



Q1 2024 Earnings Call

May 7, 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.

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.

Q1 2024 Financial Highlights

\$141
MILLION

Total
Revenue

15%
GROWTH

Total Revenue
Growth

\$32
MILLION

Net Cash from
Operating Activities

\$38
MILLION

Adjusted
EBITDA

27%
MARGIN

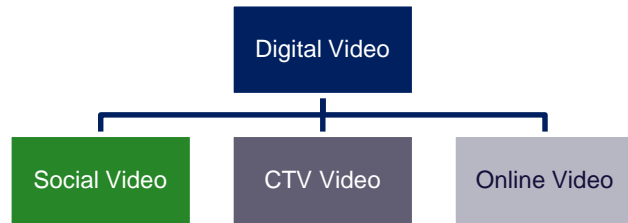
Adjusted EBITDA
Margin

\$0
DEBT

No long-term
debt

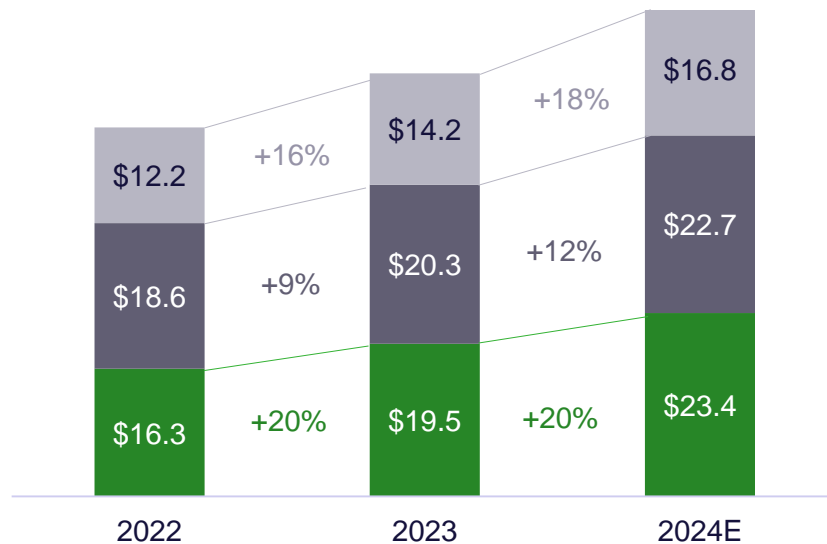
Social and CTV are DV's Fastest Growing Environments

Digital Video is Growing Rapidly



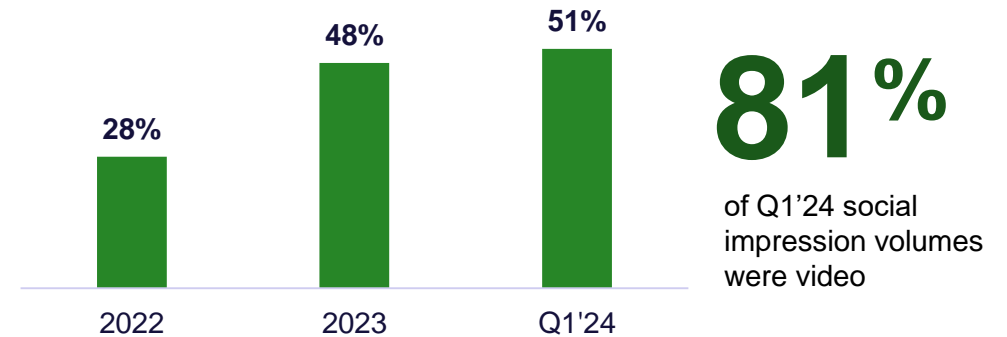
US Annual Digital Video Ad Spend by Type (\$B)¹

