UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number: 0-25965

ZIFF DAVIS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-1053457**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

114 5th Avenue New York , New York 10011
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **(212) 503-3500**
Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	ZD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ý No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý Accelerated filer o Non-Accelerated filer o Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ý

There were 46,128,097 shares outstanding of the Registrant's common stock as of May 3, 2024.

ZIFF DAVIS, INC. AND SUBSIDIARIES
QUARTERLY REPORT
QUARTER ENDED MARCH 31, 2024

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ZIFF DAVIS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands except share and per share data)

	March 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 734,779	$ 737,612
Short-term investments	16,404	27,109
Accounts receivable, net of allowances of $ 6,484 and $ 6,871 , respectively	446,883	337,703
Prepaid expenses and other current assets	95,036	88,570
Total current assets	1,293,102	1,190,994
Long-term investments	139,964	140,906
Property and equipment, net of accumulated depreciation of $ 346,793 and $ 327,015 , respectively	190,897	188,169
Intangible assets, net	400,562	325,406
Goodwill	1,624,628	1,546,065
Deferred income taxes	8,733	8,731
Other assets	69,145	70,751
TOTAL ASSETS	$ 3,727,031	$ 3,471,022
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 360,153	$ 123,256
Accrued employee related costs	26,262	50,068
Other accrued liabilities	44,012	43,612
Income taxes payable, current	18,019	14,458
Deferred revenue, current	199,880	184,549
Other current liabilities	15,008	15,890
Total current liabilities	663,334	431,833
Long-term debt	1,001,884	1,001,312
Deferred income taxes	65,261	45,503
Income taxes payable, noncurrent	8,486	8,486
Deferred revenue, noncurrent	7,172	8,169
Other long-term liabilities	78,882	82,721
TOTAL LIABILITIES	1,825,019	1,578,024
Commitments and contingencies (Note 8)		
Preferred stock, $ 0.01 par value. Authorized 1,000,000 and none issued	—	—
Preferred stock - Series A, $ 0.01 par value. Authorized 6,000 ; total issued and outstanding zero	—	—
Preferred stock - Series B, $ 0.01 par value. Authorized 20,000 ; total issued and outstanding zero	—	—
Common stock, $ 0.01 par value. Authorized 95,000,000 ; total issued and outstanding 46,134,708 and 46,078,464 shares at March 31, 2024 and December 31, 2023, respectively	461	461
Additional paid-in capital	475,926	472,201
Retained earnings	1,503,838	1,491,956
Accumulated other comprehensive loss	(78,213)	(71,620)
TOTAL STOCKHOLDERS' EQUITY	1,902,012	1,892,998
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,727,031	$ 3,471,022

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands except share and per share data)

	Three months ended March 31,	
	2024	**2023**
Total revenues	$ 314,485	$ 307,142
Operating costs and expenses:		
Direct costs	47,067	45,730
Sales and marketing	117,000	115,920
Research, development, and engineering	17,774	17,914
General, administrative, and other related costs	96,783	101,263
Total operating costs and expenses	278,624	280,827
Income from operations	35,861	26,315
Interest expense, net	(1,769)	(4,480)
Loss on sale of businesses	(3,780)	—
Unrealized loss on short-term investments held at the reporting date, net	(10,705)	(20,345)
Gain on investments, net	—	357
Other loss, net	(104)	(908)
Income before income tax (expense) benefit and loss from equity method investment	19,503	939
Income tax (expense) benefit	(8,231)	616
Loss from equity method investment, net of income taxes	(645)	(9,182)
Net income (loss)	$ 10,627	$ (7,627)
Net income (loss) per common share:		
Basic	$ 0.23	$ (0.16)
Diluted	$ 0.23	$ (0.16)
Weighted average shares outstanding:		
Basic	45,860,033	46,987,249
Diluted	45,955,365	46,987,249

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited, in thousands)

	Three months ended March 31,	
	2024	**2023**
Net income (loss)	$ 10,627	$ (7,627)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	(6,530)	3,713
Change in fair value on available-for-sale investments, net of tax benefit of $ 19 and tax expense of $ 109 for the three months ended March 31, 2024 and 2023, respectively	(63)	324
Other comprehensive income, net of tax	(6,593)	4,037
Comprehensive income (loss)	$ 4,034	$ (3,590)

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Three months ended March 31,	
Cash flows from operating activities:	**2024**	**2023**
Net income (loss)	$ 10,627	$ (7,627)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	48,453	54,623
Non-cash operating lease costs	2,770	2,933
Share-based compensation	8,872	8,402
Provision for credit losses on accounts receivable	50	441
Deferred income taxes, net	(2,709)	(7,442)
Loss on sale of businesses	3,780	—
Loss from equity method investments	645	9,182
Unrealized loss on short-term investments held at the reporting date, net	10,705	20,345
Gain on investments, net	—	(357)
Other	1,278	2,776
Decrease (increase) in:		
Accounts receivable	55,365	27,626
Prepaid expenses and other current assets	(9,423)	(7,658)
Other assets	(2,078)	(2,048)
Increase (decrease) in:		
Accounts payable	(62,270)	6,922
Deferred revenue	15,169	12,085
Accrued liabilities and other current liabilities	(5,676)	(4,896)
Net cash provided by operating activities	75,558	115,307
Cash flows from investing activities:		
Purchases of property and equipment	(28,129)	(30,017)
Acquisition of businesses, net of cash received	(44,524)	(8,001)
Proceeds from sale of equity investments	—	3,174
Proceeds from sale of businesses, net of cash divested	1,238	—
Other	(66)	(3,947)
Net cash used in investing activities	(71,481)	(38,791)
Cash flows from financing activities:		
Repurchase of common stock	(3,923)	(2,875)
Deferred payments for acquisitions	(2,418)	(6,679)
Other	30	71
Net cash used in financing activities	(6,311)	(9,483)
Effect of exchange rate changes on cash and cash equivalents	(599)	1,676
Net change in cash and cash equivalents	(2,833)	68,709
Cash and cash equivalents at beginning of period	737,612	652,793
Cash and cash equivalents at end of period	$ 734,779	$ 721,502

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands, except share amounts)

	Three months ended March 31, 2024										
	Common stock				Additional paid-in		Retained		Accumulated other comprehensive		Total Stockholders'
	Shares		Amount		capital		earnings		loss		Equity
Balance, January 1, 2024	46,078,464	$	461	$	472,201	$	1,491,956	$	(71,620)	$	1,892,998
Net income	—		—		—		10,627		—		10,627
Other comprehensive loss, net of tax benefit of $ 19	—		—		—		—		(6,593)		(6,593)
Issuance of restricted stock, net	56,244		—		(5,152)		1,229		—		(3,923)
Share-based compensation	—		—		8,872		—		—		8,872
Other, net	—		—		5		26		—		31
Balance, March 31, 2024	46,134,708	$	461	$	475,926	$	1,503,838	$	(78,213)	$	1,902,012

	Three months ended March 31, 2023										
	Common stock				Additional paid-in		Retained		Accumulated other comprehensive		Total Stockholders'
	Shares		Amount		capital		earnings		loss		Equity
Balance, January 1, 2023	47,269,446	$	473	$	439,681	$	1,537,830	$	(85,373)	$	1,892,611
Net loss	—		—		—		(7,627)		—		(7,627)
Other comprehensive loss, net of tax expense of $ 109	—		—		—		—		4,037		4,037
Issuance of restricted stock, net	16,647		—		(3,336)		461		—		(2,875)
Share-based compensation	—		—		8,402		—		—		8,402
Other, net	—		—		66		1		—		67
Balance, March 31, 2023	47,286,093	$	473	$	444,813	$	1,530,665	$	(81,336)	$	1,894,615

See Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Overview

The accompanying Condensed Consolidated Financial Statements of Ziff Davis, Inc. and its direct and indirect wholly-owned subsidiaries (“Ziff Davis”, the “Company”, “our”, “us”, or “we”), were prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), and all adjustments considered necessary for a fair presentation have been included. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying interim Condensed Consolidated Financial Statements have been prepared in accordance with instructions for Form 10-Q and Article 10 of Regulation S-X issued by the Securities and Exchange Commission (“SEC”). The preparation of these Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Condensed Consolidated Financial Statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. All normal recurring adjustments necessary for a fair presentation of these interim Condensed Consolidated Financial Statements were made.

This Quarterly Report on Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") on February 26, 2024 and other filings with the SEC.

The results of operations for this interim period are not necessarily indicative of the operating results for the full year or for any future period.

Description of Business

Ziff Davis, Inc. is a vertically focused digital media and internet company whose portfolio includes brands in technology, shopping, gaming and entertainment, connectivity, health and wellness, cybersecurity, and martech. Our Digital Media business specializes in the technology, shopping, gaming and entertainment, connectivity, and healthcare markets, offering content, tools, and services to consumers and businesses. Our Cybersecurity and Martech business provides cloud-based subscription and license services to consumers and businesses including cybersecurity, privacy, and marketing technology.

Significant Accounting Policies

The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Form 10-K for the fiscal year ended December 31, 2023. For the three months ended March 31, 2024, there have been no new or material changes to the significant accounting policies discussed in the Company’s Form 10-K for the fiscal year ended December 31, 2023.

Recent Accounting Pronouncements

<u>*Recently issued applicable accounting pronouncements not yet adopted*</u>

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This update provides for optional financial reporting alternatives to reduce costs and complexities associated with accounting for contracts, hedging relationships, and other transactions affected by reference rate reform. This update applies only to contracts, hedging relationships, and other transactions that reference London Interbank Offer Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. The accommodations were available for all entities through December 31, 2022, with early adoption permitted. This update was later amended by ASU 2022-06.

In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* . This update defers the expiration date of Accounting Standards Codification (“ASC”) Topic 848 from December 31, 2022 to December 31, 2024. We are currently evaluating the effect the adoption of this update will have on our consolidated financial statements and related disclosures.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative.* The amendments in this update modify the disclosure or presentation requirements of a variety of Topics in the Codification. Certain of the amendments represent clarifications to or technical corrections of the current requirements. For entities subject to the SEC's existing disclosure requirements and entities required to file/furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the effective date for which each amendment will be the date on the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. For all other entities, amendments will be effective two years later. We are currently evaluating the impact the adoption of this update will have on our consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which provides for enhanced disclosures about significant segment expenses. In addition, the guidance enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment, and contains other disclosure requirements. The purpose of the guidance is to enable investors to better understand an entity's overall performance and assess potential future cash flows. The guidance is effective on December 31, 2024 and for prospective interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. Early adoption is permitted. This update will likely result in us including the additional required disclosures when adopted. We are currently evaluating the impact of these provisions and expect to adopt them for the year ended December 31, 2024.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in the update require public business entities on an annual basis to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold of equal to or greater than 5% of the amount computed by multiplying pretax income by statutory income tax rate. The amendments also require that entities disclose on an annual basis information about the amount of income taxes paid disaggregated by federal, state, and foreign taxes and the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal to or greater than 5% of total income taxes paid. The amendments eliminate some of the previously required disclosures for all entities relating to estimates of the change in unrecognized tax benefits reasonably possible within twelve months. The amendments in this update are effective on a prospective basis on December 31, 2024. Early adoption is permitted. This update will result in the required additional disclosures being included in our consolidated financial statements, once adopted. We are currently evaluating the effect the adoption of this update will have on our consolidated financial statements and related disclosures.

2. Revenues

Digital Media

Digital Media revenues are earned primarily from the delivery of advertising and performance marketing services, licensing, and subscriptions to services and information.

Advertising and Performance Marketing

Revenue from the delivery of advertising services is earned on websites that are owned and operated by us and on those websites that are part of Digital Media's advertising network. Depending on the individual contracts with the customer, revenue for these services is recognized over the contract period when any of the following performance obligations are satisfied: (i) when an advertisement is placed for viewing, (ii) when a qualified sales lead is delivered, (iii) when a visitor "clicks through" on an advertisement, or (iv) when commissions are earned upon the sale of an advertised product.

The Digital Media business also generates revenue from marketing, performance marketing, production services, and the management of client gift card programs. Such revenues are generally recognized over the period in which the products or services are delivered.

Subscription and Licensing

Revenue from subscriptions is earned through the granting of access to, or delivery of, data products or services to customers. Subscriptions cover video games and related content, health information, data, and other copyrighted material. Revenues are also earned from listing fees, subscriptions to online publications, and from other sources. Subscription revenues are primarily recognized over the contract term. Revenues related to the provision of access to historical data for certain services are recorded at the time of delivery.

The Digital Media business also generates revenues through the license of certain assets to clients. Assets are licensed for clients' use in their own promotional materials or otherwise and may include logos, editorial reviews, or other copyrighted material that represent symbolic intellectual property, as defined in ASC 606, *Revenue from Contracts with Customers*. Revenues under such license agreements are generally recognized over the contract term. In instances when technology assets in the form of functional intellectual property are licensed to our clients, revenues from the license of these assets are recognized at a point in time.

Digital Media subscription and licensing revenues include revenues from transactions involving the sale of perpetual software licenses, related software support, and maintenance. Revenue is recognized for software transactions with multiple performance obligations after (i) the contract has been approved and we are committed to perform the respective obligations and (ii) we can identify and quantify each obligation and its respective selling price. Once the respective performance obligations have been identified and quantified, revenue will be recognized when the obligations are met, either over time or at a point in time, depending on the nature of the obligation.

Revenues from software license performance obligations are generally recognized upfront at the point in time that the software is made available to the customer for download and use. Revenues from related software support and maintenance are generally recognized ratably over the contractual period, because technical support, unspecified software product upgrades, maintenance releases, and patches are provided to customers on an as needed basis and they are available during the term of the support period. We are obligated to make the support services available continuously throughout the contract period.

Other

Other revenues primarily include those from the sale of hardware used in conjunction with software described above, online course revenue, and game publishing revenue. Hardware product and related software performance obligations, such as an operating system or firmware, are highly interdependent and interrelated and are accounted for as a bundled performance obligation. The revenues for this bundled performance obligation are generally recognized at the point in time that the hardware and software products are delivered and ownership is transferred to the customer.

Cybersecurity and Martech

The Company's Cybersecurity and Martech revenues consist of subscription and licensing revenues which primarily include subscription and usage-based fees, a significant portion of which are paid in advance. The Company defers the portions of monthly, quarterly, semi-annual, and annual fees collected in advance of the satisfaction of performance obligations and recognizes them in the period earned.

Along with its numerous proprietary Cybersecurity and Martech solutions, the Company also generates subscription revenues by reselling various third-party solutions, primarily through its email security line of business. These third-party solutions, along with the Company's proprietary products, allow it to offer customers a variety of solutions to better meet the customer's needs.

Principal vs. Agent

The Company determines whether revenue should be reported on a gross or net basis by assessing whether the Company is acting as the principal or an agent in the transaction, respectively. The Company records revenue on a gross basis with respect to revenue generated (i) by the Company serving online display and video advertising across its owned and operated web properties, on third-party sites, or on unaffiliated advertising networks; (ii) through the Company's lead-generation business; and (iii) through the Company's subscriptions, including the resale of various third-party solutions, primarily through its email security line of business. The Company records revenue on a gross basis with respect to reseller revenue because the Company has control of the specified good or service prior to transferring control to the customer. The Company records revenue on a net basis with respect to revenue paid to the Company by certain third-party advertising networks who serve online display and video advertising across the Company's owned-and-operated web properties and certain third-party platforms, primarily related to the transfer of functional intellectual property. The Company records revenue on a net basis with respect to revenue earned from servicing the client gift card programs.

Disaggregated Revenues

Revenues from external customers classified by revenue source are as follows (in thousands).

	Three months ended March 31,	
	2024	2023
Digital Media		
Advertising and performance marketing	$ 156,096	$ 156,082
Subscription and licensing	73,467	69,148
Other	9,489	8,981
Total Digital Media revenues	$ 239,052	$ 234,211
Cybersecurity and Martech		
Subscription and licensing	$ 75,452	$ 73,016
Total Cybersecurity and Martech revenues	$ 75,452	$ 73,016
Elimination of inter-segment revenues	(19)	(85)
Total Revenues	$ 314,485	$ 307,142

The Company recorded $ 74.1 million and $ 65.1 million of revenue for the three months ended March 31, 2024 and 2023, respectively, which was previously included in the deferred revenue balance as of the beginning of each respective year.

Performance Obligations

The Company may be a party to multiple concurrent contracts with the same customers, or a party or parties related to those customers. Some of these situations may require judgment to determine if those arrangements should be accounted for as a single contract. Consideration of both the form and the substance of the arrangement is required. The Company’s contracts with customers may include multiple performance obligations, including contracts when advertising and licensing services are sold together.

The Company determines the transaction price based on the amount to which the Company expects to be entitled in exchange for services provided. The Company includes any fixed consideration within its contracts as part of the total transaction price. The Company’s contracts occasionally contain some component of variable consideration, such as commissions that are recognized in the period of the commissionable event. The Company does not include in the transaction price taxes assessed by a governmental authority that are (i) both imposed on and concurrent with a specific revenue-producing transaction and (ii) collected by us from the customer. Due to the nature of the services provided, there are no obligations for returns.

