



Q4 & FY 2021 Earnings Call

March 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 Annual Report on 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.

Key Highlights: Q4 & FY 2021

\$106
MILLION

Q4 2021
Total Revenue

38%
MARGIN

Q4 2021
Adjusted EBITDA Margin

34%
GROWTH

Q4 2021
Total Revenue Growth

\$333
MILLION

FY 2021
Total Revenue

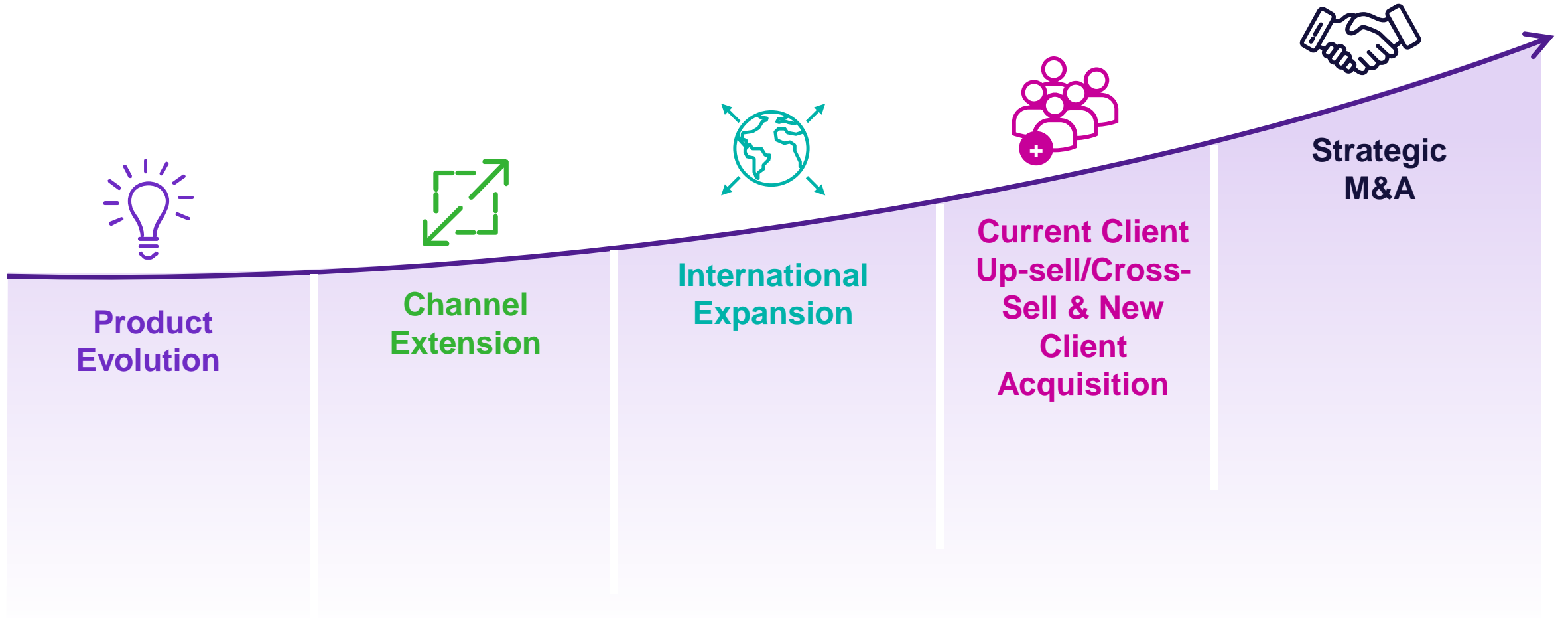
33%
MARGIN

FY 2021
Adjusted EBITDA Margin

36%
GROWTH

FY 2021
Total Revenue Growth

Five Key Growth Drivers



Authentic Brand Suitability Revenue Growth

ABS

Available on the following leading platforms:
































77%
GROWTH

FY 2021
Revenue Growth

\$85M
REVENUE

FY 2021
Revenue

Only Provider With Comprehensive Pre-Bid Accreditations

Media Rating Council Accreditations		Primary Competitors		Point Solution Providers		
						
Single segment for end-to-end protection						
SIVT avoidance targeting						
SIVT avoidance - CTV						
Enterprise IVT avoidance (web, app and CTV)						
Brand suitability targeting						
Enterprise Brand Safety Floor avoidance						
Contextual targeting						
Viewability targeting						

Solution only: 

Accredited solution:  and 

Accredited for 30+ languages for web and app: 

Note: The Media Rating Council (MRC) is a non-profit industry association established in 1963. MRC accreditation provides independent third-party validation that a product and company’s procedures, controls, disclosures and reporting meet established industry standards for validity, reliability and effectiveness.

