



Q4 & FY 2023 Earnings Call

February 28, 2024

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-K filed with the SEC on February 28, 2024 and the Company’s other filings and reports with the SEC from time to time.

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.

Industry-Leading Revenue Growth and Profitability

Q4 2023

Total Revenue

\$172
MILLION

Adj. EBITDA

\$65
MILLION

+29%
GROWTH¹

38%
MARGINS²

Twelve Months Ended 12.31.2023

Total Revenue

\$573
MILLION

Adj. EBITDA

\$187
MILLION

+27%
GROWTH¹

33%
MARGINS²

Key Areas of Long-Term Growth Social Solutions and Scibids AI

Social Media

More Pre-screen and Brand Safety & Suitability coverage



54%

of DV's top 700 customers' used DV's social media in 2023, up 10 percentage points year-over-year

← Expanding Coverage →

Scibids AI

More Programmatic DSPs and Social media platforms



40%

Of our large new customer wins YTD are actively testing Scibids.

← Growing Adoption →

Winning a Large Customer Growth Opportunity

Strong 2023 Win Momentum

80% win rate across all opportunities in FY 2023

62% of our FY 2023 wins were greenfield



Large Customer Growth Opportunity

ACQUIRE NEW

500 Potential to win more Top 1000 global advertisers

OF THE GLOBAL TOP 1000 ADVERTISERS DID NOT WORK WITH DV IN 2023¹

EXPAND EXISTING

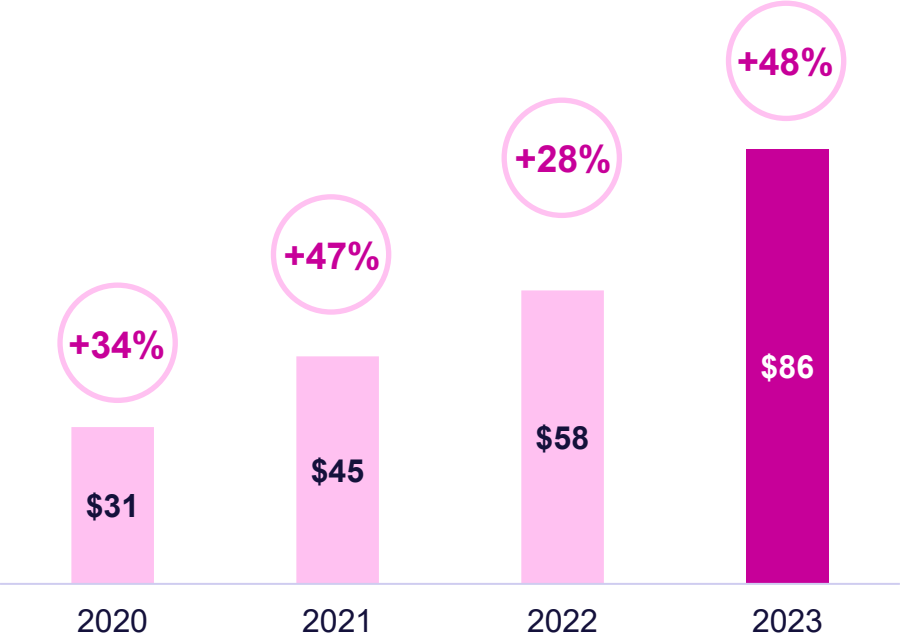
2x Potential to double DV's <0.5% share of existing top client spend

THROUGH 1) GEO & MEDIA CHANNEL EXPANSION AND 2) PRODUCT CROSS-SELL & UPSSELL

1. Based on COMvergence's list of the Top ~1000 Global Advertisers by 2023 digital media spend

Gaining Market Share in Social Media

DV Social Measurement Revenue (\$M)



Y/Y % Growth	2020	2021	2022	2023
DoubleVerify	34%	47%	28%	48%
Global Social Ad Spend ¹	21%	35%	6%	15%

Key Long-term Growth Drivers

- 1** **Meta** new customer adoption following brand safety and suitability launch
- 2** **YouTube** shorts existing customer volume expansion following brand safety and suitability launch
- 3** **TikTok** existing customer international expansion following brand safety and suitability launch across 32 markets

Market-Leading AI Video Verification Engine

Universal Content Intelligence (UCI)



Video



Audio



Text

Video Classification | Select a video: The GREATEST round ever? #shorts

Sentiment
Contextual Understanding: Boxing match
Sentiment: Positive

Avoidance Categories
Violence: Medium Risk

Contextual Categories
IAB: Sports, IAB: Boxing

Detected Elements
Product Logos (3)
Noticeable Objects (1)
On-Screen Text (7)

Visual Analysis
Settings/Background (1)
Gesture/Action (1)



Fast . Accurate . Cost-Effective.