The Company satisfies its performance obligations upon delivery of services to its customers. Within the Digital Media business, the Company provides content to its advertising partners which the Company sells to its partners’ customer base and receives a revenue share based on the terms of the agreement.

Payment terms vary by type and location of our customers and the services offered. The time between invoicing and when payment is due is generally not significant.

Our Digital Media business consists primarily of performance obligations that are satisfied over time. This was determined based on a review of the contracts and the nature of the services offered, where the customer simultaneously receives and consumes the benefit of the services provided.

Revenue is recognized based on delivery of services over the contract period for advertising and on a straight-line basis or units of output basis over the contract period for subscriptions. The Company believes that the methods described are a faithful depiction of the transfer of goods and services.

The Digital Media business also has licensing arrangements that have standalone functionality. As a result, they are considered to be functional intellectual property where the performance obligations are satisfied at a point in time.

Our Cybersecurity and Martech business consists primarily of performance obligations that are satisfied over time. This has been determined based on the fact that the nature of services offered are subscription based where the customer simultaneously receives and consumes the benefit of the services provided regardless of whether the customer uses the services. Depending on the individual contracts with the customer, revenue for these services is recognized over the contract period when any of the following materially distinct performance obligations are satisfied:

- Voice, email marketing, and search engine optimization as services are delivered.
- Consumer privacy services and data backup capabilities are provided.
- Security solutions, including email and endpoint are provided.

The Company has concluded the best measure of progress toward the complete satisfaction of the performance obligation is a time-based measure. The Company recognizes revenue on a straight-line basis throughout the subscription period, or as usage occurs, or when functional intellectual property is delivered for services outside of the subscription, and believes that the method used is a faithful depiction of the transfer of goods and services.

Transaction Price Allocation to Future Performance Obligations

As of March 31, 2024, the aggregate amount of transaction price that is allocated to future performance obligations was approximately $ 44.1 million and is expected to be recognized as follows: 61 % by December 31, 2024, 30 % by December 31, 2025, and 9 % thereafter. The amount disclosed does not include revenues related to performance obligations that are part of contracts with original expected durations of twelve months or less or portions of the contracts that remain subject to cancellations. Further, the disclosure does not include contracts for which the Company recognizes revenue in proportion to the amount it has the right to invoice for services performed.

3. Business Acquisitions

The Company uses acquisitions as a strategy to grow its customer base by increasing its presence in new and existing markets, expanding and diversifying its service offerings, enhancing its technology, and acquiring skilled personnel.

For the three months ended March 31, 2024, the Company recorded $ 7.5 million of incremental revenue from the businesses acquired during the first quarter of 2023 and 2024. Net income contributed by these acquisitions was not separately identifiable due to the Company’s integration activities and is impracticable to provide.

2024 Acquisition

On February 5, 2024, we completed an acquisition of 100 % of the equity interest in TDS Gift Cards, a California-based digital gifting and branded payments platform, which is reported within our Digital Media segment and is expected to expand our ability to offer innovative shopping solutions to our merchant partners and broaden our capabilities to help facilitate commerce between consumers and some of the most highly visible brands. Total consideration for this transaction was $ 187.5 million, or $ 44.5 million, net of cash acquired.

The following table summarizes the allocation of the preliminary purchase consideration for the acquisition of TDS Gift Cards as of March 31, 2024 (in thousands):

Assets and Liabilities	Valuation
Cash	$ 142,957
Accounts receivable and other current assets	171,500
Intangible assets	101,754
Goodwill	85,901
Other assets	289
Accounts payable and other current liabilities	(290,272)
Deferred tax liability, noncurrent	(23,788)
Other noncurrent liabilities	(861)
Total	$ 187,480

The initial accounting for the 2024 acquisition is incomplete due to the timing of available information and is subject to change. The Company has recorded provisional amounts as of March 31, 2024.

The fair value of the assets acquired includes accounts receivable of $ 170.9 million, of which none is expected to be uncollectible. None of the goodwill recognized is expected to be deductible for income tax purposes.

The preliminary amounts assigned to intangible assets by type for the acquisition during the three months ended March 31, 2024 are summarized in the table below (in thousands):

	Gross Carrying Value		Weighted average estimated life
Customer relationships	$	82,762	10 years
Trade names and trademarks		1,716	2 years
Other purchased intangibles		17,276	10 years
Total gross carrying value	$	101,754	

The Condensed Consolidated Statement of Operations and the Condensed Consolidated Balance Sheet as of March 31, 2024, reflect the results of operations of the 2024 acquisition since the date of the acquisition.

2023 Acquisition

The Company completed an immaterial Digital Media acquisition during the three months ended March 31, 2023, paying the purchase price in cash.

The Condensed Consolidated Statement of Operations since the date of the acquisition, reflect the results of operations of the 2023 acquisition.

Goodwill recognized associated with this acquisition during the three months ended March 31, 2023 was $ 3.8 million, all of which is expected to be deductible for income tax purposes. Approximately $ 4.2 million of definite-lived intangibles were recorded in connection with the acquisition during the three months ended March 31, 2023.

4. Investments

Investments consist of equity and debt securities.

Investment in equity securities

On October 7, 2021, we completed the separation of our cloud fax business (the “Separation”) into an independent publicly traded company. Following the Separation, the Company retained shares of publicly traded common stock of Consensus Cloud Solutions, Inc. (“Consensus”). As of each of March 31, 2024 and December 31, 2023, the Company held approximately 1.0 million shares of the common stock of Consensus. As of March 31, 2024 and December 31, 2023, the carrying value of the investment in Consensus was $ 16.4 million and $ 27.1 million, respectively, and is included in ‘Short-term investments’ in the Condensed Consolidated Balance Sheets. The Company accounts for its investment in Consensus at fair value under the fair value option, and the related fair value gains and losses are recognized in earnings.

During the three months ended March 31, 2024 and 2023, the Company sold zero and 52,393 shares, respectively, of common stock of Consensus in the open market.

Losses on equity securities recorded in ‘Unrealized loss on short-term investments held at the reporting date, net’ in the Condensed Consolidated Statements of Operations consisted of the following (in thousands):

	Three months ended March 31,			
	2024		2023	
Net losses during the period	$	(10,705)	$	(19,988)
Less: gains on securities sold during the period		—		357
Unrealized losses recognized during the period on short-term investments held at the reporting date, net	$	(10,705)	$	(20,345)

On July 31, 2023, the Company entered into an agreement to purchase $ 25.0 million of equity in Xyla, Inc. (“Xyla”) for a minority ownership stake. This minority investment was made in the form of cash and shares of the Company’s common stock. The Company accounts for its investment in Xyla as an equity investment without a readily determinable fair value measured under the measurement alternative in accordance with ASC Topic 321, *Investments — Equity Securities*. As of each of March 31, 2024 and December 31, 2023, the carrying value of the investment in Xyla was $ 25.3 million, including transaction costs, and is included in ‘Long-term investments’ in the Condensed Consolidated Balance Sheets.

Investment in corporate debt security

On April 12, 2022, the Company entered into an agreement with an entity to acquire 4 % convertible notes with an aggregate value of $ 15.0 million. On May 19, 2023, the Company entered into the Note Amendment Agreement (the "Amendment") with respect to the same entity. The Amendment increased the interest rate on the convertible notes to 6 %, extended the maturity date, and subordinated all existing and future obligations, liabilities, and indebtedness of the entity to the entity's senior creditor, as defined in the Amendment. This investment is included in 'Long-term investments' in the Condensed Consolidated Balance Sheets and is classified as available-for-sale. The investment was initially measured at its transaction price and subsequently remeasured at fair value, with unrealized gains and losses reported as a component of other comprehensive income.

As of March 31, 2024, both the carrying value and the maximum exposure of the Company's investment in corporate debt securities was approximately $ 15.6 million, with a contractual maturity date that was more than one year but less than five years . As of December 31, 2023, both the carrying value and the maximum exposure of the Company's investment in corporate debt securities was approximately $ 15.7 million, with a contractual maturity date that was more than one year but less than five years . Cumulative gross unrealized gains on investment in corporate debt securities as of March 31, 2024 and December 31, 2023 were approximately $ 0.6 million and $ 0.7 million, respectively.

There were no investments in an unrealized loss position as of March 31, 2024 and December 31, 2023.

During the three months ended March 31, 2024 and 2023, the Company did not recognize any other-than-temporary impairment losses on its debt securities.

Equity method investment

On September 25, 2017, the Company entered into a commitment to invest in OCV Fund I, LP (the "OCV Fund"). The Company recognizes its equity in the net earnings or losses relating to the investment in the OCV Fund on a one-quarter lag due to the timing and availability of financial information from the OCV Fund. If the Company becomes aware of a significant decline in value that is other-than-temporary, the loss will be recorded in the period in which the Company identifies the decline.

During the three months ended March 31, 2024 and 2023, the Company recognized a loss from equity method investment, net of income taxes of $ 0.6 million and $ 9.2 million, net of tax expense (benefit), respectively. The losses in the periods presented were primarily the result of losses in the underlying investments.

As of March 31, 2024, both the carrying value and the maximum exposure of the Company's equity method investment was approximately $ 99.0 million. As of December 31, 2023, both the carrying value and the maximum exposure of the Company's equity method investment was approximately $ 99.9 million. These equity securities are included in 'Long-term investments' in our Condensed Consolidated Balance Sheets.

As a limited partner, the Company's maximum exposure to loss is limited to its proportional ownership in the partnership. In addition, the Company is not required to contribute any future capital. Finally, there are no call or put options, or other types of arrangements, which limit the Company's ability to participate in losses and returns of the OCV Fund.

5. Fair Value Measurements

The Company complies with the provisions of ASC 820, which defines fair value, provides a framework for measuring fair value and expands the disclosures required for fair value measurements of financial and non-financial assets and liabilities. ASC 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value.

- § Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- § Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- § Level 3 – Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Recurring Fair Value Measurements

The Company's money market funds are classified within Level 1. The Company values these Level 1 investments using quoted market prices.

The investment in Consensus common stock is an investment in equity securities for which the Company elected the fair value option, and the fair value of the investment in Consensus common stock and subsequent fair value changes are included in our assets of and results from continuing operations, respectively. As of March 31, 2024 and December 31, 2023, our investment in Consensus common stock was remeasured at fair value based on Consensus' closing stock price and had a balance of $ 16.4 million and $ 27.1 million, respectively, in the Condensed Consolidated Balance Sheets. For the three months ended March 31, 2024 and 2023, the unrealized losses of $ 10.7 million and $ 20.3 million, respectively, were recorded in the Condensed Consolidated Statement of Operations. The fair value of the investment in Consensus common stock is determined using the quoted market prices, which is a Level 1 input.

The Company's investment in certificates of deposit are classified within Level 2. The Company values these Level 2 investments based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data.

The Company has investment in a corporate debt security that does not have a readily determinable fair value because the acquired securities are privately held, not traded on any public exchanges and not an investment in a mutual fund or similar investment. The investment in corporate debt securities is classified as available-for-sale and is initially measured at its transaction price. The fair value of the corporate debt securities is determined primarily based on estimates and assumptions, including Level 3 inputs. As of March 31, 2024 and December 31, 2023, the fair value was determined based upon various probability-weighted scenarios which included discount rate assumptions between 13 % and 14 %, depending on the probability scenario. In addition, the determination of fair value included a conversion timeframe of approximately one to three years , depending on the probability scenario, as of March 31, 2024 and as of December 31, 2023.

The Company classifies its contingent consideration liability in connection with acquisitions within Level 3 because factors used to develop the estimated fair value are unobservable inputs, such as volatility and market risks, and are not supported by market activity. The valuation approaches used to value Level 3 investments considers unobservable inputs in the market such as time to liquidity, volatility, dividend yield, and breakpoints. Significant increases or decreases in any of the inputs in isolation could result in a significantly lower or higher fair value measurement.

As of each of March 31, 2024 and December 31, 2023, the contingent consideration was determined using a 100% probability of payout at the maximum amount, without any other estimates applied.

The following tables present the fair values of the Company's financial assets or liabilities that are measured at fair value on a recurring basis (in thousands):

March 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Fair Value**	**Carrying Value**
Assets:					
Cash equivalents:					
Money market and other funds	$ 272,847	$ —	$ —	$ 272,847	$ 272,847
Certificates of deposit	—	2,304	—	2,304	2,304
Short-term investments:					
Consensus common stock	16,404	—	—	16,404	16,404
Long-term investments:					
Investment in corporate debt securities	—	—	15,617	15,617	15,617
Total assets measured at fair value	$ 289,251	$ 2,304	$ 15,617	$ 307,172	$ 307,172
Liabilities:					
Contingent consideration	$ —	$ —	$ 2,834	$ 2,834	$ 2,834
Total liabilities measured at fair value	$ —	$ —	$ 2,834	$ 2,834	$ 2,834

December 31, 2023	Level 1	Level 2	Level 3	Fair Value	Carrying Value
Assets:					
Cash equivalents:					
Money market and other funds	$ 340,928	$ —	$ —	$ 340,928	$ 340,928
Short-term investments:					
Consensus common stock	27,109	—	—	27,109	27,109
Long-term investments:					
Investment in corporate debt securities	—	—	15,699	15,699	15,699
Total assets measured at fair value	$ 368,037	$ —	$ 15,699	$ 383,736	$ 383,736
Liabilities:					
Contingent consideration	$ —	$ —	$ 2,834	$ 2,834	$ 2,834
Total liabilities measured at fair value	$ —	$ —	$ 2,834	$ 2,834	$ 2,834

At the end of each reporting period, management reviews the inputs to the fair value measurements of financial and non-financial assets and liabilities to determine when transfers between levels are deemed to have occurred. For the three months ended March 31, 2024 and 2023, there were no transfers that occurred between levels.

The following table presents a reconciliation of the Company's Level 3 financial assets related to our contingent consideration arrangements and investment in corporate debt securities that are measured at fair value on a recurring basis (in thousands):

	Three months ended March 31,			
	2024		2023	
	Contingent Consideration Arrangements	Corporate Debt Securities	Contingent Consideration Arrangements	Corporate Debt Securities
Balance as of January 1	$ 2,834	$ 15,699	$ 555	$ 15,586
Fair value adjustments [(1)]	—	(82)	—	433
Balance as of March 31	$ 2,834	$ 15,617	$ 555	$ 16,019

(1) The fair value adjustments to the corporate debt securities in the table above were recorded in 'Change in fair value on available-for-sale investments, net' in the Condensed Consolidated Statements of Comprehensive Income (Loss) during the three months ended March 31, 2024 and 2023.

Nonrecurring Fair Value Measurements

The Company's non-financial assets, such as goodwill, intangible assets, right-of-use assets, and property, plant and equipment, are adjusted to fair value only when an impairment is recognized. The Company's financial assets, comprised of equity securities without readily determinable fair value, are adjusted to fair value when observable price changes are identified or due to impairment. Such fair value measurements are based predominately on Level 3 inputs.

Other Fair Value Disclosures

The fair value of the Company's 4.625 % Senior Notes and 1.75 % Convertible Notes (as defined in Note 7 — *Debt*) was determined using quoted market prices or dealer quotes for instruments with similar maturities and other terms and credit ratings, which are Level 1 inputs. If such information is not available for the 1.75 % Convertible Notes, the fair value is determined using cash-flow models of the scheduled payments discounted at market interest rates for comparable debt without the conversion feature.

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes:

	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
4.625 % Senior Notes	$ 456,898	$ 414,467	$ 456,796	$ 405,408
1.75 % Convertible Notes	$ 544,986	$ 519,233	$ 544,516	$ 519,492

6. Goodwill and Intangible Assets

Goodwill

The changes in carrying amounts of goodwill for the three months ended March 31, 2024 are as follows (in thousands):

	Digital Media	Cybersecurity and Martech	Consolidated
Balance as of January 1, 2024	$ 1,016,880	$ 529,185	$ 1,546,065
Goodwill acquired [(1)]	85,900	—	85,900
Goodwill removed due to sale of businesses [(2)]	(3,983)	—	(3,983)
Foreign exchange translation	(1,188)	(2,166)	(3,354)
Balance as of March 31, 2024	$ 1,097,609	$ 527,019	$ 1,624,628

(1) Goodwill recognized in connection with the acquisition during the three months ended March 31, 2024 (see Note 3 — *Business Acquisitions*).

(2) During the three months ended March 31, 2024, in a cash transaction, the Company sold an international asset at Digital Media within its shopping vertical, which resulted in $ 4.0 million of goodwill being removed in connection with this sale.

