



Q3 2022 Earnings Call

November 8, 2022

Disclaimer

This presentation contains “forward-looking statements” that are based on management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained herein that are not historical facts. When used herein, the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “will,” “should,” “could,” “estimates” and similar expressions are generally intended to identify forward-looking statements. In particular, statements about the markets in which we operate, including growth of our various markets, and statements about our expectations, beliefs, plans, strategies, objectives, prospects, assumptions or future events or performance contained in this presentation are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievement to be materially different from any projected results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent the beliefs and assumptions of DoubleVerify Holdings, Inc. (the “Company”) only as of the date of this presentation, and we undertake no obligation to update or revise, or to publicly announce any update or revision to, any such forward-looking statements, whether as a result of new information, future events or otherwise. As such, the Company’s results may vary from any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree.

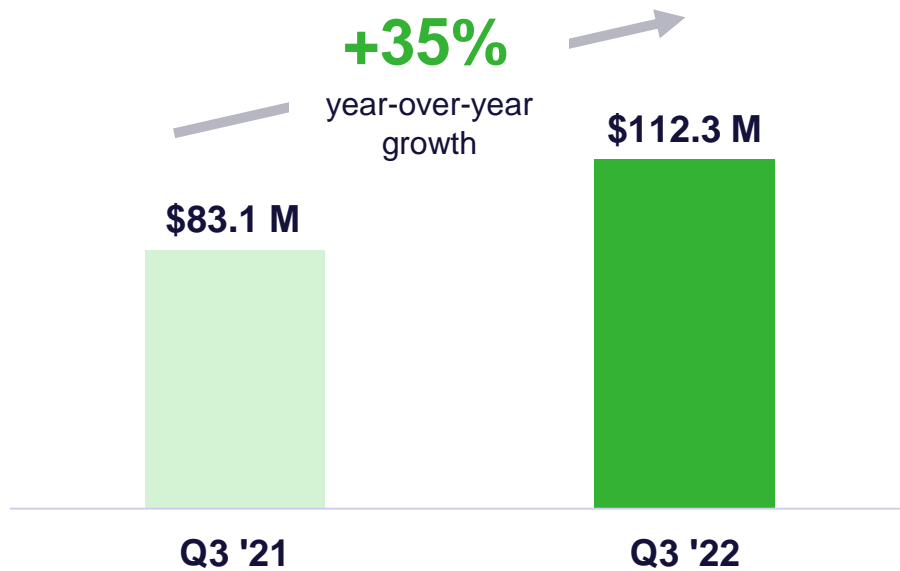
We cannot assure you that the assumptions made in preparing any of the forward-looking statements will prove accurate or that any long-term financial or operational goals or targets will be realized. For a discussion of some of the risks, uncertainties and other factors that could cause the Company’s results to differ materially from those expressed in, or implied by, the forward-looking statements included in this presentation, you should refer to the “Risk Factors” section and other sections in the Company’s Form 10-Q filed with the SEC on November 8, 2022, the Company’s Form 10-K filed with the SEC on March 8, 2022 and the Company’s other filings and reports with the SEC.

In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company also discloses in this presentation certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA less Capital Expenditures. We believe that these non-GAAP financial measures are useful to investors for period-to-period comparisons of the Company’s core business and for understanding and evaluating trends in the Company’s operating results on a consistent basis by excluding items that we do not believe are indicative of the Company’s core operating performance. These non-GAAP financial measures have limitations as analytical tools, and are presented for supplemental purposes and should be considered in addition to, and not in isolation or as substitutes for an analysis of the Company’s results as reported under GAAP. In addition, other companies in the Company’s industry may calculate these non-GAAP financial measures differently than the Company does, limiting their usefulness as a comparative measure. You should compensate for these limitations by relying primarily on the Company’s GAAP results and using the non-GAAP financial measures only supplementally. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation.

