

Q2 2025 Earnings Presentation

August 11, 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 third 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 and currency exchange 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 August 11, 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.

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WHAT WE DO

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

Q2 2025 FINANCIAL HIGHLIGHTS

REVENUE

\$71.1M
6% YOY

GAAP NET LOSS

\$(5.2)M

ADJUSTED EBITDA¹

\$14.2M
20% MARGIN

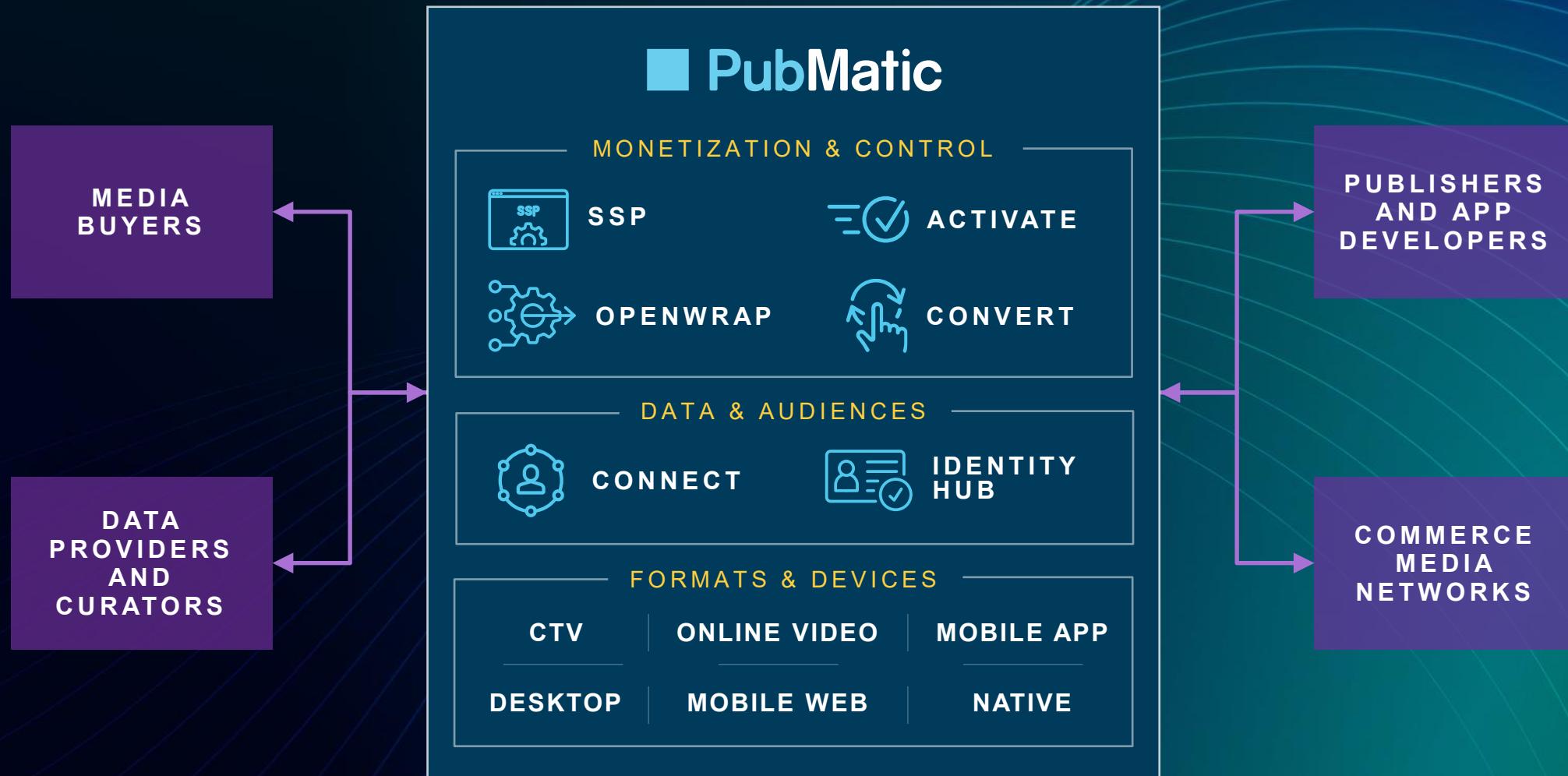
CASH FLOW FROM OPERATIONS²

\$14.9M

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 HAS EVOLVED FROM AN SSP PROVIDER TO AN END-TO-END PLATFORM SERVING THE ENTIRE DIGITAL ADVERTISING ECOSYSTEM



