

Q1 2025 Earnings Presentation

May 8, 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 second quarter of 2025 and capex for the full year 2025, our expectations regarding our free cash flow, capital expenditures, future hiring, 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; the war between Ukraine and Russia and the ongoing conflict between Israel and Palestine, and the related measures taken in response by the global community; the impacts of inflation, tariffs and recessionary fears, as well as fiscal tightening, and changes in the interest rate environment 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. All information in this presentation is as of May 8, 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 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.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only.

WHAT WE DO

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

Q1 2025 FINANCIAL HIGHLIGHTS

REVENUE

\$63.8M

-4% YOY

GAAP NET LOSS

\$(9.5)M

ADJUSTED EBITDA¹

\$8.5M

13% MARGIN

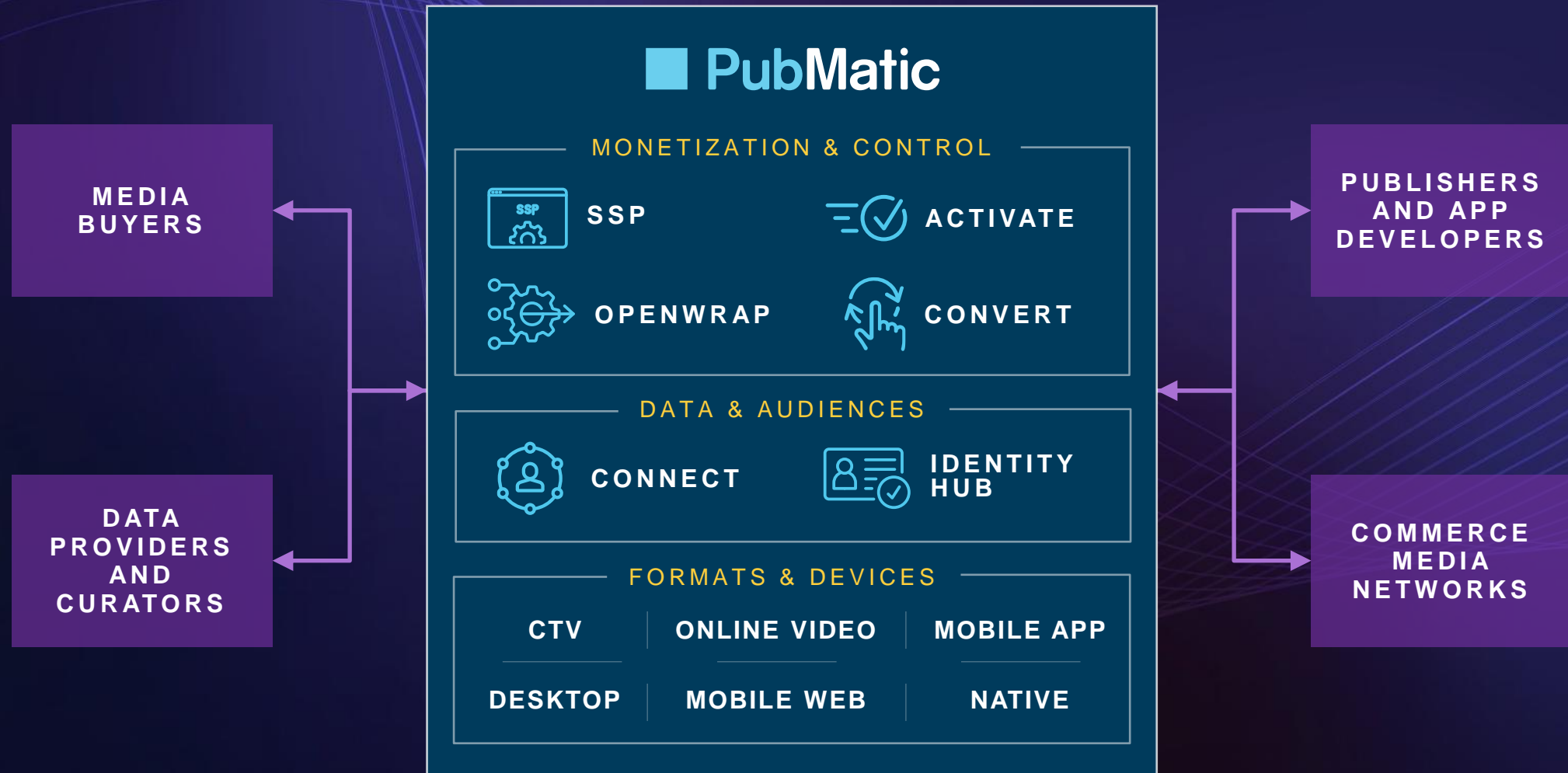
CASH FLOW FROM OPERATIONS²

\$15.6M

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.