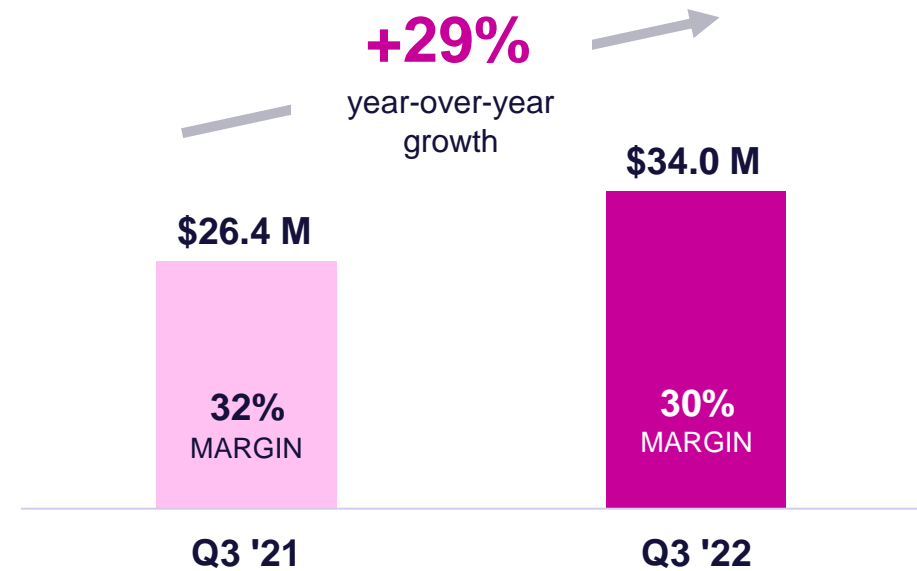
In addition, this presentation contains industry and market data and forecasts that are based on our analysis of multiple sources, including publicly available information, industry publications and surveys, reports from government agencies, reports by market research firms and consultants and our own estimates based on internal company data and management’s knowledge of and experience in the market sectors in which the Company competes. While management believes such information and data are reliable, we have not independently verified the accuracy or completeness of the data contained in these sources and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

Delivered A Strong Third Quarter

Total Revenue Growth



Adj. EBITDA Growth and Margin¹



Three Key Differentiators

Cross Platform
Scale

Identifier Independent
Innovation

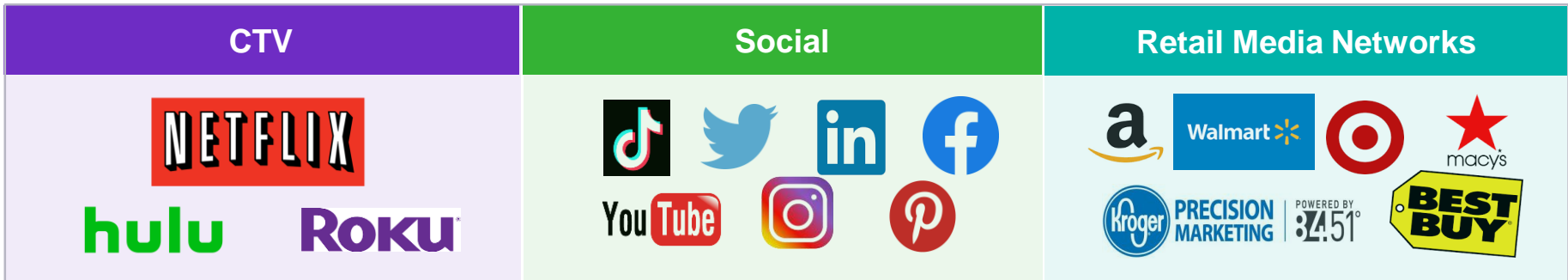
Accredited Objectivity
Trust

Rapidly Growing Scale

Global Market Share Growth with **New Logo Wins** and **Expansion**



Expanding on premium **CTV** + **Social** platforms and **Retail Media Networks**



