



# Q3 2023 Earnings Call

November 9, 2023

# Disclaimer

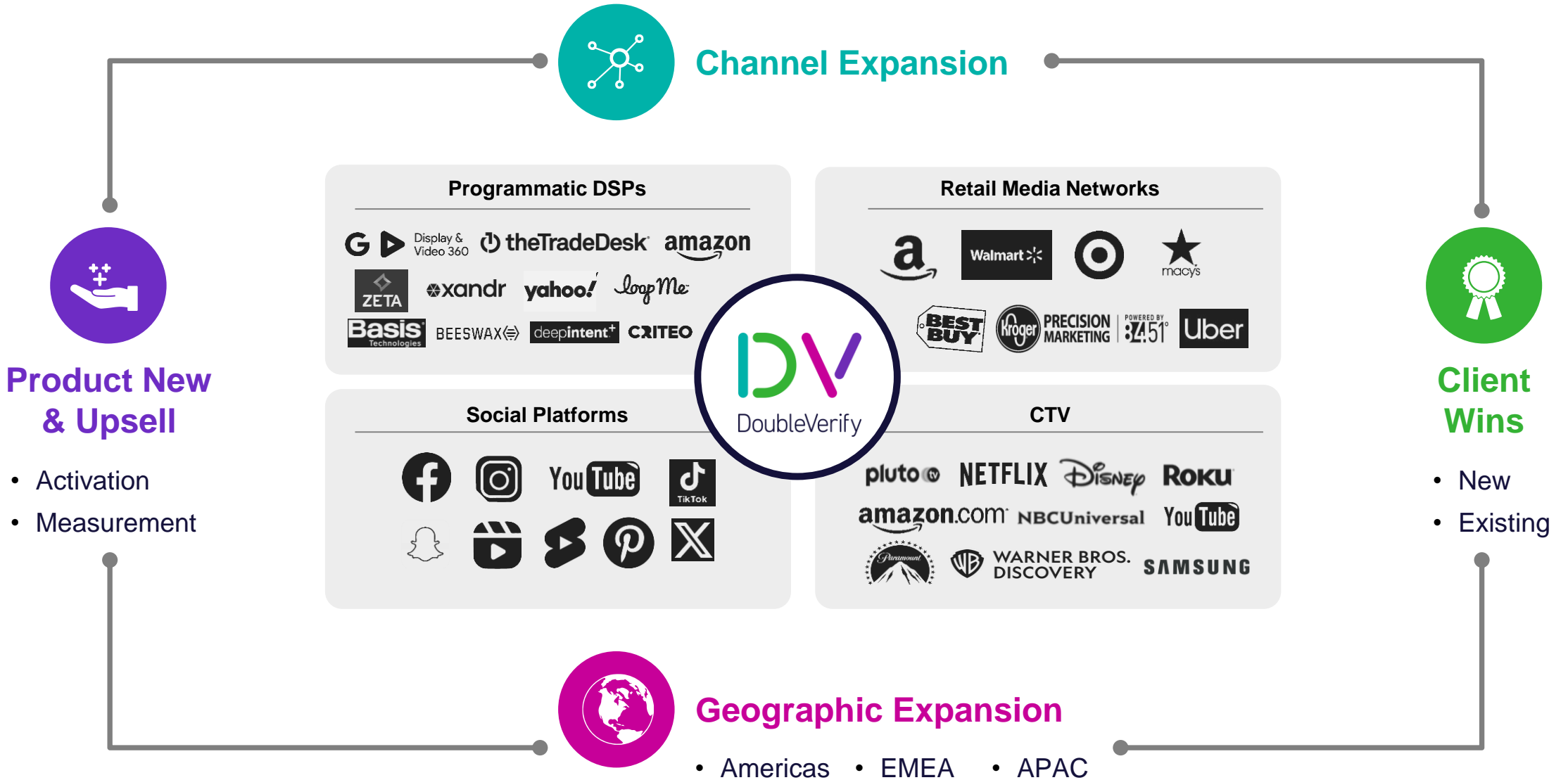
This presentation contains “forward-looking statements” that are based on management’s beliefs and assumptions and on information currently available to management. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and 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 March 1, 2023, Form 10-Q filed with the SEC on November 9, 2023 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.