PUBMATIC'S INTEGRATED PLATFORM OFFERS CLEAR POINTS OF DIFFERENTIATION



**The current
macro
environment
creates more
opportunities
for PubMatic**

OUR GUIDING PRINCIPLES FOR MANAGING THE BUSINESS TO DRIVE MARKET SHARE GAINS



Anticipate where advertising growth will move to as the market rapidly evolves



Closely manage costs in order to preserve agility and protect cash and free cash flow



Accelerate growth by aligning investment and resources towards high growth opportunities

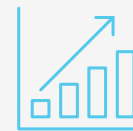
PRINCIPLE 1:

Anticipate where ad growth will move to as the market rapidly evolves, positioning ourselves to accelerate growth

THE CURRENT ENVIRONMENT CREATES OPPORTUNITIES FOR PUBMATIC:



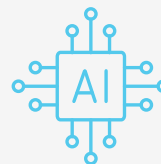
Acceleration of ad spend from linear TV to streaming, with increased opportunities for programmatic



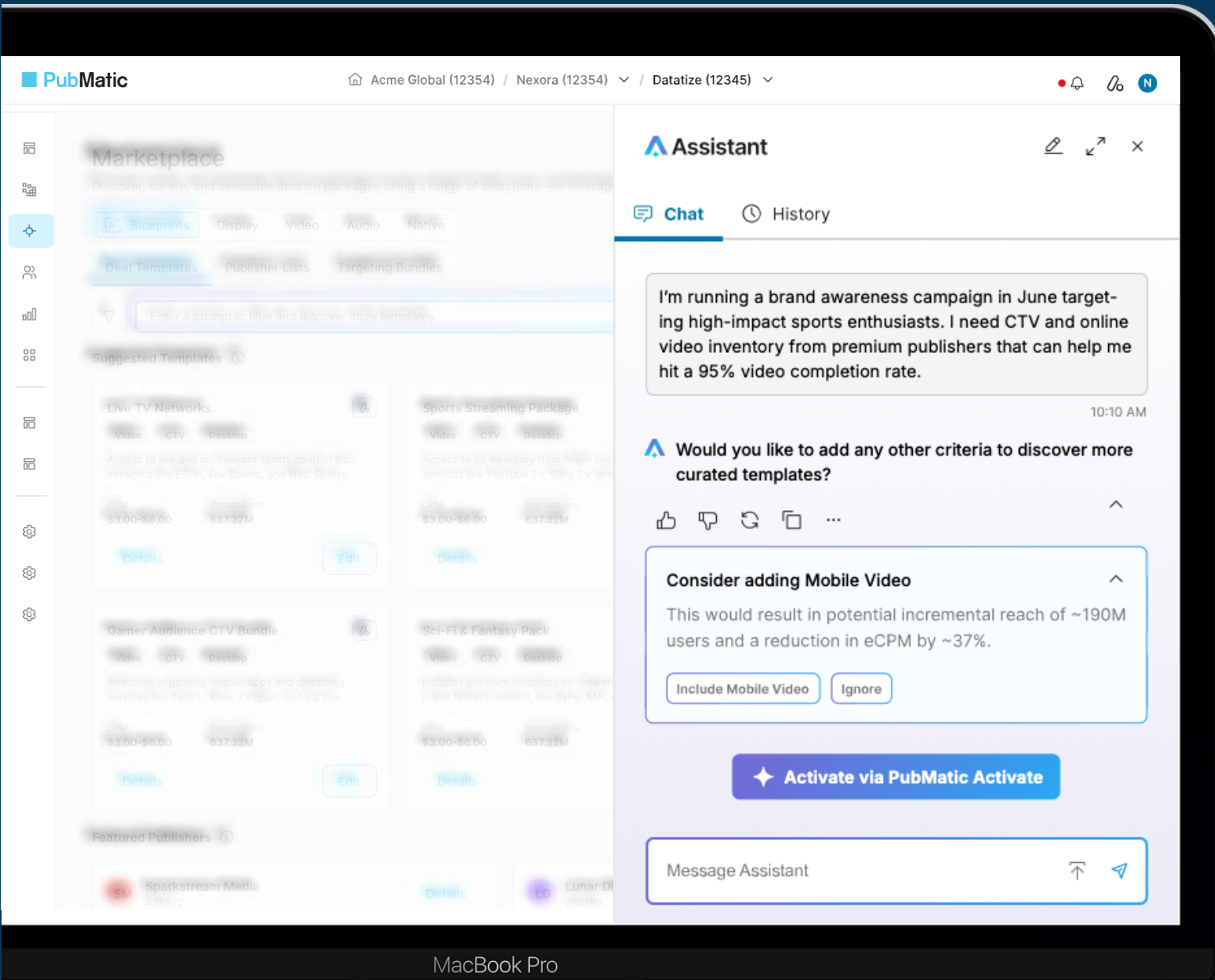
More pronounced shift from upper to lower funnel advertising, benefitting performance channels