New Performance Solutions

Post-campaign Measurement
Post-bid Monitoring and Blocking



Pre-campaign Activation
Planning, Pre-bid Targeting/Avoidance

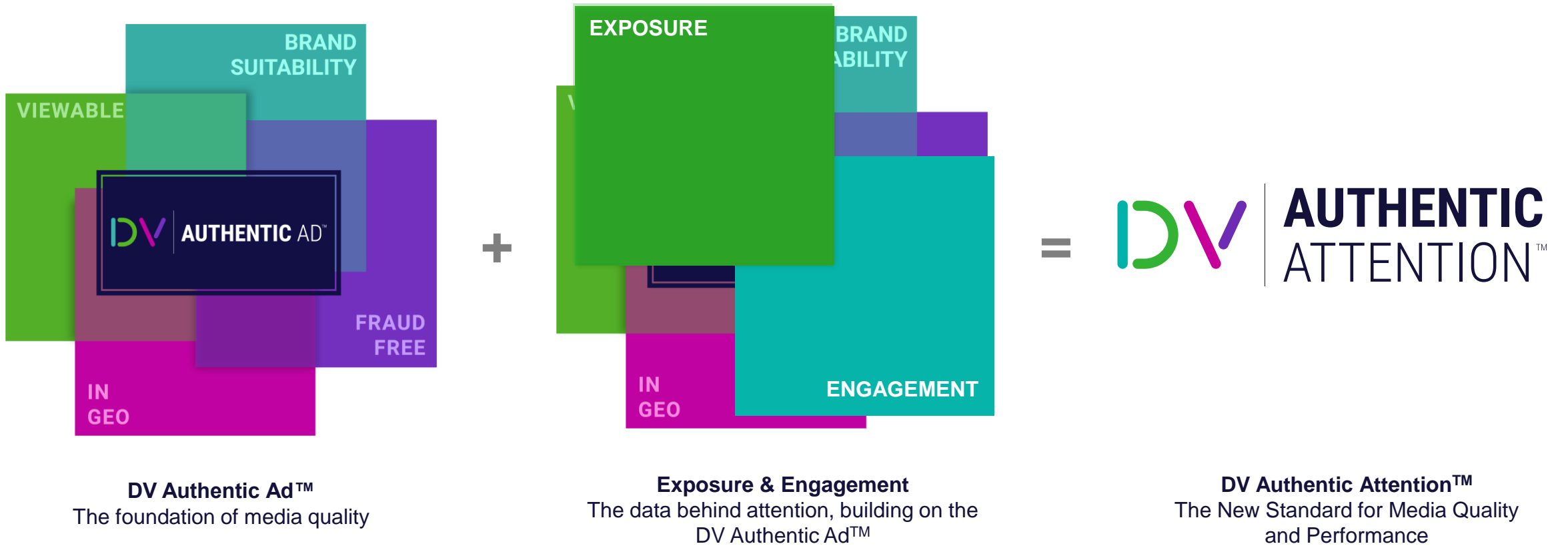
DV | **AUTHENTIC ATTENTION™**

DV |  **comscore**

DV | **CUSTOM CONTEXTUAL**

DV | **OpenSlate**

