

Q4 and FY 2024 Earnings Presentation

February 27, 2025

SAFE HARBOR

This presentation contains forward-looking statements regarding our future business expectations, including but not limited to our guidance relating to our revenue, adjusted EBITDA, and adjusted EBITDA margin for the first quarter of 2025, our expectations regarding our adjusted EBITDA for the full year 2025, free cash flow, capital expenditures, future hiring, future revenue growth, future market growth, target revenue, our long-term revenue growth and our ability to gain market share. These forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions and may differ materially from actual results due to a variety of factors including: 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; our ability to maintain and expand access to spend from buyers and valuable ad impressions from publishers; 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; the war between Ukraine and Russia and the potential resumption of conflict between Israel and Palestine, and the related measures taken in response by the global community; the impacts of inflation as well as fiscal tightening and changes in the interest rate environment; public health crises, including the resulting global economic uncertainty; limitations imposed on our collection, use or disclosure of data about advertisements; the lack of similar or better alternatives to the use of third-party cookies, mobile device IDs or other tracking technologies if such uses are restricted; any failure to scale our platform infrastructure to support anticipated growth and transaction volume; liabilities or fines due to publishers, buyers, and data providers not obtaining consents from consumers for us to process their personal data; 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. 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.

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 27, 2025. 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, Free Cash Flow, non-GAAP net dollar-based retention, non-GAAP net income, non-GAAP net income margin, non-GAAP core business revenue, 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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WHAT WE DO

PubMatic is building a better supply chain for the future of advertising on the open internet