Goodwill as of each of March 31, 2024 and December 31, 2023 reflects accumulated impairment losses of $ 84.2 million in the Digital Media reportable segment. Following an impairment in 2023 to a reporting unit within the Digital Media reportable segment, there was no excess of reporting unit fair value over the carrying amount. As such, since this last impairment test, any further decrease in estimated fair value would result in an additional impairment charge to goodwill. Changes in market conditions, and key assumptions made in future quantitative assessments, including expected cash flows, competitive factors and discount rates, could negatively impact the results of future impairment testing and could result in the recognition of an impairment charge. As of March 31, 2024, this reporting unit had goodwill of approximately $ 79.2 million.

Intangible Assets Subject to Amortization

As of March 31, 2024, intangible assets subject to amortization relate primarily to the following (in thousands):

	Historical Cost	Accumulated Amortization	Net
Trade names and trademarks	$ 349,490	$ 199,293	$ 150,197
Customer relationships	774,154	569,148	205,006
Other purchased intangibles	396,962	351,603	45,359
Total	$ 1,520,606	$ 1,120,044	$ 400,562

As of December 31, 2023, intangible assets subject to amortization relate primarily to the following (in thousands):

	Historical Cost	Accumulated Amortization	Net
Trade names and trademarks	$ 347,895	$ 192,111	$ 155,784
Customer relationships	692,634	555,384	137,250
Other purchased intangibles	379,703	347,331	32,372
Total	$ 1,420,232	$ 1,094,826	$ 325,406

Amortization expense, included in 'General, administrative, and other related costs' in our Condensed Consolidated Statements of Operations, was approximately $ 26.3 million and $ 33.3 million for the three months ended March 31, 2024 and 2023, respectively.

7. Debt

Long-term debt consists of the following (in thousands):

	March 31, 2024	December 31, 2023
4.625 % Senior Notes	$ 460,038	$ 460,038
1.75 % Convertible Notes	550,000	550,000
Total Notes	1,010,038	1,010,038
Credit Agreement	—	—
Less: Unamortized discount	(2,386)	(2,463)
Deferred issuance costs (1)	(5,768)	(6,263)
Total long-term debt	$ 1,001,884	$ 1,001,312

(1) Includes $ 5.0 million and $ 5.5 million of carrying amount of deferred issuance costs on the 1.75 % Convertible Notes as of March 31, 2024 and December 31, 2023, respectively, and $ 0.8 million and $ 0.8 million of carrying amount of deferred issuance costs on the 4.625 % Senior Notes as of March 31, 2024 and December 31, 2023, respectively.

As of March 31, 2024, $ 550.0 million of principal will mature in 2026 and $ 460.0 million of principal will mature in 2030.

4.625 % Senior Notes

On October 7, 2020, the Company completed the issuance and sale of $ 750.0 million aggregate principal amount of its 4.625 % senior notes due 2030 (the " 4.625 % Senior Notes") in a private placement offering exempt from the registration requirements of the Securities Act of 1933, as amended. The Company received proceeds of $ 742.7 million after deducting the initial purchasers' discounts, commissions and offering expenses. The net proceeds were used to redeem all of its then outstanding 6.0 % Senior Notes due in 2025 and, the remaining net proceeds were available for general corporate purposes which may include acquisitions and the repurchase or redemption of other outstanding indebtedness.

These senior notes bear interest at a rate of 4.625 % per annum, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2021. The 4.625 % Senior Notes mature on October 15, 2030, and are senior unsecured obligations of the Company which are guaranteed, jointly and severally, on an unsecured basis by certain of the Company's existing and future domestic direct and indirect wholly-owned subsidiaries (collectively, the "Guarantors"). If the Company or any of its restricted subsidiaries acquires or creates a domestic restricted subsidiary, other than an Insignificant Subsidiary (as defined in the indenture pursuant to which the 4.625 % Senior Notes were issued (the "Indenture")), after the issue date, or any Insignificant Subsidiary ceases to fit within the definition of Insignificant Subsidiary, such restricted subsidiary is required to unconditionally guarantee, jointly and severally, on an unsecured basis, the Company's obligations under the 4.625 % Senior Notes.

The Company may redeem some or all of the 4.625 % Senior Notes at any time on or after October 15, 2025 at specified redemption prices plus accrued and unpaid interest, if any, up to, but excluding the redemption date. In addition, at any time prior to October 15, 2025, the Company may redeem some or all of the 4.625 % Senior Notes at a price equal to 100 % of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus an applicable "make-whole" premium. The discount and deferred issuance costs are being amortized, at an effective interest rate of 4.7 %, to interest expense through the maturity date.

The Indenture contains covenants that restrict the Company's ability to (i) pay dividends or make distributions on the Company's common stock or repurchase the Company's capital stock; (ii) make certain restricted payments; (iii) create liens or enter into sale and leaseback transactions; (iv) enter into transactions with affiliates; (v) merge or consolidate with another company; and (vi) transfer and sell assets. These covenants contain certain exceptions. Restricted payments are applicable only if the Company and subsidiaries designated as restricted subsidiaries have a net leverage ratio of greater than 3.5 to 1.0. In addition, if such net leverage ratio is in excess of 3.5 to 1.0, the restriction on restricted payments is subject to various exceptions, including the total aggregate amount not exceeding the greater of (A) $ 250 million and (B) 50.0 % of EBITDA for the most recently ended four fiscal quarter period ended immediately prior to such date for which internal financial statements are available. The Company is in compliance with its debt covenants for the 4.625 % Senior Notes as of March 31, 2024.

Cumulatively as of March 31, 2024, the Company has repurchased approximately $ 290 million in aggregate principal of its 4.625 % Senior Notes. There were no repurchases of 4.625 % Senior Notes during the three months ended March 31, 2024 and March 31, 2023.

1.75 % Convertible Notes

On November 15, 2019, the Company issued $ 550.0 million aggregate principal amount of 1.75 % convertible senior notes due November 1, 2026 (the " 1.75 % Convertible Notes"). The Company received proceeds of $ 537.1 million in cash, net of purchasers' discounts and commissions and other debt issuance costs. A portion of the net proceeds were used to pay off all amounts outstanding under the then-existing credit facility. The 1.75 % Convertible Notes bear interest at a rate of 1.75 % per annum, payable semiannually in arrears on May 1 and November 1 of each year, beginning on May 1, 2020. The 1.75 % Convertible Notes will mature on November 1, 2026, unless earlier converted or repurchased.

Holders may surrender their 1.75 % Convertible Notes for conversion at any time prior to the close of business on the business day immediately preceding July 1, 2026 only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on March 31, 2020 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding the calendar quarter is greater than 130 % of the applicable conversion price of the 1.75 % Convertible Notes on each such applicable trading day; (ii) during the five business day period following any 10 consecutive trading day period in which the trading price per $1,000 principal amount of 1.75 % Convertible Notes for each trading day of the measurement period was less than 98 % of the product of the last reported sale price of the Company's common stock and the applicable conversion rate on each such trading day; or (iii) upon the occurrence of specified corporate events. On or after July 1, 2026, and prior to the close of business on the business day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, regardless of the foregoing circumstances. The Company will settle conversions of the 1.75 % Convertible Notes by paying or delivering, as the case may be, cash, shares of the Company's common stock or a combination thereof at the Company's election. The Company currently intends to satisfy its conversion obligation by paying and delivering a combination of cash and shares of the Company's common stock. Holders of the notes will have the right to require the Company to repurchase for cash all or any portion of their notes upon the occurrence of certain corporate events, subject to certain conditions. As of March 31, 2024 and December 31, 2023, the market trigger conditions did not meet the conversion requirements of the 1.75 % Convertible Notes and, accordingly, the 1.75 % Convertible Notes are classified as long-term debt on our Condensed Consolidated Balance Sheets.

As of March 31, 2024, the conversion rate is 9.3783 shares of the Company's common stock for each $1,000 principal amount of 1.75 % Convertible Notes (or 5,158,071 shares), which represents a conversion price of approximately $ 106.63 per share of the Company's common stock. The conversion rate is subject to adjustment for certain events as set forth in the indenture governing the 1.75 % Convertible Notes, but will not be adjusted for accrued interest. In addition, upon the occurrence of a "Make-Whole Fundamental Change" (as defined in the 1.75 % Convertible Note Indenture), the Company will increase the conversion rate for a holder that elects to convert its 1.75 % Convertible Notes in connection with such a corporate event in certain circumstances.

The Company may not redeem the 1.75 % Convertible Notes prior to November 1, 2026, and no sinking fund is provided for the 1.75 % Convertible Notes.

The 1.75 % Convertible Notes are the Company's general senior unsecured obligations and rank: (i) senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 1.75 % Convertible Notes; (ii) equal in right of payment to the Company's existing and future indebtedness that is not so subordinated; (iii) effectively junior to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) structurally junior to all existing and future indebtedness and other liabilities incurred by the Company's subsidiaries.

The following table provides the components of interest expense related to the 1.75 % Convertible Notes (in thousands):

	Three months ended March 31,	
	2024	**2023**
Contractual interest expense	$ 2,406	$ 2,406
Amortization of deferred issuance costs	470	466
Total interest expense related to 1.75 % Convertible Notes	$ 2,876	$ 2,872

Accounting for the 1.75 % Convertible Notes

In connection with the issuance of the 1.75 % Convertible Notes, the Company incurred $ 12.9 million in deferred issuance costs, which primarily consisted of the underwriters' discount, legal and other professional service fees. Of the total deferred issuance costs incurred, $ 10.1 million was attributable to the liability component and is being amortized at an effective interest rate of 5.5 %, to interest expense through the maturity date. The remaining $ 2.8 million of the deferred issuance costs was netted with the equity component in additional paid-in capital at the issuance date. Upon adoption of ASU 2020-06 using the modified retrospective approach, the Company reclassified the $ 2.8 million from additional paid-in-capital to long-term liability and recorded a cumulative adjustment to retained earnings for amortization from the issuance date through January 1, 2022.

Credit Agreement

On April 7, 2021, the Company entered into a $ 100.0 million credit agreement (as amended, the "Credit Agreement"). Subject to certain conditions and approvals, the Company may, from time to time, request increases in the commitments under the Credit Agreement in an aggregate amount up to $ 250.0 million, for a total aggregate commitment of up to $ 350.0 million. The final maturity of the credit facility will occur on April 7, 2026.

At the Company's option, amounts borrowed under the Credit Agreement will bear interest at either (i) a base rate equal to the greater of (x) the Federal Funds Effective Rate (as defined in the Credit Agreement) in effect on such day plus 0.5 % per annum, (y) the rate of interest per annum most recently announced by the Agent (as defined in the Credit Agreement) as its U.S. Dollar "Reference Rate" and (z) one month Term SOFR (as defined in the Credit Agreement) plus a credit spread adjustment plus 1.00 % or (ii) a rate per annum equal to Term SOFR plus a credit spread adjustment, in each case, plus an applicable margin. The applicable margin relating to any base rate loan will range from 0.50 % to 1.25 % and the applicable margin relating to any Term SOFR loan will range from 1.50 % to 2.25 %, in each case, depending on the total leverage ratio of the Company. The Company is permitted to make voluntary prepayments of the Credit Facility at any time without payment of a premium or penalty. The Credit Agreement is secured by an associated collateral agreement that provides for a lien on the majority of the Company's assets and the assets of the guarantors, in each case, subject to customary exceptions. As of March 31, 2024, there were no amounts outstanding under the Credit Agreement.

The Credit Agreement contains financial maintenance covenants, including (i) a maximum total leverage ratio as of the last date of any fiscal quarter not to exceed 4.00 :1.00 for the Company and its restricted subsidiaries and (ii) a minimum interest coverage ratio as of the last date of any fiscal quarter not less than 3.00 :1.00 for the Company and its restricted subsidiaries. The Credit Agreement also contains restrictive covenants that limit, among other things, the Company's and its restricted subsidiaries' ability to incur additional indebtedness, create, incur or assume liens, consolidate, merge, liquidate or dissolve, pay dividends or make other distributions or other restricted payments, make or hold certain investments, enter into certain transactions with affiliates, sell assets other than on terms specified by the Credit Agreement, amend the terms of certain other indebtedness and organizational documents, and change their lines of business and fiscal years, in each case, subject to customary exceptions. The Credit Agreement also sets forth customary events of default, including, among other things, the failure to make timely payments under the credit facility, the failure to satisfy certain covenants, cross-default and cross-acceleration to other material debt for borrowed money, the occurrence of a change of control, and specified events of bankruptcy and insolvency. The Company is in compliance with its debt covenants for the Credit Agreement as of March 31, 2024.

8. Commitments and Contingencies

Commitments

In the ordinary course of business, the Company enters into commitments including those related to cloud computing, information technology, security, and information and document management. The Company also has revenue sharing arrangements with annual minimum guarantees based upon third-party website advertising metrics and other contractual provisions.

Litigation

From time to time, the Company and its affiliates are involved in litigation and other legal disputes or regulatory inquiries that arise in the ordinary course of business. Any claims or regulatory actions against the Company and its affiliates, whether meritorious or not, could be time consuming and costly, and could divert significant operational resources. The outcomes of such matters are subject to inherent uncertainties, carrying the potential for unfavorable rulings that could include monetary damages and injunctive relief.

On July 8, 2020, Jeffrey Garcia filed a putative class action lawsuit against the Company in the Central District of California (20-cv-06096), alleging violations of federal securities laws. The court appointed a lead plaintiff. The Company moved to dismiss the consolidated class action complaint. The court granted the motion to dismiss and the plaintiff filed an amended complaint. The Company moved to dismiss the amended complaint. On August 8, 2022, the court granted the Company's motion to dismiss the amended complaint without leave to amend. The lead plaintiff appealed the dismissal. On April 19, 2024, the Ninth Circuit Court of Appeals affirmed the dismissal.

On December 11, 2020, Danning Huang filed a lawsuit in the District of Delaware (20-cv-01687-LPS) asserting derivative claims against directors of the Company and other third parties. The lawsuit alleges violations of Section 14(a), Section 10(b), Section 20(a) and Rule 10b-5 of the Securities Exchange Act of 1934, as well as breach of fiduciary duty, unjust enrichment and abuse of control.

On March 24, 2021, Fritz Ringling filed a lawsuit in the District of Delaware (21-cv-00421-UNA) asserting substantially similar derivative claims, and on April 8, 2021, the district court consolidated the two actions under the caption In re J2 Global Stockholder Derivative Litigation. No.: 20-cv-01687-LPS. As part of the settlement of the Chancery Court Derivative Action described above, the Company and its directors and officers intend to defend against the remaining claims in these other actions.

The Company does not believe, based on current knowledge, that the foregoing legal proceedings or claims, after giving effect to existing accrued liabilities, are likely to have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows. However, depending on the amount and timing, an unfavorable resolution of some or all of these matters could have a material effect on the Company's consolidated financial position, results of operations, or cash flows in a particular period.

The Company has not accrued for any material loss contingencies relating to these legal proceedings because materially unfavorable outcomes are not considered probable by management. It is the Company's policy to expense as incurred legal fees related to various litigations.

Non-Income Related Taxes

The Company does not collect and remit sales and use, telecommunication, or similar taxes and fees in certain jurisdictions where the Company believes such taxes are not applicable or legally required. Several states and other taxing jurisdictions have presented or threatened the Company with assessments, alleging that the Company is required to collect and remit such taxes there. The Company is currently under audit or is subject to audit for indirect taxes in various states, municipalities, and foreign jurisdictions. The Company recognizes a liability for these matters when it is probable that an obligation exists and the amount can be reasonably estimated based on all relevant information that is available at each reporting period.

The Company established reserves for these matters of $ 28.1 million as of each of March 31, 2024 and December 31, 2023, respectively, which are included in 'Accounts payable' and 'Other long-term liabilities' on the Condensed Consolidated Balance Sheet. It is reasonably possible that additional liabilities could be incurred resulting in additional expense, which could have a material impact to our financial results.

9. Income Taxes

The Company’s tax provision for interim periods is determined using an estimate of the Company’s annual effective tax rate adjusted for discrete interim period tax impacts. Each quarter the Company updates its estimated annual effective tax rate and, if the estimate changes, makes a cumulative adjustment. The Company’s effective tax rate was 42.2 % and (65.6)% for the three months ended March 31, 2024 and 2023, respectively.

The Company’s effective tax rate for the three months ended March 31, 2024 was impacted disproportionately by the recognition of a valuation allowance against a portion of its U.S. capital loss carryforwards, which resulted in a discrete tax charge of $ 3.2 million.

The Company’s effective tax rate for the three months ended March 31, 2023 was impacted disproportionately due to the unrealized loss on the Company’s investment in Consensus, net of the gain on investment, during the first quarter of 2023, which resulted in a discrete tax benefit of approximately $ 5.0 million. Additionally, the Company recognized a discrete tax benefit of approximately $ 1.0 million related to the release of reserves for uncertain tax positions.

As of March 31, 2024 and December 31, 2023, the Company had $ 36.6 million and $ 36.1 million, respectively, in liabilities for uncertain income tax positions included in ‘Other long-term liabilities’ on the Condensed Consolidated Balance Sheets. Accrued interest and penalties related to unrecognized tax benefits are recognized in income tax expense in our Condensed Consolidated Statement of Operations.