Increased spend consolidation as ad budgets come under greater scrutiny



High interest in AI-driven capabilities that drive growth and create efficiencies



POWERING THE NEXT ERA OF PROGRAMMATIC

The first Gen AI-powered end-to-end platform that gives buyers direct access to nearly the entire open internet

PRINCIPLE 2:

Closely manage costs in order to preserve agility

PROTECTING OUR BALANCE SHEET AND FREE CASH FLOW



Tightly manage costs and drive continued opex and capex efficiencies



Apply Gen AI across our business operations



Accelerate innovation without expanding headcount

PRINCIPLE 3:

**Align resource mix
towards high
growth
opportunities**

FRAMEWORK FOR ACCELERATING GROWTH



**Growing our agency holding
company sales team to drive SPO**



**Investing in our independent agency
and direct advertiser sales teams**



**Adding specialist sellers for
Activate, CTV, commerce media, and
mobile app**



**Expanding our curation-focused
sales team as sell-side targeting
expands**

GLOBAL CTV GROWTH FUELED BY STRONG PUBLISHER PARTNERSHIPS



Deepened US CTV partnerships to support curated access and live sports monetization



Drove publisher growth in key international markets



Expanded FAST channel expansion across global audiences



Increased broadcasters leveraging PubMatic to scale modern monetization strategies

CONNECTED TV
REVENUE GROWTH YOY
IN Q1 2025

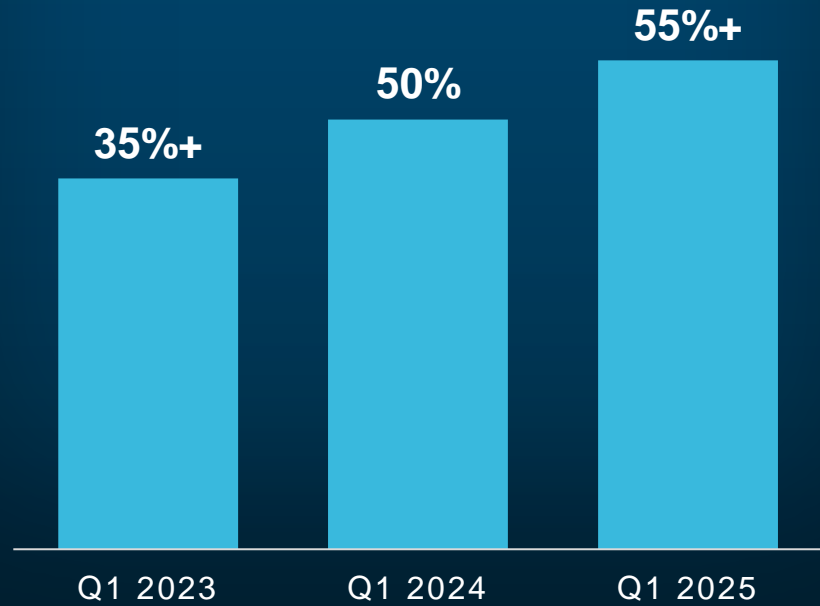
50%+

SUPPLY PATH OPTIMIZATION GROWS AS MORE BUYERS SEEK TRANSPARENCY AND EFFICIENCY IN MEDIA BUYING

“ PubMatic has consistently been achieving efficient supply-path strategies backed by data, especially in online video, where their performance outshines competitors. Their platform helps us exceed our goals and solve our inefficiency challenges. ”