We are prioritizing strategies to accelerate sustainable growth

- 1 DIVERSIFY OUR DSP MIX**
Expand with mid-tier and performance DSPs
- 2 INVEST ON THE BUY-SIDE**
Increase go-to-market investment to accelerate
Activate adoption
- 3 ADVANCE CTV LEADERSHIP**
Continue to capture outsized share of one of the fastest
growing programmatic channels
- 4 SCALE EMERGING REVENUE**
Grow high-margin revenue from data, commerce and
enterprise software
- 5 INTEGRATING AI ACROSS OUR BUSINESS**
Drive growth and efficiency across our tech stack and
operations

BUILDING A BROADER, MORE RESILIENT DEMAND ECOSYSTEM



Adding new high-growth integrations with performance-focused DSPs



Working with several China-based DSPs to support their non-China business



Diversification drives better buyer resilience and platform stickiness

YOY GROWTH RATE OF PERFORMANCE AND MID-TIER DSPs IN Q2 2025

20%+

SCALING ACTIVATE TO MEET BUY-SIDE DEMAND FOR CONTROL & PERFORMANCE



Germany leveraged **Activate** to boost brand awareness and purchase intent for a leading online marketplace for handmade goods.



EXCEEDED PERFORMANCE KPIs



LIFT IN BRAND AWARENESS



INCREASE IN PURCHASE INTENT

SEQUENTIAL INCREASE
IN BUYING ACTIVITY
VIA ACTIVATE FROM
Q1 2025 TO Q2 2025

2X+

COMMERCE MEDIA AND SUPPLY PATH OPTIMIZATION UNLOCK INCREMENTAL BUY-SIDE GROWTH

P **PayPal** is leveraging **Activate** to enable buyers to apply its transaction-based audience data across PubMatic's premium omnichannel inventory.



IMPROVE TARGETING PRECISION



REDUCE OPERATIONAL COMPLEXITY



SCALE COMMERCE MEDIA STRATEGIES

SPO SHARE OF
TOTAL ACTIVITY
ON OUR PLATFORM



EXPANDING OUR LEADERSHIP IN CONNECTED TV



YOY REVENUE GROWTH
FROM CTV IN Q2 2025

50%+

COVERAGE OF TOP 30
STREAMERS GLOBALLY

87%

CTV SCALE AND LEADING TECHNOLOGY ENABLE SOPHISTICATED CURATION SOLUTIONS FOR BUYERS & PUBLISHERS

“ By combining FanServ’s deep sports expertise with PubMatic’s unique event-level curation, we’re empowering brands to connect meaningfully at the exact moments that matter most, across every platform they love. ”