Gaining Market Share CTV, Retail Media and the Open Web

FY 2023
YEAR-OVER-YEAR
GROWTH



CTV



Retail Media



Open Web



33%

Increase in CTV
impression volumes

60%

Increase in Retail
Media revenues

48%

Increase in ABS
revenue

INDUSTRY¹

16%

Increase in global CTV
ad spend

15%

Increase in Retail
Media ad spend

10%

Increase in
programmatic ad spend

Why DV is Positioned to Win

Three Key Takeaways

- 1 DV is significantly outgrowing the digital advertising industry
- 2 DV has global scale and connectivity and market-defining product innovation, powered by proprietary AI
- 3 DV has a solid pipeline of new and expansionary deals

Why Enterprise Customers Choose DV



*“Haleon is pleased to partner with DoubleVerify to support our media quality and performance goals. The **strength of DV's brand safety and suitability offering** - especially across social media platforms - together with **their innovation in the attention space** made them the clear choice. This combination ensures our media investment **is protected**, and that we have a strong foundation upon which to **build value and ROI.**”*

Q4 2023 Revenue Growth Drivers

29% TOTAL REVENUE GROWTH IN Q4 '23

Key Drivers



Authentic Brand Suitability



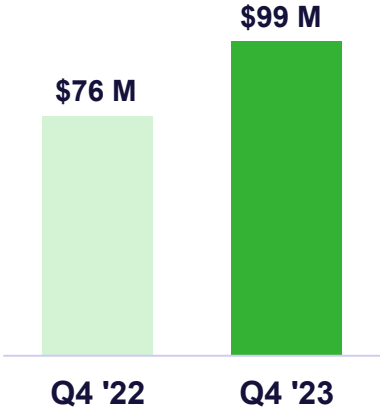
Social Products



New Client Growth

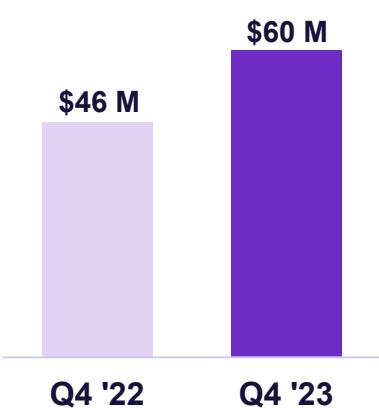
Activation

+32%
year-over-year growth



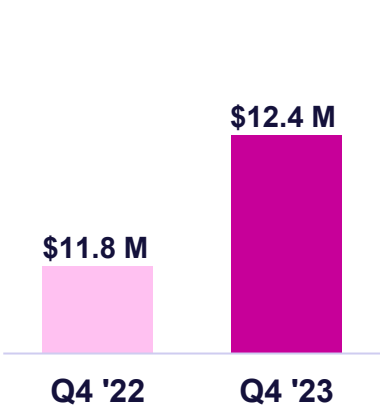
Measurement

+30%
year-over-year growth



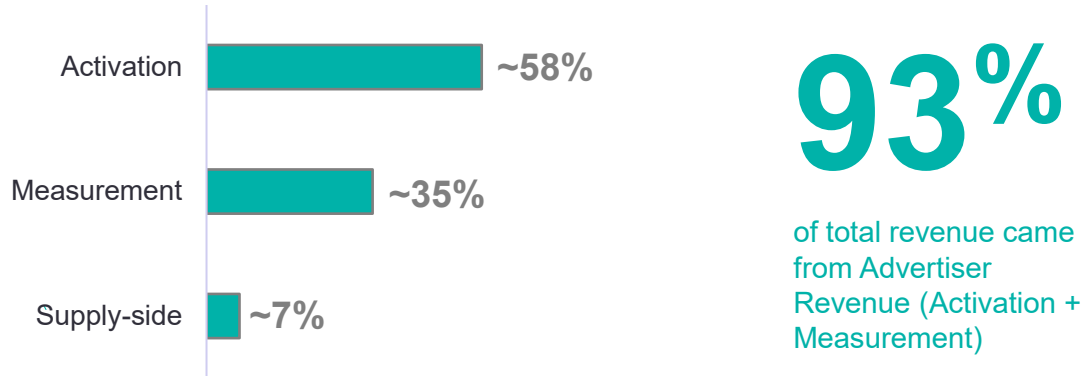
Supply-Side

+5%
year-over-year growth



Q4 2023 Revenue Growth Drivers cont'd

Business Line Contribution to Total Revenue



Advertiser Revenue Growth Drivers

Q4 '23 ADVERTISER REVENUE GROWTH OF 31%



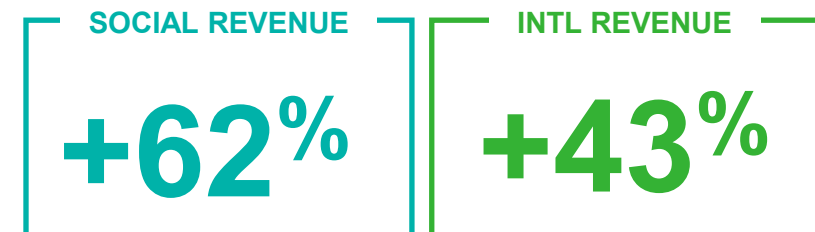
Activation Driver: Authentic Brand Suitability