SPO SHARE OF TOTAL ACTIVITY ON OUR PLATFORM



COMMERCE MEDIA TAKING SHARE FROM BRAND-ORIENTED BUDGETS



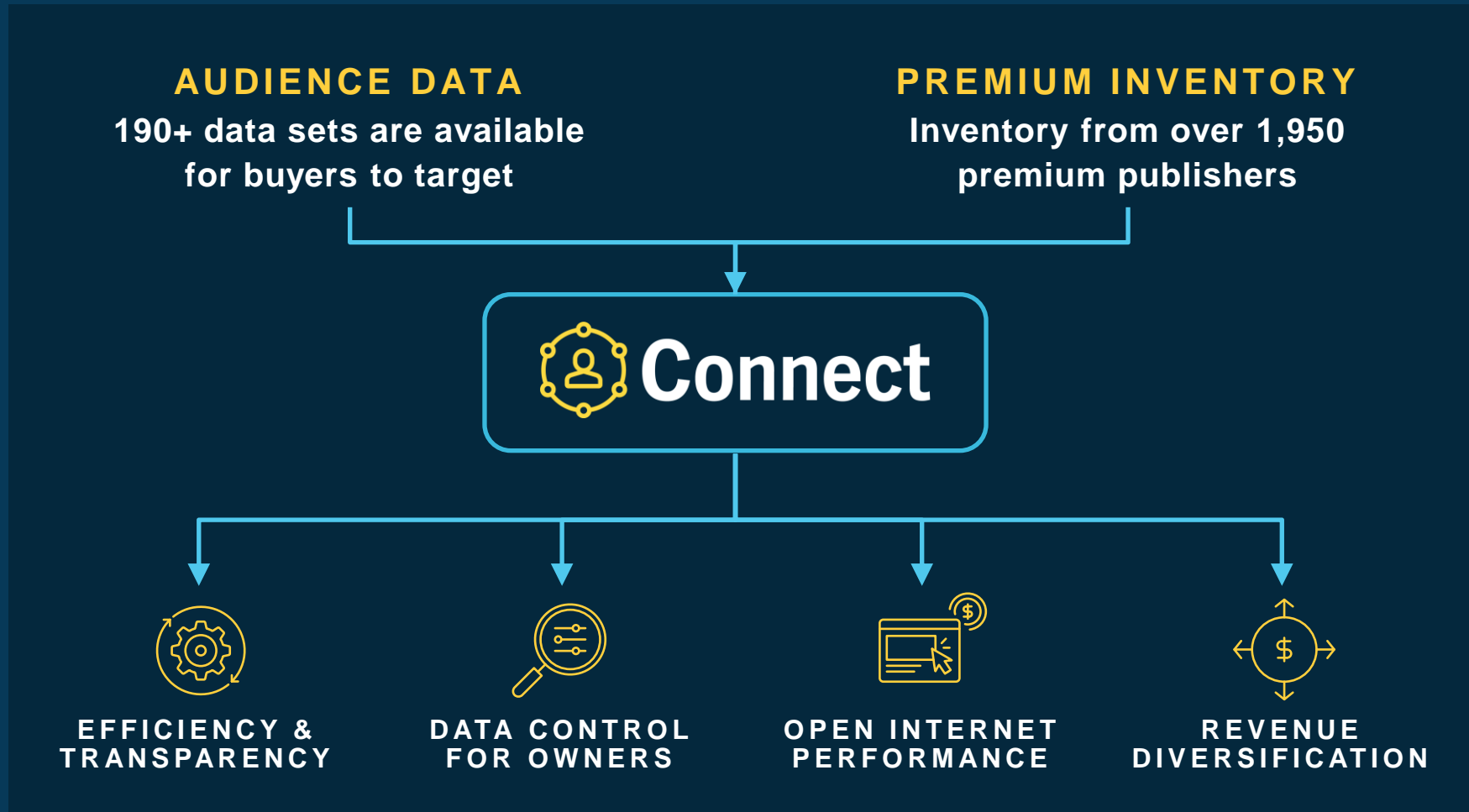
By leveraging Instacart's commerce-driven audience signals and PubMatic's premium inventory, a leading causal dining brand **drove 11% greater price efficiency without sacrificing reach or engagement**