FANSERV 

LIVE SPORTS BUYER
ACTIVITY GROWTH
YOY IN 1H 2025

NEARLY
3X

ACCELERATING GROWTH IN HIGH-MARGIN, PLATFORM-CONTROLLED REVENUE



DATA CURATION



COMMERCE MEDIA

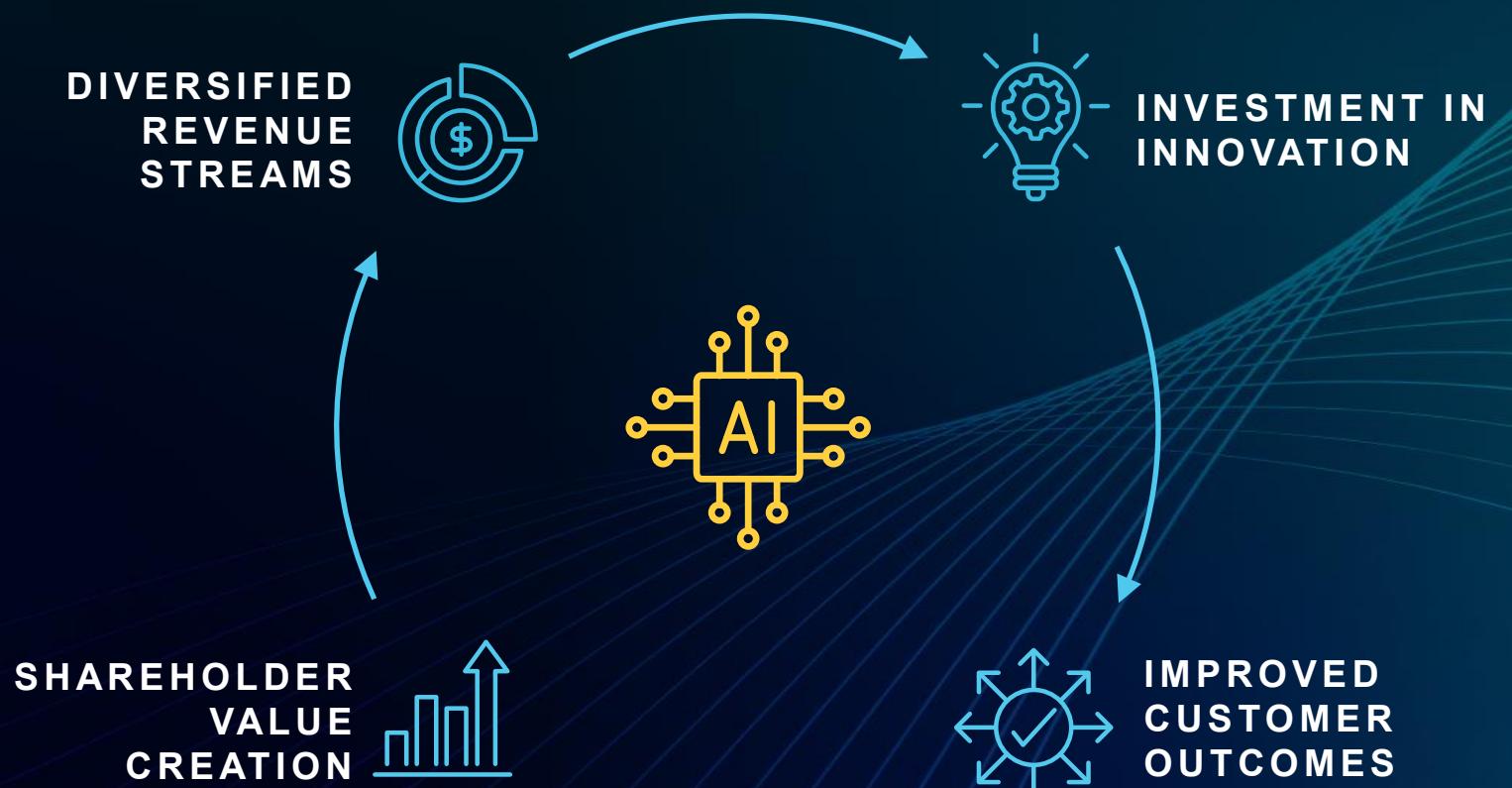


ENTERPRISE SOLUTIONS

trainline

- Integrated PubMatic's SSP, OpenWrap and Connect
- Monetizing both onsite inventory and offsite activations
- Driving incremental, performance-based revenue from first-party data

