cost of impressions by 16% year-over-year for TTM Q1 2023.

BUYER CONSOLIDATION

- Supply Path Optimization (SPO) represented over 35% of total activity in Q1 2023.
- TTM Q1 2023 net spend retention rate for SPO partners who have worked with us for three years or more was 116% per year.³

OMNICHANNEL REVENUE

- Revenue from omnichannel video, which includes desktop, mobile and Connected TV (CTV) devices, grew 13% year-over-year and represented approximately 30% of total revenue in the first quarter.
- Q1 2023 Connected TV revenue increased over 50% year-over-year.
- 237 publishers programmatically monetized CTV inventory with PubMatic in Q1 2023, representing an acceleration of publisher acquisition.
- PubMatic works with six of the top seven global smart TV providers that have ad-supported streaming services, four of the top eight major addressable BVOD streaming platforms in the US and five of the top eight free ad supported TV streamers in the US. We also work with all of the top five addressable BVOD platforms in both Australia and Japan, two of APAC's largest CTV markets.

INVESTMENTS FOR GROWTH

- PubMatic launched Activate, a single layer of technology that directly connects buyers and sellers of digital media by transitioning direct insertion order deals to programmatic across PubMatic's premium CTV and online video inventory.
- Initial launch partners include dentsu, Fubo, GroupM, Havas Media Group, LG, Mars, and Omnicom Media Group Germany.
- Expands total addressable market by nearly \$65 billion.

¹ Calculated by starting with the revenue from publishers in TTM ended March 31, 2022 ("Prior Period Revenue"). We then calculate the revenue from these same publishers in TTM ended March 31, 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.

³ Calculated by starting with the spend from SPO buyers that have been buyers on our platform for at least three years, in TTM ended March 31, 2022 ("Prior Period SPO Buyer Spend"). We then calculate the spend from these same buyers in TTM ended March 31, 2023 ("Current Period Spend") (including any upsells and is net of contraction or attrition but excludes spend from new SPO buyers). Our net SPO retention rate equals the Current Period SPO Buyer Spend divided by Prior Period SPO Buyer Spend.

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

	Three Months Ended March 31,	
	2023	2022
Net income (loss)	(\$5,871)	\$4,779
Add back (deduct):		
Stock-based compensation	7,059	5,136
Depreciation and amortization	11,432	7,183
Unrealized gain and impairment of equity investment	—	(1,373)
Interest income	(1,891)	(122)
Acquisition-related and other expenses	1,034	—
Provision (benefit) for income taxes	(3,375)	1,403
Adjusted EBITDA	\$8,388	\$17,006

PubMatic

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Q1 2023 Case Studies & Customer Proof Points

BUYER VALUE CREATION

- PubMatic and dentsu Improved CPM by 37% via Sell-Side Data Targeting →
- PubMatic's SSP Improved dentsu's Campaign CPA by 45% →

PUBLISHER MONETIZATION GROWTH

- Edmunds Increased Revenue and Boosted Matched Impressions with PubMatic →
- Keymobile Sees 29% Increase in PMP Revenue with PubMatic →
- PubMatic Delivers 3X the Fill Rate for Talkatone →
- PubMatic Drives Up to 165% Revenue Growth for Veraxen →