

# Q3 2025 Earnings Presentation

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November 10, 2025

# SAFE HARBOR

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This presentation contains forward-looking statements regarding our future business expectations, including but not limited to our guidance relating to our revenue and adjusted EBITDA for the fourth quarter of 2025 and capex for the full year 2025, our expectations regarding our free cash flow, capital expenditures, future hiring, total addressable market, future market growth, 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; our ongoing litigation against Google LLC; geopolitical conflicts and related measures taken in response by the global community; the impacts of inflation, tariffs and recessionary fears as well as fiscal tightening, changes in the interest rate and currency exchange environments and continuing volatility in global capital markets; global macroeconomic 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](http://www.sec.gov). All information in this presentation is as of November 10, 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 diluted EPS, and litigation related expenses. 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

## Q3 2025 FINANCIAL HIGHLIGHTS

### REVENUE

**\$68.0M**

### GAAP NET LOSS

**\$(6.5)M**

### ADJUSTED EBITDA<sup>1</sup>

**\$11.2M**

**16% MARGIN**

### CASH FLOW FROM OPERATIONS<sup>2</sup>

**\$32.4M**

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

<sup>2</sup> Cash flow from operations is net cash provided by operating activities.

As the industry rapidly redefines itself, **PubMatic** is helping to shape its future



**Google Ad Tech Remediation**



**Rise of Sell-Side Targeting**



**AI-Driven Innovation**

# PUBMATIC'S AI LEADERSHIP: TRANSFORMING THE ADVERTISING STACK ACROSS THREE LAYERS



## APPLICATION

AI-powered buyer and publisher tools automate setup, targeting, yield, and activation, **improving speed, accuracy and ROI**



## TRANSACTION

Founding member of **Ad Context Protocol (AdCP)** to enable secure, autonomous agent-to-agent transactions



## INFRASTRUCTURE

Full-stack control with NVIDIA partnership delivering **5X faster bidding, 85% fewer timeouts, and higher efficiency**



# AI DRIVES GROWTH AND EFFICIENCY ACROSS THE BUSINESS



**DRIVING INCREASED  
PRODUCT USAGE**



**UNLOCKING NEW  
REVENUE STREAMS**



**IMPROVING EFFICIENCY  
& PROFITABILITY**

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# Focused execution against sustainable growth strategies



**EXPAND OUR DSP MIX**



**ACCELERATE INVESTMENT ON THE BUY-SIDE**



**ADVANCE CTV LEADERSHIP**



**SCALE EMERGING REVENUE STREAMS**



**INTEGRATE AI ACROSS OUR BUSINESS**

# DIVERSIFIED DEMAND MIX STRENGTHENS GROWTH FOUNDATIONS



## MID-TIER DSP GROWTH

Ad spend from this segment up **25%+ YOY**, unlocking mid-market advertiser potential



## STRATEGIC PARTNERSHIPS

Launched Programmatic Guaranteed with a key DSP partner for direct deal expansion



## ECOSYSTEM INNOVATION

DSP partners are implementing PubMatic's agentic buying and optimization



- Launched new partnership with T-Mobile owned DSP
- Incremental demand from leading advertisers across automotive, retail and financial services
- Expands PubMatic reach into retail-focused brands

# EXTENDING OUR REACH ON THE BUY-SIDE AND SCALING ACTIVATE



## EXPANDING BUYER REACH

Investing in sales team to grow coverage of direct brands by 3X and independent agencies by 7.5X



## ACTIVATE MOMENTUM

Direct-to-supply buying platform drives transparency, efficiency and loyalty as buyers increase spend after seeing measurable ROI



## NEXT-GEN AI INNOVATION

Integrating agent-to-agent workflows into Activate to enhance optimization and remove adoption friction

SHARE OF PLATFORM  
ACTIVITY FROM SUPPLY  
PATH OPTIMIZATION IN  
Q3 2025

**55%+**

GROWTH IN ACTIVATE  
CAMPAIGNS YOY IN  
Q3 2025 YTD

**+4X**

# ACCELERATING GROWTH IN CONNECTED TV

*Fremantle* generated a **78% increase** in incremental programmatic demand.