Continued **International expansion** through greenfield opportunities

DV's largest opportunity for greenfield wins is in international markets

+71%

OF ALL Q3 WINS WERE GREENFIELD

Of DV's Q3'22 wins were greenfield, representing the largest share of greenfield wins in any quarter of this year

Market Defining Innovation

DV **Authentic Attention Snapshot** Launched

Clients Actively Evaluating Snapshot Data

~600

Sales Opportunities Identified

~200

Pre-Campaign **Social Media Activation Tools**

New Customers Signed Since Start of Q3'22

+20

Including High-Profile Brands



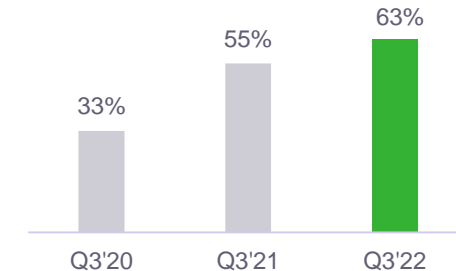
Authentic Brand Suitability Continues to Grow

Authentic Brand Suitability

+46%

Q3'22 REVENUE GROWTH¹

Top 500 Customers ABS Activation



Continuing to Build and Deepen Trust

The **most widely recognized** international standard for information security management



Demonstrates DV's commitment to **information security, protection, and confidentiality**

Supports Long-term, Sticky Client Relationships

GRR

+95%

Q3 2022 GRR¹

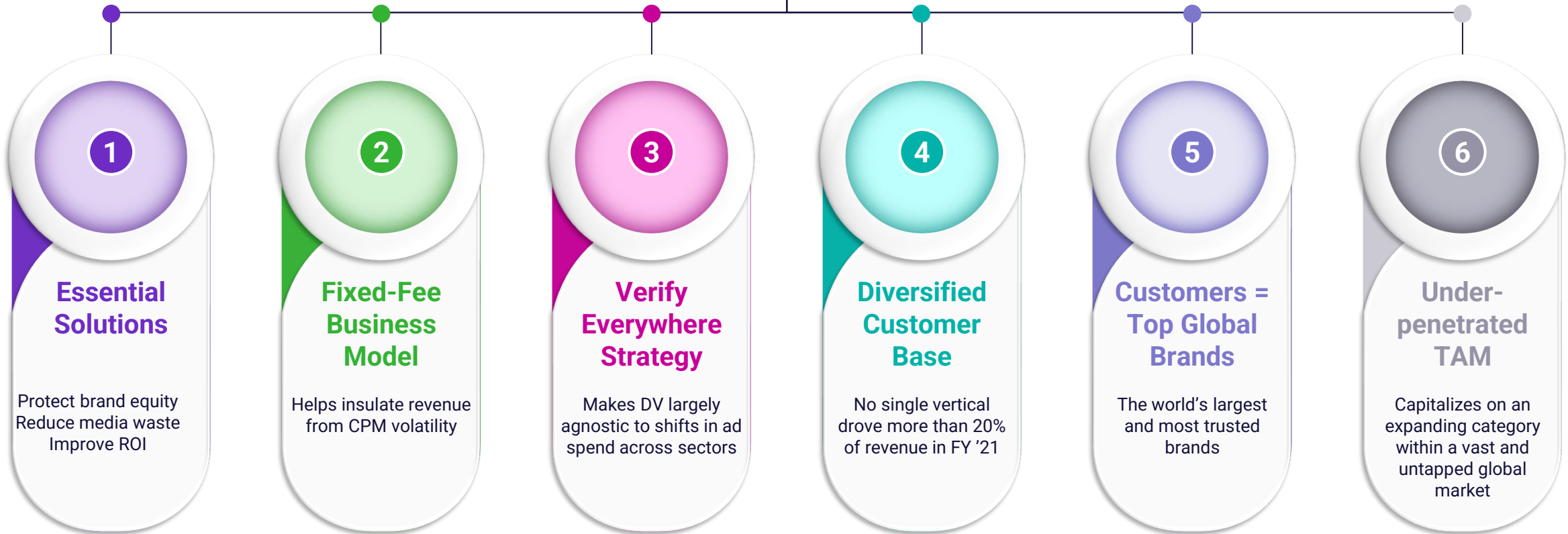
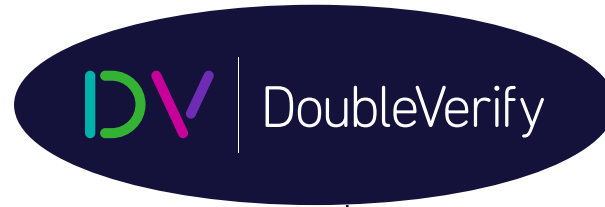
LARGE CUSTOMER GROWTH