Commerce media companies gain full control over their data and direct access to premium demand and transparent reporting



SELL-SIDE TARGETING VIA PUBMATIC IS GAINING TRACTION ACROSS THE ECOSYSTEM



REVENUE LIFT
SEEN BY
PUBLISHERS
USING OUR
CURATION TOOLS¹

UP TO
10%

¹ Based on daily deal revenue uplift

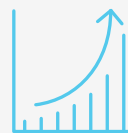
PubMatic has the technology, team and infrastructure to drive profitable growth in 2025 as we create value for the entire supply chain



PubMatic's underlying business is strong, up **21% YOY in Q1 2025¹**



We are growing **high double digits in key secular areas**



The current macro environment serves as a **catalyst to accelerate growth in our business**

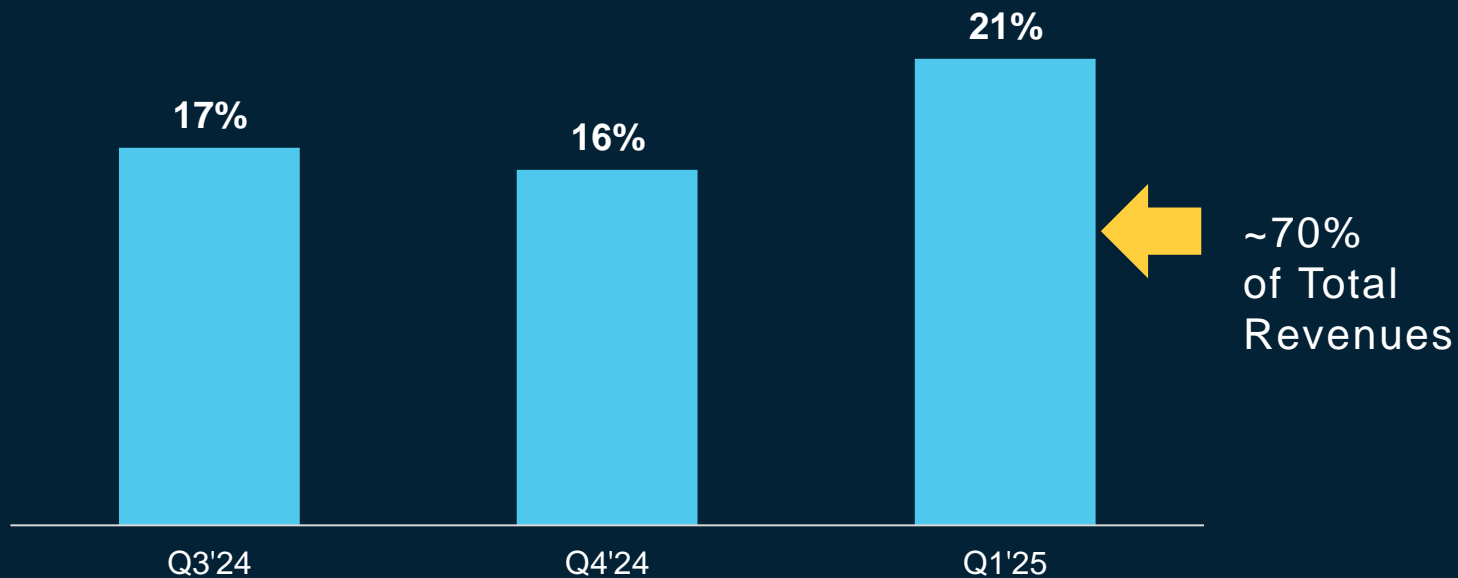
¹ Excludes revenues from one DSP buyer on our platform that changed their auction methodology during 2024 and Political advertising.