DV Authentic Attention



DV's Partnership with Comscore



QUALITY & SAFETY DATA

- Fraud
- Brand Safety
- Viewability and Geography

AUDIENCE DATA

- Audience size
- Demographic composition
- Engagement



INDUSTRY FIRST CROSS PLATFORM AUDIENCE & VERIFICATION

Increasing confidence, enhancing transparency and driving better outcomes

Continued Growth in Social and CTV

Social

47%

2021 REVENUE
GROWTH

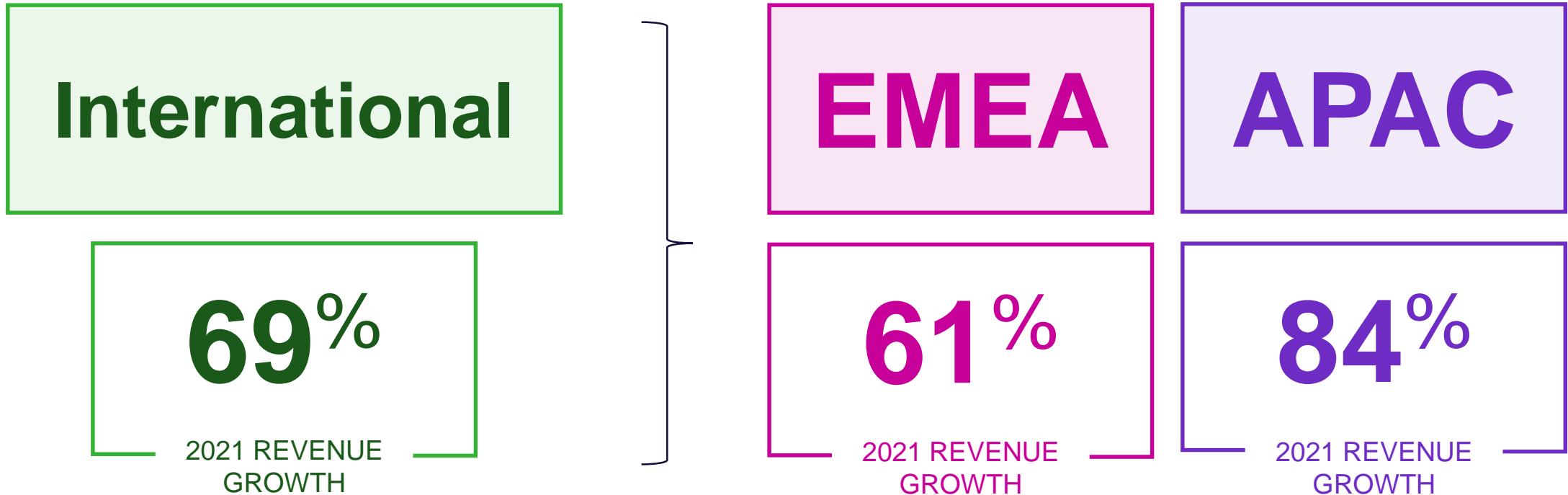
CTV

57%

2021 VOLUME
(MTM) GROWTH



Continued Growth in International



Number of Advertiser Wins in 2021

The World's Largest Brands Rely on DV



176

NEW CLIENT WINS IN 2021