**dentsu** deployed **pause ads** via Activate, boosting engagement and publisher revenue.



AI-POWERED CTV MARKETPLACES



EXPANDED PREMIUM STREAMING SUPPLY



SIGNIFICANT LINEAR TV MIGRATION RUNWAY

\* Excludes political advertising

CTV REVENUE GROWTH  
YOY IN Q3 2025\*

**50%+**

SEQUENTIAL  
GROWTH IN LIVE  
SPORTS REVENUE  
FROM Q2 TO Q3 2025

**150%+**

# SCALING EMERGING REVENUE STREAMS



## CUSTOMER EXPANSION OPPORTUNITIES

Growth in commerce media and sell-side curation unlock expansion opportunities around first-party audience data monetization



## HIGH-MARGIN RECURRING REVENUES

Through platform fees and data-driven monetization, we are expanding our revenue mix beyond the ad impression



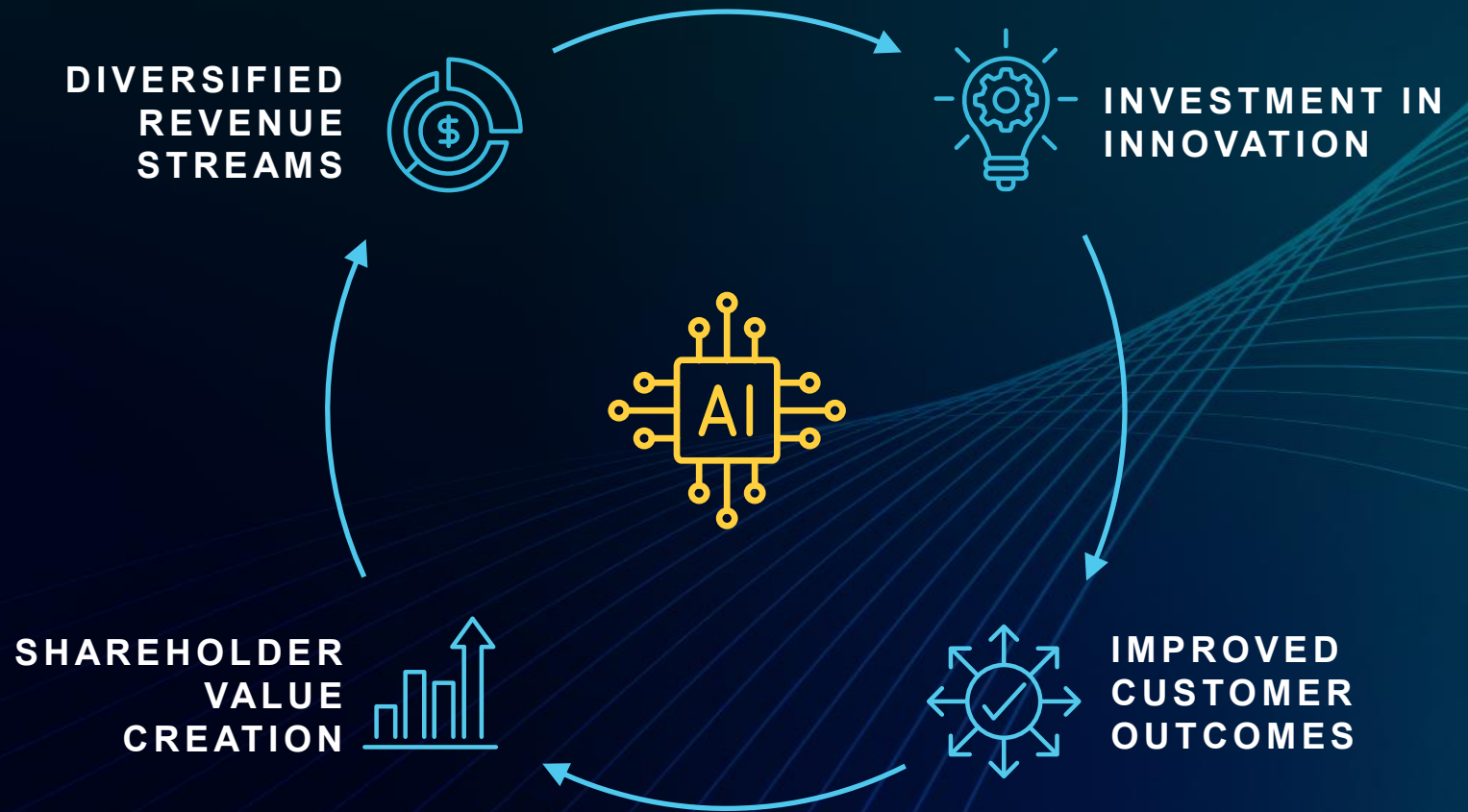
## PREDICTABILITY & PROFITABILITY

Global data partnerships and AI yield solution deliver long-term margin leverage and financial durability

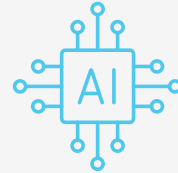
YOY GROWTH OF  
EMERGING REVENUES  
IN Q3 2025

80%+

**We combine  
innovation,  
diversification  
and operational  
excellence to  
deliver durable  
value**



**As the digital advertising landscape evolves through AI and regulatory change, PubMatic is not just adapting. We're defining what comes next.**



**Investments in AI technology strengthen our platform and expand our competitive moat**



**We are diversifying our revenue models to build resilience and balanced growth**



**We are maintaining a focus on profitability and financial rigor while reinvesting for the future**

# Financial Highlights

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Revenue and profit exceed expectations as growth engines scale

## Q3 2025 FINANCIAL HIGHLIGHTS

REVENUE

**\$68.0M**

GAAP NET LOSS

**\$(6.5)M**

ADJUSTED EBITDA<sup>1</sup>

**\$11.2M**

**16% MARGIN**

CASH FLOW FROM OPERATIONS<sup>2</sup>

**\$32.4M**

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

<sup>2</sup> Cash flow from operations is net cash provided by operating activities.