Q4 '23 ABS REVENUE GROWTH OF 45%



Measurement Drivers: Social and International

Q4 '23 MEASUREMENT REVENUE GROWTH OF 30%



FY 2023 Revenue Growth Drivers

27% TOTAL REVENUE GROWTH IN FY '23

Key Drivers



Authentic Brand Suitability



Social Products

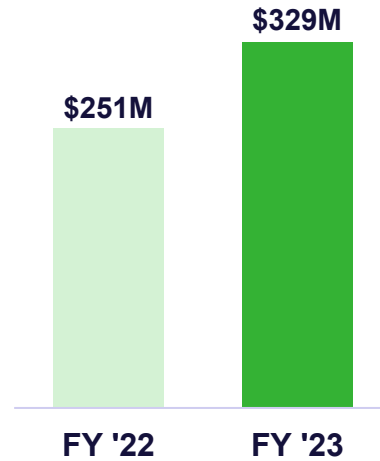


New Client Growth

Activation

+31%

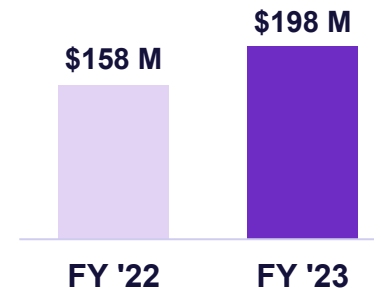
year-over-year growth



Measurement

+25%

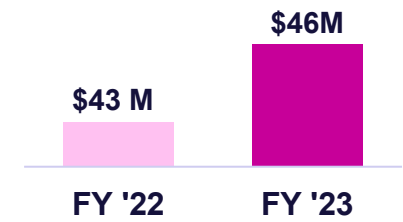
year-over-year growth