+41%

GENERATING >\$200 K / YR²

1. Gross Revenue Retention Rate is the total prior period revenue earned from advertiser customers, less the portion of prior period revenue attributable to lost advertiser customers, divided by the total prior period revenue from advertiser customers.
2. DV grew the total number of customers generating more than 200 thousand dollars of revenue by 41% year-over-year, on a trailing twelve-month basis.

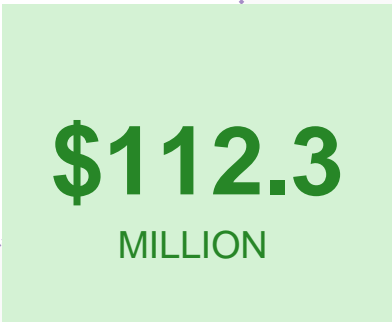
DoubleVerify's Resilient Fundamentals



Strong Third Quarter and First Nine Months of 2022

Q3 2022

Total Revenue



Adj. EBITDA



+35%
GROWTH¹

30%
MARGINS²

Nine Months Ended 9.30.2022

Total Revenue



Adj. EBITDA



+40%
GROWTH¹

29%
MARGINS²

Q3 2022 Revenue Growth Drivers

Key Drivers

Q3 '22 TOTAL REVENUE GROWTH OF 35%



Authentic Brand Suitability



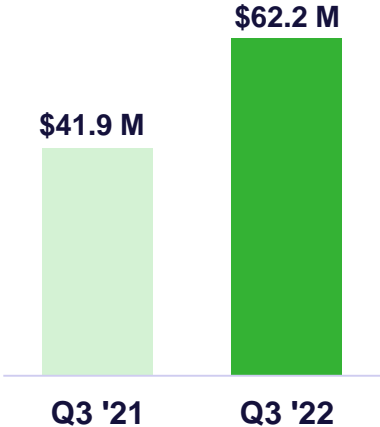
Core Programmatic Products



New Client Growth

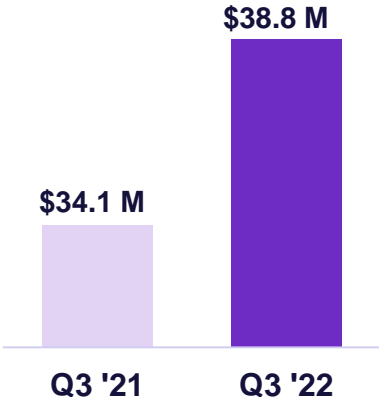
Activation

+48%
year-over-year growth



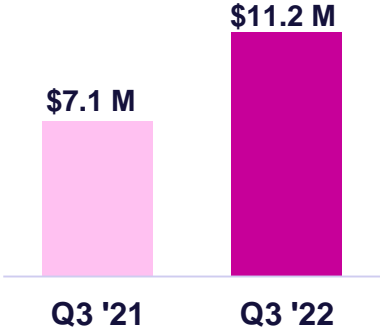
Measurement