Certain taxes are prepaid during the year and, where appropriate, included in ‘Prepaid expenses and other current assets’ in our Condensed Consolidated Balance Sheets. As of March 31, 2024 and December 31, 2023, the Company’s prepaid taxes were $ 3.4 million and $ 4.7 million, respectively.

10. Stockholders’ Equity

On August 6, 2020, the Company’s Board of Directors approved a program authorizing the repurchase of up to ten million shares of the Company’s common stock through August 6, 2025 (the “2020 Program”). The Company entered into certain Rule 10b5-1 trading plans to execute repurchases under the 2020 Program. During the three months ended March 31, 2024 and 2023, no shares were repurchased under the 2020 Program. Cumulatively as of March 31, 2024, 5,258,692 shares were repurchased under the 2020 Program, at an aggregate cost of $ 401.8 million (including excise tax). As a result of the repurchases, the number of shares of the Company’s common stock available for purchase as of March 31, 2024 was 4,741,308 shares.

Periodically, participants in the Company’s stock plans surrender to the Company shares of stock to pay the exercise price or to satisfy tax withholding obligations arising upon the exercise of stock options or the vesting of restricted stock and restricted stock units. During the three months ended March 31, 2024 and 2023, the Company purchased and retired 58,237 and 36,652 shares at an aggregate cost of approximately $ 3.9 million and $ 2.9 million, resp ectively, from plan participants for this purpose.

11. Share-Based Compensation

The Company’s share-based compensation plans include the 2015 Stock Option Plan (the “2015 Plan”) and 2001 Employee Stock Purchase Plan (the “Purchase Plan”). Each plan is described below.

The 2015 Plan provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units, and other share-based awards. 4,200,000 shares of the Company’s common stock are authorized to be used for 2015 Plan purposes. Options under the 2015 Plan may be granted at exercise prices determined by the Board of Directors, provided that the exercise prices shall not be less than the higher of the par value or 100 % of the fair market value of the Company’s common stock subject to the option on the date the option is granted. As of March 31, 2024, 435,135 shares underlying options and 726,367 shares of restricted stock units were outstanding under the 2015 Plan. At March 31, 2024, there were 126,565 additional shares underlying options, shares of restricted stock and other share-based awards available for grant under the 2015 Plan.

Share-Based Compensation Expense

The following table presents the effects of share-based compensation expense in the Condensed Consolidated Statements of Operations during the periods presented (in thousands):

	Three months ended March 31,	
	2024	**2023**
Direct costs	$ 61	$ 76
Sales and marketing	758	924
Research, development, and engineering	1,090	783
General, administrative, and other related costs	6,963	6,619
Total share-based compensation expense	$ 8,872	$ 8,402

Restricted Stock and Restricted Stock Units

The Company has awarded restricted stock and restricted stock units to its Board of Directors and senior staff pursuant to certain share-based compensation plans. Compensation expense resulting from restricted stock and restricted unit grants is measured at fair value on the date of grant and is recognized as share-based compensation expense over the applicable vesting period. Vesting periods are approximately one year for awards to members of the Company's Board of Directors, generally three to four years for senior staff (excluding market-based awards discussed below) and three to eight years for the Chief Executive Officer. The Company granted 347,275 and 271,614 shares of restricted stock units (excluding awards with market conditions below) ("RSUs") during the three months ended March 31, 2024 and 2023, respectively.

The Company has awarded certain key employees market-based restricted stock ("PSAs") and market-based restricted stock units ("PSUs") pursuant to the 2015 Plan. Market-based awards granted prior to 2024 have vesting conditions that are based on specified stock price targets of the Company's common stock. Market conditions were factored into the grant date fair value using a Monte Carlo valuation model, which utilized multiple input variables to determine the probability of the Company achieving the specified stock price targets with a 20 -day and 30 -day look back (trading days). During the three months ended March 31, 2023, the Company awarded 167,606 PSUs at stock price targets ranging from $ 83.61 to $ 103.76 per share.

During the three months ended March 31, 2024, the Company awarded 308,970 equity classified PSUs that vest in shares of the Company's stock ranging from 0 % to 200 % of the award based on the Company's attainment of a relative Total Shareholder Return ("TSR") target compared to the TSR of all listed companies in a market index over the respective one, two, and three-year performance periods. Market conditions were factored into the grant date fair value using a Monte Carlo valuation model, which utilized multiple input variables to determine the probability of the Company and all listed companies in a market index achieving the relative TSR targets.

Share-based compensation expense related to an award with a market condition will be recognized over the requisite service period using the graded-vesting method regardless of whether the market condition is satisfied, provided that the requisite service period has been completed.

The per share weighted average grant-date fair value for the PSUs granted during the three months ended March 31, 2024 and 2023 were $ 87.17 and $ 70.07 , respectively.

The assumptions used in determining the weighted-average fair values of PSUs granted are as follows:

	Three months ended March 31,	
	2024	**2023**
Underlying stock price at valuation date	$ 66.88	$ 77.80
Expected volatility	32.9 %	32.0 %
Risk-free interest rate	4.3 %	4.1 %

Restricted stock award activity for the three months ended March 31, 2024 is set forth below:

	RSAs		PSAs	
	Number of Shares	**Weighted Average Grant Date Fair Value**	**Number of Shares**	**Weighted Average Grant Date Fair Value**
Nonvested at January 1, 2024	95,718	$ 70.17	163,181	$ 36.27
Vested	(36,330)	70.92	—	—
Forfeited	(154)	77.75	—	—
Nonvested at March 31, 2024	59,234	$ 69.69	163,181	$ 36.27

Restricted stock unit activity for the three months ended March 31, 2024 is set forth below:

	RSUs		PSUs	
	Number of Shares	**Weighted Average Grant Date Fair Value**	**Number of Shares (1)**	**Weighted Average Grant Date Fair Value**
Outstanding at January 1, 2024	506,425	$ 88.36	270,772	$ 77.09
Granted	347,275	66.87	308,970	87.17
Vested	(114,635)	86.29	—	—
Forfeited	(12,698)	82.28	(6,015)	75.96
Outstanding at March 31, 2024	726,367	$ 78.49	573,727	$ 82.53

(1) Represents the number of shares at 100% achievement.

As of March 31, 2024, the Company had unrecognized share-based compensation cost of approximately $ 84.1 million associated with these restricted stock awards and restricted stock units. This cost is expected to be recognized over a weighted-average period of 1.8 years for RSAs and PSAs and 2.6 years for RSUs and PSUs.

12. Earnings Per Share

The components of basic and diluted earnings (loss) per share are as follows (in thousands, except share and per share data):

	Three months ended March 31,	
	2024	2023
Numerator for basic and diluted net income (loss) per common share:		
Net income (loss)	$ 10,627	$ (7,627)
Plus: 1.75 % Convertible Notes interest expense (after-tax)	—	—
Net income (loss) available to the Company's common shareholders	$ 10,627	$ (7,627)
Denominator:		
Basic weighted-average outstanding shares of common stock	45,860,033	46,987,249
Diluted effect of:		
Equity incentive plans	95,332	—
Convertible debt	—	—
Diluted weighted-average outstanding shares of common stock	45,955,365	46,987,249
Net income (loss) per share:		
Basic	$ 0.23	$ (0.16)
Diluted	$ 0.23	$ (0.16)

For the three months ended March 31, 2024 and 2023, there were 846,160 and 1,830,097 shares, respectively, of stock options and restricted stock excluded from the calculation of diluted shares as they were anti-dilutive primarily due to the average stock price during the 2024 period and the net loss during the 2023 period. During each of the three months ended March 31, 2024 and 2023, 5,158,071 , shares related to convertible debt were excluded from diluted shares because they were anti-dilutive under the if-converted method for the diluted net income per share calculation of the convertible debt instrument.

13. Segment Information

The Company's businesses are based on the organizational structure used by the chief operating decision maker ("CODM"). The Company aggregates its operating segments into two reportable segments: Digital Media and Cybersecurity and Martech.

The accounting policies of the businesses are the same as those described in the Company's Annual Report on Form 10-K filed with the SEC on February 26, 2024. The Company evaluates performance based on revenue and profit or loss from operations.

Information on reportable segments and reconciliation to income from operations is as follows (in thousands):

	Three months ended March 31, 2024	Three months ended March 31, 2023
Revenue by reportable segment:		
Digital Media	$ 239,052	$ 234,211
Cybersecurity and Martech	75,452	73,016
Elimination of inter-segment revenues (1)	(19)	(85)
Total segment revenues	314,485	307,142
Corporate	—	—
Total revenues	$ 314,485	$ 307,142
Operating costs and expenses by reportable segment (3):		
Digital Media	207,447	205,742
Cybersecurity and Martech	56,043	61,413
Elimination of inter-segment operating expenses	(19)	(85)
Total segment operating expenses	263,471	267,070
Corporate (2)	15,153	13,757
Total operating costs and expenses	278,624	280,827
Operating income by reportable segment:		
Digital Media operating income	31,605	28,469
Cybersecurity and Martech operating income	19,409	11,603
Total segment operating income	51,014	40,072
Corporate (2)	(15,153)	(13,757)
Income from operations	$ 35,861	$ 26,315

(1) Inter-segment revenues relate to the Digital Media reportable segment.

(2) Corporate includes costs associated with general, administrative, and other related costs that are managed on a global basis and that are not directly attributable to any particular segment.

(3) Operating expenses for each segment include direct costs and other operating expenses that are directly attributable to the segment, such as employee compensation expense, sales and marketing expenses, engineering and network operations expense, depreciation and amortization, and other administrative expenses.

14. Supplemental Cash Flow Information

Supplemental data (in thousands):

	Three months ended March 31, 2024	Three months ended March 31, 2023
Interest paid	$ —	$ —
Income taxes paid, net of refunds	$ 6,511	$ 5,329

15. Accumulated Other Comprehensive (Loss) Income

The following table summarizes the changes in accumulated balances of other comprehensive loss (income), net of tax, for the three months ended March 31, 2024 (in thousands):

	Unrealized Gains (Losses) on Investments	Foreign Currency Translation	Total
Balance as of January 1, 2024	$ 537	$ (72,157)	$ (71,620)
Other comprehensive loss, net of tax	(63)	(6,530)	(6,593)
Balance as of March 31, 2024	$ 474	$ (78,687)	$ (78,213)

There were no reclassifications out of accumulated other comprehensive loss for the three months ended March 31, 2024 and 2023, respectively.

16. Subsequent Event

On March 22, 2024, the Company's Board of Directors approved the Ziff Davis, Inc. 2024 Equity Incentive Plan (the "2024 Plan"), subject to stockholders' approval, to replace the 2015 Plan, which stockholders previously approved and which was set to expire on February 10, 2025, in accordance with its terms. On May 7, 2024, at the Company's annual meeting of stockholders, the 2024 Plan was approved by the stockholders of the Company and will expire on March 21, 2034, unless earlier terminated by the Board of Directors. As a result, the 2015 Plan was terminated effective May 7, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

In addition to historical information, certain statements included in this Quarterly Report on Form 10-Q may be forward-looking statements, including statements regarding the intent, belief or current expectations of the Company. These statements may include those concerning our possible or assumed future results of operations, business, strategy and current and future acquisitions, as well as the assumptions on which such statements are based. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements generally are identified by use of the words "anticipates," "believes," "estimates," "hopes," "may," "will," "seeks," "protects," "potential," "predicts," "expects," "plans," "intends," "would," "could," "should," or similar expressions, although not all forward-looking statements contain these identifying words. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those discussed below, the risk factors discussed in Part II, Item 1A - "Risk Factors" of this Quarterly Report on Form 10-Q (if any) and in Part I, Item 1A - "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 (together, the "Risk Factors"), the factors discussed in Part I, Item 3 in this Quarterly Report on Form 10-Q entitled "Quantitative and Qualitative Disclosures About Market Risk" and any risks and uncertainties identified in our other filings with the SEC, as such risks, uncertainties and other important factors may be updated from time to time in our subsequent reports. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions and speak only as of the date they are made. We undertake no obligation to revise, update or publicly release the results of any revision to these forward-looking statements to reflect changed assumptions, new information or the occurrence of unanticipated events, unless required by law.

Some factors that could cause actual results to differ materially from those anticipated in these forward-looking statements include, but are not limited to, our ability and intention to:

- Sustain growth or profitability, particularly in light of an uncertain U.S. or worldwide economy, including the possibility of an economic downturn or recession, continuing inflation, supply chain disruptions, and other factors and their related impacts on customer acquisition and retention rates, customer usage levels, and credit and debit card payment declines;
- Maintain and increase our customer base and average revenue per user;
- Generate sufficient cash flow to make interest and debt payments, reinvest in our business, and pursue desired activities and businesses plans while satisfying restrictive covenants relating to debt obligations;
- Acquire businesses on acceptable terms, execute on our investment strategies, successfully manage our growth, and integrate and realize anticipated synergies from such acquisitions;
- Continue to expand our businesses and operations internationally in the wake of numerous risks, including adverse currency fluctuations, difficulty in staffing and managing international operations, higher operating costs as a percentage of revenues, or the implementation of adverse regulations;
- Maintain our financial position, operating results and cash flows in the event that we incur new or unanticipated costs or tax liabilities, including those relating to federal and state income tax and indirect taxes, such as sales, value-added, and telecommunication taxes;
- Manage certain risks related to the unauthorized use of our content and the infringement of our intellectual property rights by developers and users of generative artificial intelligence ("AI");
- Prevent system failures, security breaches, and other technological issues;
- Accurately estimate the assumptions underlying our effective worldwide tax rate;
- Maintain favorable relationships with critical third-party vendors that are financially stable;
- Create compelling digital media content facilitating increased traffic and advertising levels and additional advertisers or an increase in advertising spend, and effectively target digital media advertisements to desired audiences;
- Manage certain risks inherent to our business, such as costs associated with fraudulent activity, system failure, or security breach; effectively maintaining and managing our billing systems; the time and resources required to

manage our legal proceedings; liability for legal and other claims; or adhering to our internal controls and procedures;

- Compete with other similar providers with regard to price, service, and functionality;
- Achieve business and financial objectives in light of burdensome domestic and international telecommunications, internet, or other regulations, including regulations related to data privacy, access, security, retention, and sharing;
- Successfully adapt to technological changes and diversify services and related revenues at acceptable levels of financial return;
- Successfully develop and protect our intellectual property, both domestically and internationally, including our brands, content, copyrights, patents, trademarks, and domain names from infringement by third parties, and avoid infringing upon the proprietary rights of others;
- Manage certain risks associated with environmental, social, and governmental matters, including related reporting obligations, that could adversely affect our reputation and performance;
- Recruit and retain key personnel and maintain the beneficial aspects of our corporate culture globally;
- Meet our publicly announced guidance or other expectations about our business and future operating results; and
- Avoid disruptions to our operations, financial position, and reputation as a result of the collapse of certain banks and potentially other financial institutions.

In addition, other factors that could cause actual results to differ materially from those anticipated in these forward-looking statements or materially impact our financial results include the risks associated with new accounting pronouncements, as well as those associated with natural disasters, public health crises, pandemics, and other catastrophic events outside of our control.

Overview

Ziff Davis, Inc. was incorporated in 2014 as a Delaware corporation through the creation of a holding company structure. Ziff Davis, Inc., together with its subsidiaries (“Ziff Davis”, “the Company”, “our”, “us” or “we”), is a vertically focused digital media and internet company whose portfolio includes brands in technology, shopping, gaming and entertainment, connectivity, health and wellness, cybersecurity, and martech. Our Digital Media business specializes in the technology, shopping, gaming and entertainment, connectivity and healthcare markets, offering content, tools, and services to consumers and businesses. Our Cybersecurity and Martech business provides cloud-based subscription and license services to consumers and businesses including cybersecurity, privacy, and marketing technology.

Our consolidated revenues are currently generated primarily from two basic business models, each with different financial profiles and variability. Our Digital Media business is driven primarily by advertising revenues, has relatively higher sales and marketing expense, and has seasonal strength in the fourth quarter. Our Cybersecurity and Martech business is driven primarily by subscription revenues with relatively stable and predictable margins from quarter to quarter. In addition to growing our business organically, on a regular basis we acquire businesses to grow our customer bases, expand and diversify our service offerings, enhance our technologies, acquire skilled personnel, and enter into new markets. We continue to pursue additional acquisitions, which may include companies operating under business models that differ from those we operate under today. Such acquisitions could impact our consolidated profit margins and the variability of our revenues.

Revenue Overview

Revenues from customers classified by revenue source are as follows (in thousands):

	Three months ended March 31,	
	2024	2023
Digital Media		
Advertising and performance marketing	$ 156,096	$ 156,082
Subscription and licensing	73,467	69,148
Other	9,489	8,981
Total Digital Media revenues	$ 239,052	$ 234,211
Cybersecurity and Martech		
Subscription and licensing	$ 75,452	$ 73,016
Total Cybersecurity and Martech revenues	$ 75,452	$ 73,016
Elimination of inter-segment revenues	(19)	(85)
Total Revenues	$ 314,485	$ 307,142

Performance Metrics

We use certain metrics to generally assess the operational and financial performance of our businesses. For our advertising and performance marketing businesses, net advertising revenue retention is an indicator of our ability to retain the spend of our existing customers year over year, which we view as a reflection of the effectiveness of our advertising platform. Similarly, we monitor the number of our customers and the revenue per customer, as defined below, as these metrics provide further details related to our reported revenue and contribute to certain of our business planning decisions.