Supply-Side

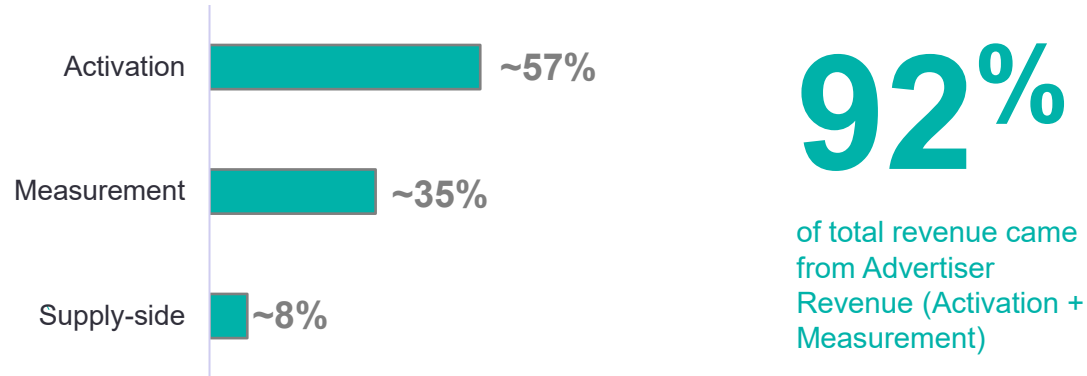
+5%

year-over-year growth



FY 2023 Revenue Growth Drivers cont'd

Business Line Contribution to Total Revenue



Advertiser Revenue Growth Drivers

2023 ADVERTISER REVENUE GROWTH OF **29%**



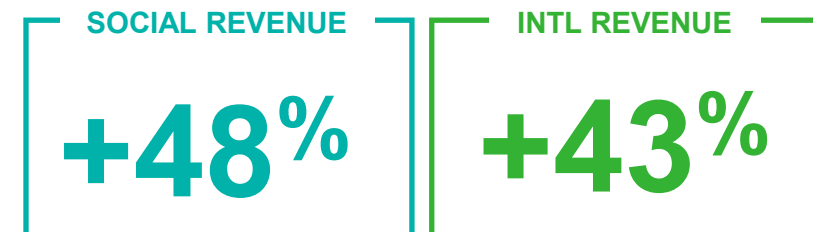
Activation Driver: Authentic Brand Suitability

2023 ABS REVENUE GROWTH OF **48%**



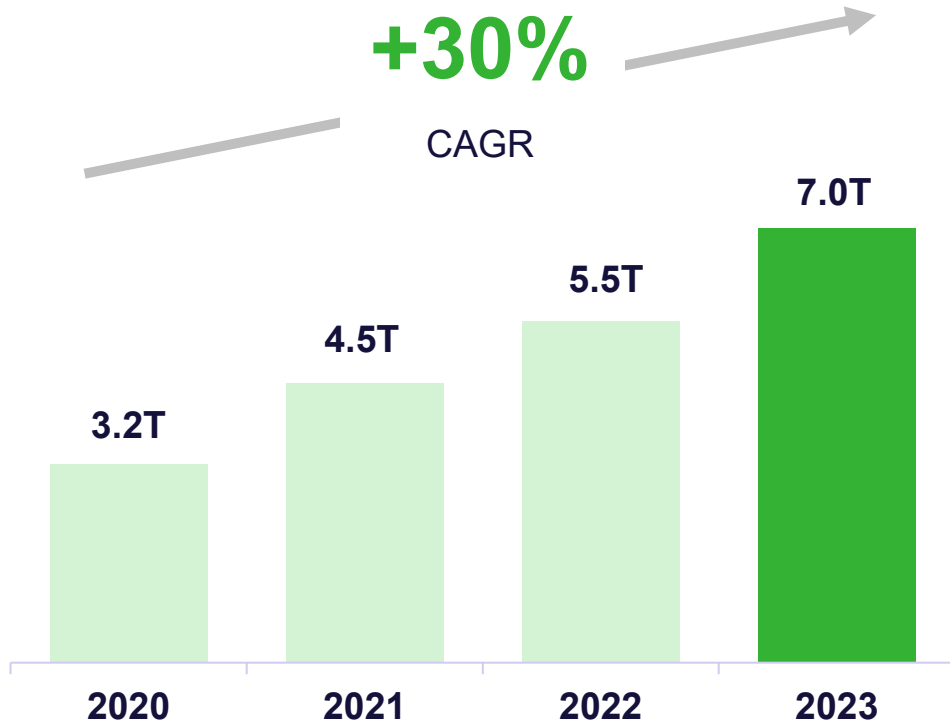
Measurement Drivers: Social and International