■ Social Video ■ CTV ■ Online Video

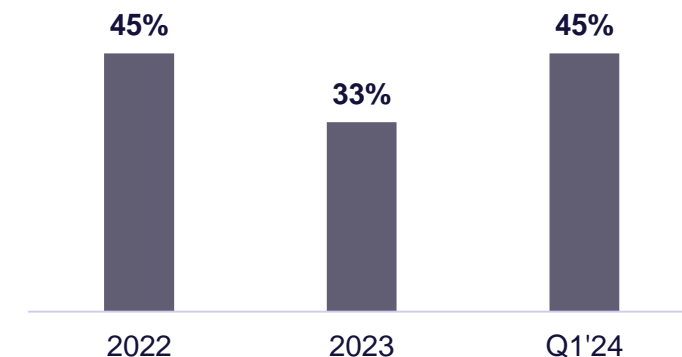


Social and CTV are DV's Fastest Growing Environments

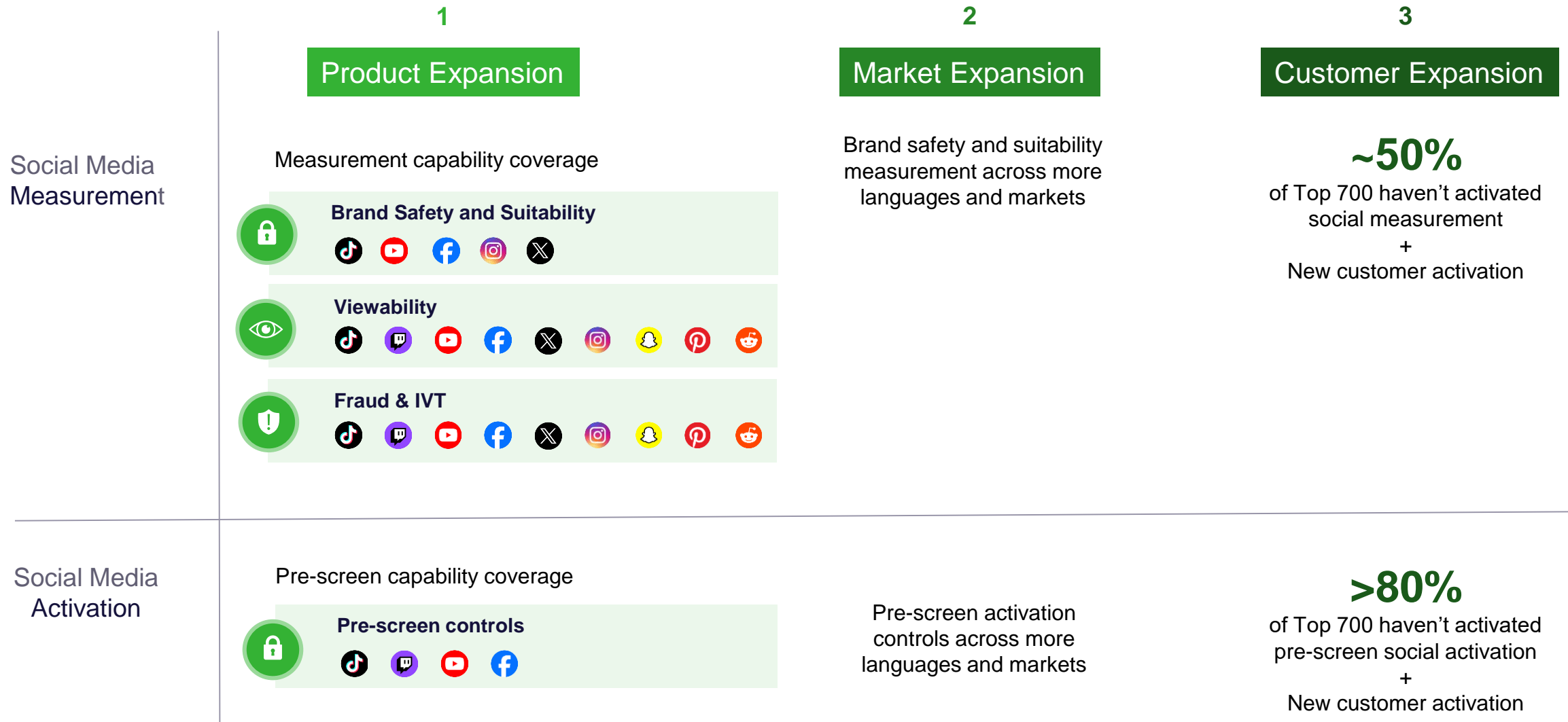
DV's Social Measurement Revenue Growth (% Y/Y)