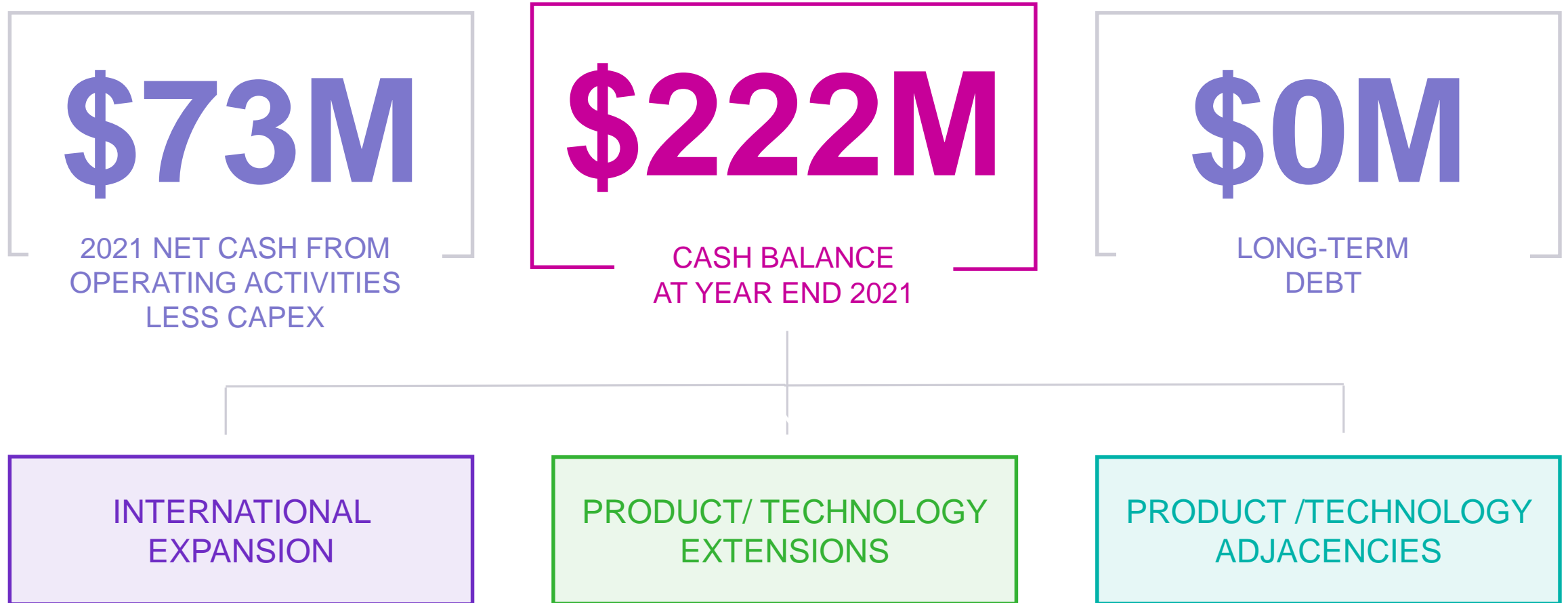
61%

GREENFIELD

39%

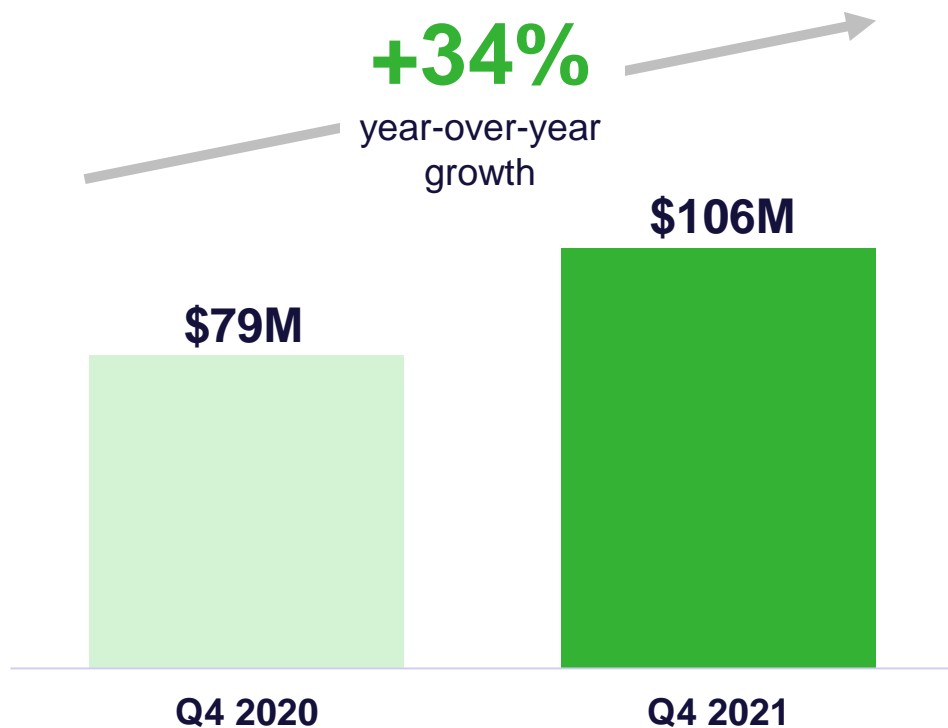
COMPETITIVE WINS

Potential For External Growth Opportunities

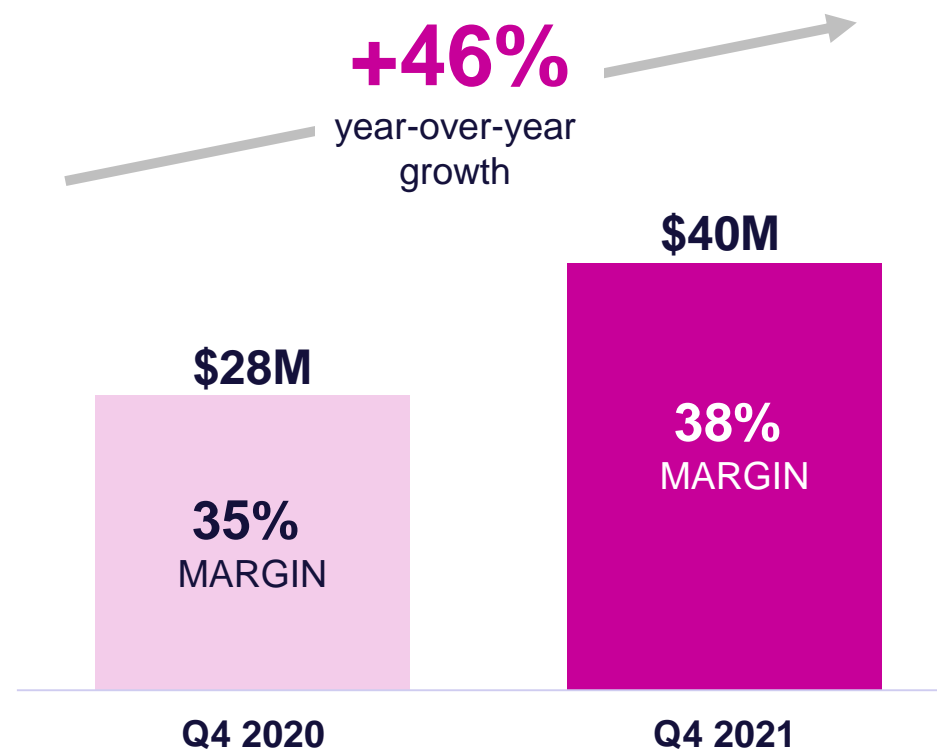


Strong Fourth Quarter Results

Total Revenue Growth

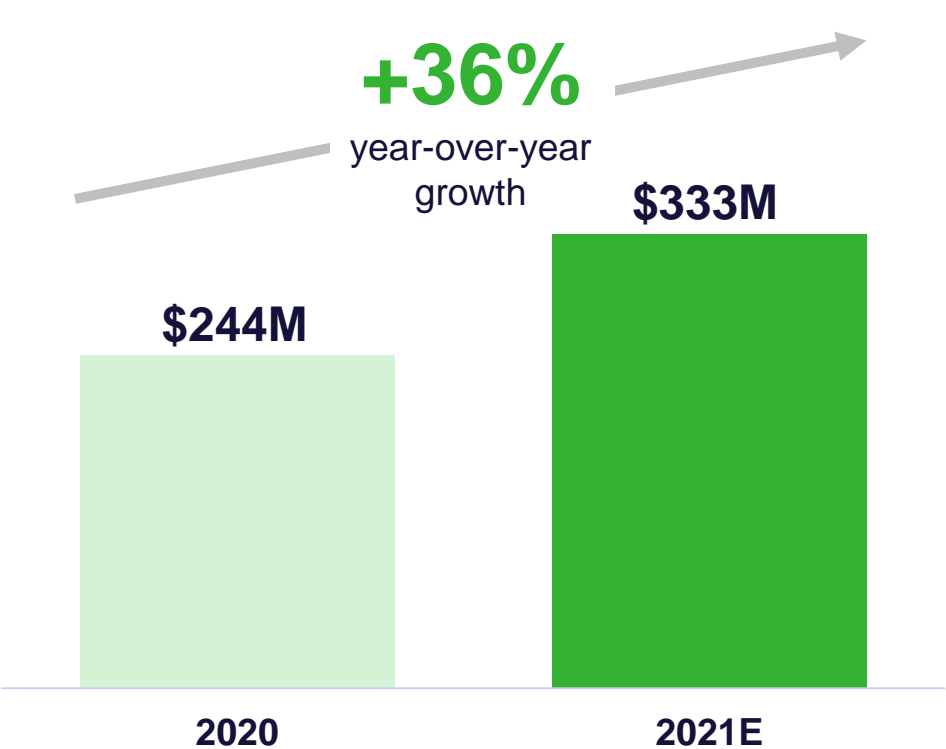