+14%
year-over-year growth



Supply-Side

+57%
year-over-year growth



Drivers of Advertiser Revenue Growth¹

VOLUME GROWTH²

17%

**MEDIA TRANSACTIONS MEASURED
(MTM)**

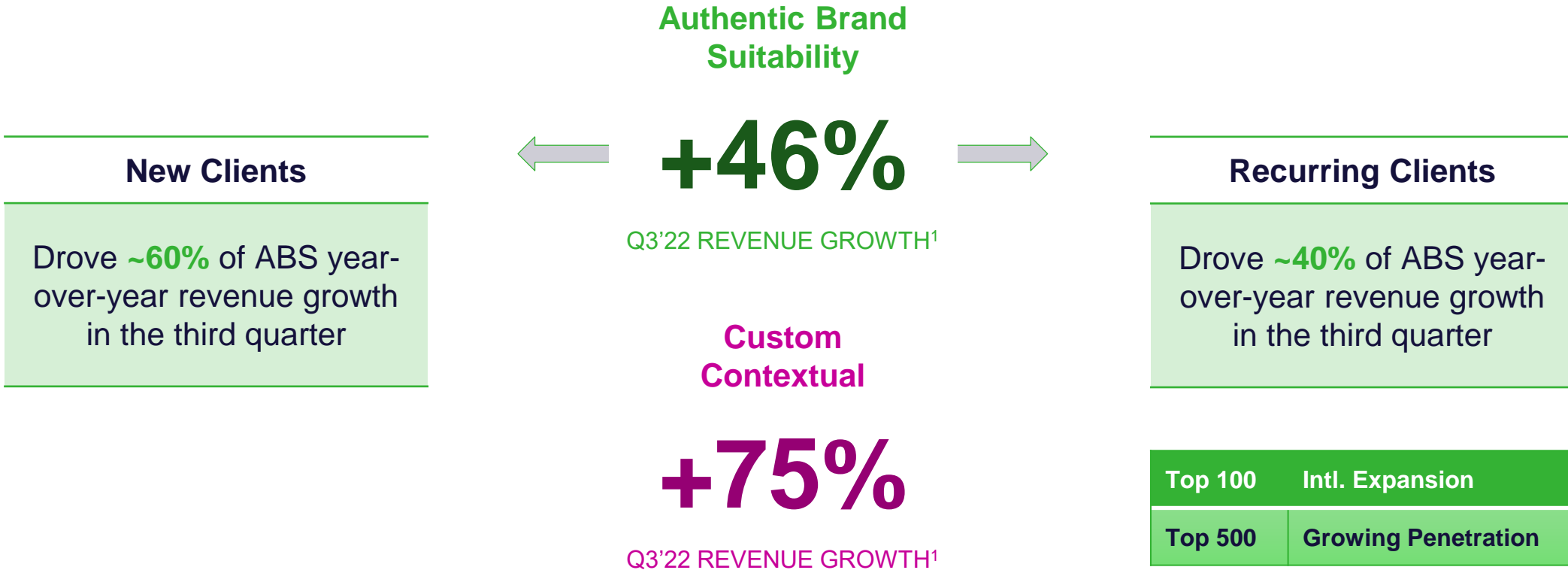
PRICE GROWTH²

10%

**MEASURED TRANSACTION FEES
(MTF)**

Continued Growth in Premium Priced Products

Strong Upsell Momentum in Premium Priced Activation Products



1. Year-over-year growth rate (Q3 2022 vs. Q3 2021).

Raised FY 2022 Guidance

Q4 2022 Guidance

Revenue

\$131 M - \$135 M

Low-end

High-end

+26%
year-over-year
growth at the
midpoint

Adjusted EBITDA

\$45 M - \$47 M

Low-end

High-end

35%
Margin at the
midpoint

FY 2022 Guidance

Revenue

\$450 M - \$454 M

Low-end

High-end

+36%
year-over-year
growth at the
midpoint

Adjusted EBITDA

\$138 M - \$140 M

Low-end

High-end

31%
Margin at the
midpoint

Key Business Terms

Measurement revenue is generated from the verification and measurement of advertising impressions that are directly purchased on digital media properties, including publishers and social media platforms.