DV's CTV Measurement Volume Growth (% Y/Y)²



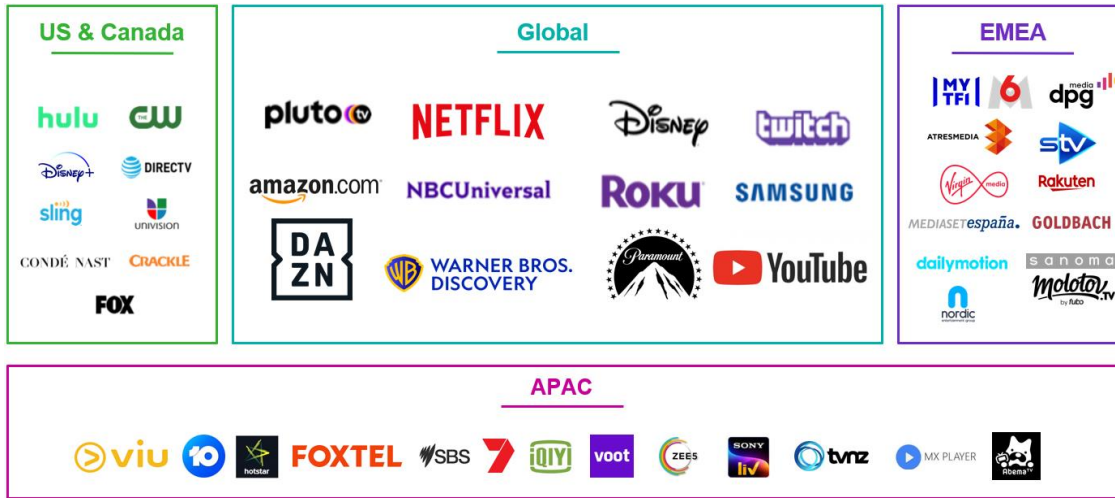
Multiple Dimensions of DV's Social Media Expansion



Unlocking the Vast Potential of CTV

Industry-Leading CTV Solutions

Unmatched Scale



Strong track record of quality and innovation



Customized Value Proposition for CTV



Show-level transparency



CTV Authentic Attention

NETFLIX

Winning a Large Customer Growth Opportunity

Strong Q1'24 Win Momentum

82% win rate across all opportunities in Q1'24

62% of our Q1'24 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

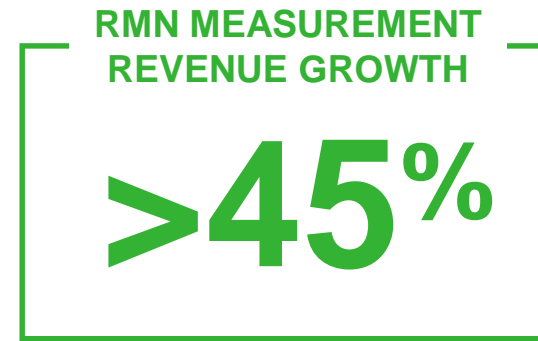


THROUGH 1) GEO & MEDIA CHANNEL EXPANSION AND 2) PRODUCT CROSS-SELL & UPSSELL

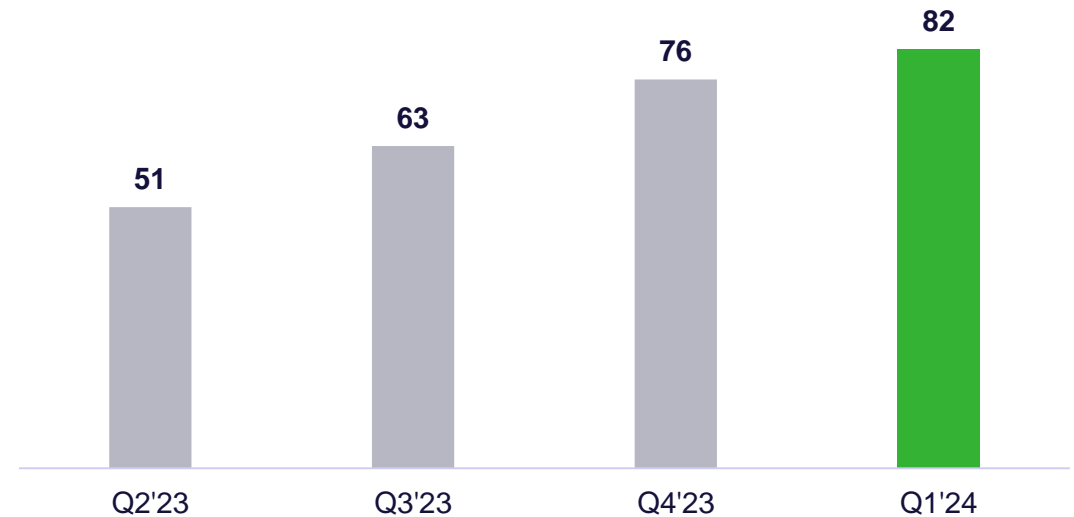
1. Based on COMvergence's list of the Top ~1000 Global Advertisers by 2023 digital media spend