# DV's Matrix of Growth Drivers



# Continued Customer Wins & Expansion Momentum

## Select Q3 2023 New Enterprise Logo Wins



## Select Q3 2023 Existing Client Expansion



>80%

WIN RATE YTD 2023

67%

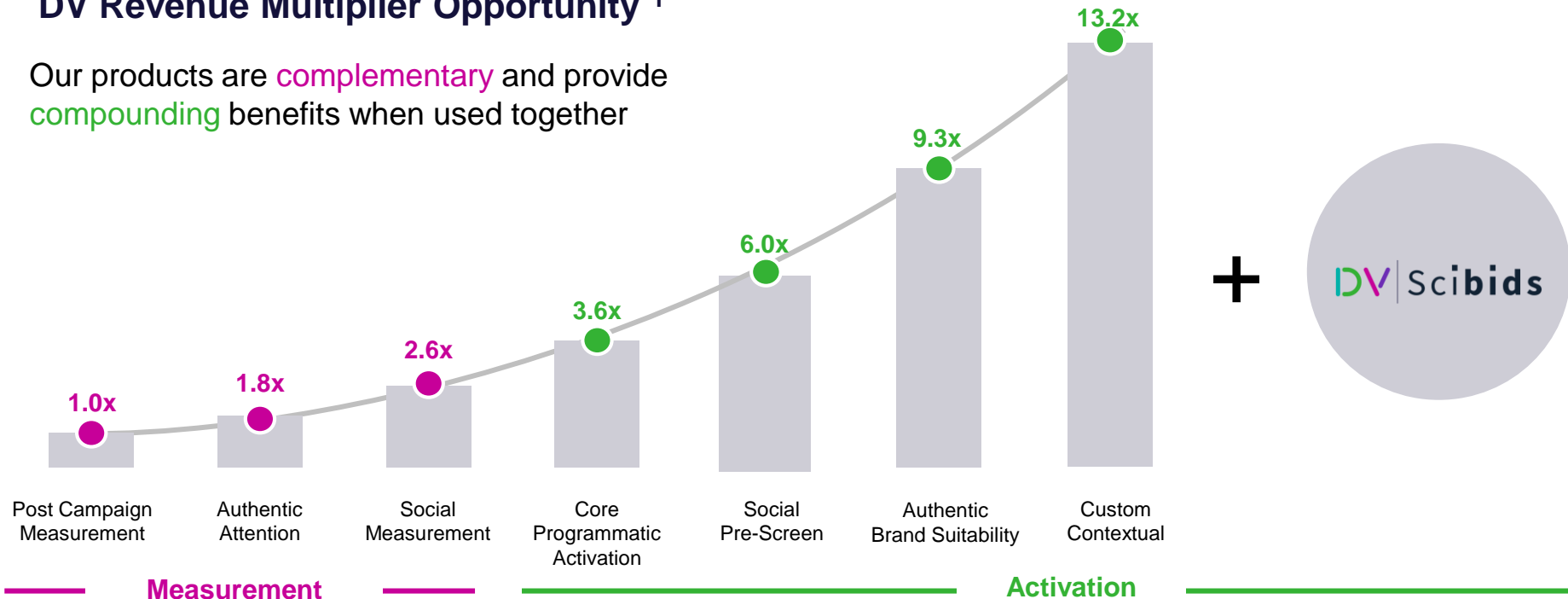
GREENFIELD WINS  
Q3 2023

# Large Product Cross-Sell and Up-Sell Opportunity



## DV Revenue Multiplier Opportunity <sup>1</sup>

Our products are **complementary** and provide **compounding** benefits when used together