FY 2024 FINANCIAL HIGHLIGHTS

REVENUE

\$291.3M

9% YOY

GAAP NET INCOME

\$12.5M

ADJUSTED EBITDA¹

\$92.3M

32% MARGIN

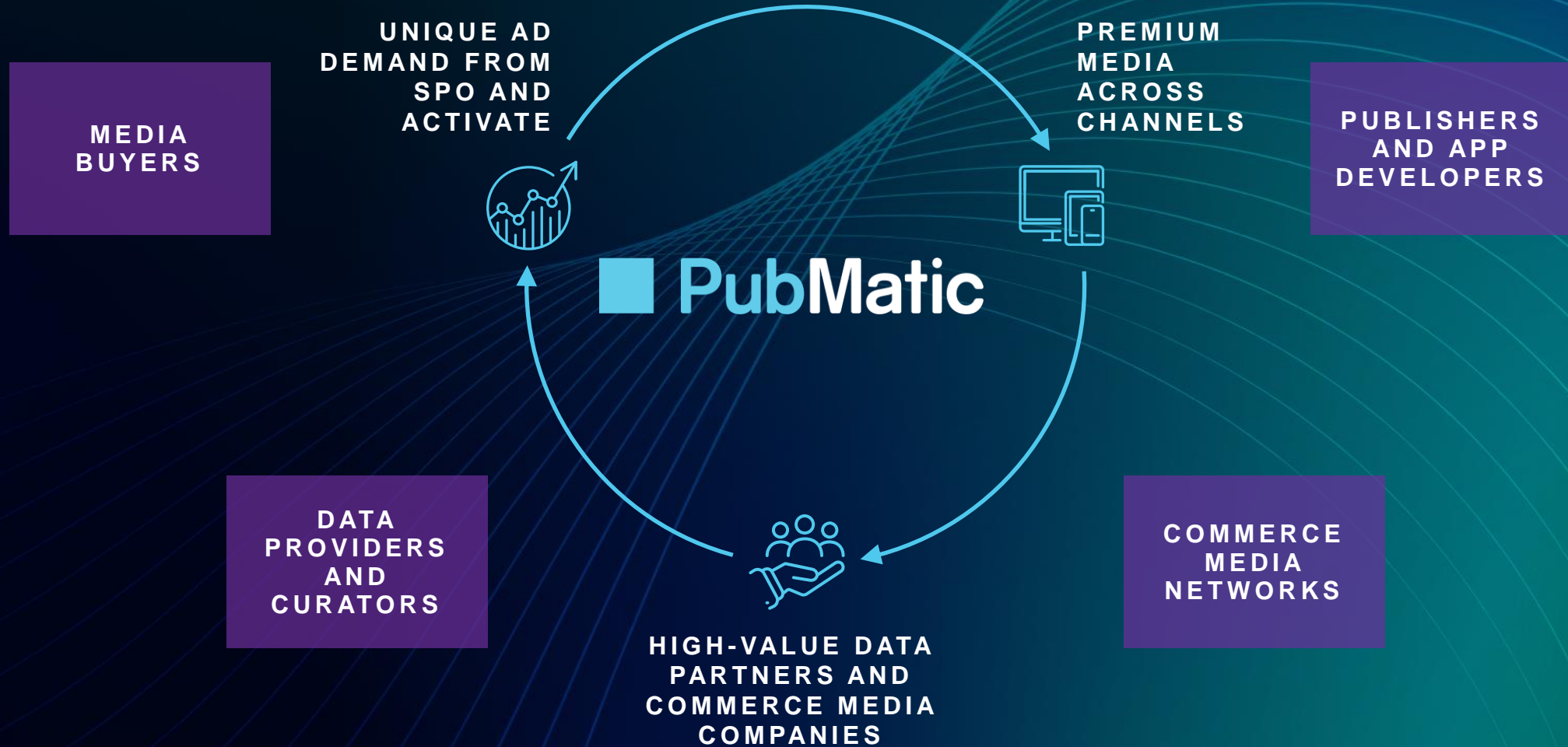