Expanding Scale and Connectivity in Retail Media Networks

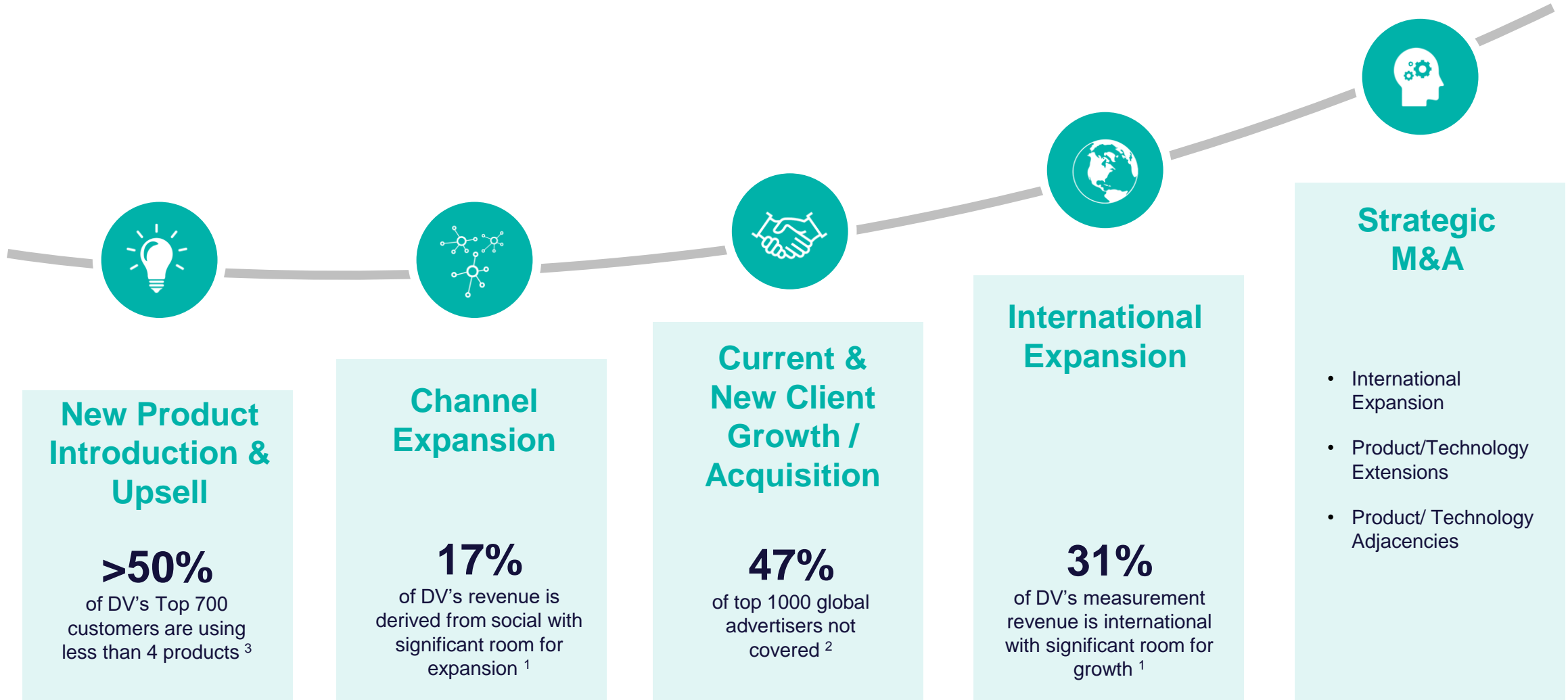
Growing Retail Media Revenue and Coverage