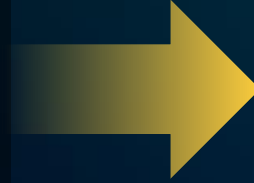
# Q3 REVENUE GROWTH DRIVERS



# ADDITIONAL LEVERS DRIVING Q3 REVENUE



**Growth from Top Ad Verticals**



**Top ten ad verticals grew in the single digit percentages YOY**



**Expansion Beyond Top 10 DSPs**



**Ad spend from mid-tier DSP cohort grew over 25% YOY**



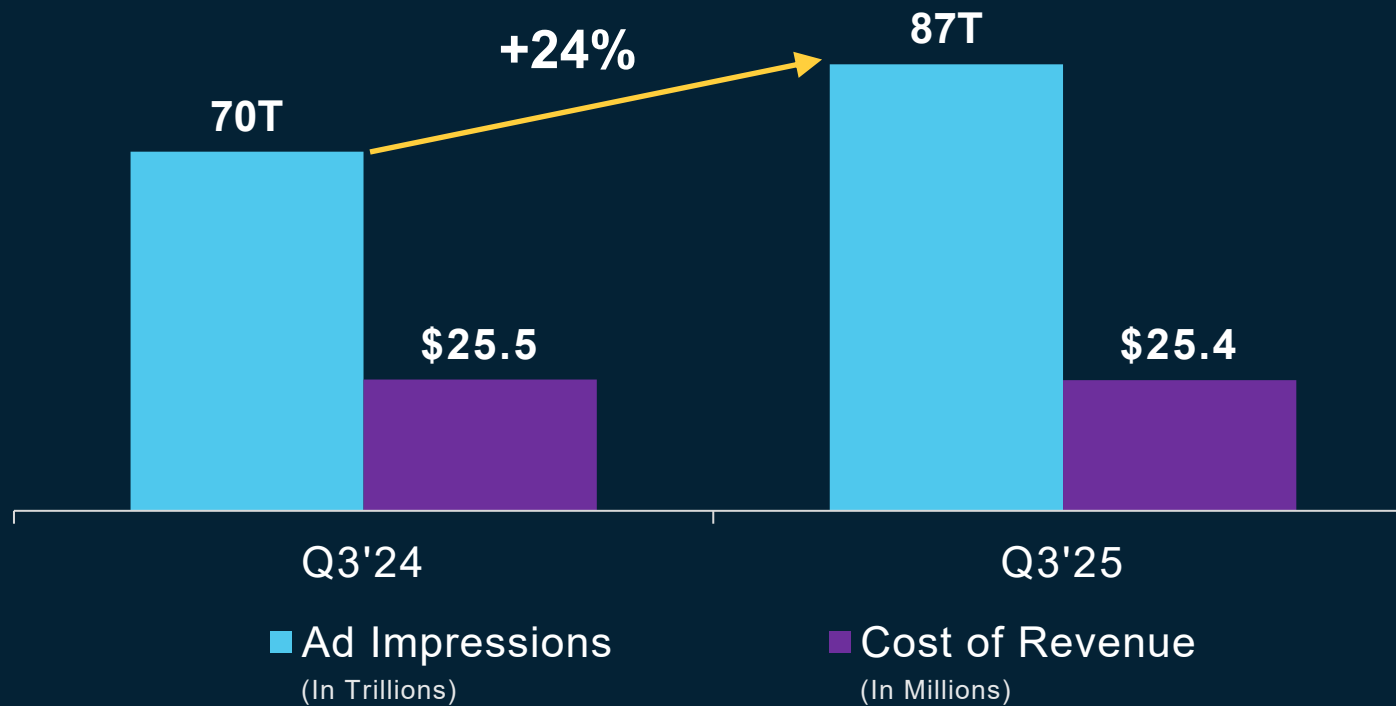
**Global Diversification**



**APAC revenues grew 12% YOY while EMEA revenues grew 7% YOY**

# INTRINSIC STRENGTH OF BUSINESS MODEL

## AD IMPRESSIONS PROCESSED COMPARED TO COST OF REVENUE



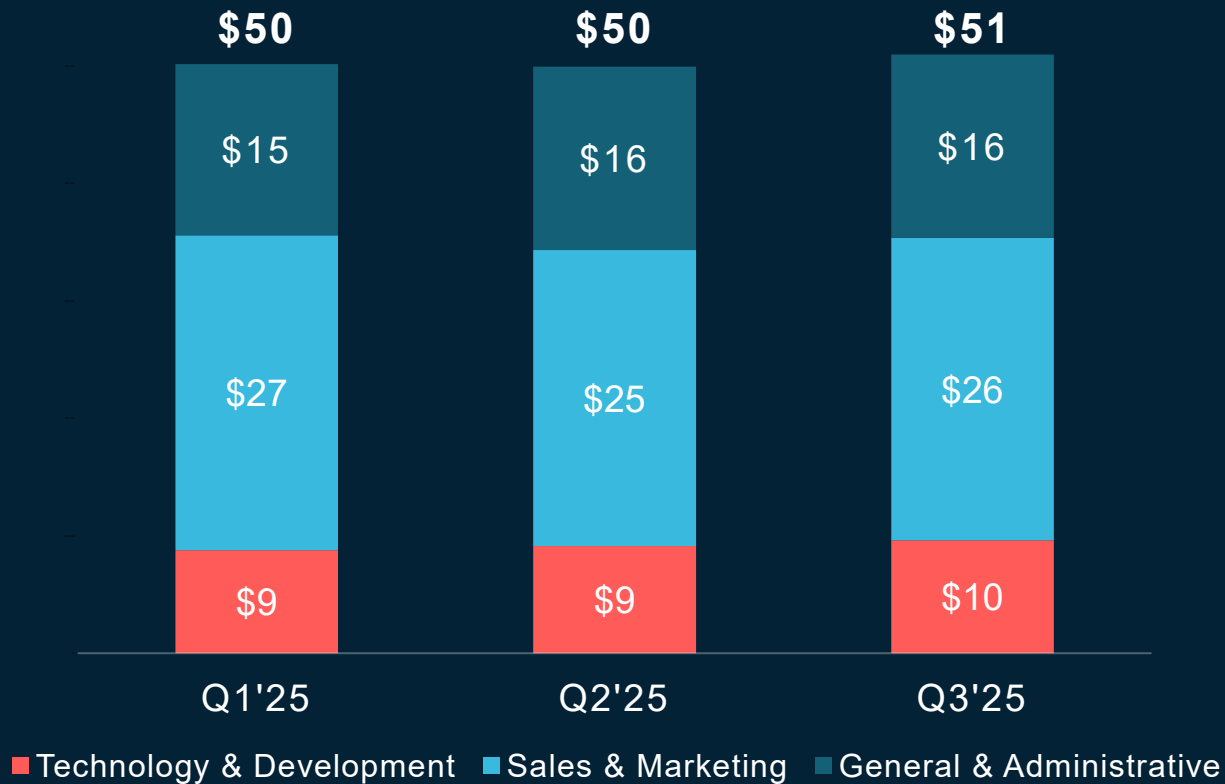
**~60%**

OF TOTAL PROCESSED  
IMPRESSIONS FROM  
CTV AND MOBILE APP

**-19%**

YOY DECLINE IN  
UNIT COST  
TTM Q3 2025

# GAAP OPERATING EXPENSES: AI EFFICIENCIES DRIVE INVESTMENT IN HIGHEST GROWTH AREAS



Subtotals for each bar may not add up to total due to rounding.

## DRIVERS

- AI efficiencies fuel investment and growth with relatively flat cost structure
- Higher productivity across teams
- Expanded sales team onboarded over 25 new mid to long-tail DSP partners in 2025

# LONG TERM FOCUS ON CASH GENERATION

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**\$393M**

**NET CASH FROM  
OPERATING ACTIVITIES  
Q1 2021 – Q3 2025**

**\$215M**

**FREE CASH FLOW<sup>1</sup>  
Q1 2021 – Q3 2025**

## USES OF CASH

- Investments for secular growth
- Share repurchases
- Potential M&A

<sup>1</sup> 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