The following table sets forth certain key operating metrics for our Digital Media advertising and performance marketing business for the three months ended March 31, 2024 and 2023:

	Three months ended March 31,	
	2024	2023
Net advertising and performance marketing revenue retention (1)	91.6%	91.2%
Customers (2)	1,631	1,737
Quarterly revenue per customer (3)	$95,695	$89,857

(1) Net advertising and performance marketing revenue retention equals (i) the trailing twelve months revenue recognized related to prior year customers in the current year period (excluding revenue from acquisitions during the stub period) divided by (ii) the trailing twelve months revenue recognized related to prior year customers in the prior year period (excluding revenue from acquisitions during the stub period). This excludes customers that generated less than $10,000 of revenue in the measurement period.

(2) Excludes customers that spent less than $2,500 in the quarter.

(3) Represents total gross quarterly advertising and performance marketing revenues divided by customers as defined in footnote (2).

For our subscription and licensing businesses, the number of subscribers that we serve is an indicator of our customer retention and growth. The average monthly revenue per customer and the churn rate also contribute to insights that contribute to certain of our business planning decisions.

The following table sets forth certain key operating metrics for our Digital Media and Cybersecurity and Martech subscription and licensing businesses for the three months ended March 31, 2024 and 2023:

	Three months ended March 31,	
	2024	**2023** (4)
Customers (in thousands) (1)	3,343	3,175
Average quarterly revenue per customer (2)	$44.55	$44.78
Churn rate (3)	3.09%	3.30%

(1) Represents the quarterly average of the end of month customer counts for both the Digital Media and Cybersecurity and Martech businesses. Resellers without visibility into the number of underlying customers served by the reseller are counted as one customer.

(2) Represents quarterly gross subscription and licensing revenues divided by customers as defined in footnote (1).

(3) Churn rate is calculated as (i) the average revenue per customer in the prior month multiplied by the number of cancellations in the current month, calculated at each business and aggregated; divided by (ii) subscription and licensing revenue in the current month, calculated at each business and aggregated. For Ookla, the churn rate calculation included in the consolidated churn rate calculation includes the sum of the monthly revenue from the specific cancelled agreements in the numerator.

(4) Certain prior period key performance metrics in the table above have been adjusted for our Cybersecurity and Martech segment as a result of gaining greater transparency into a reseller relationship enabling us to identify the underlying customers and for our Digital Media segment to remove certain subscribers who have paused their subscription for more than one month and to include certain subscribers that are within the estimated active usage period of a lifetime subscription. The following table summarizes the adjustments made to previously reported amounts.

	Three months ended March 31, 2023
Customers (in thousands)	159
Average quarterly revenue per customer	$ (2.36)
Churn rate	0.02 %

Critical Accounting Policies and Estimates

In the ordinary course of business, we have made a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of our financial statements. Actual results could differ significantly from those estimates under different assumptions and conditions. Our critical accounting policies are described in our 2023 Annual Report on Form 10-K filed with the SEC on February 26, 2024. During the three months ended March 31, 2024, there were no significant changes in our critical accounting policies and estimates. See Note 1 — *Basis of Presentation and Overview* in Item 1 of Part I of this Quarterly Report on Form 10-Q for additional description of significant accounting policies of the Company.

Results of Operations for the Three Months Ended March 31, 2024

Digital Media

We expect our Digital Media business to improve as we integrate our recent acquisitions and over the longer term as advertising transactions continue to shift from offline to online, and we continue to expand our advertising platforms. The main focus of our platform monetization programs is to provide relevant and useful advertising to visitors to our websites, provide meaningful content that informs and shapes purchase intent, and leverage our brand and editorial assets into subscription platforms. As a result, we expect to continue to take steps to improve the relevance of the ads displayed on our websites and those included within our advertising networks, and improve the effectiveness of our content in driving purchase decisions and subscriptions.

The operating margin we realize on revenues generated from ads placed on our websites is significantly higher than the operating margin we realize from revenues generated from those placed on third-party websites. Growth in advertising revenues from our websites has generally exceeded that from third-party websites. This trend has generally had a positive impact on our operating margins.

We expect acquisitions to remain an important component of our strategy and use of capital in this business; however, for a number of reasons, including macroeconomic conditions, in a given period, we may close greater or fewer acquisitions than in prior periods or acquisitions of greater or lesser significance than in prior periods. Moreover, future acquisitions of businesses with different business models, may impact Digital Media's overall operating profit margins.

Cybersecurity and Martech

The main focus of our Cybersecurity and Martech service offerings is to reduce or eliminate costs, increase sales and enhance productivity, mobility, business continuity, and security of our customers as the technologies and devices they use evolve over time. As a result, we expect to continue to take steps to enhance our existing offerings and offer new services to continue to satisfy the evolving needs of our customers.

We expect acquisitions to remain an important component of our strategy and use of capital in this business; however, for a number of reasons, including macroeconomic conditions, in a given period, we may close greater or fewer acquisitions than in prior periods or acquisitions of greater or lesser significance than in prior periods. Moreover, future acquisitions of businesses with different business models, may impact Cybersecurity and Martech's overall operating profit margins.

Revenues

	Three months ended March 31,		
(in thousands, except percentages)	2024	2023	Percentage Change
Revenues	$ 314,485	$ 307,142	2.4%

Our revenues consist of revenues from our Digital Media business and our Cybersecurity and Martech business. Digital Media revenues primarily consist of advertising and performance marketing revenues and subscription and licensing revenue earned through the granting of access to, or delivery of, certain data products or services to customers, fees paid for generating business leads, and licensing and sale of editorial content and trademarks. Cybersecurity and Martech revenues primarily consist of revenues from "fixed" customer subscription revenues and "variable" revenues generated from actual usage of our services.

Our revenues increased during the three months ended March 31, 2024 compared to the prior period primarily due to a $4.3 million increase in subscription and licensing revenue in our Digital Media business and a $2.5 million increase in subscription and licensing revenue in our Cybersecurity and Martech business. Included in revenue during the three months ended March 31, 2024 was $7.8 million of incremental revenue contributed by businesses acquired in 2023 and 2024. The Company considers revenue from an acquired business to become organic revenue in the first month in which the Company can compare that full month in the current year against the corresponding full month under its ownership in the prior year.

Direct costs

	Three months ended March 31,		Percentage
(in thousands, except percentages)	2024	2023	Change
Direct costs	$ 47,067	$ 45,730	2.9%
As a percent of revenue	15.0 %	14.9 %	

Direct costs primarily consist of costs associated with content fees, production costs, royalty fees, and hosting costs. The increase in direct costs for the three months ended March 31, 2024 compared to the prior period was primarily due to a $2.7 million increase in web and database hosting fees and a $1.1 million increase in merchant fees, partially offset by a $1.4 million decrease in depreciation and amortization costs and a $0.9 million decrease in advertising inventory costs.

Sales and Marketing

	Three months ended March 31,		Percentage
(in thousands, except percentages)	2024	2023	Change
Sales and marketing	$ 117,000	$ 115,920	0.9%
As a percent of revenue	37.2 %	37.7 %	

Sales and marketing costs consist primarily of internet-based advertising, sales and marketing, personnel costs, and other business development-related expenses. Our internet-based advertising relationships consist primarily of fixed cost and performance-based (cost-per-impression, cost-per-click and cost-per-acquisition) advertising relationships with an array of online service providers. The increase in sales and marketing expenses during the three months ended March 31, 2024, compared to the prior period was primarily due to $2.1 million higher personnel-related expenses and $1.4 million higher expenses for software purchases, partially offset by $2.7 million lower marketing expenses.

Research, Development, and Engineering

(in thousands, except percentages)	Three months ended March 31, 2024		2023		Percentage Change
Research, development, and engineering	$	17,774	$	17,914	(0.8)%
As a percent of revenue		5.7 %		5.8 %	

Research, development, and engineering costs consist primarily of personnel-related expenses. The decrease in research, development, and engineering costs for the three months ended March 31, 2024, compared to the prior period was primarily due to lower personnel related costs due primarily to an increase in capitalized costs related to the nature of the projects in 2024 compared to 2023, partially offset by an increase in related consulting and professional fees.

General, Administrative, and Other Related Costs

(in thousands, except percentages)	Three months ended March 31, 2024		2023		Percentage Change
General, administrative, and other related costs	$	96,783	$	101,263	(4.4)%
As a percent of revenue		30.8%		33.0%	

Our general, administrative, and other related costs consist primarily of personnel-related expenses, depreciation and amortization, changes in the fair value associated with contingent consideration, share-based compensation expense, bad debt expense, professional fees, severance, and insurance costs. The decrease in general, administrative, and other related costs for the three months ended March 31, 2024 compared to the prior period was primarily due to a $4.6 million decrease in depreciation and amortization expense.

Share-Based Compensation Expense

The following table presents the effects of share-based compensation expense in the Condensed Consolidated Statements of Operations during the periods presented (in thousands):

	Three months ended March 31, 2024		2023	
Direct costs	$	61	$	76
Sales and marketing		758		924
Research, development, and engineering		1,090		783
General, administrative, and other related costs		6,963		6,619
Total share-based compensation expense	$	8,872	$	8,402

Non-Operating Income and Expenses

The following table represents the components of non-operating income and expenses for the three months ended March 31, 2024 and 2023 (in thousands):

	Three months ended March 31, 2024		2023		Percentage Change
Interest expense, net	$	(1,769)	$	(4,480)	(60.5) %
Loss on sale of businesses		(3,780)		—	(100%)
Unrealized loss on short-term investments held at the reporting date, net		(10,705)		(20,345)	(47.4) %
Gain on investments, net		—		357	100.0 %
Other loss, net		(104)		(908)	(88.5) %
Total non-operating expense	$	(16,358)	$	(25,376)	(35.5) %

Interest expense, net. Interest expense is generated primarily from interest due on outstanding debt, partially offset by interest income generated from interest earned on cash, cash equivalents, and investments. Interest expense, net was $1.8 million and $4.5 million for the three months ended March 31, 2024 and 2023, respectively. Interest expense, net decreased during the three months ended March 31, 2024, compared to the prior period primarily due to higher interest income as a result of higher interest rates.

Loss on sale of business. Loss on sale of business during the three months ended March 31, 2024 represents the loss on disposal of an international asset at Digital Media within the shopping vertical.

Unrealized loss on short-term investments held at the reporting date, net. Unrealized loss on short-term investment held at the reporting date, net was $10.7 million and $20.3 million during the three months ended March 31, 2024 and 2023, respectively. The unrealized loss recorded during the periods presented represents the change in fair value of our investment in Consensus common stock.

Gain on investments, net. Gain on investments, net is generated from gains from investments in equity and debt securities. Gain on investments, net was zero and $0.4 million during the three months ended March 31, 2024 and 2023, respectively. Gain on investments, net recorded during the first quarter of 2023 was related to the disposition of Consensus common stock.

Other loss, net. Other loss, net is generated primarily from miscellaneous items and gains or losses on foreign currency. Other loss, net was $0.1 million and $0.9 million during the three months ended March 31, 2024 and 2023, respectively. The decrease during the three months ended March 31, 2024 compared to the prior period was primarily attributable to changes in gains or losses on foreign currency.

Income Taxes

Our effective tax rate is based on pre-tax income, statutory tax rates, tax regulations (including those related to transfer pricing), and different tax rates in the various jurisdictions in which we operate. The tax bases of our assets and liabilities reflect our best estimate of the tax benefits and costs we expect to realize. When necessary, we establish valuation allowances to reduce our deferred tax assets to an amount that will more likely than not be realized.

Provision for income taxes amounted to income tax expense of $8.2 million and income tax benefit of $0.6 million for the three months ended March 31, 2024 and 2023, respectively. Our effective tax rate was 42.2% and (65.6)% for the three months ended March 31, 2024 and 2023, respectively.

The increase in our effective income tax rate for the three months ended March 31, 2024 compared to the prior period was primarily attributable to the following:

1. an increase in our effective income tax rate during 2024 due to the recognition of a valuation allowance against a portion of our U.S. capital loss carryforwards, which resulted in a discrete tax charge of $3.2 million;
2. an increase in our effective income tax rate due to a decrease in the amount of unrealized losses recognized on our investment in Consensus common stock, which resulted in a lower tax benefit during the three months ended March 31, 2024; and
3. an increase in our effective income tax rate during 2024 due to a $1.0 million tax benefit recognized in 2023 related to the release of reserves for uncertain tax positions with no similar event during the three months ended March 31, 2024.

Judgment is required in determining our provision for income taxes and in evaluating our tax positions on a worldwide basis. We believe our tax positions, including intercompany transfer pricing policies, are consistent with the tax laws in the jurisdictions in which we conduct our business. Certain of these tax positions have in the past been, and are currently being, challenged, and this may have a significant impact on our effective tax rate if our tax reserves are insufficient.

Equity Method Investment

Loss from equity method investment, net. Loss from equity method investment was generated from our investment in the OCV Fund I, LP (the “OCV Fund”) for which we receive annual audited financial statements. The investment in the OCV Fund is presented net of tax and on a one-quarter lag due to the timing and availability of financial information from OCV. If the Company becomes aware of a significant decline in value that is other-than-temporary, the loss will be recorded in the period in which the Company identifies the decline.

Loss from equity method investment was $0.6 million and $9.2 million, net of tax benefit, for the three months ended March 31, 2024 and 2023, respectively. The decrease in loss from equity method investment, net during the three months ended March 31, 2024 compared to the prior period was primarily due to a smaller decline in the value of the underlying investments.

Digital Media and Cybersecurity and Martech Results

Our businesses are based on the organization structure used by management for making operating and investment decisions and for assessing performance and have been aggregated into two reportable segments: (i) Digital Media and (ii) Cybersecurity and Martech.

We evaluate the performance of our segments based on revenues, including both external and inter-business net sales, and operating income. We account for inter-business sales and transfers based primarily on standard costs with reasonable mark-ups established between the businesses. Identifiable assets by business are those assets used in the respective business' operations. Corporate assets consist of cash and cash equivalents, deferred income taxes, and certain other assets. All significant inter-business amounts are eliminated to arrive at our consolidated financial results.

Digital Media

The financial results are presented as follows (in thousands):

	Three months ended March 31,	
	2024	**2023**
Revenue	$ 239,033	$ 234,126
Inter-business revenue	19	85
Total	239,052	234,211
Operating costs and expenses	207,447	205,742
Operating income	$ 31,605	$ 28,469

Digital Media's net sales of $239.0 million for the three months ended March 31, 2024 increased $4.9 million, or 2.1%, compared to the prior period primarily due to $7.8 million of incremental revenue contributed by businesses acquired in 2023 and 2024, partially offset by an organic decline in other businesses.

Digital Media's operating costs and expenses of $207.4 million for the three months ended March 31, 2024 increased $1.7 million, or 0.8%, compared to the prior period primarily due to higher direct costs and sales and marketing expenses, partially offset by lower general, administrative, and related costs.

As a result of these factors, Digital Media's operating income of $31.6 million for the three months ended March 31, 2024 increased $3.1 million, or 11.0%, compared to the prior period.

Cybersecurity and Martech

The financial results are presented as follows (in thousands):

	Three months ended March 31,	
	2024	**2023**
Revenue	$ 75,452	$ 73,016
Inter-business revenue	—	—
Total	75,452	78,192
Operating costs and expenses	56,043	61,413
Operating income	$ 19,409	$ 16,779

Cybersecurity and Martech's net sales of $75.5 million for the three months ended March 31, 2024 increased $2.4 million, or 3.3%, compared to the prior period primarily due to the realization of functional intellectual property revenue in certain businesses during the period.

Cybersecurity and Martech's operating costs and expenses of $56.0 million for the three months ended March 31, 2024 decreased $5.4 million, or 8.7% compared to the prior period primarily due to lower general, administrative, and related costs and direct costs.

As a result of these factors, Cybersecurity and Martech's operating income of $19.4 million for the three months ended March 31, 2024 increased $2.6 million, or 15.7%.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash flows from operations and debt financing. We continue to invest in the development and expansion of our operations using available cash flows from operations. Ongoing investments include, but are not limited to, improvements in our offerings, investments in new products and services, acquisitions, and continued investments in sales and marketing. We also use cash flows from operations to service our debt obligations and the repurchase of our shares.

Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments consisted of (in thousands):

	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 734,779	$ 737,612
Short-term investments	16,404	27,109
Long-term investments	139,964	140,906
Cash, cash equivalents and investments	$ 891,147	$ 905,627

Cash, cash equivalents, and investments held within domestic and foreign jurisdictions were as follows (in thousands):

	March 31, 2024	December 31, 2023
Cash, cash equivalents and investments held in domestic jurisdiction	$ 712,072	$ 742,010
Cash, cash equivalents and investments held in foreign jurisdiction	179,075	163,617
Cash, cash equivalents and investments	$ 891,147	$ 905,627

For information on short-term and long-term investments of the Company, refer to Note 4 — *Investments* in Part I Item 1 of this Quarterly Report on Form 10-Q for further details.

Financings

As of March 31, 2024 and December 31, 2023, there were no amounts drawn under the Credit Agreement.

Material Cash Requirements

Ziff Davis' long-term contractual obligations generally include its long-term debt as described above, interest on long-term debt, lease payments on its property and equipment, and holdback amounts in connection with certain business acquisitions. These long-term contractual obligations extend through 2031.

As of March 31, 2024, we and our subsidiaries had outstanding $1.0 billion in aggregate principal amount of indebtedness. As of March 31, 2024, our total future minimum lease payments are $27.9 million of which approximately $12.8 million future minimum lease payments are due in the succeeding twelve months.

As of March 31, 2024, our liability for uncertain tax positions was $36.6 million. In the ordinary course of business, the Company enters into commitments including those related to cloud computing, information technology, security, and information and document management. The Company also has revenue sharing arrangements with annual minimum guarantees based upon third-party website advertising metrics and other contractual provisions.

We currently anticipate that our existing cash and cash equivalents, cash generated from operations, and availability under our revolving credit facility, will be sufficient to meet our anticipated needs for working capital, capital expenditures, and share repurchases, if any, for at least the next 12 months.

Cash Flows

The following table provides a summary of cash flows from operating, investing, and financing activities (in thousands):

	Three months ended March 31,		
	2024	**2023**	**Change**
Net cash provided by operating activities	$ 75,558	$ 115,307	$ (39,749)
Net cash used in investing activities	$ (71,481)	$ (38,791)	$ (32,690)
Net cash used in financing activities	$ (6,311)	$ (9,483)	$ 3,172

Operating Activities

Our net cash provided by operating activities resulted primarily from cash received from our customers offset by cash payments we made to third parties for their services, employee compensation, interest payments associated with our debt, and taxes. The $39.7 million decrease in net cash provided by operating activities during the three months ended March 31, 2024 compared to the prior period was primarily related to increased payments to our vendors during the current period, partially offset by an increase in collections from our customers. The decrease in net cash provided by operating activities includes the activities of TDS Gift Cards (“TDS”) from the date of the acquisition. TDS negatively impacted the Company’s net cash provided by operating activities by $39.1 million.

Investing Activities

The $32.7 million increase in net cash used in investing activities during the three months ended March 31, 2024 compared to the prior period was primarily related to higher cash used on business acquisitions during the three months ended March 31, 2024 compared to the 2023 period, partially offset by proceeds received on the sale of an international asset at Digital Media within the shopping vertical and lower expenditures on property and equipment.

Financing Activities

The $3.2 million decrease in net cash used in financing activities during the three months ended March 31, 2024 compared to the prior period was primarily related to lower payments made in connection with previously acquired businesses.

Stock Repurchase Program

On August 6, 2020, our Board of Directors approved a program authorizing the repurchase of up to ten million shares of our common stock through August 6, 2025 (the “2020 Program”). In connection with the authorization, the Company entered into certain Rule 10b5-1 trading plans with a broker-dealer to facilitate the repurchase program.

During the three months ended March 31, 2024, no shares were repurchased under the 2020 Program. As a result of the repurchases, to date, the number of shares of the Company’s common stock available for purchase under the 2020 Program as of March 31, 2024 was 4,741,308 shares. Refer to Note 10 — *Stockholders’ Equity* in Item 1 of Part I of this Quarterly Report on Form 10-Q for further details.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The following discussion of the market risks we face contains forward-looking statements. Forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those discussed in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. Ziff Davis undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in this document and in the other documents incorporated by reference herein, including our Annual Report on Form 10-K for the year ended December 31, 2023 as well as in other documents we file from time to time with the SEC, including the Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K filed or to be filed by us in 2024.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio and potential borrowings under our credit facility that would bear variable market interest rates. The primary objectives of our investment activities are to preserve our principal while at the same time maximizing yields without significantly increasing risk. To achieve these objectives, we maintain our portfolio of cash equivalents and investments in a mix of instruments that meet high credit quality standards, as specified in our investment policy or otherwise approved by the Board of Directors. Our cash and cash equivalents are not subject to significant interest rate risk due to the short maturities of these instruments. As of March 31, 2024, the carrying value of our cash and cash equivalents approximated fair value. Our return on these investments is subject to interest rate fluctuations.

As of March 31, 2024 and December 31, 2023, we had $734.8 million and $737.6 million, respectively, of cash and cash equivalent investments primarily in funds that invest in U.S. treasuries, money market funds as well as demand deposit accounts with maturities within three months or less. Currently, we do not have interest rate risk on our outstanding long-term debt as these arrangements have fixed interest rates. As of March 31, 2024, the carrying value and the fair value of our fixed rate debt was $1.0 billion and $0.9 billion, respectively. This fixed rate debt matures as follows: $550.0 million in 2026 and $460.0 million in 2030. Interest rates have risen since these sources of financing were obtained, thus, we may not be able to refinance this fixed rate debt at similar rates when it matures. Further, our revolving credit agreement bears interest at variable rates. However, during the three months ended March 31, 2024, we did not need to draw on this revolving credit agreement. If we need to draw on the revolving credit facility in the future, we will be exposed to interest rate changes. Refer to Note 5 — *Fair Value Measurements* and Note 7 — *Debt* to the Notes in Item 1 of Part I of this Quarterly Report on Form 10-Q for further details.

We cannot ensure that future interest rate movements will not have a material adverse effect on our future business, prospects, financial condition, operating results, and cash flows. To date, we have not entered into interest rate hedging transactions to control or minimize certain of these risks.

Market Risk

Our investment in Consensus common stock, which has a carrying value of approximately $16.4 million as of March 31, 2024, is based upon the quoted market price of Consensus common stock. Our results of operations and financial condition have been and may be materially impacted by increases or decreases in the price of Consensus common stock, which is traded on the Nasdaq Global Select Market.

(Losses) gains on the investment in Consensus common stock were as follows (in thousands):

	Three months ended March 31,	
	2024	2023
Realized gain on securities sold during the period	$ —	$ 357
Unrealized loss recognized during the period on equity securities held at the reporting date	$ (10,705)	$ (20,345)

The carrying value of investment in Consensus common stock as of March 31, 2024 was $16.4 million, or approximately 0.4% of the Company's consolidated total assets. A $2.00 increase or decrease in the share price of Consensus common stock would result in an unrealized gain or loss, respectively, of approximately $2.1 million.

Foreign Currency Risk

We conduct business in certain foreign markets, primarily in Canada, the United Kingdom, Australia, the European Union, Japan, Denmark, Sweden, and Norway. Our principal exposure to foreign currency risk relates to investment and intercompany debt in foreign subsidiaries that transact business in functional currencies other than the U.S. Dollar, primarily the Canadian Dollar, the British Pound Sterling, the Australian Dollar, the Euro, the Japanese Yen, the Danish Krone, the Swedish Krona, and the Norwegian Krone. If we are unable to settle our intercompany debts in a timely manner, we will remain exposed to foreign currency fluctuations.

As we expand our international presence, we become further exposed to foreign currency risk by entering new markets with additional foreign currencies. The economic impact of currency exchange rate movements is often linked to variability in real growth, inflation, interest rates, governmental actions, and other factors. These changes, if material, could cause us to adjust our financing and operating strategies.

As currency exchange rates change, translation of the income statements of the international businesses into U.S. Dollars affects year-over-year comparability of operating results.

Historically, we have not hedged translation risks because cash flows from international operations were generally reinvested locally; however, we may do so in the future. Our objective in managing foreign exchange risk is to minimize the potential exposure to changes that exchange rates might have on earnings, cash flows, and financial position.

During the three months ended March 31, 2024 and 2023, foreign exchange losses amounted to zero and $0.8 million, respectively.

Cumulative translation adjustments, net of tax, included in other comprehensive (loss) income for the three months ended March 31, 2024 and 2023 were $6.5 million and $(3.7) million, respectively.

We currently do not have derivative financial instruments for hedging, speculative, or trading purposes and, therefore, are not subject to such hedging risk. However, we may in the future engage in hedging transactions to manage our exposure to fluctuations in foreign currency exchange rates.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that are designed to ensure that information required to be disclosed in the Company’s reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including the principal executive officer and the principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of March 31, 2024, under the supervision and with the participation of Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Management’s Report on Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act), which occurred during the quarter ended March 31, 2024 covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note 8 — *Commitments and Contingencies* in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

There has not been a material change in our risk factors since the filing of our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

On August 6, 2020, the Board approved a program authorizing the repurchase of up to ten million shares of our common stock through August 6, 2025 (the “2020 Program”). In connection with the authorization, the Company entered into certain Rule 10b5-1 trading plans with a broker-dealer to facilitate the repurchase program. During the three months ended March 31, 2024, no shares were repurchased under the 2020 Program. See Note 10 — *Stockholders’ Equity* in Item 1 of Part I of this Quarterly Report on Form 10-Q.

Cumulatively, as of March 31, 2024, the Company repurchased 5,258,692 shares, under the 2020 Program, at an aggregate cost of $401.8 million (including excise tax), which were subsequently retired. See Note 10 — *Stockholders’ Equity* in Item 1 of Part I of this Quarterly Report on Form 10-Q.

As a result of the Company’s share repurchases, as of March 31, 2024, the number of shares of the Company’s common stock available for purchase under the 2020 Program was 4,741,308 shares.

The following table details the repurchases that were made under and outside the 2020 Program, on a trade date basis, during the three months ended March 31, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Program	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Program (3)
January 1, 2024 - January 31, 2024	14,995	$ 67.46	—	4,741,308
February 1, 2024 - February 29, 2024	248	$ 65.22	—	4,741,308
March 1, 2024 - March 31, 2024	42,994	$ 67.34	—	4,741,308
Total	58,237		—	4,741,308

(1) Includes shares surrendered to the Company to pay the exercise price and/or to satisfy tax withholding obligations in connection with employee stock options and/or the vesting of restricted stock issued to employees.

(2) Excludes the impact of excise taxes.

(3) As of the last day of the applicable month.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K. Certain of our officers have made elections to participate in, and are participating in, our employee stock purchase plan and 401(k) plan and have made, and may from time to time make, elections to have shares withheld to cover withholding taxes or pay the exercise price of options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of J2 Global, Inc., dated as of June 10, 2014 (incorporated by reference to Exhibit 3.1 to Ziff Davis' Current Report on Form 8-K filed on June 10, 2014. (File No. 0-25965))
3.2	Amendment to the Amended and Restated Certificate of Incorporation of J2 Global, Inc., dated as of September 5, 2019 (incorporated by reference to Exhibit 3.1 to Ziff Davis' Current Report on Form 8-K filed with the Commission on November 1, 2019 (File 0-25965))
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Ziff Davis, Inc. dated as of October 7, 2021 (incorporated by reference to Exhibit 3.1 to Ziff Davis' Current Report on Form 8-K filed on October 8, 2021. (File No. 0-25965))
3.4	Sixth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to Ziff Davis' Current Report on Form 8-K filed on May 10, 2023 (File No. 0-25965))
10.1*	Form of Restricted Stock Unit Agreement pursuant to the Ziff Davis, Inc. 2015 Stock Option Plan (1)
10.2*	Form of Performance Stock Unit Agreement pursuant to the Ziff Davis, Inc. 2015 Stock Option Plan (1)
10.3*	Seventh Amendment to the Credit Agreement , dated as of April 10, 2024, among Ziff Davis, Inc ., the Guarantors, the lenders party to the Amendment constituting Required Lenders and U . S. Bank National Association , as administrative agent for the Lenders.
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
32.2**	Certification of Principal Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith,

(1) Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ZIFF DAVIS, INC.
(registrant)

Date: May 9, 2024

By: /s/ VIVEK SHAH
Vivek Shah
Chief Executive Officer and a Director
(Principal Executive Officer)

Date: May 9, 2024

By: /s/ BRET RICHTER
Bret Richter
Chief Financial Officer
(Principal Financial Officer)

Date: May 9, 2024

By: /s/ LAYTH TAKI
Layth Taki
Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT 10.1

RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO ZIFF DAVIS, INC.
2015 STOCK OPTION PLAN

THIS RESTRICTED STOCK UNIT AGREEMENT is made as of [•] by and between [•] (the "Participant") and Ziff Davis, Inc., a Delaware corporation (the "Company"), pursuant to the Company's 2015 Stock Option Plan (the "Plan"). Capitalized terms used but not defined herein shall have the meanings assigned to them under the Plan.

WHEREAS, the Compensation Committee of the Board (the "Committee") itself by action taken on [•] authorized and directed the Company to make an award of restricted stock units to the Participant under the Plan for the purposes expressed in the Plan.

NOW THEREFORE, in consideration of the foregoing and the mutual undertakings herein contained, the parties agree as follows:

1. Award of Restricted Stock Units. In accordance with the terms of the Plan and subject to the further terms, conditions and restrictions contained in this Agreement, the Company hereby awards to the Participant [•] restricted stock units (the "Units"), each representing the right to receive one share of the Company's common stock, $0.01 par value (the "Common Stock") subject to the conditions of the Plan and this Agreement.

2. Terms of Restricted Stock Units. The Participant hereby accepts the Units and agrees with respect thereto as follows:

(a) Forfeiture of Restricted Stock Units. In the event that the Participant's continuous employment with the Company and its subsidiaries shall terminate for any reason, except as otherwise provided in Section 2(c), the Participant shall, for no consideration, forfeit all Units to the extent they are not fully vested.

(b) Assignment of Units Prohibited. The Units may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of.

(c) Vesting Schedule. The Units shall vest in accordance with the following schedule provided that the Participant has been continuously employed by the Company from the date of this Agreement through the applicable vesting date:

Date	Number of Shares on Which Restrictions Lapse
[•]	[•]
[•]	[•]
[•]	[•]

Notwithstanding the foregoing, upon (i) the Participant's termination of employment with the Company and its subsidiaries as a result of his or her death or Permanent Disability, as defined below, the Units shall become fully vested (if not already vested pursuant to schedule above) on the date of such event and (ii) except as may otherwise be provided in any employment or separation agreement between the Company and the Participant, the occurrence of a Change in Control, as defined below, the Units shall become fully vested unless the Board determines that the Participant has been offered substantially identical replacement restricted stock units and a comparable position at any acquiring company.

“Permanent Disability” shall have the same definition as:

(1) (A) term “disability” (or any reasonable facsimile thereof as approved by the Committee) in any employment or consultancy agreement (or similar agreement) or in any letter of appointment then in effect between the Participant and the Company or any Subsidiary; or (B) if not defined therein, or if there shall be no such agreement, as defined in the long-term disability plan maintained by Company or its Subsidiary by which the Participant is employed or for which the Participant serves as a consultant or by appointment, as in effect from time to time; or (C) if there shall be no plan, the inability of the Participant to perform in all material respects his or her duties and responsibilities to the Company or its applicable Subsidiary for a period of six (6) consecutive months or for an aggregate period of nine (9) months in any twenty-four (24) consecutive month period by reason of a physical or mental incapacity; or

(2) the term “disability” under the within the meaning of Section 409A(a)(2)(C) of the Internal Revenue Code (the “Code”), if the Participant is subject to income taxation on the income resulting from the Agreement under the laws of the United States, and the foregoing provisions of this Agreement would result in adverse tax consequences to the Participant, as determined by the Company, under Section 409A the Code.

For purposes of this Agreement, a “Change in Control” of the Company shall be deemed to have occurred if:

(i) any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, any employee benefit plan sponsored by the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the “beneficial owner” (as defined in Rule 13d−3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities;

(ii) during any period of two consecutive years individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii) or (iv) of this Section 2(c)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets. For the purposes of this subsection (iv), "substantially all" of the Company's assets shall mean assets for which the price or consideration upon sale or disposition equals or exceeds seventy-five percent (75%) or more of the fair market value of the Company.

(d) Shareholder Rights. The Participant shall have no rights to dividends, dividend equivalents or any other rights of a shareholder with respect to shares of Common Stock subject to this award of Units unless and until such time as the award has been settled by the transfer of shares of Common Stock to the Participant.

(e) Settlement and Delivery of Common Stock. Payment of vested Units shall be made as soon as administratively practicable after vesting and no later than 60 days following the vesting date. Settlement will be made by payment in shares of Common Stock or cash in accordance with the Plan. Notwithstanding the foregoing, the Company shall not be obligated to deliver any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock to comply with any such law, rule, regulation or agreement.