Adj. EBITDA Growth and Margin¹

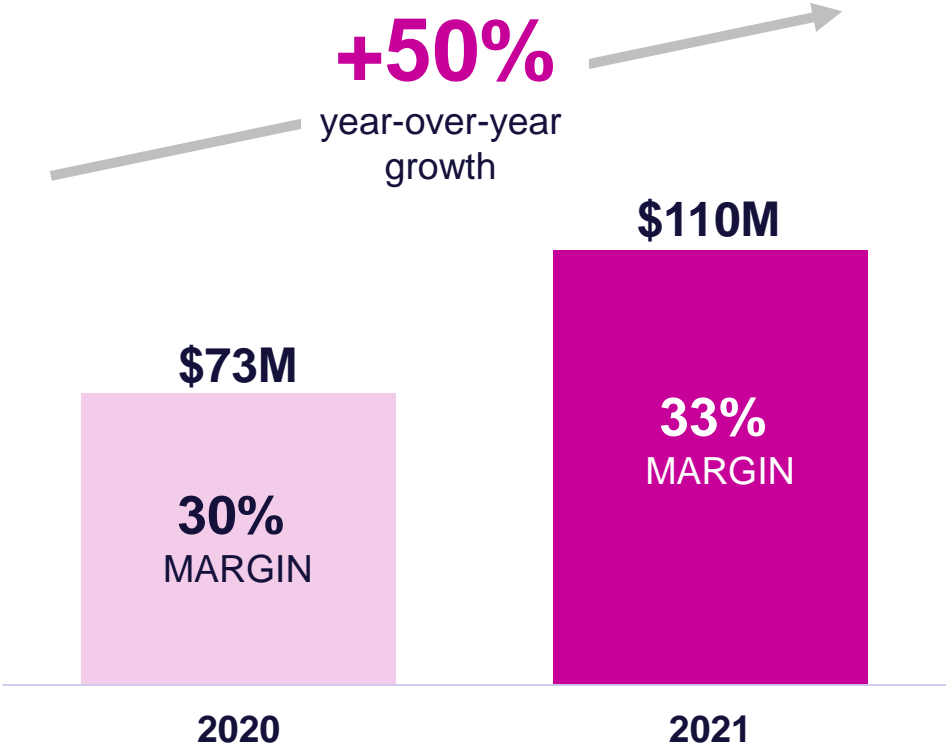


Strong FY 2021 Results

Total Revenue Growth



Adj. EBITDA Growth and Margin¹



1. See Appendix for reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to the nearest financial measures reported under GAAP.

