similarweb

INVESTOR PRESENTATION

Q3 2022

NOTES REGARDING THIS PRESENTATION

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements relating to the expected performance of our business, future financial results, strategy, long-term growth and overall future prospects, our customers continued investment in digital transformation and reliance on digital intelligence and the size and our ability to capitalize on our market opportunity. Forward-looking statements include all statements that are not historical facts. Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or similar words. These forward-looking statements reflect our current views regarding our intentions, products, services, plans, expectations, strategies and prospects, which are based on information currently available to us and assumptions we have made. Actual results may differ materially from those described in such forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and factors that are beyond our control. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) challenges associated with forecasting our revenue given our recent growth and rapid technological development, (ii) our history of net losses and desire to increase operating expenses, thereby limiting our ability to achieve profitability, (iii) challenges related to effectively managing our growth, including as a result of macroeconomic factors, (iv) intense competition in the market and services categories in which we participate, (v) potential reductions in participation in our contributory network and/or increase in the volume of opt-out requests from individuals with respect to our collection of their data, or a decrease in our direct measurement dataset, which could lead to a deterioration in the depth, breadth or accuracy of our data, (vi) our inability to attract new customers and expand subscriptions of current customers, (vii) changes in laws, regulations, and public perception concerning data privacy or change in the patterns of enforcement of existing laws and regulations, (viii) our inability to introduce new features or solutions and make enhancements to our existing solutions, (ix) real or perceived errors, failures, vulnerabilities or bugs in our platform, (x) potential security breaches to our systems or to the systems of our third-party service providers, (xi) our inability to obtain and maintain comprehensive and reliable data to generate our insights, (xii) changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself that may diminish the demand for our solutions, (xiii) failure to effectively develop and expand our direct sales capabilities, which could harm our ability to increase the number of organizations using our platform and achieve broader market acceptance for our solutions and (xiv) the impact that current worldwide geopolitical and macroeconomic uncertatinty, including uncertainty resulting from the COVID-19 pandemic or other public health crises and the Russian military operations in Ukraine, and any sustained economic downturn could have on our or our customers' businesses, financial conditions and results of operations.

These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled "Risk Factors" in our Form 20-F filed with the Securities and Exchange Commission on March 25, 2022, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur.

Forward-looking statements represent our beliefs and assumptions only as of the date of this presentation. Except as required by law, we undertake no duty to update any forward-looking statements contained in this release as a result of new information, future events, changes in expectations or otherwise.

Certain information contained in this presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of any information obtained from third-party sources. In addition, all of the market data included in this presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while we believe our own internal research is reliable, such research has not been verified by any independent source.

As a reminder, certain financial measures we use in this presentation and on our call today are expressed on a non-GAAP basis. We use these non-GAAP financial measures internally to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes. We believe these non-GAAP financial measures, when taken collectively, may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, non-GAAP financial measures have limitations as an analytical tool and are presented for supplemental informational purposes only. They should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Free cash flow represents net cash provided by (used in) operating activities less capital expenditures and capitalized internal-use software costs. Normalized free cash flow represents free cash flow less capital investments related to the Company's new headquarters, payments received in connection with these capital investments and deferred payments related to business combinations..

Non-GAAP operating income (loss), non-GAAP gross profit, Non-GAAP research and development expenses, non-GAAP sales and marketing expenses and non-GAAP general and administrative expenses represents the comparable GAAP financial figure, less share-based compensation, adjustments and payments related to business combinations, amortization of intangible assets and certain other non-recurring items, as applicable and indicated in the above tables.

In accordance with SEC regulations, you can find the definitions of these non-GAAP measures, as well as reconciliations to the most directly comparable GAAP measures in this presentation and in our earnings press release and supplemental financials, which can be found on our investor relations website at ir.similarweb.com.

This presentation is a high-level summary of our Q3 2022 financial results. For more information please refer to our press release dated November 15,, 2022 and filings with the SEC.