2023 MEASUREMENT REVENUE GROWTH OF **25%**

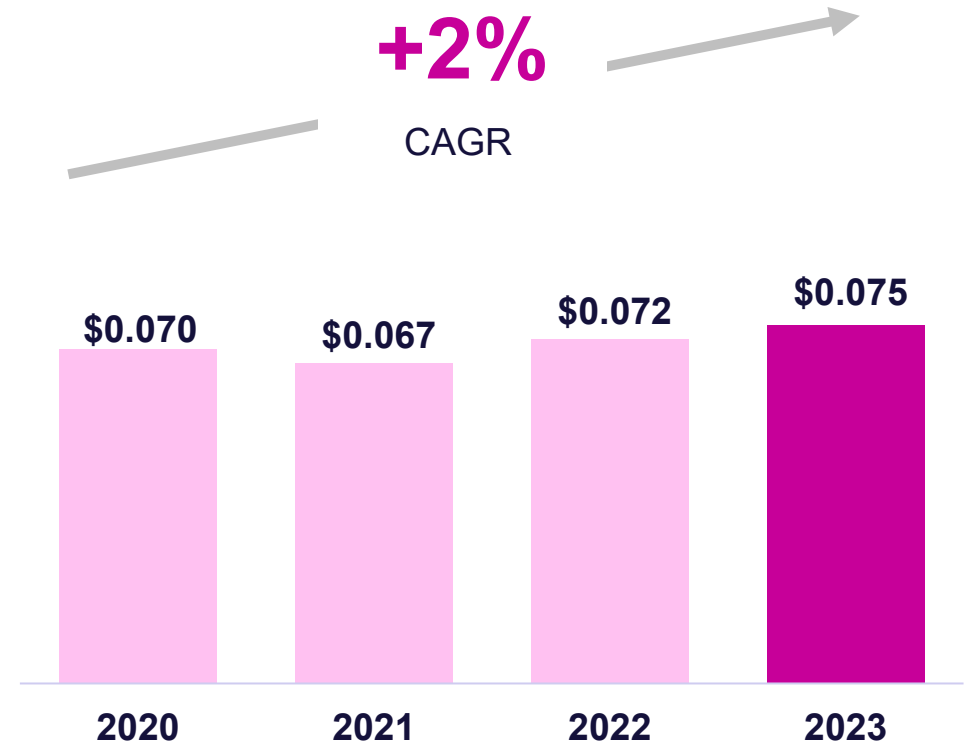


Volume Driven Advertiser Revenue Growth

Media Transactions Measured (MTM)¹



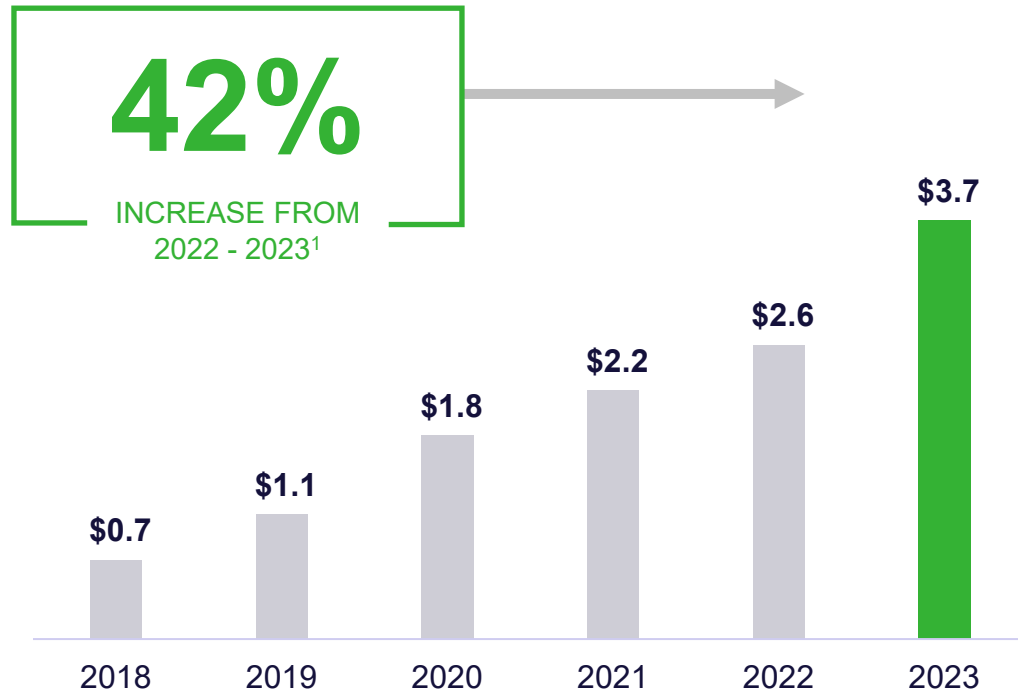
Measured Transaction Fees (MTF)¹



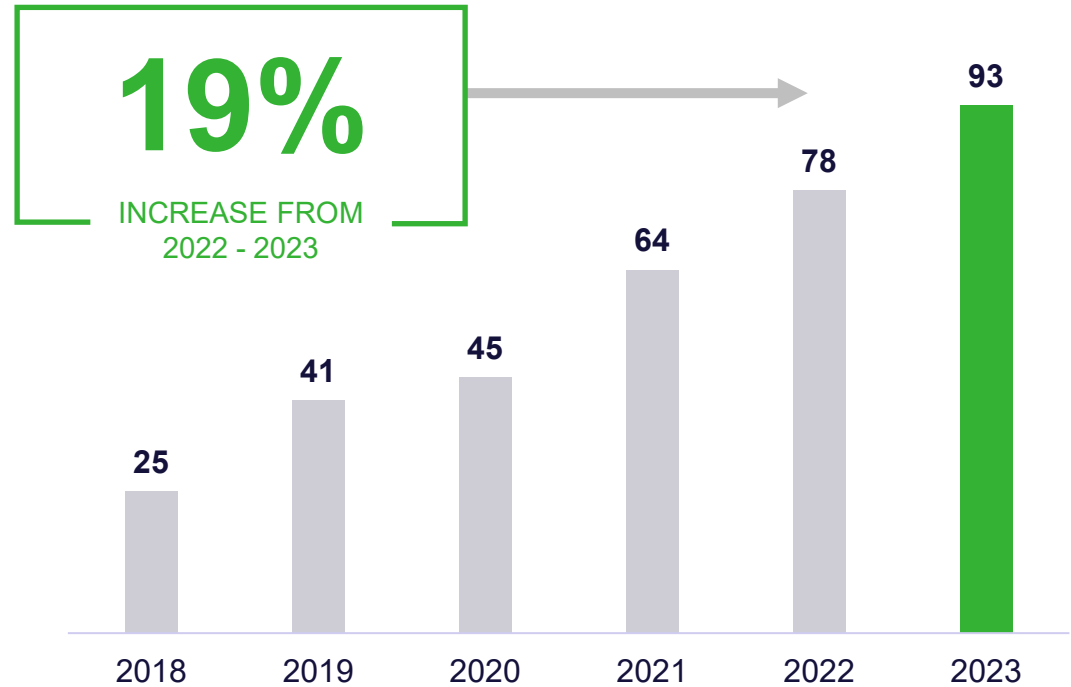
Strong Customer KPIs