# Our Three Core Differentiators



## Scale

Across Platforms



## Innovation

Identifier Independent  
and Industry Leading



## Trust

Accredited & Objective

# Expanding Coverage Scale



Social

56%

year-over-year revenue growth in Q3 2023



Retail Media

75%

year-over-year revenue growth in Q3 2023



Programmatic

40%

year-over-year ABS revenue growth in Q3 2023



CTV

29%

year-over-year volume growth in Q3 2023



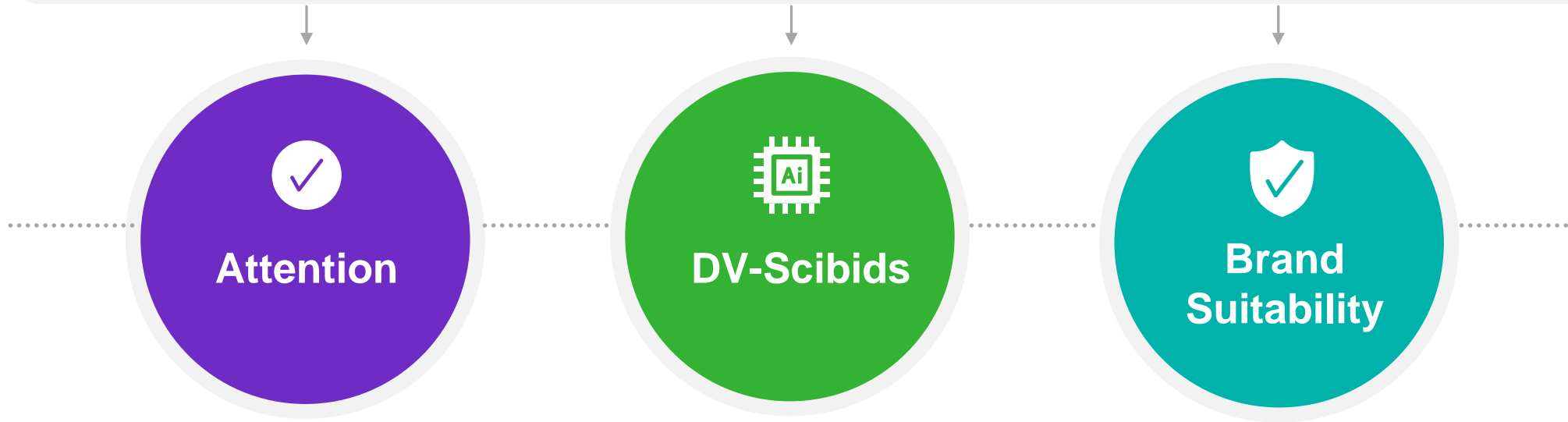
International

62%

year-over-year measurement revenue growth in Q3 2023

# Industry-Leading Innovation

Only scaled solutions in market today



**DV Authentic Attention**

Attain and TVision  
partnerships

**Integrated optimization**

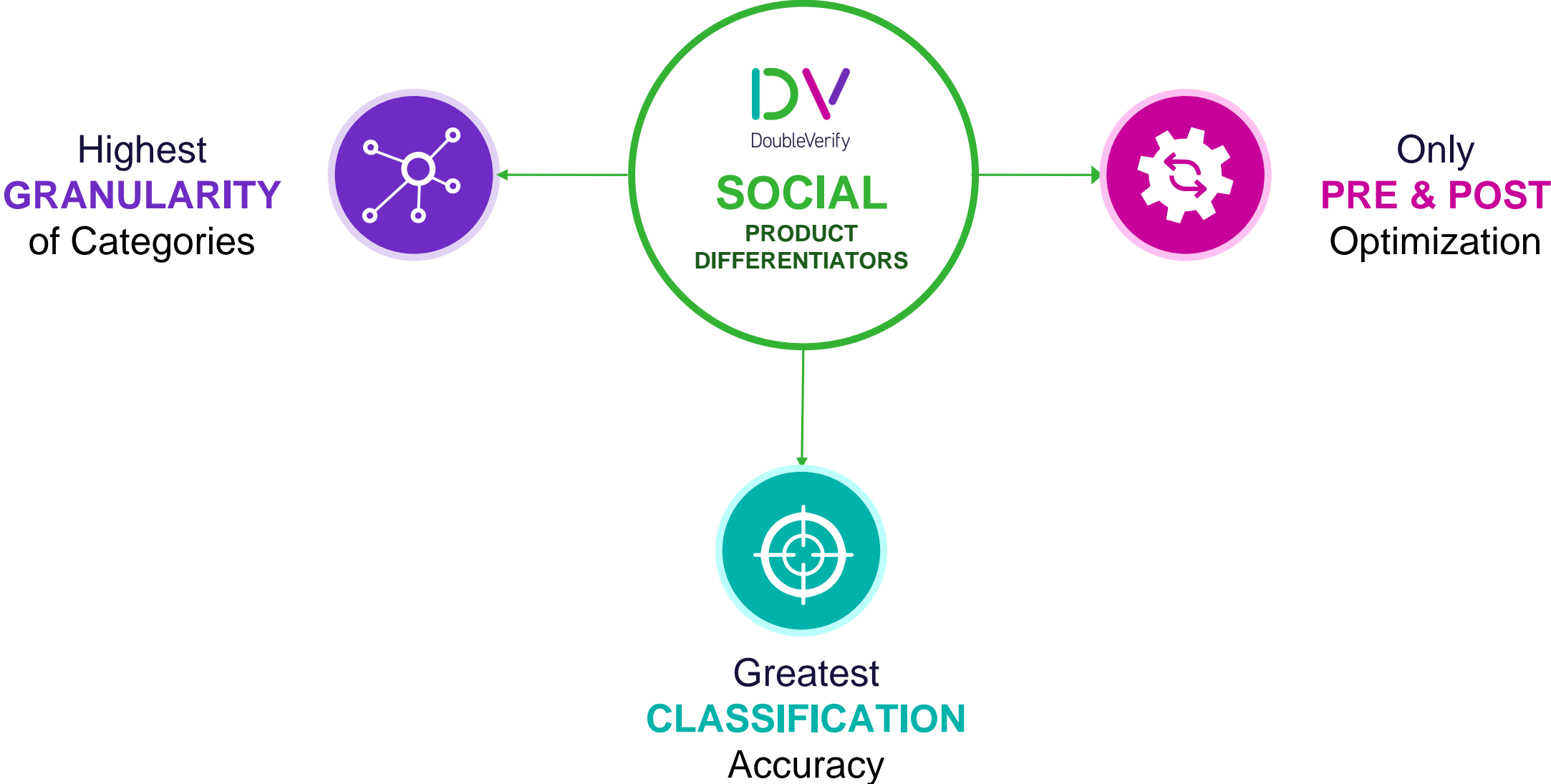
DV Algorithmic Optimizer

**Scaled MFA solution in  
market**

**Greatest granularity  
and customization**



# Drivers of DV's Brand Suitability Leadership in Social



# Leading the Market in Privacy & Data Security

Only Ad Verification & Performance Measurement Company with Comprehensive Certifications<sup>1</sup>