Financial Highlights

FINANCIAL HIGHLIGHTS

ACCELERATING UNDERLYING YOY REVENUE GROWTH

EXCLUDES IMPACT FROM DSP BUYER AND POLITICAL SPEND



Exceeded revenue and profit expectations

Increasing mix towards high engagement formats

Benefit from cumulative investments

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

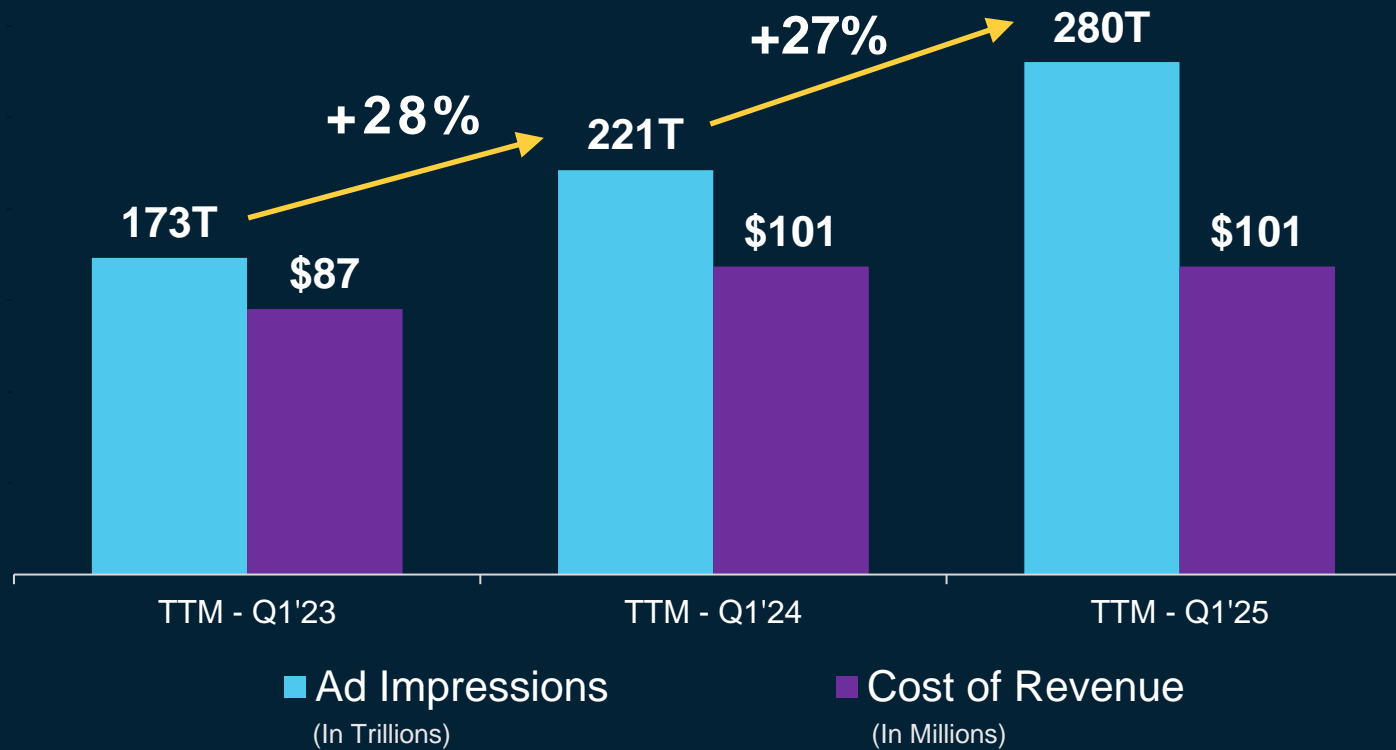
Q1 REVENUE GROWTH DRIVERS



¹ Excludes a several million-dollar impact from one DSP buyer on our platform that changed their bidding methodology and All Political advertising revenues.

INTRINSIC STRENGTH OF BUSINESS MODEL

AD IMPRESSIONS PROCESSED COMPARED TO COST OF REVENUE



60%

INCREASE IN AD IMPRESSIONS PROCESSED OVER LAST TWO YEARS WITH 16% INCREASE TO COST OF REVENUE

LONG TERM FOCUS ON CASH GENERATION

\$346M

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

\$183M

**FREE CASH FLOW¹
Q1 2021 – Q1 2025**

USES OF CASH

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

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

\$138M

CASH USED FOR
REPURCHASES¹

FEB 2023 TO MAR 2025

8.7M

CLASS A COMMON
SHARES
REPURCHASED¹

FEB 2023 TO MAR 2025

CASH & MARKETABLE
SECURITIES

\$144M

END OF Q1 2025

BOARD AUTHORIZED
EXPANSION OF
REPURCHASE PROGRAM

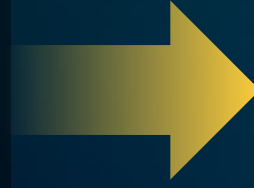
\$100M

APPROVED THROUGH
DEC. 2026

¹ As of March 31, 2025, fully diluted shares outstanding of 52,462,566.