Broad-based Full Year Revenue Growth

Key Drivers

FY '21 TOTAL REVENUE GROWTH OF 36%



Authentic Brand Suitability



Social



CTV



Global Expansion

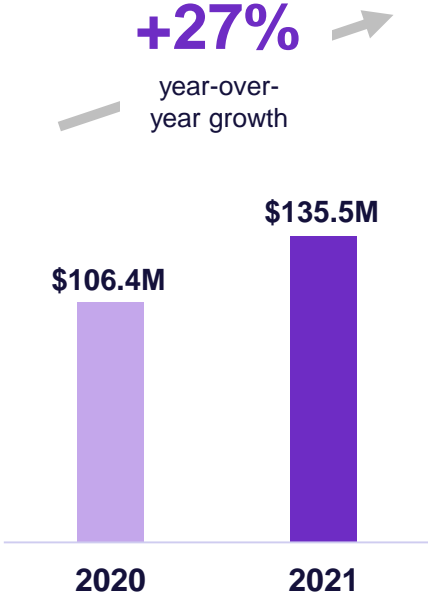


New Partnerships

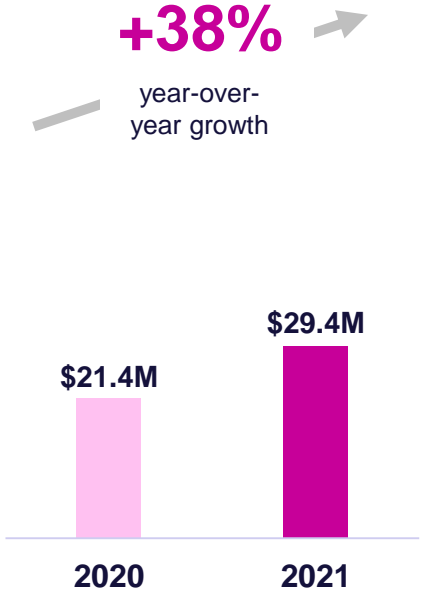
Programmatic



Direct



Supply Side

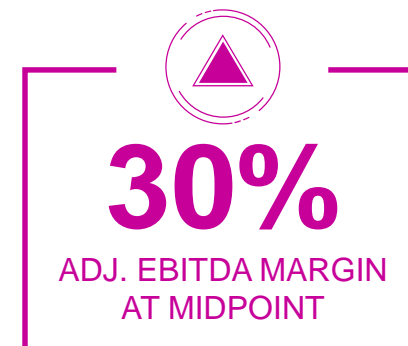


FY 2022 Guidance

	LOW	MID	HIGH
REVENUE	\$429M	\$433M	\$437M



	LOW	MID	HIGH
ADJUSTED EBITDA	\$126M	\$130M	\$134M



Q1 2022 Guidance

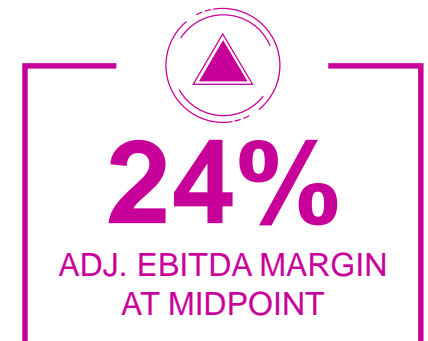
REVENUE

LOW	MID	HIGH
\$89M	\$90M	\$91M

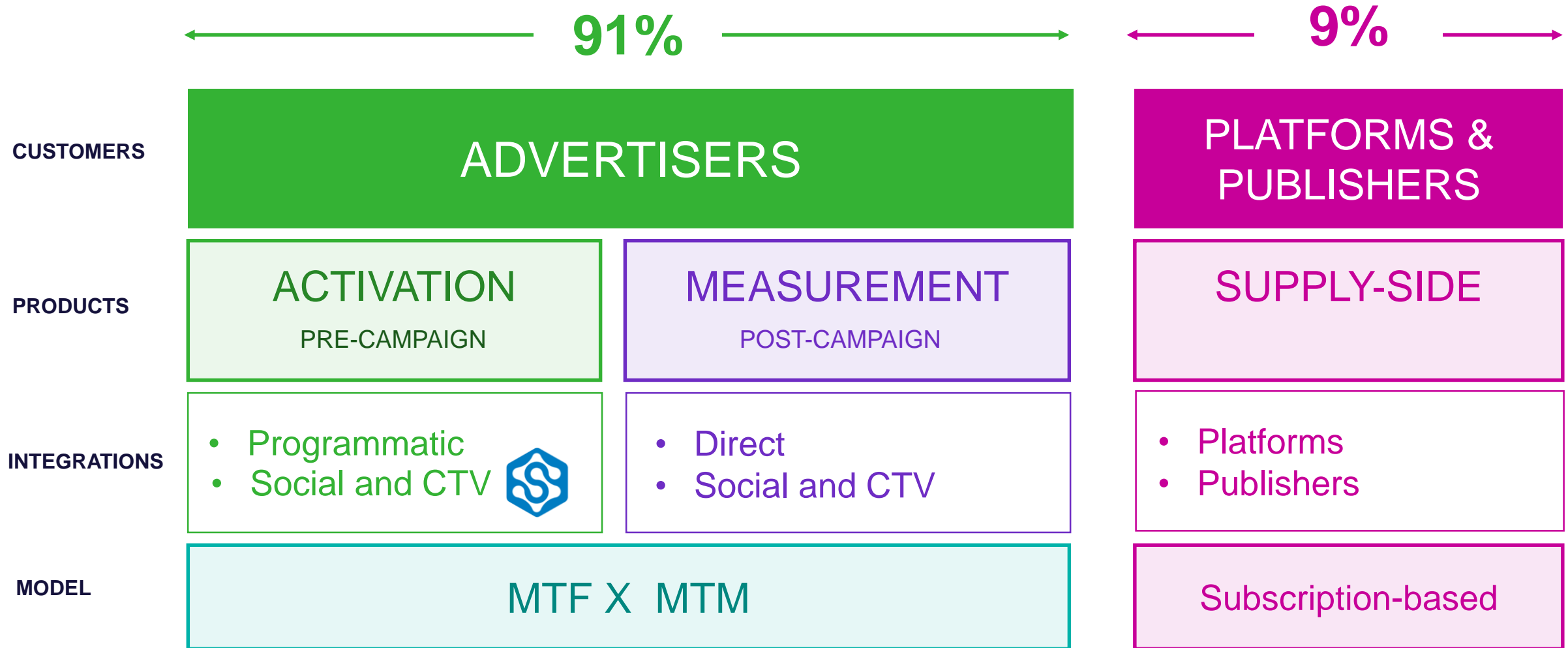


ADJUSTED EBITDA

LOW	MID	HIGH
\$21M	\$22M	\$23M



Revenue Model



Key Business Terms

Advertiser Direct 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.

Advertiser Programmatic revenue is generated from the evaluation, verification and measurement of advertising impressions purchased through programmatic demand-side 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.

Non-GAAP Financial Measures Reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(In Thousands)		(In Thousands)	
Net income	\$ 28,308	\$ 8,130	\$ 29,308	\$ 20,453
Net income margin	27%	10%	9%	8%
Depreciation and amortization	8,296	6,428	30,285	24,595
Stock-based compensation	9,787	2,422	21,887	5,984
Option cancellation payments	—	14,543	—	14,543
Interest expense	237	1,973	1,172	4,931
Income tax benefit	(11,848)	(5,119)	(3,487)	(3,144)
M&A and restructuring costs (recoveries) (a)	2,382	(29)	3,510	170
Offering, IPO readiness and secondary offering costs (b)	1,099	1,915	23,564	4,910
Other costs (recoveries) (c)	2,825	(1,427)	3,812	1,605
Other income (d)	(674)	(1,244)	(309)	(885)
Adjusted EBITDA	\$ 40,412	\$ 27,592	\$ 109,742	\$ 73,162
Adjusted EBITDA margin	38%	35%	33%	30%

Non-GAAP Financial Measures Reconciliation

- (a) M&A costs for the three months and year ended December 31, 2021 consist of transaction and integration costs related to the acquisition of Meetrics and OpenSlate as well as associated restructuring costs and related activities. M&A costs for the three months and year ended December 31, 2020 consist of deferred compensation costs related to Zentrack.