DV CERTIFICATIONS	
✓ ISO 27001	✓ APEC CBPR
✓ SOC 2 Type II	✓ APEC PRP
✓ Neutronian Cookie Free	✓ EU-US, UK-US and Swiss-US DPF

# Q3 2023 Financial Highlights

**\$144**  
MILLION

Total  
Revenue

**28%**  
GROWTH

Total Revenue  
Growth

**\$259**  
MILLION

Cash and  
Cash Equivalents

**\$46**  
MILLION

Adjusted  
EBITDA

**32%**  
MARGIN

Adjusted EBITDA  
Margin

**\$0**  
DEBT

No long-term  
debt

# Strong Q3 and Nine Months Ended Sept 30, 2023

## Q3 2023

Total Revenue

**\$144.0**  
MILLION

Adj. EBITDA

**\$45.7**  
MILLION

**+28%**  
GROWTH<sup>1</sup>

**32%**  
MARGINS<sup>2</sup>

## Nine Months Ended 9/30/23

Total Revenue

**\$400.3**  
MILLION

Adj. EBITDA

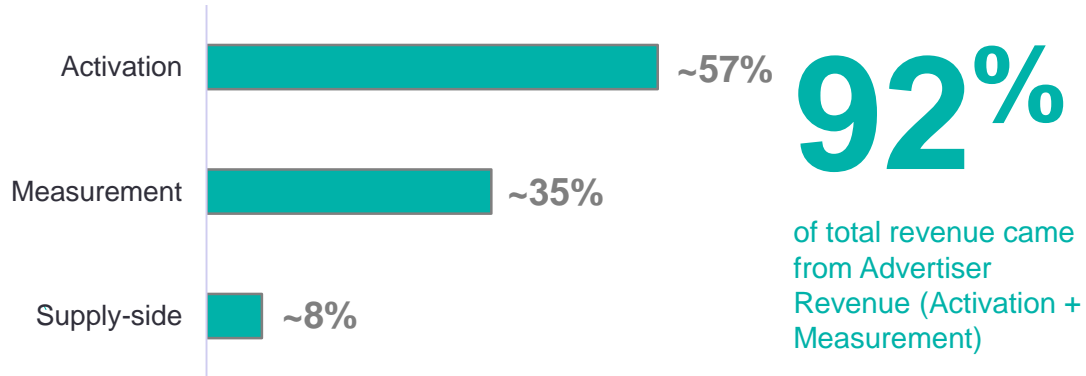
**\$121.6**  
MILLION

**+26%**  
GROWTH<sup>1</sup>

**30%**  
MARGINS<sup>2</sup>

# Q3 2023 Revenue Growth Drivers

## Business Line Contribution to Total Revenue



## Advertiser Revenue Growth Drivers

Q3 '23 ADVERTISER REVENUE GROWTH OF 32%



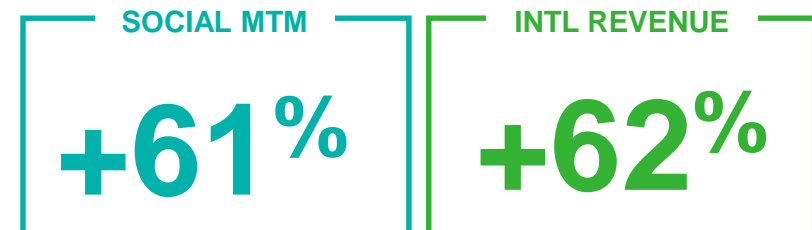
## Activation Driver: Authentic Brand Suitability