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Similarweb
by the numbers

~1,187 employees & contractors in 14 offices

Tel Aviv - New York - London - Tokyo - Sao Paulo - Boston - Paris
San Francisco - Sydney - Singapore - Munich - Northern Virginia - Miami - Kyiv

Q3 2022

$50.0M
Q3 2022 revenue

41%
Q3 2022 YoY revenue growth

$200.1M
Q3 2022 Revenue Annualized
(Q3 2022 Revenue * 4)

123%
Q3 2022 Dollar-based net retention rate
(for $100K+ ARR customers)

Efficient & Predictable Business Model

99%
Of revenue is ARR

76.2%
Q3 2022 gross margin

37%
Of ARR is multi-year subscriptions

53%
Of total ARR from $100K+ ARR customers

All financial metrics are as of the period ended Sep 30, 2022

Note: We calculate our NRR as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period-end, or the Prior Period ARR. We then calculate the ARR from these same customers as of the current period-end, or the Current Period ARR. Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers in the current period. We then divide the Current Period ARR by the Prior Period ARR to arrive at the point-in-time NRR. We then calculate the average of the trailing four quarter point-in-time NRR to arrive at the NRR.

“How do we grow efficiently?”

is top-of-mind for executives, especially in times of uncertainty

In 2022, CEOs view digital touch points as a top strategic driver.*

* Source: EY CEO Survey 2022.

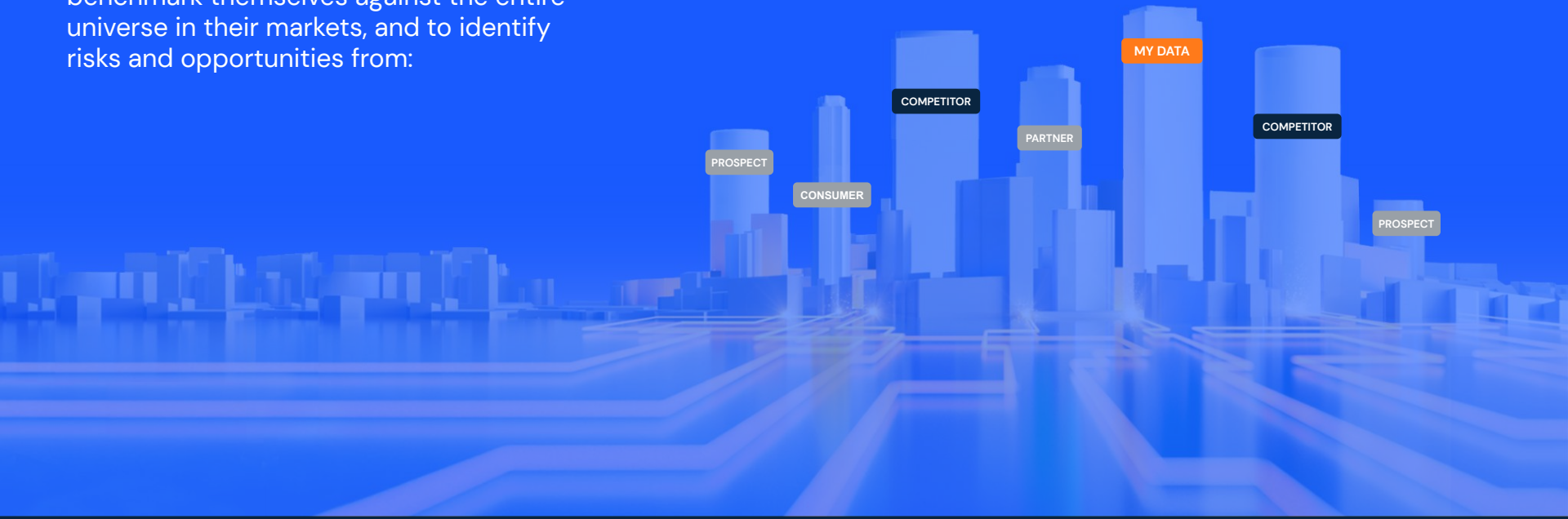
Companies want data and insights that provide them with visibility

To drive growth, companies want to benchmark themselves against the entire universe in their markets, and to identify risks and opportunities from:

1
Their own data
MY DATA

2
Competitor data
COMPETITOR

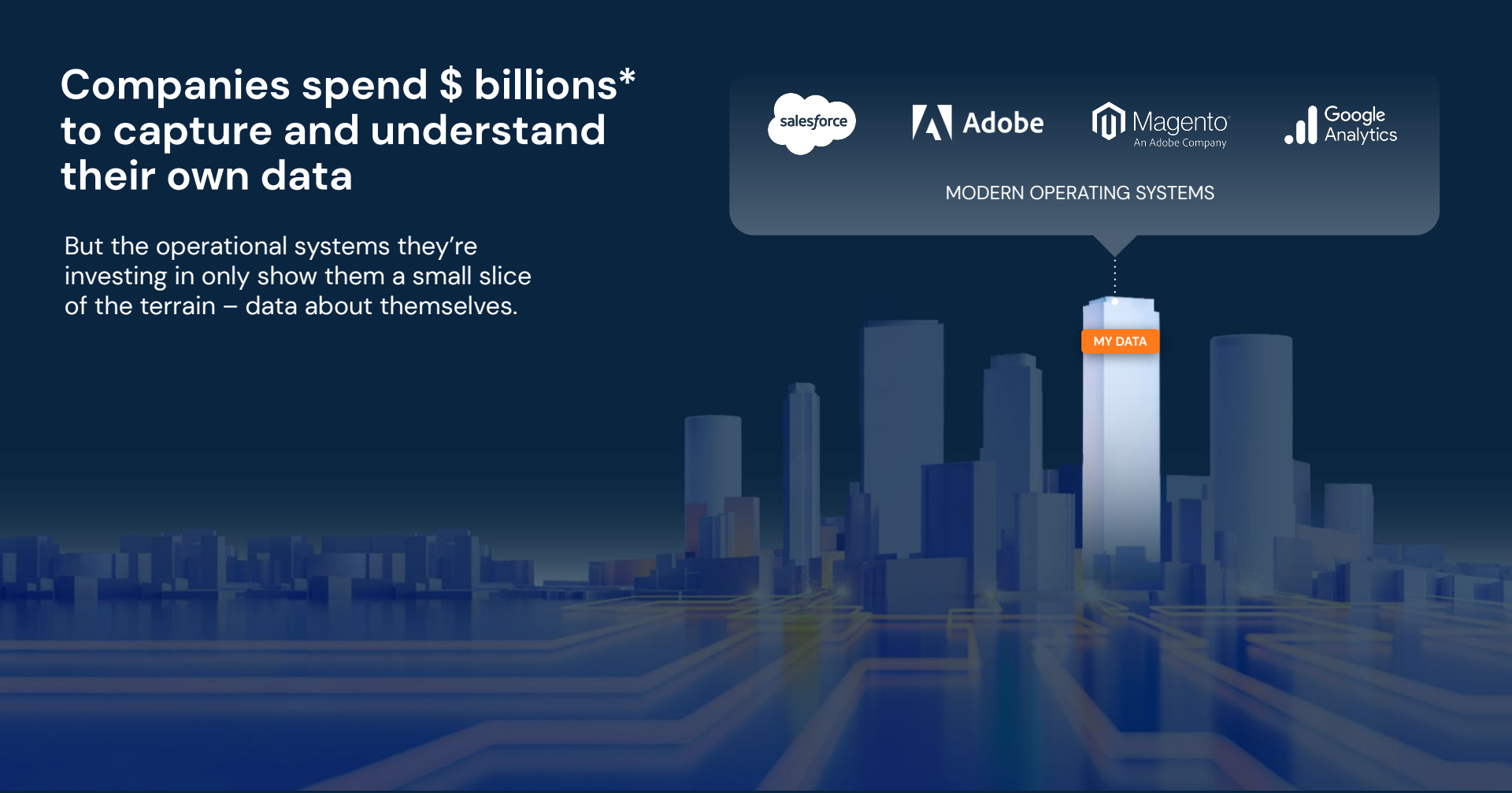
3
Other market data
PROSPECT
CUSTOMER
CONSUMER
PARTNER



Without access to data and actionable insights, companies operate in digital darkness

Companies spend $ billions* to capture and understand their own data

But the operational systems they're investing in only show them a small slice of the terrain – data about themselves.