Growing Number of Key Global Retail Media Networks and Sites that Accept DV's Measurement Tags



Multiple Drivers of Long-Term Growth



Q1 2024 Revenue Growth Drivers

Key Drivers

Q1 '24 TOTAL REVENUE GROWTH OF 15%



Authentic Brand Suitability



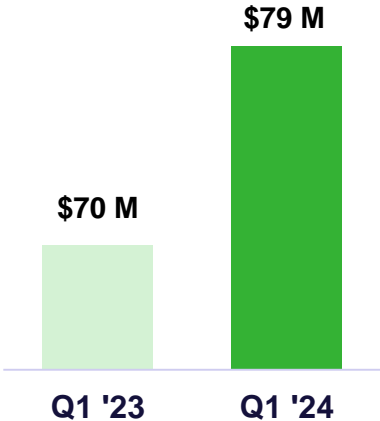
Social measurement



New Client Growth

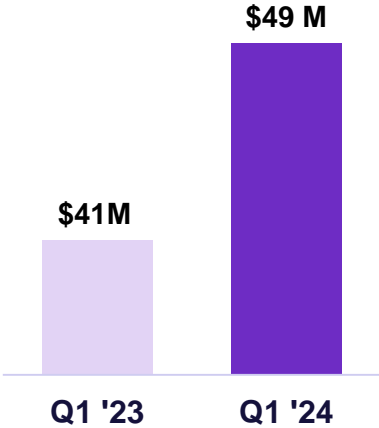
Activation

+13%
year-over-year growth



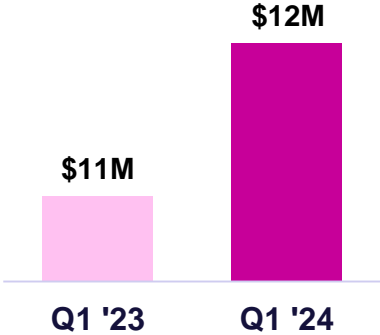
Measurement

+19%
year-over-year growth



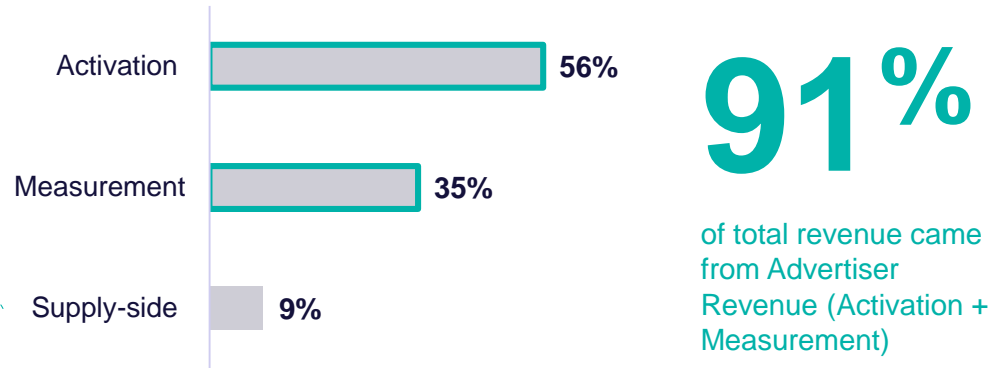
Supply-Side

+8%
year-over-year growth



Q1 2024 Revenue Growth Drivers (cont'd)