We continue to invest and innovate, unlocking new avenues for sustainable growth



**We are building a
stronger, more
sustainable business
that creates long-term
value for customers
and shareholders**



**We are at an inflection point, and
the programmatic ecosystem is
reshaping to our advantage.**



**We are diversifying ad demand
and revenue streams and
investing in the highest growth
areas.**

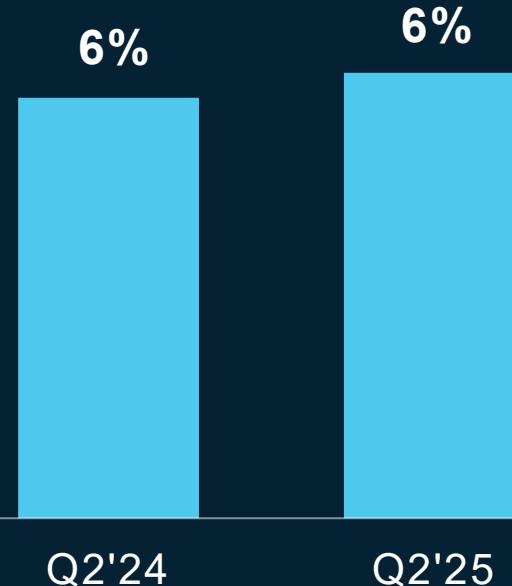


**We are well positioned to capture
long-term growth and market
share.**

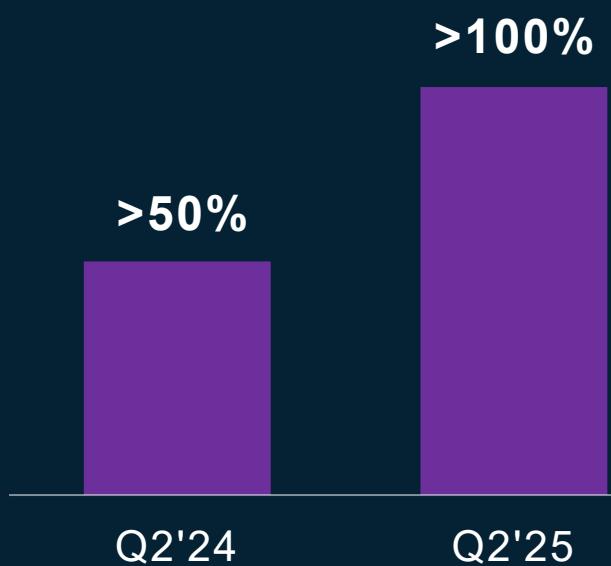
Financial Highlights

Q2 FINANCIAL HIGHLIGHTS

REVENUE YOY GROWTH



CTV + EMERGING REVENUES YOY GROWTH



REVENUE GROWTH YOY

6%

CTV + EMERGING GROWTH YOY

>100%

GAAP NET LOSS

\$(5.2)M

(7%) MARGIN

ADJUSTED EBITDA¹

\$14.2M

20% MARGIN

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

Q2 REVENUE GROWTH DRIVERS

VS. PRIOR YEAR



Omnichannel Video Revenue

34%



CTV Revenue

50%+

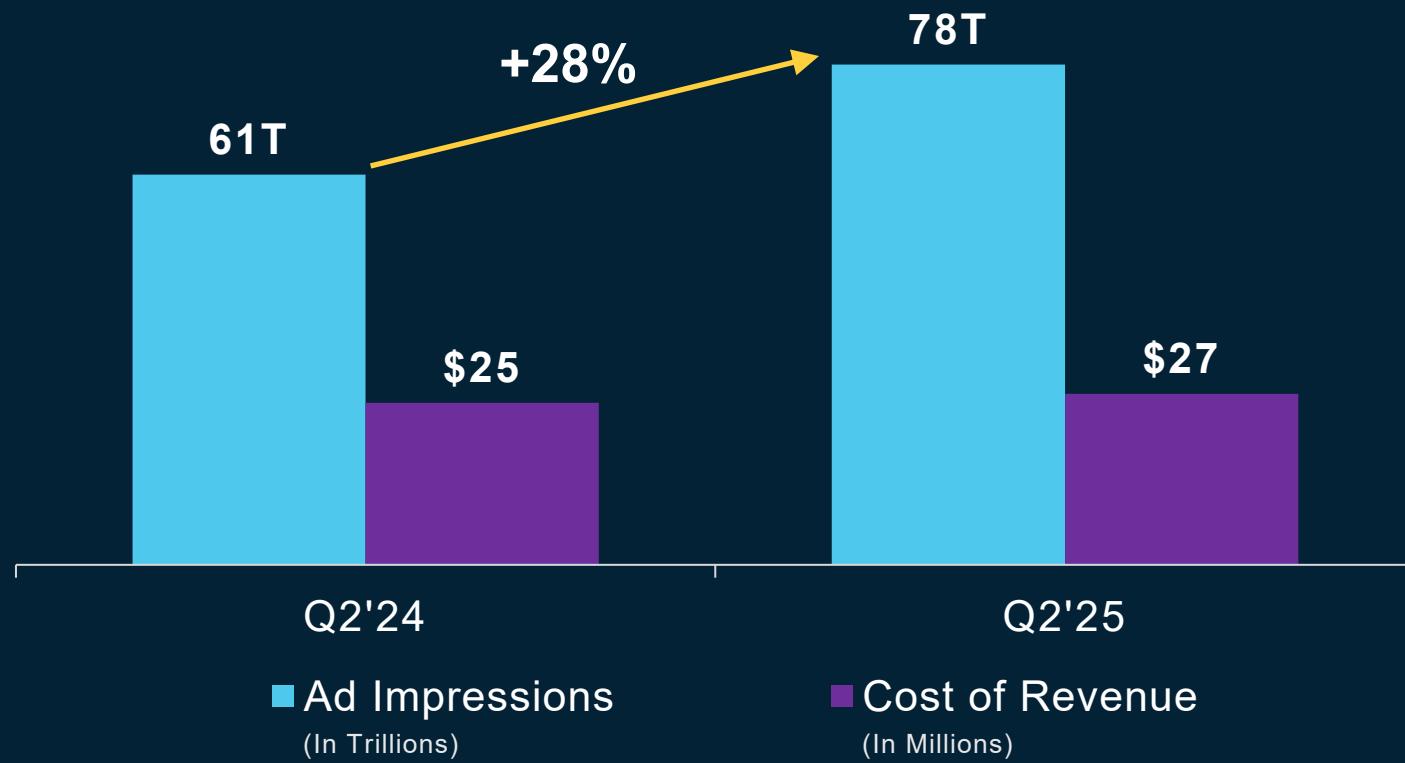