* Source: IDC 2021

Similarweb illuminates the digital landscape & provides comprehensive market insights

We give companies visibility that enables them to optimize their strategies and grow efficiently.

Overview video*

The Similarweb Digital Intelligence Platform

Understand market trends and dynamics

Monitor competitors and react instantly

Benchmark performance to enable continuous improvement

Improve customer **conversion rates** and **loyalty**

Discover new markets, prospects, revenue streams

Be the **first to react** to change and opportunity

Our intelligence platform complements operational systems to accelerate revenue growth

	How is my company operating?	How are competitors performing and markets behaving?		
Sales	salesforce	similarweb	Sales Intelligence	Product walkthrough
Marketing	Adobe	similarweb	Digital Marketing Intelligence	Product walkthrough
Analytics	Google Analytics	similarweb	Digital Research Intelligence	Product walkthrough
E-commerce	Magento An Adobe Company	similarweb	Shopper Intelligence	Product walkthrough

We convert comprehensive digital data into timely and actionable market insights that provide our customers (and us) with substantial advantages

1 Data Sources

We collect billions of signals from four categories of sources

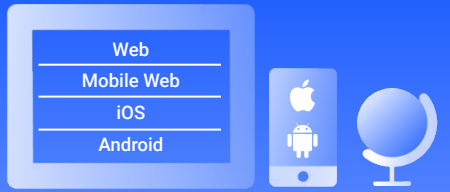
- Contributor Network
- First Party Direct Measurement
- Public Data
- Partnerships

we aggregate anonymous behavioral data from opt-in participants across devices

millions of websites and apps share their first-party analytics with us

our engine that captures and indexes public data from the open web **on millions of websites and apps**

our **global network** of partners helps us collect "digital signals" across the digital world



2 Intelligence Engine

Our AI engine refines raw data into a unified and comprehensive picture of the digital world.

Machine Learning

Predictive Models

3 Measure of Digital World

We deliver actionable intelligence on a large variety of digital behaviors

Entities
- Websites
- Apps
- Companies
- Lines of business
- Industries

Search & Content
- Keywords
- Topics
- On-site search
- SERP insights
- Landing pages

Behavior
- Traffic
- Traffic sources
- Engagement
- Conversion

Advertising
- PPC spend
- Text Ads & PLAs
- Creative & video ads
- Ad networks
- Publishers

eCommerce
- SKUs
- Brands
- Categories
- Cross-shopping

Audience
- Demographics
- Interests
- Loyalty
- Cross Device

Leads
- Contacts
- Firmographics
- Technographics

Marketing channels
- Search
- Referrals
- Direct
- Email
- Social
- Display

The Similarweb insights engine empowers company decision-makers responsible for accelerating growth

Marketing

- → More keywords
- → More affiliates
- → More campaigns
- → More channels
- → Better targeting

Sales

- → More leads
- → More wins
- → Better proposals
- → Better customer relationships

e-Commerce

- → More purchases
- → More consumer insights
- → More volume
- → Better conversion

Strategy & Business

- → More markets & product lines
- → More market share
- → Better optimization
- → Better visibility

Our data and proprietary insights allow us to address a variety of valuable use cases across many different market segments