# CAPITAL ALLOCATION

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**\$181M**

**CASH USED FOR  
REPURCHASES<sup>1</sup>**

FEB 2023 TO SEP 2025

**12.4M**

**CLASS A COMMON  
SHARES  
REPURCHASED<sup>1</sup>**

FEB 2023 TO SEP 2025

**CASH**

**\$137M**

**END OF Q3 2025**

<sup>1</sup> As of September 30, 2025, fully diluted shares outstanding of 49,179,928.

## 2025 Q4 AND FULL YEAR GUIDANCE

(\$ in Millions)	Q4 2025		FY 2025	
	Low	High	Low	High
<b>Revenue</b>	\$73	\$77	\$276	\$280
<b>Year over Year Growth %</b>	-15%	-10%	-5%	-4%
<b>Year over Year Growth % excluding political</b>	7%	13%	-3%	-2%
<b>Adjusted EBITDA</b>	\$19	\$21	\$53	\$55
<b>Adjusted EBITDA Margin</b>	26%	27%	19%	20%

Note: Numbers rounded for presentation purposes

**Full year capex outlook remains ~\$15 million**

Although we provide guidance for Adjusted EBITDA, a non-GAAP metric, we are not able to provide guidance for net income (loss), the most directly comparable GAAP measure. Certain elements of the composition of GAAP net income (loss), 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 (loss) 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

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- 1 | Scaling Revenue in Key Secular Growth Areas**
- 2 | Responsibly Investing in Our Business Transformation**
- 3 | Improving Efficiency by Applying AI Across our Operations**
- 4 | Durable Business Model Delivers Healthy Margins and Cash Flow**