Activation revenue is generated from the evaluation, verification and measurement of advertising impressions purchased through programmatic demand-side and social media platforms.

Supply-Side revenue is generated from platforms and publisher partners who use DoubleVerify's data analytics to evaluate, verify and measure their advertising inventory.

Gross Revenue Retention Rate is the total prior period revenue earned from advertiser customers, less the portion of prior period revenue attributable to lost advertiser customers, divided by the total prior period revenue from advertiser customers.

Media Transactions Measured (MTM) is the volume of media transactions that DoubleVerify's software platform measures.

Measured Transaction Fee (MTF) is the fixed fee DoubleVerify charges per thousand Media Transactions Measured.

International Revenue Growth Rates are inclusive of foreign currency fluctuations.

Non-GAAP Financial Measures Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(In Thousands)		(In Thousands)	
Net income	\$ 10,331	\$ 7,924	\$ 25,200	\$ 1,000
Net income margin	9%	10%	8%	0%
Depreciation and amortization	8,089	7,492	25,446	21,989
Stock-based compensation	10,971	4,848	31,224	12,100
Interest expense	226	249	681	936
Income tax expense	3,609	3,270	4,121	8,361
M&A and restructuring costs (a)	39	1,079	1,219	1,128
Offering, IPO readiness and secondary offering costs (b)	726	318	726	22,465
Other (recoveries) costs (c)	(228)	878	3,659	987
Other expense (d)	231	365	422	365
Adjusted EBITDA	\$ 33,994	\$ 26,423	\$ 92,698	\$ 69,331
Adjusted EBITDA margin	30%	32%	29%	31%

Non-GAAP Financial Measures Reconciliation

- a) M&A and restructuring costs for the three and nine months ended September 30, 2022 consist of transaction costs, integration and restructuring costs related to the acquisition of OpenSlate. M&A costs for the three and nine months ended September 30, 2021 consist of transaction costs related to the acquisition of Meetrics and other reductions to deferred compensation liabilities related to acquisitions.
- b) Offering, IPO readiness and secondary offering costs for the three and nine months ended September 30, 2022 consist of third-party costs incurred for the Company's filing of a "shelf" registration statement on Form S-3. Offering, IPO readiness and secondary offering costs for the three and nine months ended September 30, 2021 consist of third-party costs incurred for the Company's IPO and an underwritten secondary public offering by certain stockholders of the Company.
- c) Other (recoveries) costs for the three and nine months ended September 30, 2022 consist of sublease income for lease office space, offset by costs related to the departures of the Company's former Chief Operating Officer and Chief Customer Officer, impairment related to a subleased office space and costs related to the disposal of furniture for unoccupied lease office space. For the three and nine months ended September 30, 2021, other costs include reimbursements paid to Providence for costs incurred prior to the IPO date, and non-recurring recognition of a cease-use liability related to unoccupied lease office space.
- d) Other expense for the three and nine months ended September 30, 2022 and September 30, 2021 consists of the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities.

We use Adjusted EBITDA and Adjusted EBITDA Margin as measures of operational efficiency to understand and evaluate our core business operations. We believe that these non-GAAP financial measures are useful to investors for period-to-period comparisons of our core business and for understanding and evaluating trends in our operating results on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

Full Year and Fourth Quarter 2022 Adjusted EBITDA Guidance

With respect to the Company's expectations under "Full Year 2022 and Fourth Quarter 2022 Guidance", the Company has not reconciled the non-GAAP measure of Adjusted EBITDA to the GAAP measure net income in this press release because the Company does not provide guidance for stock-based compensation expense, depreciation and amortization expense, acquisition-related costs, interest income, and income taxes on a consistent basis as the Company is unable to quantify these amounts without unreasonable efforts, which would be required to include a reconciliation of Adjusted EBITDA to GAAP net income. In addition, the Company believes such a reconciliation would imply a degree of precision that could be confusing or misleading to investors.