124% Net Revenue Retention (NRR)

**Annual Revenue Per Customer – Top 100
(US\$ Millions)**



**Number of Customers with > \$1M Revenue
Contribution**



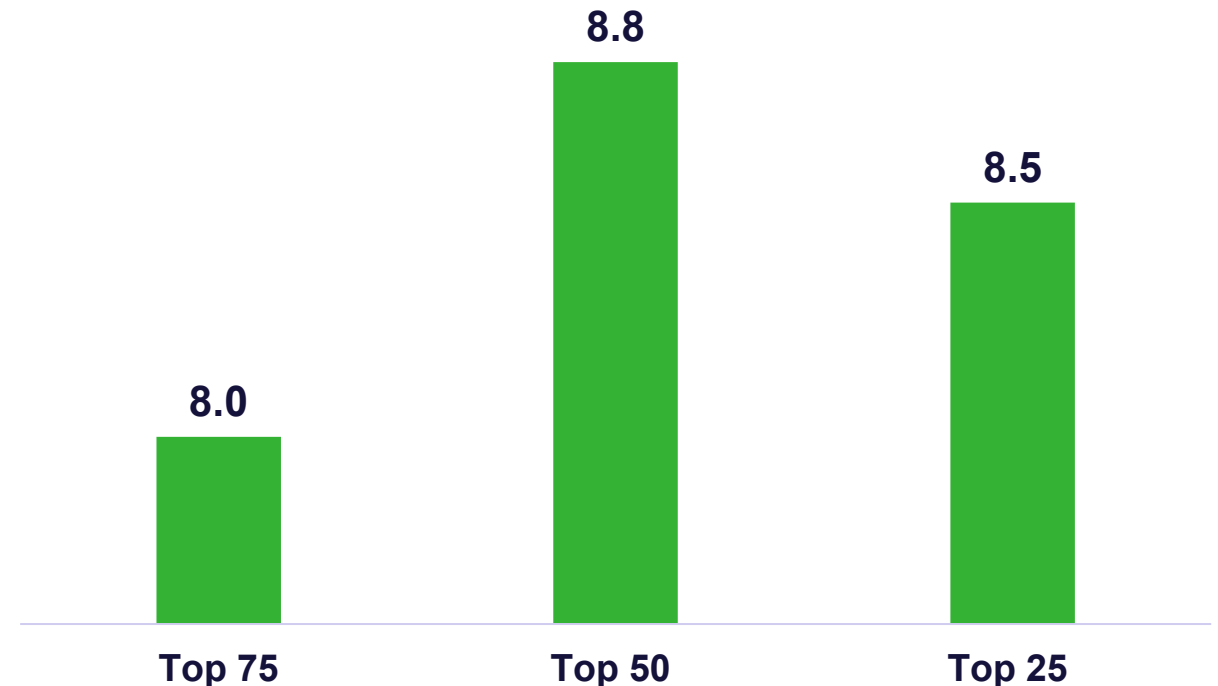
Advertisers Generating >\$200K Revenue



Long-Standing Customer Relationships

Top Customer Tenure

(YEARS)