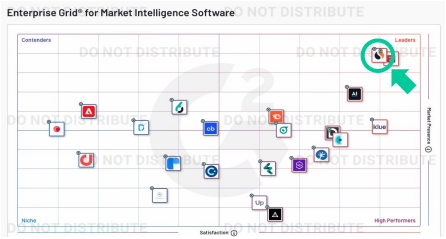
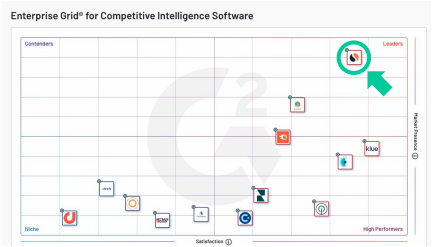
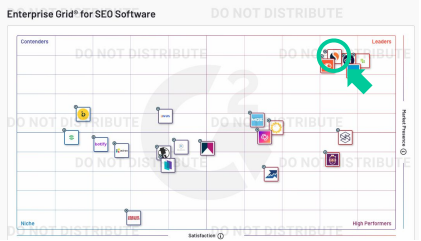
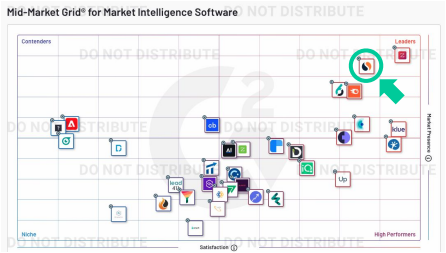
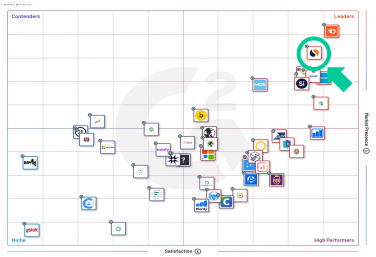
	Digital Research	Digital Marketing	eCommerce Insights	Sales Data Company Data & Enrichment	Alternative Data
Markets	Grow market share	Grow user acquisition	Grow eCommerce sales	Grow pipeline & win rates	Grow investment ROI
Players	similarweb Quantcast comscore data.ai	similarweb SERPSTAT ahrefs SEMRUSH	similarweb GfK Nielsen EDGE BY ASCENTIAL	similarweb Clearbit zoominfo DataFox	similarweb yipitDATA Quandl Second Measure
Similarweb Solution	Digital Research Intelligence	Digital Marketing Intelligence	Shopper Intelligence	Sales Intelligence	Investor Intelligence

Our solutions are recognized market leaders

Core Platform Page

From 463 to 547 reviews ↑ 15%

Q4 pacing for 80 reviews ↑ 15%

	MARKET INTELLIGENCE	COMPETITIVE INTELLIGENCE	SEO
ENTERPRISE			
MID-MARKET			

Source: G2

Our durable growth strategy

We see an expanding market ahead with strong potential and multiple entry points to further expand our business opportunity.

Our current market opportunity

SMB
(100-1000 employees)

Enterprise
(1000-5000 employees)

Strategic
(5000+ employees)

~850,000
Total Number of Companies Combined Across Segments[1]