Business Line Contribution to Total Revenue

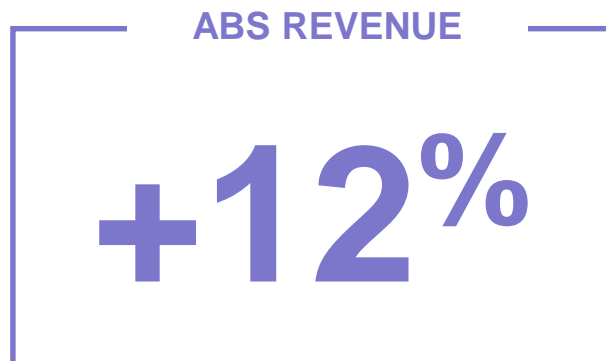


Advertiser Revenue Growth Drivers

Q1 '24 ADVERTISER REVENUE GROWTH OF 16%

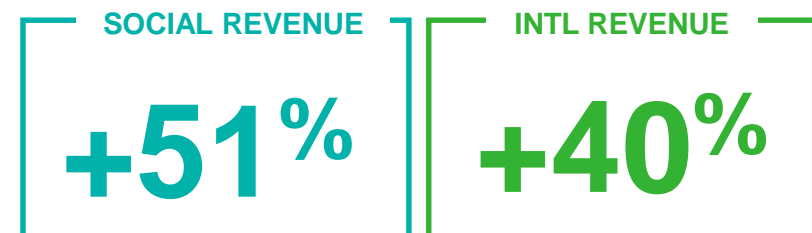


Activation Driver: Authentic Brand Suitability



Measurement Drivers: Social and International

Q1 '24 MEASUREMENT REVENUE GROWTH OF 19%



Q2 & FY 2024 Guidance

Q2 2024 Guidance

Revenue

\$152 M - \$156 M

Low-end

High-end

+15%
year-over-year
growth at the
midpoint

Adjusted EBITDA

\$41 M - \$45 M

Low-end

High-end

28%
Margin at the
midpoint

FY 2024 Guidance

Revenue

\$663 M - \$675 M

Low-end

High-end

+17%
year-over-year
growth at the
midpoint

Adjusted EBITDA

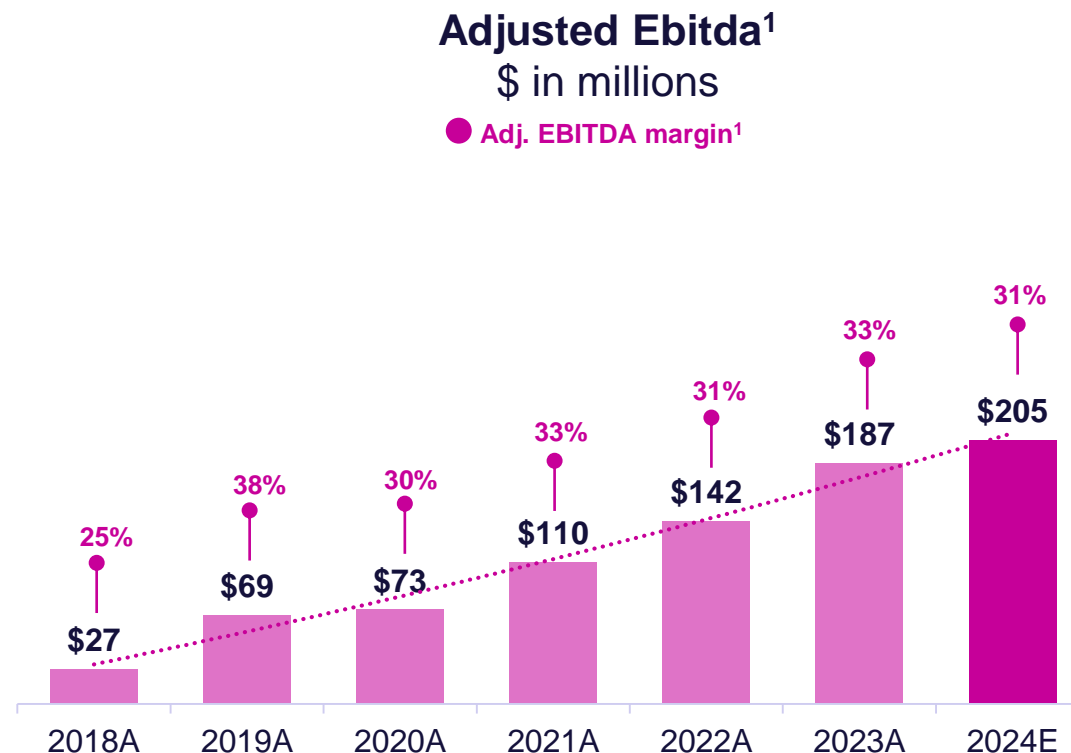
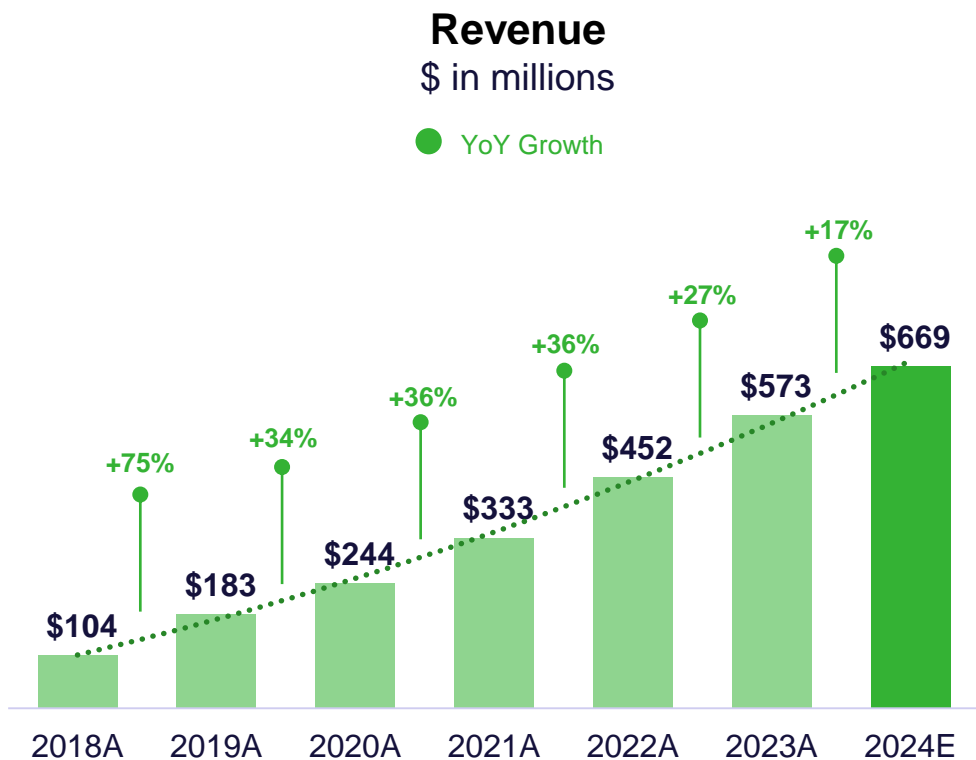
\$199 M - \$211 M