FY 2024 Guidance

Q1 2024 Guidance

Revenue

\$136 M - \$140 M

Low-end

High-end

+13%
year-over-year
growth at the
midpoint

Adjusted EBITDA

\$33 M - \$37 M

Low-end

High-end

25%
Margin at the
midpoint

FY 2024 Guidance

Revenue

\$688 M - \$704 M

Low-end

High-end

+22%
year-over-year
growth at the
midpoint

Adjusted EBITDA

\$205 M - \$221 M

Low-end

High-end

31%
Margin at the
midpoint

Key 2023 Financial Highlights

7
TRILLION

Media Transactions Measured
(MTM)

\$573
MILLION

Total
Revenue

27%
GROWTH

Total Revenue
Growth

\$310
MILLION

Cash and Cash
Equivalents

\$187
MILLION

Adjusted
EBITDA

33%
MARGIN

Adjusted EBITDA
Margin

Non-GAAP Financial Measures Reconciliation

	Three Months Ended December 31,		Full Year Ended December 31,	
	2023	2022	2023	2022
	(In Thousands)		(In Thousands)	
Net income	\$ 33,105	\$ 18,068	\$ 71,466	\$ 43,268
Net income margin	19%	14%	12%	10%
Depreciation and amortization	11,520	8,882	40,885	34,328
Stock-based compensation	16,473	11,083	59,244	42,307
Interest expense	275	224	1,066	905
Income tax expense	8,636	11,979	24,411	16,100
M&A and restructuring (recoveries) costs (a)	(359)	5	1,262	1,224
Offering, IPO readiness and secondary offering costs (b)	315	566	910	1,292
Other (recoveries) costs (c)	(164)	(245)	(964)	3,414
Other income (d)	(4,373)	(1,671)	(11,216)	(1,249)
Adjusted EBITDA	\$ 65,428	\$ 48,891	\$ 187,064	\$ 141,589
Adjusted EBITDA margin	38%	37%	33%	31%

Non-GAAP Financial Measures Reconciliation

- (a) M&A and restructuring costs for the year ended December 31, 2023 consist of transaction costs related to the acquisition of Scibids Technology SAS (“Scibids”). M&A and restructuring costs for the year ended December 31, 2022 consist of transaction costs, integration and restructuring costs related to the acquisition of OpenSlate.
- (b) Offering, IPO readiness and secondary offering costs for the year ended December 31, 2023 consist of third-party costs incurred for underwritten secondary public offerings by certain stockholders of the Company. Offering, IPO readiness and secondary offering costs for the year ended December 31, 2022 consist of third-party costs incurred for the Company’s filing of a “shelf” registration statement on Form S-3, and costs incurred for an underwritten secondary public offering by certain stockholders of the Company.
- (c) Other recoveries for the year ended December 31, 2023 consist of sublease income for leased office space. Other costs for the year ended December 31, 2022 consist of 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, partially offset by sublease income for lease office space.
- (d) Other income for the years ended December 31, 2023 and 2022 consists of interest income earned on interest-bearing monetary assets, changes in fair value associated with contingent consideration, and the impact of changes in foreign currency exchange rates.

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 the core business and for understanding and evaluating trends in operating results on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

Fourth Quarter and Full-Year Adjusted EBITDA Guidance

With respect to the Company’s expectations under “Fourth Quarter and Full Year 2023 Guidance” above, the Company has not reconciled the non-GAAP measure Adjusted EBITDA to the GAAP measure net income in this press release because the Company does not provide guidance for 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.

Key Business Terms and Notes

- **Activation** revenue is generated from the evaluation, verification and measurement of advertising impressions purchased through programmatic demand-side and social media platforms.
- **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.
- **Supply-Side** revenue is generated from platforms and publisher partners who use DoubleVerify's data analytics to evaluate, verify and measure their advertising inventory.
- **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.