Emerging Revenues

100%+

INTRINSIC STRENGTH OF BUSINESS MODEL

AD IMPRESSIONS PROCESSED COMPARED TO COST OF REVENUE

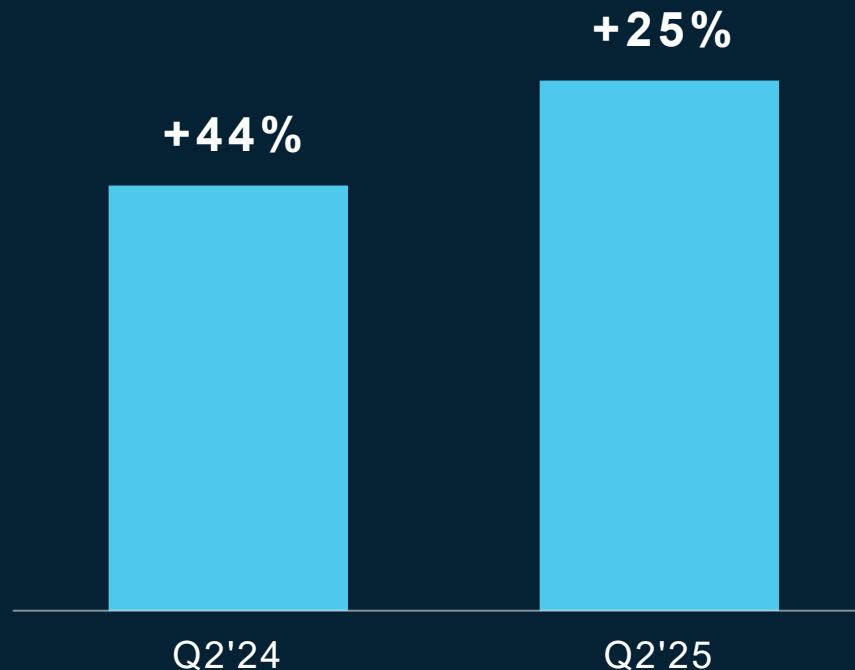


60%

INCREASE IN
AD IMPRESSIONS
PROCESSED OVER
LAST TWO YEARS
WITH 10% INCREASE
TO COST OF REVENUE

FUNDING HIGH GROWTH THROUGH OPTIMIZATION

SALES TEAM HEADCOUNT FOCUSED ON SECULAR GROWTH AREAS



Q2 '25 VS. Q1 '25
OPEX

FLAT

BUYER-FOCUSED
HEADCOUNT
GROWTH YOY

20%

LONG TERM FOCUS ON CASH GENERATION

\$348M

NET CASH FROM
OPERATING ACTIVITIES
Q2 2021 – Q2 2025

\$183M

FREE CASH FLOW¹
Q2 2021 – Q2 2025

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.

USES OF CASH

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

CAPITAL ALLOCATION

\$178M

CASH USED FOR
REPURCHASES¹

FEB 2023 TO JUN 2025

12.2M

CLASS A COMMON
SHARES
REPURCHASED¹

FEB 2023 TO JUN 2025

CASH & MARKETABLE
SECURITIES

\$118M

END OF Q2 2025

¹ As of June 30, 2025, fully diluted shares outstanding of 50,539,394.