×

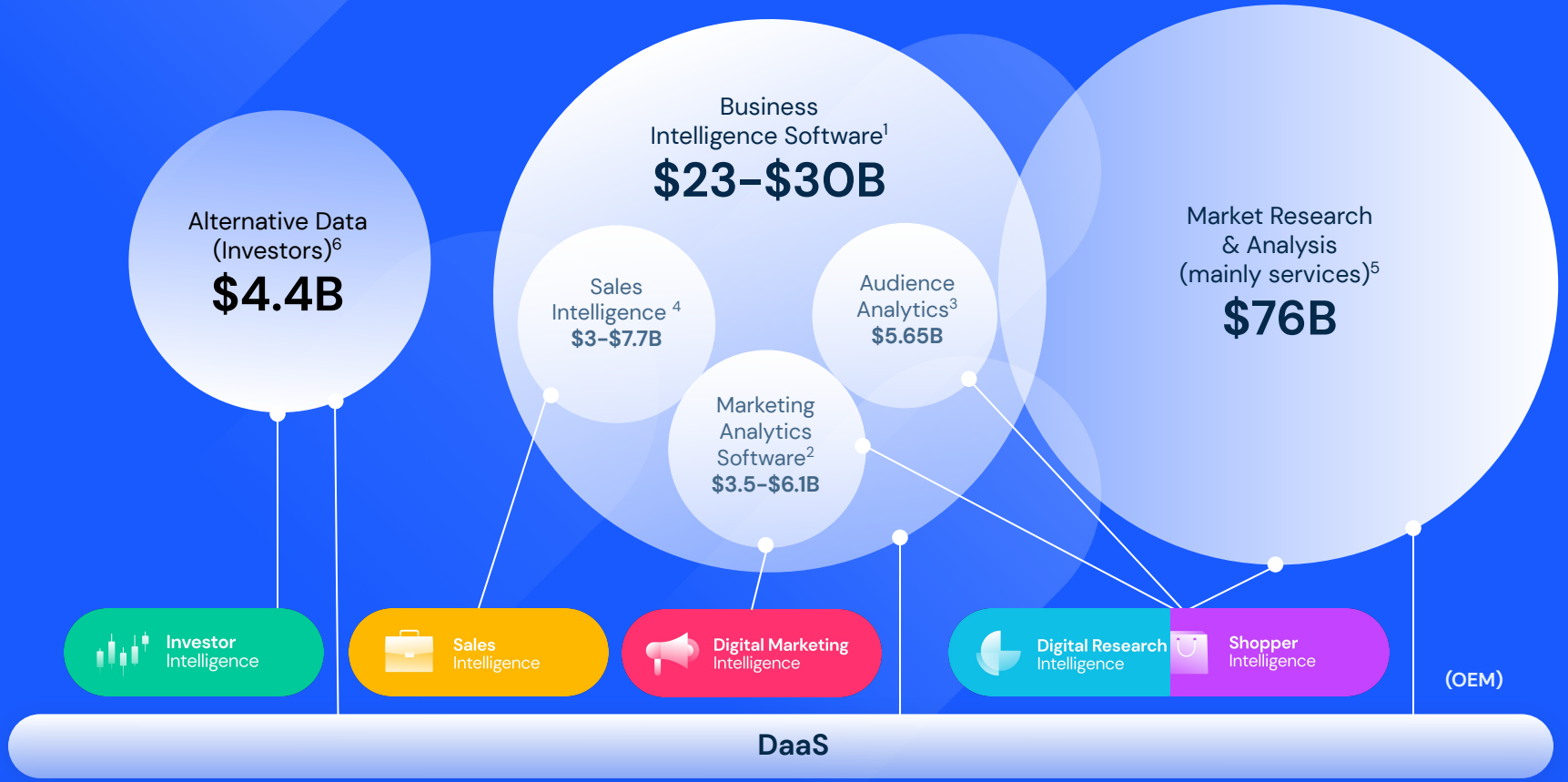
~$40,000
Total Average Contract Value (ACV) per Company Across Segments[2]

=

$34 bn TAM

[1]S&P Capital IQ, May 2021
[2]Internal company metrics, May 2021; averages the top 2 quartiles of each segment ACV to represent potential expansion

Longer term our market opportunity potential expands



1. ReportLinker - The global Business Intelligence market size to grow from USD 23.1 billion in 2020 to USD 33.3 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 7.6% during the forecast period. Gartner; - Both are imputed; Statista (provided for 2022)
2. Cision PRNews; From FutureMarketInsights, $4.2B in 2020 with CAGR 20.5% yielding $6.1B in 2022
3. MarketsandMarkets
4. GrandView Research, Cision PRNews - imputed; FutureMarketInsights (lead intelligence) - current
5. ResearchandMarkets, Statista (current)
6. Research And Markets (current)`

Over 3,900 customers rely on us to deliver game-changing insights

Consumer Goods

ABInBev · Beam Suntory · dyson · Levi's · Panasonic

Retail

Carrefour · Walgreens Boots Alliance · Rakuten · Walmart · adidas · zalando

Financial Services

Allianz · Scotiabank · Binance · Wells Fargo · J.P.Morgan

Pharma

gsk · Roche · Sanofi · Merck · Novartis

Media

The Economist · CNN · WebMD · NBCUniversal · Hearst

Travel

Booking.com · Tourism Australia · easyJet · Virgin · TUI

Technology

Google · Adobe · criteo · Taboola · Lenovo

Agencies & Consulting

Ogilvy · BBDO · Publicis Groupe · pwc · Omnicom Media Group · dentsu

Other

DHL · Ford · Olympics · Honda · UPS

The reason that we use **Similarweb** is because it gives us something we don't have. With Google Analytics or PowerBI, we know what's happening with us. It's what's happening with our competitors, our affiliates, our partners, that's what we need to know. And there's nothing like that. For MGM Resorts, if we were to lose Similarweb we would lose the ability to know what our partners, what our competitors, and what the industry was doing. And I don't think a company can afford to do that in this day and age.