CASH FLOW FROM OPERATIONS²

\$73.4M

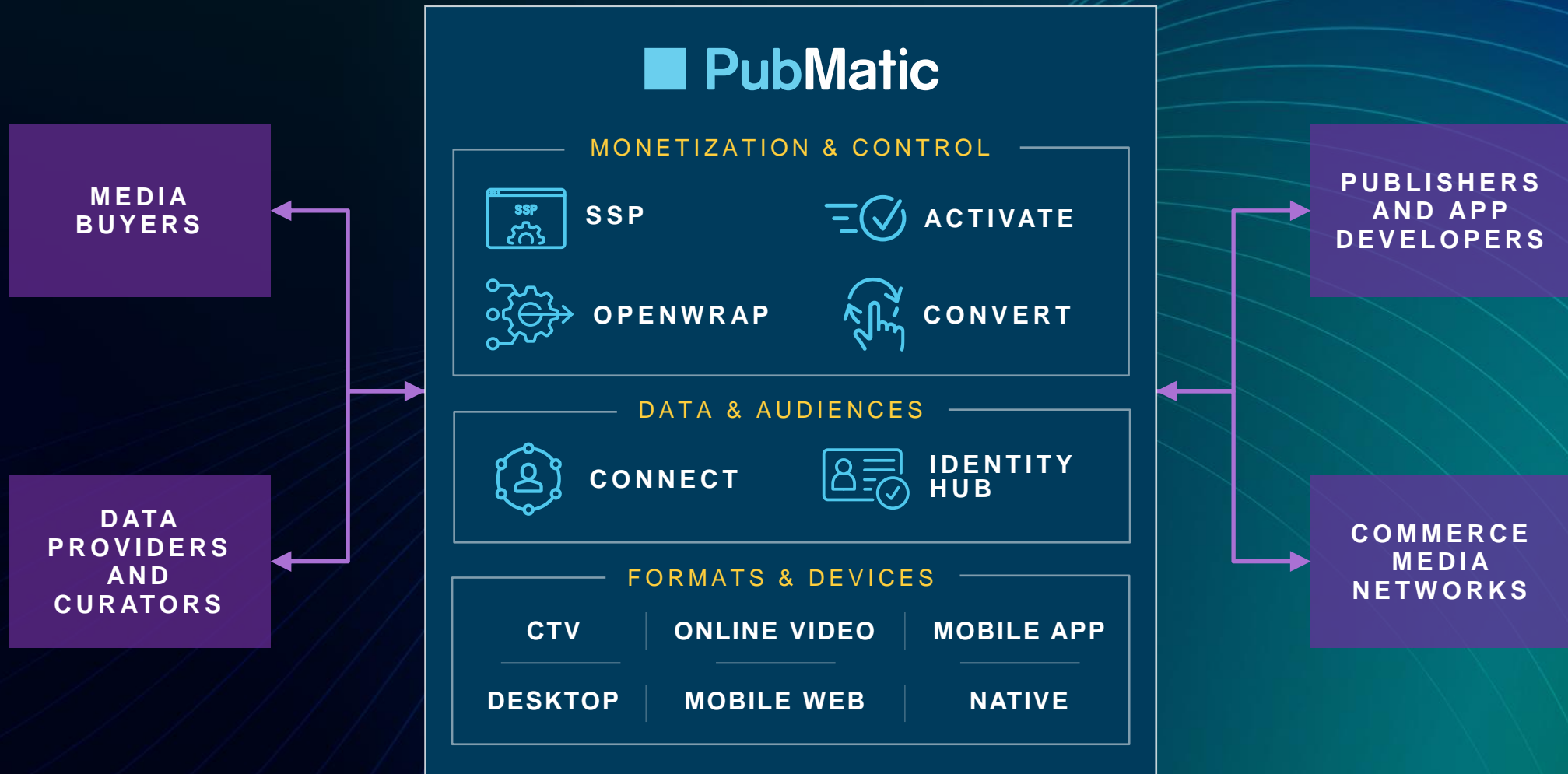
¹ Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See reconciliation in Appendix.