Q3 '23 ABS REVENUE GROWTH OF 40%



## Measurement Drivers: Social and International

Q3 '23 MEASUREMENT REVENUE GROWTH OF 32%



# Q3 2023 Revenue Growth Drivers (cont'd)

## Key Drivers

Q3 '23 TOTAL REVENUE GROWTH OF 28%



Social



Programmatic

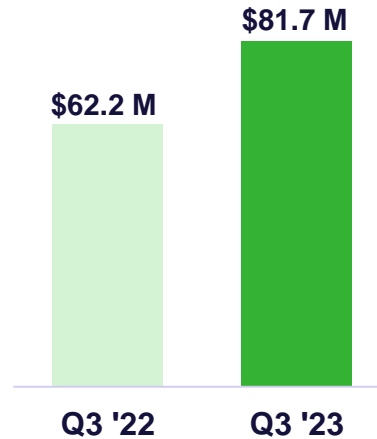


Retail Media & CTV

## Activation

**+31%**

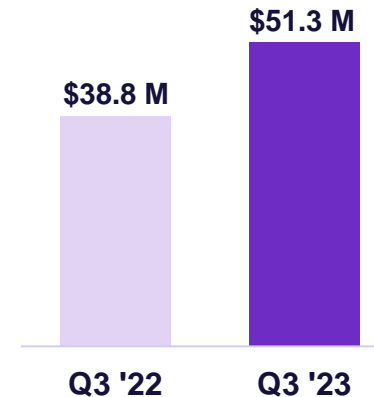
year-over-year growth



## Measurement

**+32%**

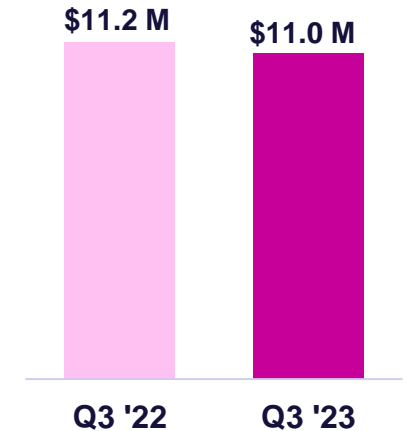
year-over-year growth



## Supply-Side

**-2%**

year-over-year growth



# Q3 & FY 2023 Guidance

## Q4 2023 Guidance

### Revenue

**\$170 M - \$174 M**

Low-end

High-end

**+29%**  
year-over-year  
growth at the  
midpoint

### Adjusted EBITDA

**\$57 M - \$61 M**

Low-end

High-end

**34%**  
Margin at the  
midpoint

## FY 2023 Guidance

### Revenue

**\$570 M - \$574 M**

Low-end

High-end

**+27%**  
year-over-year  
growth at the  
midpoint

### Adjusted EBITDA

**\$179 M - \$183 M**

Low-end

High-end

**32%**  
Margin at the  
midpoint

# 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.



# Non-GAAP Financial Measures Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(In Thousands)</i>		<i>(In Thousands)</i>	
Net income	\$ 13,347	\$ 10,331	\$ 38,361	\$ 25,200
Net income margin	9%	9%	10%	8%
Depreciation and amortization	10,706	8,089	29,365	25,446
Stock-based compensation	15,791	10,971	42,771	31,224
Interest expense	288	226	791	681
Income tax expense	6,234	3,609	15,775	4,121
M&A and restructuring costs (a)	921	39	1,621	1,219
Offering, IPO readiness and secondary offering costs (b)	286	726	595	726
Other (recoveries) costs (c)	(267)	(228)	(800)	3,659
Other (income) expense (d)	(1,633)	231	(6,843)	422
Adjusted EBITDA	<u>\$ 45,673</u>	<u>\$ 33,994</u>	<u>\$ 121,636</u>	<u>\$ 92,698</u>
Adjusted EBITDA margin	32%	30%	30%	29%

# Non-GAAP Financial Measures Reconciliation

- (a) M&A and restructuring costs for the three and nine months ended September 30, 2023 consist of transaction costs related to the acquisition of Scibids Technology SAS (“Scibids”). 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.
- (b) Offering, IPO readiness and secondary offering costs for the three and nine months ended September 30, 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 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.
- (c) Other recoveries for the three and nine months ended September 30, 2023 consist of sublease income for leased office space. For the three and nine months ended September 30, 2022, other (recoveries) costs 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.
- (d) Other (income) expense for the three and nine months ended September 30, 2023 and September 30, 2022 consist of interest income earned on interest-bearing monetary assets, and of 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.