Furthermore, the Participant understands that the laws of the country in which he/she is working at the time of grant or vesting of the Units or at the subsequent sale of shares of Common Stock granted to the Participant under this award (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject the Participant to additional procedural or regulatory requirements he/she is solely responsible for and will have to independently fulfill in relation to ownership or sale of such shares.

The Participant further understands and agrees that the Company and any related company are neither responsible for any foreign exchange fluctuations between the Participant's local currency and the United States Dollar that may affect the value of Common Stock nor liable for any decrease in the value of Common Stock.

3. Adjustments in Units. In the event of a subdivision of the outstanding Common Stock, a declaration of a dividend payable in shares of Common Stock, a declaration of a dividend payable in a form other than shares in an amount that has a material effect on the value of shares of Common Stock, a combination or consolidation of the outstanding Common Stock into a lesser number of shares of Common Stock, a spin-off or divestiture, a recapitalization, a classification or a similar occurrence, the Committee shall make appropriate adjustments in the number of Units and other applicable terms of the Units, including, without limitation, the type of property or securities to which the Units relate.

4. Withholding Requirements. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes and related amounts which it determines is required in connection with this award of Units, and, unless otherwise approved by the Committee, the Company shall either (i) reduce the number of shares of Common Stock that would have otherwise been delivered to the Participant by a number of shares of Common Stock having a Fair Market Value (as defined in the Plan) equal to the amount required to be withheld, or (ii) withhold the appropriate amount of any taxes due in accordance with the Company's payroll procedures applicable to the Participant. Regardless of the Company's or any Subsidiary's actions in connection with tax withholding for the Participant, the Participant acknowledges that the ultimate responsibility for any and all tax-related items in connection with any aspect of the Units

is and remains the Participant's responsibility and liability. Neither the Company nor any Subsidiary make any representation or understanding regarding the treatment of any tax-related amounts in connection with the Units or any shares or awards under the Plan, nor do they make any commitment with respect to the structure of the Units to reduce or eliminate the Participant's liability for tax-related items.

5. Effect of Employment. Nothing contained in this Agreement shall in any manner be construed to limit in any way the right of the Company or any subsidiary to terminate the Participant's employment at any time, without regard to the effect of such termination on any rights the Participant would otherwise have under this Agreement, or give any right to the Participant to remain employed by the Company or a subsidiary thereof in any particular position or at any particular rate of compensation.

6. Data Privacy. In order to perform its obligations under the Plan or for the implementation and administration of such Plan, the Company may collect, transfer, use, process, or hold certain personal or sensitive data about the Participant. Such data includes, but is not limited to the Participant's name, nationality, citizenship, work authorization, date of birth, age, government or tax identification number, passport number, brokerage account information, address, compensation and equity award history, and beneficiaries' contact information. The Participant explicitly consents to the collection, transfer (including to third parties in the Participant's home country or the United States or other countries, such as but not limited to human resources personnel, legal and tax advisors, and brokerage administrators), use, processing, and holding, electronically or otherwise, of his/her personal information in connection with this or any other equity award. At all times, the Company shall maintain the confidentiality of the Participant's personal information, except to the extent the Company is required to provide such information to governmental agencies or other parties; such actions will be undertaken by the Company only in accordance with applicable law.

7. Mode of Communications. The Participant agrees, to the fullest extent permitted by law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or related company may deliver in connection with this grant and any other grants offered by the Company, including prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. Electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or website of the Company's agent administering the Plan.

To the extent the Participant has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

8. Amendment. This Agreement may not be amended except with the consent of the Committee and by a written instrument duly executed by the Participant and the Company.

9. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns. The Participant acknowledges receipt of a copy of the Plan, which is annexed hereto, represents that he or she is familiar with the terms and provisions thereof and accepts the award of Units hereunder subject to all of the terms and conditions thereof and of this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee upon any questions arising under the Plan or this Agreement.

10. Clawback/Recapture Policy. The Participant's execution or acceptance of this Agreement shall constitute the Participant's acknowledgment that the Participant is subject to any clawback or recapture policy that the Company may adopt from time-to-time that is applicable to the Participant, and that the

Participant's Award may be subject to recoupment in each case to the extent provided in the applicable clawback policy.
11. Participant's Acknowledgement and Waiver. If the Participant is not a resident of the United States, the provisions of Appendix A are incorporated herein in their entirety.

12. Section 409(A) of the Code. If the Participant is a resident of the United States, the Units and any shares of Common Stock issuable in connection therewith are intended to qualify for an exemption from or comply with Section 409A of the Code. Notwithstanding any other provision in this Agreement and the Plan to the contrary, the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Agreement so that the Units qualify for exemption from or comply with Section 409A of the Code; provided, however, that the Company makes no representations that the Units will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the Units. No provision of this Agreement will be interpreted or construed to transfer any liability for failure to comply with Section 409A of the Code from the Participant any other individual to the Company. By executing this Agreement, the Participant agrees to waive any claim against the Company with respect to any such tax consequences. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any payment or benefit under this Agreement is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A of the Code and is payable to the Participant by reason of the Participant's termination of employment, then (a) such payment or benefit shall be made or provided to the Participant only upon a "separation from service" as defined for purposes of Section 409A of the Code under applicable regulations and (b) if the Participant is a "specified employee" (within the meaning of Section 409A and as determined by the Company) and a payment delay is required to avoid additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A, then such payment or benefit shall not be made or provided before the date that is six months after the date of the Participant's separation from service. Each payment under this Agreement will be treated as a separate payment under Section 409A of the Code. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

13. Applicable Law. This Agreement shall be governed by the laws of the State of California.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Company and the Participant have each executed and delivered this Agreement as of the date first above written.

ZIFF DAVIS, INC.

/s/ Jeremy Rossen

By: Jeremy Rossen

Its: Executive Vice President and General Counsel

[•]

APPENDIX A

PROVISIONS APPLICABLE TO NON-U.S. RESIDENTS

If the Participant is not a resident of the United States, by accepting the Units and entering into the Restricted Stock Unit Agreement, the Participant acknowledges and agrees that the following additional terms and conditions are incorporated into the Restricted Stock Unit Agreement in their entirety and govern the Units.

1. **Data Privacy**. The Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data by and among the Company, any Subsidiary or affiliate of the Company for the exclusive purpose of implementing, administering and managing the Units and the Participant's participation in the Plan.

   a. The Participant acknowledges and agrees that he or she understands that the Company, any Subsidiary or any other affiliate of the Company hold certain personal information about the Participant, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any equity ownership or directorships held in the Company and any related companies, details of all Units or any other entitlement to Common Stock or equity awards granted, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Units and the Plan ("**Data**").

   b. The Participant acknowledges and agrees that he or she understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Units and the Plan, that these recipients may be located in the Participant's home country or elsewhere, and that such country may have different data privacy laws and protections than the Participant's home country. The Participant understands the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any shares of Common Stock acquired in connection with the Units. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that he or she may, at any time, view the Data, request additional information about the storage and processing of Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant understands, however, that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan, hold Units or shares of Common Stock. For more information on the consequences of refusal to consent or withdrawal of consent, the Participant acknowledges that he or she may contact his or her local human resources representative.

   c. The Participant acknowledges that the Company has engaged Fidelity to perform brokerage services in connection with the Plan and may engage other plan administrators (collectively, the "**Third Parties**") as third parties to assist in implementation, administration and management of the Plan, and expressly authorizes the Third Parties, together with their successors and assigns, to receive, possess, use and transfer the Data as contemplated hereby. The Participant acknowledges and agrees that, from time-to-time the Company may replace the Third Parties with alternative service providers, and may add other third parties as service providers in connection with the

Plan, and the Participant expressly authorizes and agrees that any such parties are also authorized to receive, possess, use and transfer the Data as contemplated hereby.

2. The Plan is discretionary in nature and that the Company can amend, cancel or terminate the Plan at any time.

3. The grant of the Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive grants of any Units, shares of Common Stock, options or benefits in lieu of any options even if options have been granted repeatedly in the past and regardless of any reasonable notice period mandated under local law.

4. All determination with respect to any future awards, including, but not limited to, the times when restricted stock units shall be granted and the vesting schedule or other terms thereof, will be at the sole discretion of the Company.

5. Participation in the Plan is voluntary.

6. The value of the Units is an extraordinary item of compensation that is outside of the scope of the Participant's employment contract (if any).

7. The Units are not part of normal or expected compensation or salary for any purposes, including, without limitation, calculating severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

8. The Units shall expire upon Termination of Employment for any reason except as otherwise explicitly provided in this Agreement and the Plan.

9. The future value of the shares of Common Stock acquired following vesting of the Units is unknown and cannot be predicted with any certainty.

10. Where the Participant is not an employee of the Company, the grant of the Units can in no event be understood or interpreted to mean that the Company is the Participant's employer or that the Participant has an employment relationship with the Company.

11. No claim or entitlement to compensation or damages arises from the termination of the Units or any portion thereof, nor from any diminution in value of the Units or shares of Common Stock acquired connection with the Plan. The Participant irrevocably releases the Company, the Subsidiaries and the Participant's employer from any such claim.

12. The Participant further understands and agrees that the Company and any related company are neither responsible for any foreign exchange fluctuations between the Participant's local currency and the United States Dollar that may affect the value of Common Stock nor liable for any decrease in the value of Common Stock.

13. The Participant understands that the laws of the country in which he or she is working at the time of grant of the Units, vesting of the Units or at the subsequent sale of the shares of Common Stock granted to the Participant under this Agreement (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject the Participant to additional procedural or regulatory requirements he or she is solely responsible for and will have to independently fulfill in relation to ownership or sale of such Units or shares of Common Stock.

EXHIBIT 10.2

PERFORMANCE STOCK UNIT AGREEMENT
PURSUANT TO ZIFF DAVIS, INC.
2015 STOCK OPTION PLAN

THIS PERFORMANCE STOCK UNIT AGREEMENT (this "Agreement") is made as of [•] by and between [•] (the "Participant") and Ziff Davis, Inc., a Delaware corporation (the "Company"), pursuant to the Company's 2015 Stock Option Plan (the "Plan"). Capitalized terms used but not defined herein shall have the meanings assigned to them under the Plan.

WHEREAS, the Compensation Committee of the Board (the "Committee") itself by action taken on [•] authorized and directed the Company to make an award of restricted stock units subject to performance- and service-based conditions ("Performance Stock Units") to the Participant under the Plan for the purposes expressed in the Plan.

NOW THEREFORE, in consideration of the foregoing and the mutual undertakings herein contained, the parties agree as follows:

1. Award of Performance Stock Units. In accordance with the terms of the Plan and subject to the further terms, conditions and restrictions contained in this Agreement, the Company hereby awards to the Participant Performance Stock Units (the "Units"), each representing the right to receive one share of the Company's common stock, $0.01 par value (the "Common Stock") subject to the conditions of the Plan and this Agreement, as follows:

Target Number of Units: [•]

Maximum Number of Units: [•] of the Target Number of Units

2. Terms of Performance Stock Units. The Participant hereby accepts the Units and agrees with respect thereto as follows:

(a) Forfeiture of Performance Stock Units. In the event of the Participant's Termination of Employment for any reason or no reason, except as otherwise provided in Section 2(d) and except as set forth in the following sentence of this Section 2(a), (i) the Participant shall immediately forfeit, without compensation and without further action by any party, any and all Units that remain unvested and with respect to which the Performance Period is ongoing; and (ii) the Participant will remain eligible to receive any Units with respect to which the Performance Period has been completed but that have not been settled as of the Participant's Termination of Employment, and any such Units that are vested Units (if any) shall be settled in accordance with Section 2(f). In the event of the Participant's Termination of Employment for Cause, the Participant shall immediately forfeit, without compensation and without further action by any party, any and all Units, whether such Units relate to an ongoing or to a completed Performance Period.

(b) Assignment of Units Prohibited. The Units may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of.

(c) Vesting Schedule. The number of Units (if any) that become vested with respect to a Performance Period (as defined and set forth on Appendix A attached hereto) shall be determined as soon as commercially practicable after, and in all events within 75 days after, the completion of such Performance Period (such date, the "Measurement Date"), subject to the Committee determining and certifying the extent to which the performance goals applicable to such Performance Period (as set forth in Appendix A attached hereto, the “Performance Goals”) have been achieved (or not); provided that the Participant has not incurred a Termination of Employment prior to the last day of the applicable Performance Period, except as otherwise set forth in Section 2(d), and any such Units that vest (if any) shall be settled in accordance with Section 2(f). In no event shall the aggregate number of Units that vest hereunder exceed the Maximum Number of Units indicated above. Any Units that do not become vested pursuant to this paragraph as of the applicable Measurement Date shall be automatically forfeited without consideration.

The Committee’s determination and certification of (x) the achievement of the Performance Goals and (y) the number of Units that vest (if any) pursuant to this Section 2(c), shall be final and binding on the Participant. Notwithstanding anything herein to the contrary, the Committee shall have sole discretion to adjust the Performance Goals or metrics used to determine achievement of the Performance Goals, to reflect (A) a change in accounting standards or principles, (B) a significant acquisition or divestiture, (C) a significant capital transaction, (D) a change to or difference in the applicable fiscal year, or (E) any other unusual, nonrecurring or other extraordinary event or item as determined by the Committee in its sole discretion.

Upon a Change in Control (as defined below) during an ongoing Performance Period with respect to any Units granted hereunder, the date of such Change in Control shall be the final date of each applicable Performance Period for purposes of this Agreement. The number of Units that become eligible to vest as of the Change in Control shall be the number of Units that would have vested based on actual achievement of the Performance Goals for the period beginning on the first day of the Performance Period and ending on the date of the Change in Control as determined by the Committee or, if greater, the Target Number of Units (the Units that become eligible hereunder, if any, the “Eligible Units”). Any Units that do not become Eligible Units shall be automatically forfeited without consideration.

The Eligible Units shall remain outstanding following the Change in Control and shall vest on the last day of the Performance Period originally applicable to such Eligible Units, as set forth in this Agreement (and such last day of the applicable Performance Period shall be the “Measurement Date” with respect to such Eligible Units for purposes of Section 2(f)); provided that the Participant does not incur a Termination of Employment prior to such date, except as otherwise set forth in Section 2(d)(ii), and any such Units that vest (if any) shall be settled in accordance with Section 2(f).

Notwithstanding the foregoing, all Eligible Units shall become fully vested upon the occurrence of such Change in Control unless the Board determines that the Participant has been offered substantially identical replacement restricted stock units and a comparable position at any acquiring company. And any such Units that vest shall be settled in accordance with Section 2(f).

For purposes of this Agreement, a “Change in Control” of the Company shall be deemed to have occurred if:

(i) any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, any employee benefit plan sponsored by the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the “beneficial owner” (as defined in Rule 13d−3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities;

(ii) during any period of two consecutive years individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii) or (iv) of this Section 2(c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets. For the purposes of this subsection (iv), "substantially all" of the Company's assets shall mean assets for which the price or consideration upon sale or disposition equals or exceeds seventy-five percent (75%) or more of the fair market value of the Company.

(d) Termination of Employment.

(i) Upon the Participant's Termination of Employment by the Company without cause, (which, for the limited purposes set forth in this Section 2(d) includes the Participant's Termination of Employment due to the Participant's death or Permanent Disability (as defined in Section 22(e)(3) of the Code)) prior to a Change in Control and during an ongoing Performance Period with respect to any Units, a portion of the Units associated with such Performance Period equal to (x) the Target Number of Units with respect to such Performance Period, *multiplied by* (y) a fraction, the numerator of which is the number of days during the applicable Performance Period through the date of the Participant's Termination of Employment, and the denominator of which is the total number of days during such Performance Period shall remain outstanding and eligible to vest. Any such Units that remain outstanding and eligible to vest shall become vested (if at all) upon the Measurement Date applicable to such Units as provided in Section 2(c) based on actual performance through the applicable Performance Period as determined and certified by the Committee. Any such Units that vest (if any) shall be settled in accordance with Section 2(f). Any Units that do not become vested pursuant to this paragraph as of the applicable Measurement Date shall be automatically forfeited without consideration.

(ii) Upon the Participant's Termination of Employment by the Company without Cause (which, for the limited purposes set forth in this Section 2(d) includes the Participant's Termination of Employment due to the Participant's death or Permanent Disability), following a Change in Control and while any Eligible Units remain outstanding hereunder, the Eligible Units shall become vested (if at all) upon the Participant's Termination of Employment, with the number of Eligible Units that vest calculated as follows: (x) the number of Eligible Units outstanding with respect to the Performance Period applicable to such Eligible Units, *multiplied by* (y) a fraction, the numerator of which is the number of days during the Performance Period applicable to such Eligible Units through the date of the Participant's Termination of Employment, and the denominator of which is the total number of days during such Performance Period. Any such Units that vest (if any) shall be settled in accordance with Section 2(f). Any Units that do not become vested pursuant to this paragraph shall be automatically forfeited without consideration.

(e) Shareholder Rights. The Participant shall have no rights to dividends, dividend equivalents or any other rights of a shareholder with respect to shares of Common Stock subject to this award of Units unless and until such time as the award has been settled by the transfer of shares of Common Stock to the Participant.