² Cash flow from operations is net cash provided by operating activities.

OUR FOUR KEY CUSTOMER SEGMENTS POWER A FLYWHEEL FOR GROWTH AND PROFITABILITY



PUBMATIC'S INTEGRATED PLATFORM IS BUILT TO THE NEEDS OF A COMPLEX AND EVOLVING ECOSYSTEM



HIGH-ENGAGEMENT CHANNELS OF CONNECTED TV & MOBILE APP DRIVE REVENUE GROWTH

20%

CTV share of total revenue in Q4 2024¹

40%+

Share of total revenue from omnichannel video, including CTV, in Q4 2024

16%

Mobile app YOY revenue growth in FY 2024

TCL

Fremantle

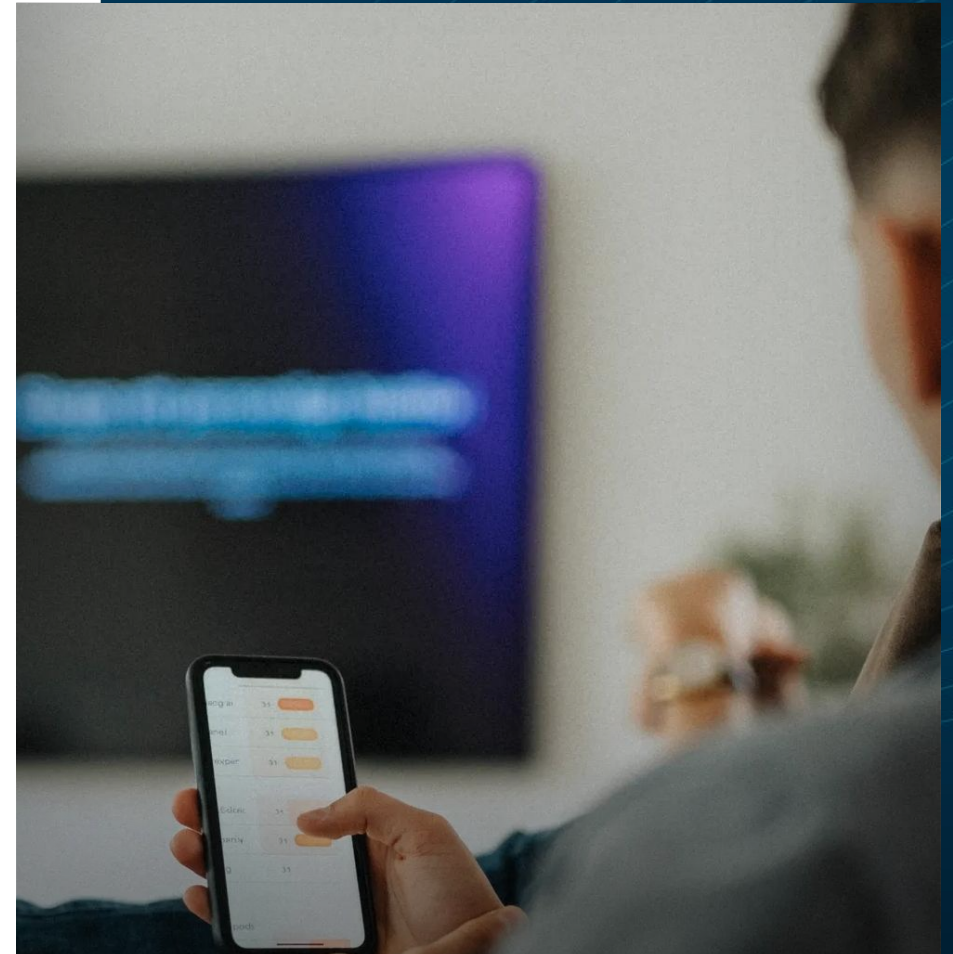
xumo

Disney+ hotstar

Roku

vevo

dish media



¹ Includes political ad spend in Q4

SUPPLY PATH OPTIMIZATION ACCELERATION WIDENS COMPETITIVE MOAT

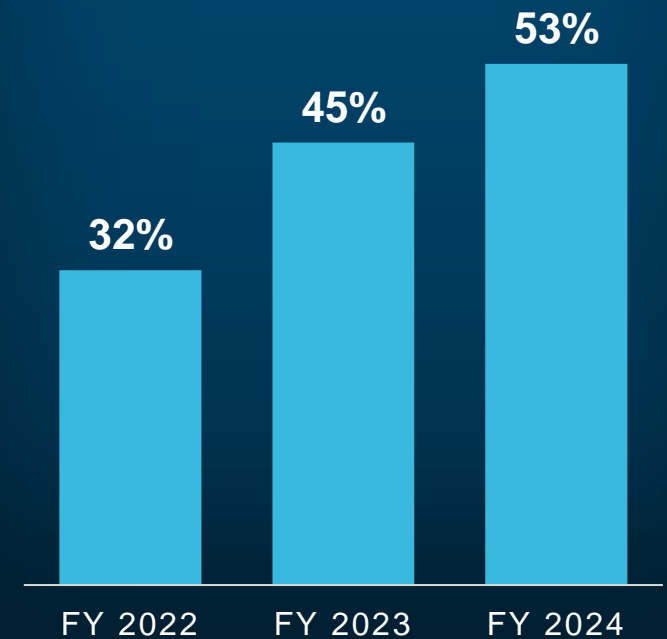


Five-year partnership extends to Activate and customized algorithms, driving increased advertiser ROI and increased agency activity on the PubMatic platform



Customers increased nearly **6X YOY** in 2024 as buyers saw increased media buying efficiency

SPO SHARE OF TOTAL ACTIVITY ON OUR PLATFORM



COMMERCE MEDIA BUSINESS IS GAINING TRACTION



Unified technology platform for commerce media enables customers to manage onsite and offsite advertising strategies



LEADING COMMERCE MEDIA NETWORKS MAKE THEIR DATA AND AUDIENCES AVAILABLE ON PUBMATIC



SMB MediaLabs



SELL-SIDE TARGETING UNLOCKS OPEN INTERNET GROWTH OPPORTUNITIES

AUDIENCE DATA

190+ data sets are available for buyers to target

PREMIUM INVENTORY

Inventory from over 1,900 premium publishers



EFFICIENCY & TRANSPARENCY



DATA CONTROL FOR OWNERS



OPEN INTERNET PERFORMANCE

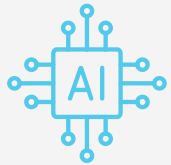


REVENUE DIVERSIFICATION

YOY REVENUE GROWTH FROM OUR CURATION AND DATA PLATFORM, CONNECT

140%

DOUBLING DOWN ON USE OF GENERATIVE AI FOR CUSTOMER AND INTERNAL BENEFIT



Gen AI is used throughout product development, testing and release processes



Second customer-facing Gen AI solution launched—PubMatic Assistant streamlines analytics for publishers and unlocks growth opportunities



Anticipate releasing a steady cadence of Gen AI solutions over the next several quarters

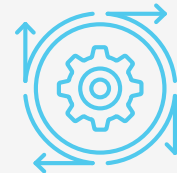
YOY ENGINEERING
PRODUCTIVITY GROWTH
IN 2024 THROUGH THE
USE OF GENERATIVE AI

15%+

PubMatic has the technology, team and infrastructure to drive profitable growth in 2025



PubMatic's underlying¹ business is strong, up **16% YOY** in Q4 2024¹



Our multi-year investments are delivering **profitable growth** and incremental value to customers