# Appendix

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

(\$ in Thousands)	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
<b>Net income (loss)</b>	\$(6,452)	\$(5,208)	\$(9,486)	\$13,899	\$ (912)	\$ 1,971	\$(2,454)	\$18,702
Add back (deduct):								
Stock-based compensation	9,511	9,801	9,698	9,409	9,457	9,699	9,111	7,337
Depreciation and amortization	10,459	11,861	11,676	11,421	11,384	11,336	11,212	11,039
Litigation related expenses	538	—	—	—	—	—	—	—
Interest income	(1,198)	(1,379)	(1,593)	(1,604)	(1,969)	(2,340)	(2,564)	(2,515)
Provision for (benefit from) income taxes	(1,706)	(862)	(1,838)	4,521	586	412	(249)	4,343
<b>Adjusted EBITDA</b>	<b>\$11,152</b>	<b>\$14,213</b>	<b>\$ 8,457</b>	<b>\$37,646</b>	<b>\$18,546</b>	<b>\$21,078</b>	<b>\$15,056</b>	<b>\$38,906</b>
Revenue	\$67,960	\$71,095	\$63,825	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600
<b>Adjusted EBITDA Margin</b>	<b>16%</b>	<b>20%</b>	<b>13%</b>	<b>44%</b>	<b>26%</b>	<b>31%</b>	<b>23%</b>	<b>46%</b>

Note: Numbers rounded for presentation purposes

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

(in Thousands except per share data)	Q3 '25	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23
<b>Net income (loss)</b>	\$(6,452)	\$(5,208)	\$(9,486)	\$13,899	\$ (912)	\$ 1,971	\$(2,454)	\$18,702
Stock based compensation	9,511	9,801	9,698	9,409	9,457	9,699	9,111	7,337
Litigation related expenses	538	—	—	—	—	—	—	—
Adjustment for income taxes	(2,018)	(2,068)	(2,055)	(1,865)	(1,978)	(1,999)	(1,886)	(1,590)
<b>Non-GAAP net income (loss)</b>	<b>\$ 1,579</b>	<b>\$ 2,525</b>	<b>\$(1,843)</b>	<b>\$21,443</b>	<b>\$ 6,567</b>	<b>\$ 9,671</b>	<b>\$ 4,771</b>	<b>\$24,449</b>
Revenue	\$67,960	\$71,095	\$63,825	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600
<b>Non-GAAP net income (loss) margin</b>	<b>2%</b>	<b>4%</b>	<b>(3%)</b>	<b>25%</b>	<b>9%</b>	<b>14%</b>	<b>7%</b>	<b>29%</b>
Non-GAAP weighted average shares outstanding – diluted	49,180	50,539	48,346	52,623	53,986	55,577	55,006	54,940
<b>Non-GAAP diluted EPS</b>	<b>\$0.03</b>	<b>\$0.05</b>	<b>\$(0.04)</b>	<b>\$0.41</b>	<b>\$0.12</b>	<b>\$0.17</b>	<b>\$0.09</b>	<b>\$0.45</b>

Note: Numbers rounded for presentation purposes

# FREE CASH FLOW RECONCILIATION

(\$ in Millions)

Three Months Ended September 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Net Cash provided by Operating Activities</b>	\$32.4	\$19.1	\$23.8
<b>Deduct:</b>			
<b>Purchases of Property and Equipment</b>	(4.7)	(11.7)	(2.9)
<b>Capitalized Software Development Costs</b>	(4.9)	(4.5)	(3.8)
<b>Free Cash Flow</b>	<b>\$22.8</b>	<b>\$2.9</b>	<b>\$17.2</b>
<b>Revenue</b>	\$68.0	\$71.8	\$63.7
<b>Free Cash Flow Margin</b>	<b>34%</b>	<b>4%</b>	<b>27%</b>

Note: Numbers rounded for presentation purposes