(f) Settlement and Delivery of Common Stock. With respect to each Performance Period, payment of vested Units shall be made as soon as administratively practicable after, and in all events within 75 days after, the first to occur of: (i) the last day of the Performance Period to which such Units relate and for which performance is measured on a Measurement Date pursuant to Section 2(c) or Section 2(d)(i), (ii) the Units becoming fully vested upon a Change in Control pursuant to Section 2(c), or (iii) the Units becoming fully vested upon the date of the Participant's Termination of Employment pursuant to Section 2(d)(ii), as applicable. Settlement will be made by payment in shares of Common Stock or cash in accordance with the Plan. Notwithstanding the foregoing, the Company shall not be obligated to deliver any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock to comply with any such law, rule, regulation or agreement.

Furthermore, the Participant understands that the laws of the country in which he/she is working at the time of grant or vesting of the Units or at the subsequent sale of shares of Common Stock granted to the Participant under this award (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may subject the Participant to additional procedural or regulatory requirements he/she is solely responsible for and will have to independently fulfill in relation to ownership or sale of such shares.

The Participant further understands and agrees that the Company and any related company are neither responsible for any foreign exchange fluctuations between the Participant's local currency and the United States Dollar that may affect the value of Common Stock nor liable for any decrease in the value of Common Stock.

3. Adjustments in Units. In the event of a subdivision of the outstanding Common Stock, a declaration of a dividend payable in shares of Common Stock, a declaration of a dividend payable in a form other than shares in an amount that has a material effect on the value of shares of Common Stock, a combination or consolidation of the outstanding Common Stock into a lesser number of shares of Common Stock, a spin-off or divestiture, a recapitalization, a classification or a similar occurrence, the Committee shall make appropriate adjustments in the number of Units and other applicable terms of the Units, including, without limitation, the type of property or securities to which the Units relate and the performance criteria for the Units.

4. Withholding Requirements. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes and related amounts which it determines is required in connection with this award of Units, and, unless otherwise approved by the Committee, the Company shall either (i) reduce the number of shares of Common Stock that would have otherwise been delivered to the Participant by a number of shares of Common Stock having a Fair Market Value (as defined in the Plan) equal to the amount required to be withheld, or (ii) withhold the appropriate amount of any taxes due in accordance with the Company's payroll procedures applicable to the Participant. Regardless of the Company's or any Subsidiary's actions in connection with tax withholding for the Participant, the Participant acknowledges that the ultimate responsibility for any and all tax-related items in connection with any aspect of the Units is and remains the Participant's responsibility and liability. Neither the Company nor any Subsidiary make any representation or understanding regarding the treatment of any tax-related amounts in

connection with the Units or any shares or awards under the Plan, nor do they make any commitment with respect to the structure of the Units to reduce or eliminate the Participant's liability for tax-related items.

5. Effect of Employment. Nothing contained in this Agreement shall in any manner be construed to limit in any way the right of the Company or any subsidiary to terminate the Participant's employment at any time, without regard to the effect of such termination on any rights the Participant would otherwise have under this Agreement, or give any right to the Participant to remain employed by the Company or a subsidiary thereof in any particular position or at any particular rate of compensation.

6. Data Privacy. In order to perform its obligations under the Plan or for the implementation and administration of such Plan, the Company may collect, transfer, use, process, or hold certain personal or sensitive data about the Participant. Such data includes, but is not limited to the Participant's name, nationality, citizenship, work authorization, date of birth, age, government or tax identification number, passport number, brokerage account information, address, compensation and equity award history, and beneficiaries' contact information. The Participant explicitly consents to the collection, transfer (including to third parties in the Participant's home country or the United States or other countries, such as but not limited to human resources personnel, legal and tax advisors, and brokerage administrators), use, processing, and holding, electronically or otherwise, of his/her personal information in connection with this or any other equity award. At all times, the Company shall maintain the confidentiality of the Participant's personal information, except to the extent the Company is required to provide such information to governmental agencies or other parties; such actions will be undertaken by the Company only in accordance with applicable law.

7. Mode of Communications. The Participant agrees, to the fullest extent permitted by law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or related company may deliver in connection with this grant and any other grants offered by the Company, including prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. Electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or website of the Company's agent administering the Plan.

To the extent the Participant has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

8. Amendment. This Agreement may not be amended except with the consent of the Committee and by a written instrument duly executed by the Participant and the Company.

9. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, personal representatives, successors and assigns. The Participant acknowledges receipt of a copy of the Plan, which is annexed hereto, represents that he or she is familiar with the terms and provisions thereof and accepts the award of Units hereunder subject to all of the terms and conditions thereof and of this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee upon any questions arising under the Plan or this Agreement.

10. Clawback/Recapture Policy. The Participant's execution or acceptance of this Agreement shall constitute the Participant's acknowledgment that the Participant is subject to any clawback or recapture policy that the Company may adopt from time-to-time that is applicable to the Participant, and that the Participant's Award may be subject to recoupment, in each case to the extent provided in the applicable clawback policy.

11. Participant's Acknowledgement and Waiver. If the Participant is not a resident of the United States, the provisions of Appendix B are incorporated herein in their entirety.

12. Section 409(A) of the Code. If the Participant is a resident of the United States, the Units and any shares of Common Stock issuable in connection therewith are intended to qualify for an exemption from or comply with Section 409A of the Code. Notwithstanding any other provision in this Agreement and the Plan to the contrary, the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Agreement so that the Units qualify for exemption from or comply with Section 409A of the Code; provided, however, that the Company makes no representations that the Units will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the Units. No provision of this Agreement will be interpreted or construed to transfer any liability for failure to comply with Section 409A of the Code from the Participant any other individual to the Company. By executing this Agreement, the Participant agrees to waive any claim against the Company with respect to any such tax consequences. Notwithstanding anything to the contrary contained in this Agreement, to the extent that any payment or benefit under this Agreement is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A of the Code and is payable to the Participant by reason of the Participant's termination of employment, then (a) such payment or benefit shall be made or provided to the Participant only upon a "separation from service" as defined for purposes of Section 409A of the Code under applicable regulations and (b) if the Participant is a "specified employee" (within the meaning of Section 409A and as determined by the Company) and a payment delay is required to avoid additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A, then such payment or benefit shall not be made or provided before the date that is six months after the date of the Participant's separation from service. Each payment under this Agreement will be treated as a separate payment under Section 409A of the Code. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

13. Applicable Law. This Agreement shall be governed by the laws of the State of California.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Company and the Participant have each executed and delivered this Agreement as of the date first above written.

ZIFF DAVIS, INC.

/s/ Jeremy Rossen

By: Jeremy Rossen

Its: Executive Vice President and General Counsel

[•]

EXHIBIT 10.3

SEVENTH AMENDMENT TO CREDIT AGREEMENT

This SEVENTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of April 10, 2024, is entered into among ZIFF DAVIS, INC. (f/k/a J2 GLOBAL, INC.), a Delaware corporation (the "Borrower"), the Guarantors, the lenders party to this Amendment constituting Required Lenders and U.S. Bank National Association ("U.S. Bank"), as administrative agent for the Lenders (in such capacity, the "Agent" or the "Administrative Agent").

RECITALS

WHEREAS, the Borrower, the Lenders and the Agent are party to that certain Credit Agreement dated as of April 7, 2021 (as amended, restated, amended and restated, modified or supplemented from time to time, the "Credit Agreement"; capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement), pursuant to which the Lenders party thereto made available to the Borrower various credit facilities as described therein;

WHEREAS, the Borrower has requested that the Agent and the Lenders amend the Credit Agreement in certain respects pursuant to the terms and conditions hereof;

WHEREAS, the Agent and the Lenders are willing to amend the Credit Agreement pursuant to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendment to Credit Agreement. Effective as of the Seventh Amendment Effective Date (as defined below), Section 2.1 of the Credit Agreement is hereby amended to insert immediately at the end thereof the following new paragraph (h):

(h) Notwithstanding the foregoing or anything to the contrary set forth herein (including, without limitation, Section 2.19), on and after April 10, 2024, Letters of Credit may be issued by the Issuing Bank in Dollars, euro, or such other currencies reasonably requested by the Borrower and approved by the Issuing Bank and the Administrative Agent in their respective sole discretion. Each draw under a Letter of Credit shall be repaid by the Borrower in the same currency as such draw was made. All fees and expenses in respect of Letters of Credit shall be paid in Dollars, regardless of the currency in which any Letter of Credit is denominated. Risk participations by the Lenders in non-Dollar Letters of Credit shall be determined using the Dollar equivalent thereof, and all payments in respect of such risk participations shall be made in Dollars. Any Loan made to repay a draw under a Letter of Credit shall be made as a Base Rate Loan. When determining the face amount of a non-Dollar Letter of Credit, such determination shall be made on any date (i) such Letter of Credit is issued, amended, modified, or drawn, (ii) an extension of credit is made under the Agreement, (iii) fees, expenses, reimbursements and other similar amounts are required to be paid in respect of such Letter of Credit, and (iv) the amount of any Revolving Loan Commitment is determined or the amount of the Obligations is determined. The Administrative Agent, using its reasonable discretion, shall make all currency conversions necessary to make the foregoing determinations, and shall notify the Borrower of such conversions at the time any payment is required to be made, or as otherwise contemplated pursuant to the foregoing. The

Administrative Agent shall calculate currency conversions based on the arithmetic mean of the buy and sell spot rates of exchange of the Administrative Agent in the applicable interbank market (or other market where the Administrative Agent's foreign exchange operations in respect of such currency are then being conducted) for such other currency at or about 11:00 a.m. (Los Angeles time) on the date on which such amount is to be determined, rounded up to the nearest amount of such currency as determined by the Administrative Agent from time to time. If at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such amount, and such determination shall be conclusive absent manifest error.

SECTION 2. [Intentionally Omitted].

SECTION 3. Conditions Precedent to Effectiveness. This Amendment shall become effective (the "Seventh Amendment Effective Date") upon satisfaction of the following conditions, in each case, in form and substance satisfactory to the Agent:

(a) Receipt by the Agent of this Amendment, duly executed by the Borrower, the Guarantors, the Lenders constituting Required Lenders, and the Agent; and

(b) The representations and warranties set forth in Section 4 hereof shall be true and correct as of the Seventh Amendment Effective Date.

Without limiting the generality of the provisions of Section 8.3 of the Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 3 or otherwise, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Seventh Amendment Effective Date specifying its objection thereto.

SECTION 4. Reference to and Effect on the Credit Agreement and the Other Loan Documents

(a) Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof," "therein" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

(b) The Credit Agreement and all other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The parties hereto acknowledge and agree that the amendment of the Credit Agreement pursuant to this Amendment and any exhibits thereto amended hereby shall not constitute a novation of the Credit Agreement or any other Loan Document as in effect prior to the date hereof.

(c) The execution, delivery and effectiveness of this Amendment shall not operate (i) as a waiver of any right, power or remedy of the Agent or the Lenders under the Credit Agreement or any other Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Documents, (ii) to prejudice any right or rights which the Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, (iii) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Borrower or any of its Subsidiaries or any other Person with respect to any other waiver, amendment, modification or any other change to the Credit Agreement or the Loan Documents or any rights or remedies arising in favor of the Lenders or the Agent, or any of them, under or with respect to any such documents or (iv) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of any other agreement by and among the Loan Parties, on the one hand, and the Agent or any other Lender, on the other hand.

SECTION 5. Representations and Warranties. Each Loan Party represents and warrants, for the benefit of the Lenders and the Agent, as follows: (i) such Loan Party has the corporate power and authority, to execute and deliver this Amendment, and to perform this Amendment and the Amended Credit Agreement; (ii) all actions, waivers and consents (corporate, regulatory and otherwise) necessary or appropriate for it to execute, deliver and perform this Amendment and the Amended Credit Agreement have been taken and/or received; (iii) each of this Amendment and the Amended Credit Agreement constitutes a legal, valid and binding obligation of each of the Loan Parties (to the extent such Loan Party is a party thereto) enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law); (iv) the execution, delivery and performance of this Amendment and the Amended Credit Agreement will not (a) violate any Requirement of Law applicable to any of the Loan Parties or material Contractual Obligation of any of the Loan Parties, and (b) will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues pursuant to any such Requirement of Law or such material Contractual Obligation, in each case of clauses (a) and (b) except as would not reasonably be expected to have a Material Adverse Effect; (v) the representations and warranties contained in this Amendment, the Amended Credit Agreement, each other Loan Document and each certificate or other writing delivered by the Borrower and any Subsidiary to the Agent in connection herewith or therewith are correct on and as of date hereof in all material respects (except for those representations and warranties that are conditioned by materiality or reference to Material Adverse Effect, which shall be true and correct in all respects) as though made on the date hereof except (i) to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be so true and correct as of such earlier date and (ii) the representations and warranties made under Section 3.1 of the Credit Agreement shall be deemed to refer to the most recent financial statements of the Borrower furnished to the Agent pursuant to Section 5.1 of the Credit Agreement; and (vi) after giving effect to this Amendment and any borrowings made on the Seventh Amendment Effective Date, no Default or Event of Default has occurred and is continuing.

SECTION 6. Reaffirmation. Each Loan Party hereby expressly acknowledges the terms of this Amendment and reaffirms, as of the Seventh Amendment Effective Date, and after giving effect to this Amendment, (i) the covenants, guarantees, pledges, grants of Liens and agreements or other commitments contained in each Loan Document to which it is a party, including, in each case, such covenants, guarantees, pledges, grants of Liens and agreements or other commitments as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby, (ii) its guarantee of the Secured Obligations under each Guarantee, as applicable, and (iii) its grant and the validity of Liens granted by it on the Collateral to secure the Secured Obligations pursuant to the Security Documents. Each Loan Party hereby agrees that after giving effect to this Amendment (A) each Loan Document to which it is a party shall continue to be in full force and effect and (B) all guarantees, pledges, grants of Liens, covenants, agreements and other commitments by such Loan Party under the Loan Documents shall continue to be in full force and effect and shall accrue to the benefit of the Secured Parties and shall not be affected, impaired or discharged hereby or by the transactions contemplated in this Amendment.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment electronically shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execute,” “execution,” “signed,” “signature,” “delivery” and words of like import in or related to this Amendment or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Amendment or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (i) to the extent the Agent has agreed to accept such Electronic Signature from any party hereto, the Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (x) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Agent, the Collateral Agent, the Issuing Bank, the Lenders and any of the Loan Parties, electronic images of this Amendment (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (y) waives any argument, defense or right to contest the validity or enforceability of this Amendment based solely on the lack of paper original copies of this Amendment, including with respect to any signature pages thereto.

SECTION 8. Governing Law. This Amendment and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 9. Entire Agreement. This Amendment is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements, of the parties concerning its subject matter. This Amendment is a Loan Document and is subject to the terms and conditions of the Amended Credit Agreement.

SECTION 10. Successors and Assigns. This Amendment shall be binding on and inure to the benefit of the parties and their heirs, beneficiaries, successors and permitted assigns.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

ZIFF DAVIS, INC.
J2 GLOBAL VENTURES, LLC
BABYCENTER, L.L.C.
EKAHAU INC.
EVERYDAY HEALTH MEDIA, LLC
EVERYDAY HEALTH, INC.
HUMBLE BUNDLE, INC.
IGN ENTERTAINMENT, INC.
J2 WEB SERVICES, INC.
IPVANISH, INC. (formerly known as Mudhook Marketing, Inc.)
NETPROTECT, INC.
OFFERS.COM, LLC
OOKLA, LLC
PRIME EDUCATION, LLC
RETAILMENOT, INC.
SPICEWORKS, INC.
THREATTRACK SECURITY, INC.
ZIFF DAVIS, LLC

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel, Secretary

U.S. BANK NATIONAL ASSOCIATION, as Agent, Collateral Agent and Lender

By: */s/ Steven J. Correll*

Name: Steven J. Correll

Title: Senior Vice President

Signature Page to Seventh Amendment to Ziff Davis Credit Agreement

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vivek Shah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ziff Davis, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ VIVEK SHAH

Vivek Shah

Dated: May 9, 2024

Chief Executive Officer and a Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bret Richter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ziff Davis, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BRET RICHTER

Bret Richter

Dated: May 9, 2024

Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Vivek Shah, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The accompanying quarterly report on Form 10-Q for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ziff Davis, Inc.

		/s/ VIVEK SHAH
		Vivek Shah
Dated:	May 9, 2024	Chief Executive Officer and a Director
		(Principal Executive Officer)

A signed original of this certification required by Section 906 of the Sarbanes-Oxley Act of 2002, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Bret Richter, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The accompanying quarterly report on Form 10-Q for the quarter ended March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ziff Davis, Inc.

/s/ BRET RICHTER

Bret Richter

Dated: May 9, 2024

Chief Financial Officer
(Principal Financial Officer)

A signed original of this certification required by Section 906 of the Sarbanes-Oxley Act of 2002, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.