EXECUTING AGAINST 2025 GUIDING PRINCIPLES

Anticipate where advertising growth will move to as the market rapidly evolves



Focusing on value-enhancing innovation across our well-diversified platform

Closely manage costs in order to preserve agility and protect our balance sheet and free cash flow



Achieving incremental productivity gains via continued adoption of AI

Accelerate growth by aligning investment and resources towards high growth opportunities



Continuing to expand global sales team in key growth areas

2025 Q2 GUIDANCE

(\$ in Millions)	Q2 2025	
	Low	High
Revenue	\$66	\$70
Year over Year Growth %	-2%	4%
Adjusted EBITDA	\$9	\$12
Adjusted EBITDA Margin	14%	17%

Note: Numbers rounded for presentation purposes

Full year capex outlook reduced by more than 15% to ~\$15 million

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** | **Underlying Business Expected to Grow 15%+ in 2025**
- 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)	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2 '23
Net income (loss)	\$ (9,486)	\$13,899	\$ (912)	\$ 1,971	\$ (2,454)	\$18,702	\$ 1,774	\$ (5,724)
Add back (deduct):								
Stock-based compensation	9,698	9,409	9,457	9,699	9,111	7,337	7,200	7,266
Depreciation and amortization	11,676	11,421	11,384	11,336	11,212	11,039	11,401	10,898
Interest income	(1,593)	(1,604)	(1,969)	(2,340)	(2,564)	(2,515)	(2,246)	(2,176)
Provision for (benefit from) income taxes	(1,838)	4,521	586	412	(249)	4,343	111	545
Adjusted EBITDA	\$ 8,457	\$37,646	\$18,546	\$21,078	\$15,056	\$38,906	\$18,240	\$10,809
Revenue	\$63,825	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600	\$63,677	\$63,330
Adjusted EBITDA Margin	13%	44%	26%	31%	23%	46%	29%	17%

Note: Numbers rounded for presentation purposes

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

(in Thousands except per share data)

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23
Net income (loss)	\$(9,486)	\$13,899	\$ (912)	\$ 1,971	\$(2,454)	\$18,702	\$ 1,774	\$(5,724)
Stock based compensation	9,698	9,409	9,457	9,699	9,111	7,337	7,200	7,266
Adjustment for income taxes	(2,055)	(1,865)	(1,978)	(1,999)	(1,886)	(1,590)	(1,397)	(1,390)
Non-GAAP net income (loss)	\$(1,843)	\$21,443	\$ 6,567	\$ 9,671	\$ 4,771	\$24,449	\$ 7,577	\$ 152
Revenue	\$63,825	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600	\$63,677	\$63,330
Non-GAAP net income (loss) margin	(3%)	25%	9%	14%	7%	29%	12%	0%
Non-GAAP weighted average shares outstanding – diluted	48,346	52,623	53,986	55,577	55,006	54,940	55,979	56,259
Non-GAAP diluted EPS	\$(0.04)	\$0.41	\$0.12	\$0.17	\$0.09	\$0.45	\$0.14	\$0.00

Note: Numbers rounded for presentation purposes

FREE CASH FLOW RECONCILIATION

(\$ in Millions)

Three Months Ended March 31,

	2025	2024	2023
Net Cash provided by Operating Activities	\$15.6	\$24.3	\$12.8
Deduct:			
Purchases of Property and Equipment	(1.4)	(0.8)	(1.4)
Capitalized Software Development Costs	(6.9)	(7.2)	(6.0)
Free Cash Flow	\$7.3	\$16.3	\$5.3
Revenue	\$63.8	\$66.7	\$55.4
Free Cash Flow Margin	11%	24%	10%

Note: Numbers rounded for presentation purposes