- (b) Offering, IPO readiness and secondary offering costs for the three months and year ended December 31, 2021 and 2020 consist of third-party costs incurred in preparation for and completion of our IPO and secondary offering related expenses incurred on behalf of Providence VII U.S. Holdings L.P. pursuant to the terms of the stockholder's agreements between the Company and Providence VII U.S. Holdings L.P.
- (c) Other costs (recoveries) for the three months and year ended December 31, 2021 are costs associated with the early termination of our agreement for the Zentrack Deferred Payment Terms, previously disclosed as a contingency. Also included in the year ended December 31, 2021 are costs related to the recognition of a cease-use liability related to unoccupied leased office space and of reimbursements paid to Providence for costs incurred prior to the IPO date. For the three months ended December 31, 2020, other costs (recoveries) related to the reimbursement of certain costs incurred for investigating and remediating certain IT/cybersecurity matters that occurred in March 2020. For the year ended December 31, 2020, other costs (recoveries) related to the departure of the Company's former Chief Executive Officer, third-party costs incurred in response to investigating and remediating certain IT/cybersecurity matters that occurred in March 2020 and reimbursements paid to Providence.
- (d) Other income for the three months ended December 31, 2021 and 2020 consists of the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities. Other income for the years ended December 31, 2021 and 2020 consists of changes in fair value associated with contingent considerations and 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 First Quarter 2022 Adjusted EBITDA Guidance

With respect to the Company's expectations under "Full Year 2022 and First Quarter 2022 Guidance", 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 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.