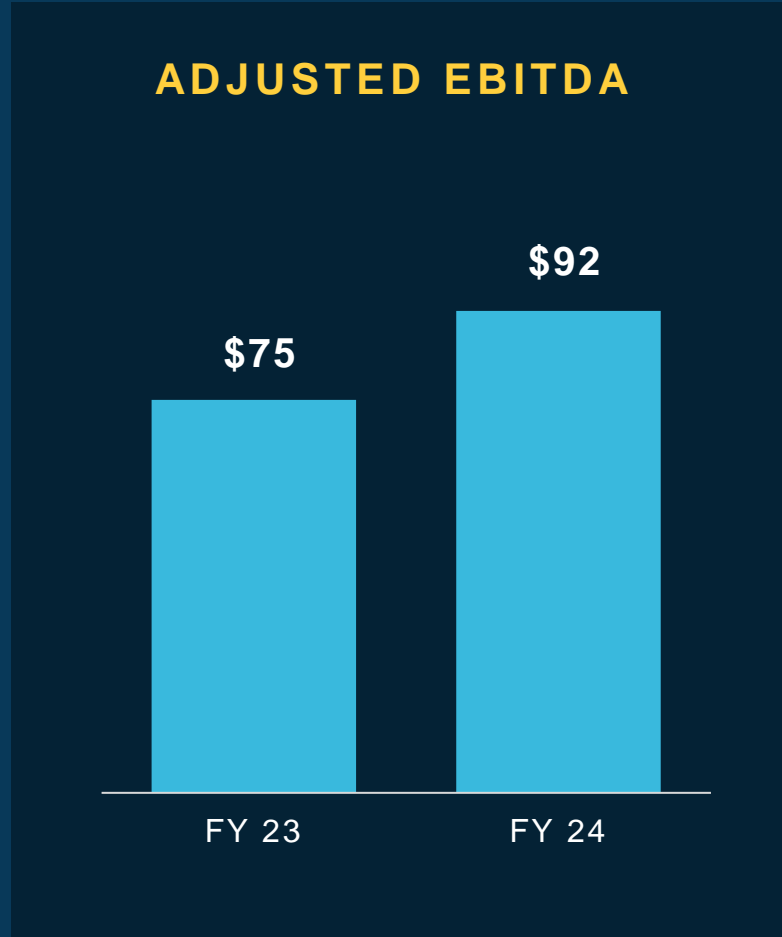
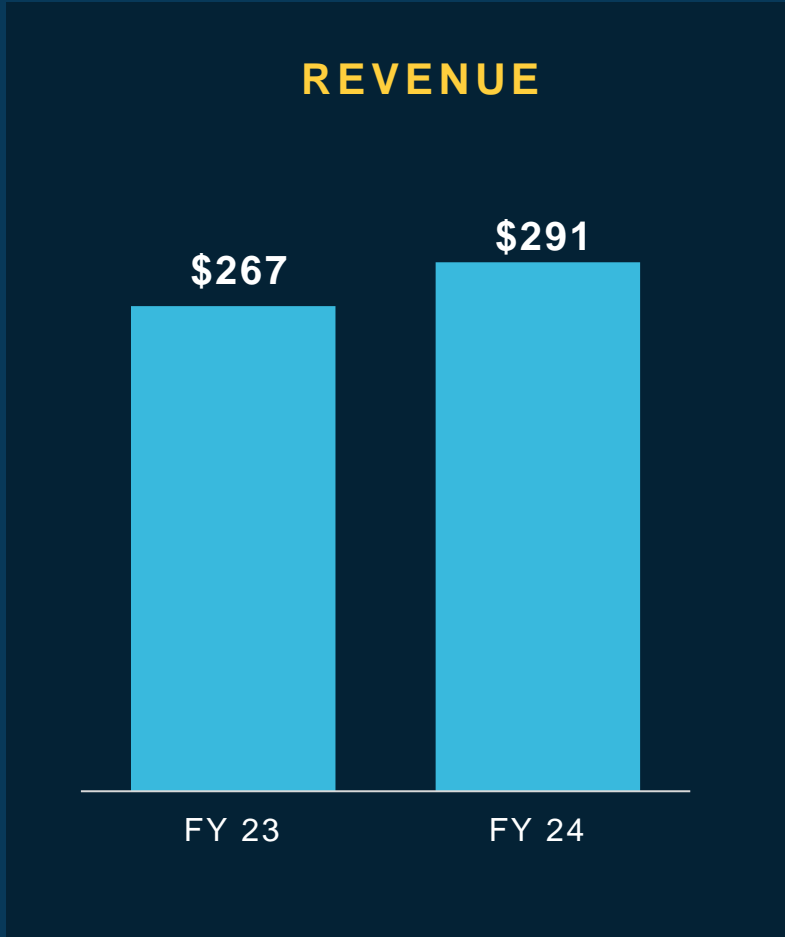


The value of the digital advertising supply chain is shifting to the **supply side**, where PubMatic is a clear leader

¹ Excludes revenues from one DSP buyer on our platform that changed their auction methodology during 2024 and Political advertising.

Financial Highlights

FY 2024 FINANCIAL HIGHLIGHTS



REVENUE¹ GROWTH YOY

9%

GROSS PROFIT
GROWTH YOY

13%

GAAP NET INCOME

\$12.5M

4% MARGIN

ADJUSTED EBITDA²

\$92.3M

32% MARGIN

¹ FY 2024 revenue includes a headwind from a large DSP buyer that changed its auction methodology starting in May 2024.

² Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See reconciliation in Appendix.

MAJOR 2024 ACCOMPLISHMENTS

**Accelerated
Revenue
Growth to 9%,
Double 2023**



Connected TV revenue doubled YOY



Mobile app revenue grew 16% YOY



Emerging revenue streams doubled YOY



Full year SPO represented 53% of platform activity

MAJOR 2024 ACCOMPLISHMENTS

Expanded Margins via Revenue Mix and Optimization



Improved gross margins by 250 bp



Improved Adjusted EBITDA by 350 bp



Improved engineering productivity by 15%+
with Gen AI



Increased capacity and reduced cost of
revenue per million impressions

MAJOR 2024 ACCOMPLISHMENTS

**Managed
Working
Capital to
Fund Growth
and Share
Repurchases**



Delivered \$73M in operating cash flow and \$35M in free cash flow



Reduced fully diluted shares outstanding by 8% in 2024



Finished the year with \$141 million in cash and marketable securities and no debt

Q4 2024 GROWTH METRICS



Revenue Growth Accelerated
Excluding Political and One DSP Buyer¹

16% YOY



Significant Growth in Omnichannel Video Revenue

37% YOY



Connected TV Revenues Reached All Time High Share of Revenue

20%
OF REVENUE

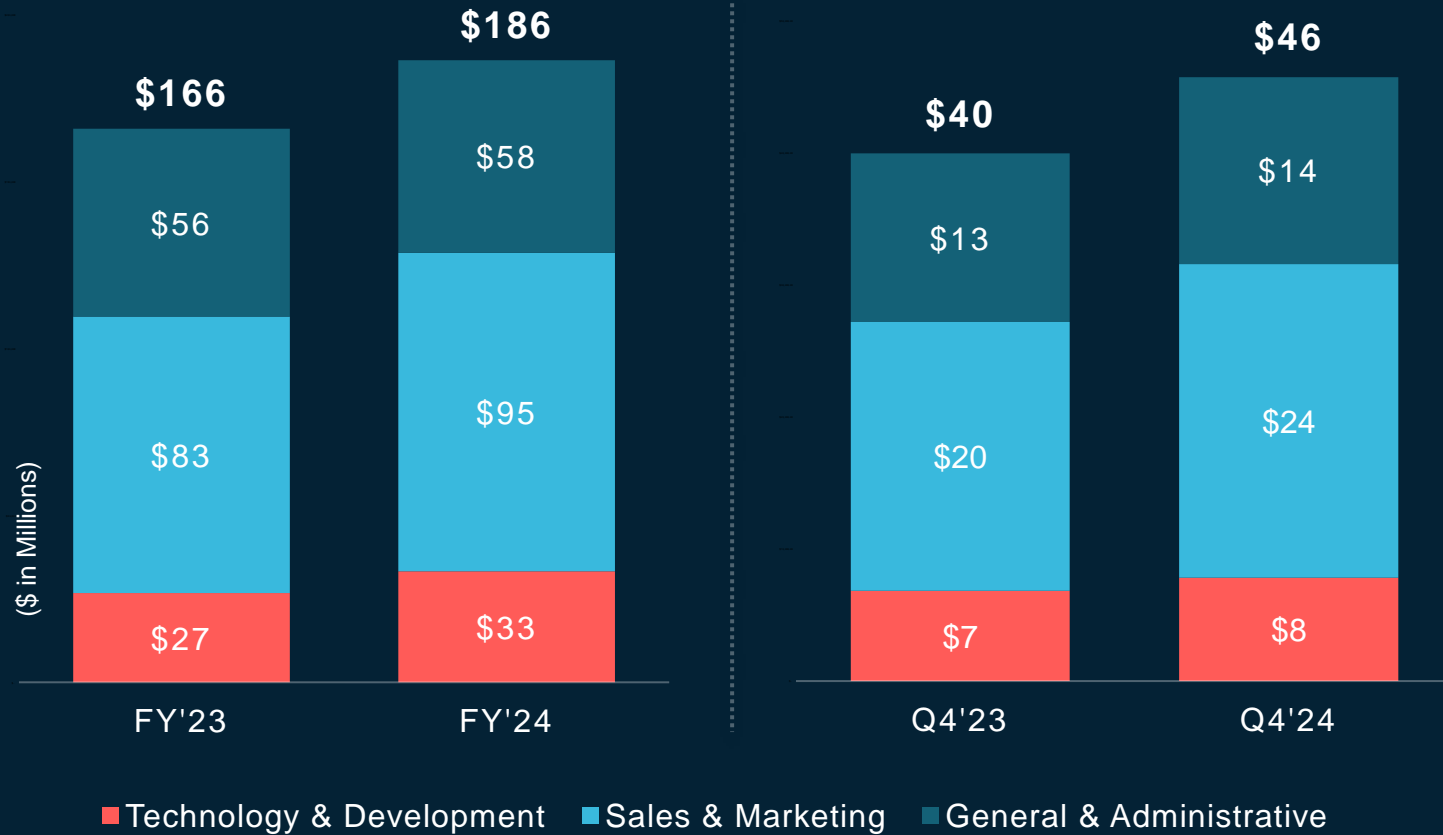


Emerging Revenues Continued Rapid Growth

2X+ YOY

