PubMatic

PUBMATIC Q2 2021 AT A GLANCE

# STRONG REVENUE AND PROFIT GROWTH RESULT IN INCREASING MARKET SHARE

## REVENUES
Q2'21 revenue of $49.7 million, up 88% year-over-year.

## MOBILE AND VIDEO (INCLUDING CONNECTED TV AND OVER THE TOP STREAMING, OR CTV/OTT)
Q2'21 combined mobile and video revenues grew by 108% year-over-year and represented 65% of total revenues in Q2'21, compared to 60% in Q2'20.

## CONNECTED TV
Accelerated sequential growth for our CTV/OTT business of over 100% from Q1'21 to Q2'21, with CTV inventory monetized from 114 publishers.

## BUY-SIDE SPEND CONSOLIDATION
In Q2'21, 23.6% of ad dollars on our platform were via supply path optimization agreements, with the share more than doubling since the beginning of 2020.

## AUDIENCE ADDRESSABILITY
- More than 250 publishers have signed up to use our Identity Hub product as of June 30, 2021.
- Integrated with 30 data providers via our Audience Encore solution, including Google Audiences, Nielsen, Car Gurus, Semasio, and Hyp Technology APAC, with over 32,000 customer segments and inventory packages available for ad buyers to access.

## NET DOLLAR-BASED REVENUE RETENTION[1]
Net dollar-based revenue retention for the TTM ended June 30, 2021 was 150%, compared to 107% for the TTM ended June 30, 2020.

## GROSS MARGIN
Gross margin for Q2'21 increased to 74%, compared to 65% for Q2 2020.

## IMPRESSIONS PROCESSED
- Increased our impression capacity by 19% since January 2021.
- Increased the number of impressions processed by 96% year-over-year, from 10.3 Trillion in Q2'20 to 20.2 Trillion in Q2'21.

## GAAP COST OF REVENUE
Reduced GAAP cost of revenue per million impressions processed by approximately 27% from Q2'20 to Q2'21.

## NET INCOME
- Net income in Q2'21 was $9.9 million or 20% of revenue, compared to 2% in Q2'20.
- Q2'21 fully diluted earnings per share of $0.18

## ADJUSTED EBITDA[2]
Adjusted EBITDA in Q2'21 was $18.6 million, or 37% of revenue, compared to 19% of revenue in Q2'20.

## NET CASH PROVIDED BY OPERATING ACTIVITIES
Cash flow from operations was $21.1 million for Q2'21.

[1] Calculated by starting with the revenue from publishers in the trailing twelve months ended June 30, 2020 ("Prior Period Revenue"). We then calculate the revenue from these same publishers in the trailing twelve months ended June 30, 2021 ("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 the 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.

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

| | Three Months Ended June 30, 2021 | 2020 |
|---|---|---|
| Net income | $9,921 | $653 |
| Add back (deduct): | | |
| Stock-based compensation | 3,629 | 500 |
| Depreciation and amortization | 5,138 | 3,810 |
| Interest income | (67) | (132) |
| Provision for income taxes | (27) | 84 |
| Adjusted EBITDA | $18,594 | $4,915 |