DoubleVerify

Q2 2021 Earnings Call

July 29, 2021

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'' and ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' sections in the Company's 10-Q filed with the SEC on July 29, 2021.

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.

Second Quarter Results

Total Revenue Growth

Adjusted EBITDA Growth and Margin

DoubleVerify

Second Quarter Total Revenue Growth

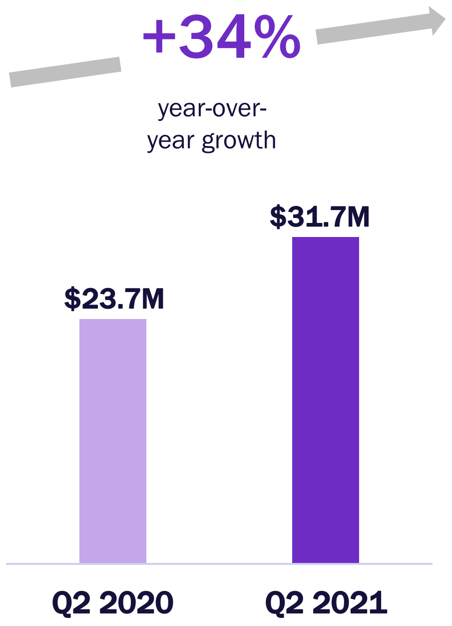
2Q ’21 TOTAL REVENUE GROWTH OF 44%

Key Drivers

- Authentic Brand Safety
- Social
- CTV
- Global Expansion
- New Partnerships

Programmatic

Direct



Supply Side

Second Quarter Programmatic Performance

ABS

Q2 2021

~112%

year-over-year revenue growth

Available on the following leading platforms

Display & Video 360

NEW

+ Upcoming launch on:

Second Quarter Social Performance

Social

Q2 2021

~100%

year-over-year volume growth

Industry-leading MRC accreditations on Facebook

Service	Facebook
Impression Counting (Display/Video)	DoubleVerify
Ad Viewability (Display)	DoubleVerify
Ad Viewability (Video)	DoubleVerify

Expanding coverage across walled gardens

NEW

Launched beta in 14 markets

Second Quarter CTV Performance

CTV

Q2 2021

~89%

year-over-year volume growth

integrated with

amazon Roku hulu

Additional industry-leading MRC accreditations for CTV

Service	CTV
NEW Viewability & Video Filtering	DoubleVerify
SIVT Detection & Filtration (Fraud)	DoubleVerify
Impression Counting (Display/Video)	DoubleVerify

Launched industry's only app-level

NEW

CTV Brand Suitability Solution

Added more partners to DV's CTV Targeting Certification Program, including:

NEW

adform TREMOR VIDEO BEESWAX UNRULY Quantcast

Global Expansion & Wins

APAC

73% Year-over-year revenue growth

EMEA

62% Year-over-year revenue growth

GLOBAL REVENUE

94 Revenue generating countries

WIN RATE

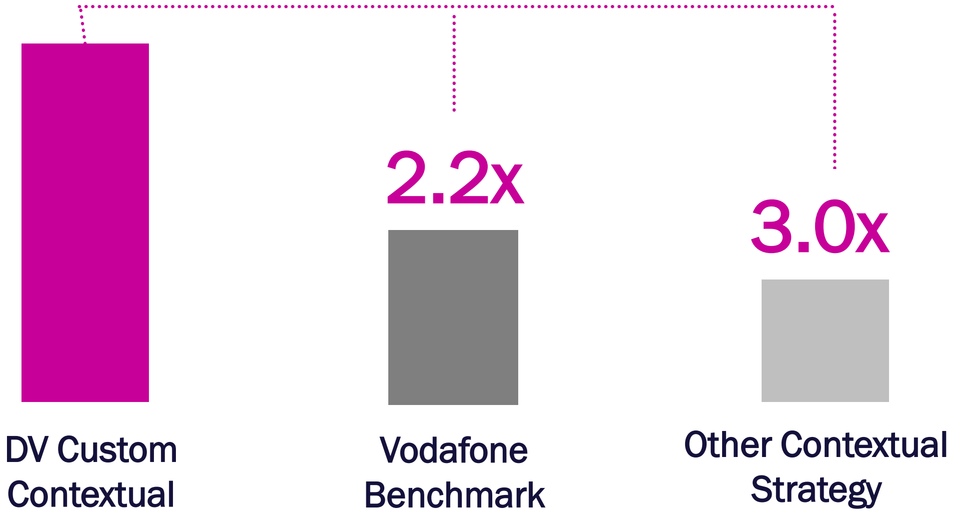
86% of new/upsell business opportunities [1]

[1] Over the past five quarters

DV Custom Contextual Performance

VODAFONE UK

Incremental Acquisitions per $ / £



SEQUENTIAL GROWTH

>2x

Q2 vs. Q1 2021 growth

Advertisers using DV's Custom Contextual Solution have more than doubled

AVAILABLE ON

theTradeDesk · MediaMath · adform · amazon · verizon media · xandr

Q3 and FY 2021 Guidance

Q3 2021 Guidance

Revenue

$81M	-	$83M
Low-end		High-end

+34% year-over-year growth at the midpoint

Adjusted EBITDA

$22M	-	$24M
Low-end		High-end

+59% year-over-year growth at the midpoint

FY 2021 Guidance

Revenue

$325M	-	$330M
Low-end		High-end

+34% year-over-year growth at the midpoint

Adjusted EBITDA

$103M	-	$105M
Low-end		High-end

+42% year-over-year growth at the midpoint

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 Media Transaction Measured.

Non-GAAP Financial Measures Reconciliation

	Three Months Ended June 30,	
	2021	2020
	(In Thousands)	
Net (loss) income	$ (12,568)	$ 4,078
Net (loss) income margin	(16)%	8%
Depreciation and amortization	7,440	6,146
Stock-based compensation	4,714	1,140
Interest expense	297	936
Income tax expense	2,298	2,006
M&A costs (a)	67	8
Offering costs and IPO readiness costs (b)	18,886	585
Other costs (c)	-	561
Other expense (income) (d)	49	198
Adjusted EBITDA	$ 21,183	$ 15,658
Adjusted EBITDA Margin	28%	30%

Non-GAAP Financial Measures Reconciliation

(a) M&A costs for the three and six months ended June 30, 2021 consist of reductions to deferred compensation liabilities related to acquisitions. M&A costs for the three and six months ended June 30, 2020 consist of third-party costs and deferred compensation costs related to acquisitions.
(b) Offering costs and IPO readiness costs for the three and six months ended June 30, 2021 and 2020 consist of third-party costs incurred in preparation and completion for our IPO.
(c) Other costs for the three and six months ended June 30, 2021 consist of reimbursements paid to Providence. For the three and six months ended June 30, 2020, other costs include reimbursements paid to Providence as well as costs related to the departure of our former Chief Executive Officer, and third-party costs incurred in response to investigating and remediating certain IT/cybersecurity matters that occurred in March 2020.
(d) Other expense (income) consists of interest income, change in fair value associated with contingent considerations, and the impact of foreign currency transaction gains and losses associated with monetary assets and liabilities.

Third Quarter and Full Year Adjusted EBITDA Guidance

With respect to the Company’s expectations regarding “Third Quarter and Full Year 2021 Guidance", the Company has not reconciled the non-GAAP measure Adjusted EBITDA to the GAAP measure net income (loss) 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 (loss). In addition, the Company believes such a reconciliation would imply a degree of precision that could be confusing or misleading to investors.