¹ Excludes revenues from one DSP buyer on our platform that changed their auction methodology mid 2024 and full year Political advertising.

GAAP COST OF REVENUE AND OPERATING EXPENSES: ACHIEVING EFFICIENCIES AND INVESTING FOR GROWTH

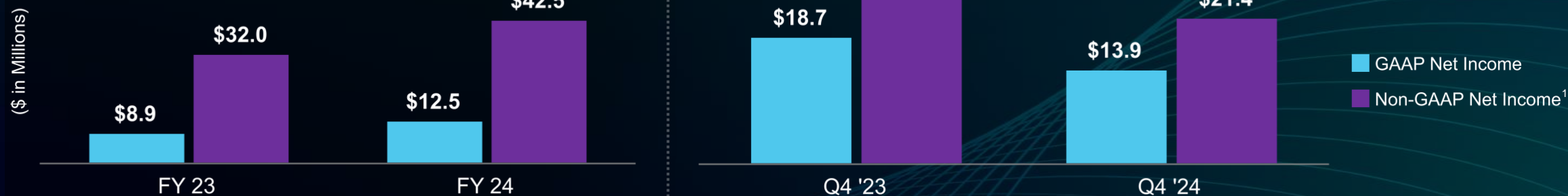


DRIVERS

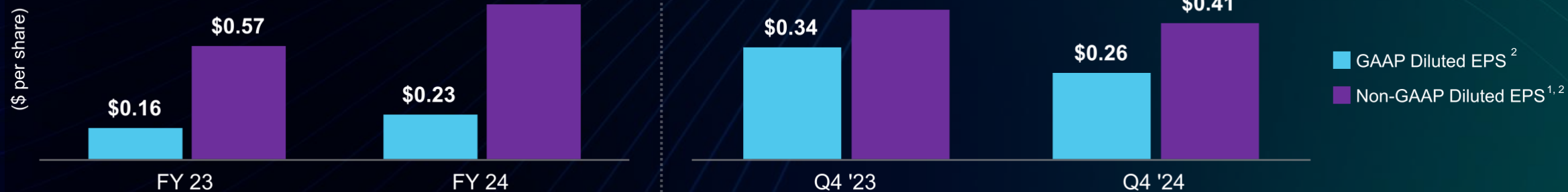
- Lowered rate of opex growth in 2024
- Leveraged prior investments to drive revenue growth in 2024
- Includes target investments in areas with highest growth opportunities including Gen AI products

NET INCOME AND DILUTED EARNINGS PER SHARE

NET INCOME ¹



DILUTED EARNINGS PER SHARE



¹Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP measures. A reconciliation of Non-GAAP net income to net income is provided in the Appendix of this presentation.

²EPS = Earnings per share

LONG TERM FOCUS ON CASH GENERATION

\$330M

**NET CASH FROM
OPERATING ACTIVITIES
2021 - 2024**

\$175M

**FREE CASH FLOW¹
2021 - 2024**

USES OF CASH

- Investments for growth
- Share repurchases

¹ Free Cash Flow is a non-GAAP measure. A reconciliation of free cash flow to net cash flow provided by (used in) operating activities is provided in the Appendix.
Note: Numbers rounded for presentation purposes

Note: Near term cash flow impacted by change in DSP buyer mix; DSOs expected to stabilize by midyear 2025.