Low-end

High-end

31%
Margin at the
midpoint

Proven History of Growth & Profitability



2008
Year
Founded

1101
Employees at
year-end 2023

7.0T
Media Transactions
Measured in FY 2023

\$71M
Net Income in
FY 2023

\$120M
Net Cash from Operating
Activities FY 2023

124%
Net Revenue
Retention FY 2023

Key Business Terms

- **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.
- **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 March 31,	
	2024	2023
	(In Thousands)	
Net income	\$ 7,156	\$ 12,175
Net income margin	5%	10%
Depreciation and amortization	10,928	8,983
Stock-based compensation	20,241	11,813
Interest expense	232	256
Income tax expense	1,779	5,507
M&A and restructuring costs (a)	11	-
Offering and secondary offering costs (b)	58	187
Other recoveries (c)	-	(267)
Other income (d)	(2,272)	(2,734)
Adjusted EBITDA	\$ 38,133	\$ 35,920
Adjusted EBITDA margin	27%	29%

Non-GAAP Financial Measures Reconciliation

- a) M&A and restructuring costs for the three months ended March 31, 2024 consist of transaction costs related to the acquisition of Scibids Technology SAS (“Scibids”).
- b) Offering and secondary offering costs for the three months ended March 31, 2024 and March 31, 2023 consist of third-party costs incurred for underwritten secondary public offerings by certain stockholders of the Company.
- c) Other recoveries for the three months ended March 31, 2023 consist of sublease income for leased office space.
- d) Other income for the three months ended March 31, 2024 and March 31, 2023 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.

Second Quarter and Full-Year 2024 Guidance:

With respect to the Company’s expectations under "Second Quarter and Full Year 2024 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.