FINANCIAL DISCIPLINE FUELS BUSINESS TRANSFORMATION

Continued growth in key secular areas of the business

Optimization of resources to drive accelerated, sustainable revenue

Accelerate growth by aligning investment and resources towards high growth opportunities

Our end-to-end platform, SPO and AI solutions help customers scale their ad business with PubMatic

Gain incremental cost efficiencies via AI while we optimize existing resources towards growth areas

Healthy balance sheet and positive cash flows to execute long-term strategy and drive shareholder value

2025 Q3 GUIDANCE

(\$ in Millions)	Q3 2025	
	Low	High
Revenue	\$61	\$66
Year over Year Growth %	-15%	-8%
Year over Year Growth % ex political	-10%	-3%
Adjusted EBITDA	\$7	\$10
Adjusted EBITDA Margin	11%	15%

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, 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 | Continued Investment in Key Secular Growth Areas

2 | Integrated Platform Capitalizes on Industry Shifts

3 | Use of Generative AI to Drive Efficiency and Growth

4 | Durable Business Model Delivers Healthy Margins and Cash Flow

Appendix

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

(\$ in Thousands)	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23	Q3 '23
Net income (loss)	\$(5,208)	\$(9,486)	\$ 13,899	\$ (912)	\$ 1,971	\$(2,454)	\$ 18,702	\$ 1,774
Add back (deduct):								
Stock-based compensation	9,801	9,698	9,409	9,457	9,699	9,111	7,337	7,200
Depreciation and amortization	11,861	11,676	11,421	11,384	11,336	11,212	11,039	11,401
Interest income	(1,379)	(1,593)	(1,604)	(1,969)	(2,340)	(2,564)	(2,515)	(2,246)
Provision for (benefit from) income taxes	(862)	(1,838)	4,521	586	412	(249)	4,343	111
Adjusted EBITDA	\$ 14,213	\$ 8,457	\$ 37,646	\$ 18,546	\$ 21,078	\$ 15,056	\$ 38,906	\$ 18,240
Revenue	\$71,095	\$63,825	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600	\$63,677
Adjusted EBITDA Margin	20%	13%	44%	26%	31%	23%	46%	29%

Note: Numbers rounded for presentation purposes

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

(in Thousands except per share data)	Q2 '25	Q1 '25	Q4 '24	Q3 '24	Q2 '24	Q1 '24	Q4 '23	Q3 '23
Net income (loss)	\$(5,208)	\$(9,486)	\$ 13,899	\$ (912)	\$ 1,971	\$(2,454)	\$ 18,702	\$ 1,774
Stock based compensation	9,801	9,698	9,409	9,457	9,699	9,111	7,337	7,200
Adjustment for income taxes	(2,068)	(2,055)	(1,865)	(1,978)	(1,999)	(1,886)	(1,590)	(1,397)
Non-GAAP net income (loss)	\$ 2,525	\$(1,843)	\$ 21,443	\$ 6,567	\$ 9,671	\$ 4,771	\$ 24,449	\$ 7,577
Revenue	\$71,095	\$63,825	\$85,502	\$71,786	\$67,267	\$66,701	\$84,600	\$63,677
Non-GAAP net income (loss) margin	4%	(3%)	25%	9%	14%	7%	29%	12%
Non-GAAP weighted average shares outstanding – diluted	47,185	48,346	52,623	53,986	55,577	55,006	54,940	55,979
Non-GAAP diluted EPS	\$0.05	\$(0.04)	\$0.41	\$0.12	\$0.17	\$0.09	\$0.45	\$0.14

Note: Numbers rounded for presentation purposes

FREE CASH FLOW RECONCILIATION

(\$ in Millions)

	Three Months Ended June 30,		
	2025	2024	2023
Net Cash provided by Operating Activities	\$14.9	\$11.9	\$15.8
Deduct:			
Purchases of Property and Equipment	(1.3)	(0.7)	(1.1)
Capitalized Software Development Costs	(4.3)	(4.3)	(3.9)
Free Cash Flow	\$9.3	\$6.9	\$10.8
Revenue	\$71.1	\$67.3	\$63.3
Free Cash Flow Margin	13%	10%	17%

Note: Numbers rounded for presentation purposes