CAPITAL ALLOCATION

\$134.6M

CASH USED FOR
REPURCHASES¹

8.3M

CLASS A COMMON
SHARES
REPURCHASED

CASH & MARKETABLE
SECURITIES

\$140.6M

YEAR END 2024

¹ Between Feb 1, 2023 – Dec 31, 2024

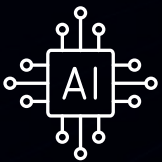
2025 OPERATING PRIORITIES & GROWTH LEVERS



Further Accelerate Revenue Growth By Building on 2024 Momentum



Leverage 2024 investments in sales and technology and selectively add specialists



Significantly Expand Use of Generative AI to Drive Efficiency and Growth



Invest to drive AI-centered products to expand customer value

Q1 2025 GUIDANCE

(\$ in Millions)	Q1 2025	
	Low	High
Revenue	\$61	\$63
Adjusted EBITDA	\$5	\$7
Adjusted EBITDA Margin	8%	11%

Note: Numbers rounded for presentation purposes

- After lapping DSP buyer impact end of Q2, expect 2H 2025 revenue growth to accelerate
- Expect capital expenditures for the full year to be approximately \$18M

Although we provide guidance for Adjusted EBITDA, a non-GAAP metric, 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. Adjusted EBITDA margin is a non-GAAP financial measures. See reconciliation in Appendix.

STRONG FOUNDATION FOR LONG-TERM GROWTH

- 1 | Revenue Mix Increasing Towards Secular Growth Areas**
- 2 | Revenue Growth Acceleration in 2H 2025**
- 3 | Integrated Platform Capitalizes on Sell-Side Industry Shift**
- 4 | Use of Generative AI to Drive Efficiency and Growth**
- 5 | Durable Business Model Delivers Healthy Margins and Cash Flow**

Appendix

NON-GAAP RECONCILIATION – ADJUSTED EBITDA & NON-GAAP NET INCOME (LOSS)

(\$ in Thousands)	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23
Net income (loss)	\$13,899	\$ (912)	\$ 1,971	\$(2,454)	\$18,702	\$ 1,774	\$(5,724)	\$(5,871)
Add back (deduct):								
Stock-based compensation	9,409	9,457	9,699	9,111	7,337	7,200	7,266	7,059
Depreciation and amortization	11,421	11,384	11,336	11,212	11,039	11,401	10,898	11,432
Interest income	(1,604)	(1,969)	(2,340)	(2,564)	(2,515)	(2,246)	(2,176)	(1,891)
Provision for (benefit from) income taxes	4,521	586	412	(249)	4,343	111	545	(3,375)
Adjusted EBITDA	\$37,646	\$18,546	\$21,078	\$15,056	\$38,906	\$18,240	\$10,809	\$ 7,354
Revenue	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600	\$63,677	\$63,330	\$55,407
Adjusted EBITDA Margin	44%	26%	31%	23%	46%	29%	17%	13%

Note: Numbers rounded for presentation purposes

NON-GAAP RECONCILIATION – ADJUSTED EBITDA & NON-GAAP NET INCOME (LOSS)

(\$ in thousands except per share data)	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23
Net income (loss)	\$13,899	\$ (912)	\$ 1,971	\$(2,454)	\$18,702	\$ 1,774	\$(5,724)	\$(5,871)
Stock based compensation	9,409	9,457	9,699	9,111	7,337	7,200	7,266	7,059
Adjustment for income taxes	(1,865)	(1,978)	(1,999)	(1,886)	(1,590)	(1,397)	(1,390)	(1,318)
Non-GAAP net income (loss)	\$21,443	\$ 6,567	\$ 9,671	\$ 4,771	\$24,449	\$ 7,577	\$ 152	\$ (130)
Revenue	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600	\$63,677	\$63,330	\$55,407
Non-GAAP net income margin	25%	9%	14%	7%	29%	12%	0%	0%
Non-GAAP weighted average shares outstanding – diluted	52,623	53,986	55,577	55,006	54,940	55,979	56,259	56,955
Non-GAAP diluted EPS	\$0.41	\$0.12	\$0.17	\$0.09	\$0.45	\$0.14	\$0.00	\$0.00

Note: Numbers rounded for presentation purposes

FREE CASH FLOW RECONCILIATION

(\$ in Millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Net Cash provided by Operating Activities	\$18.0	\$28.7	\$73.4	\$81.1
Deduct:				
Purchases of Property and Equipment	(4.3)	(5.2)	(17.6)	(10.6)
Capitalized Software Development Costs	(4.9)	(4.0)	(20.9)	(17.7)
Free Cash Flow	\$8.8	\$19.5	\$34.9	\$52.8
Revenue	\$85.5	\$84.6	\$291.3	\$267.0
Free Cash Flow Margin	10%	23%	12%	20%

Note: Numbers rounded for presentation purposes