Andrew Smith
Marketing Manager / Travel Industry Sales,
MGM Resorts

Watch the testimonial

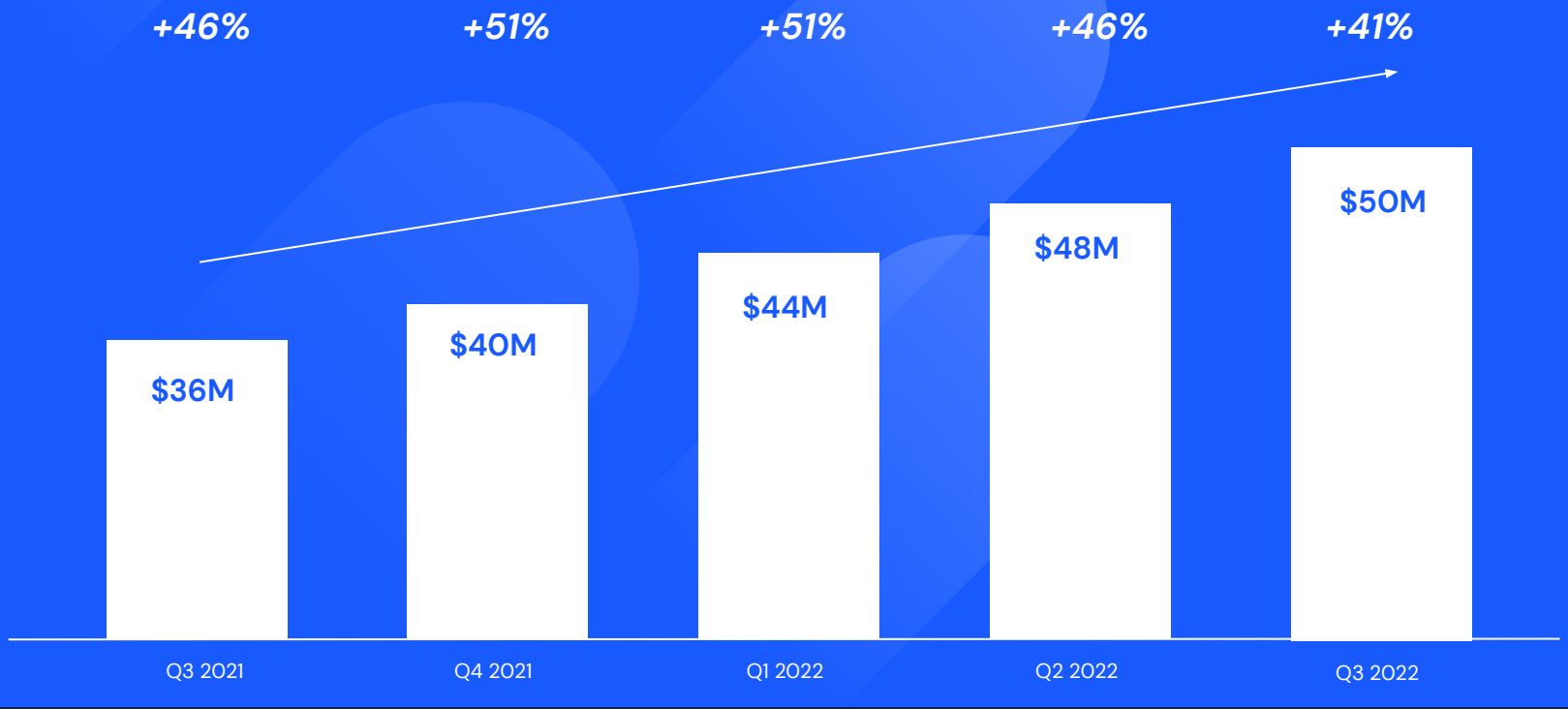
Independent Assessment of ROI Potential

We commissioned an independent study from Forrester Consulting which showed our solutions drove a return on customer investment of 642% between 2018 and 2021 for one of our customers who used our Research Intelligence and Marketing Intelligence solutions.

See the full report

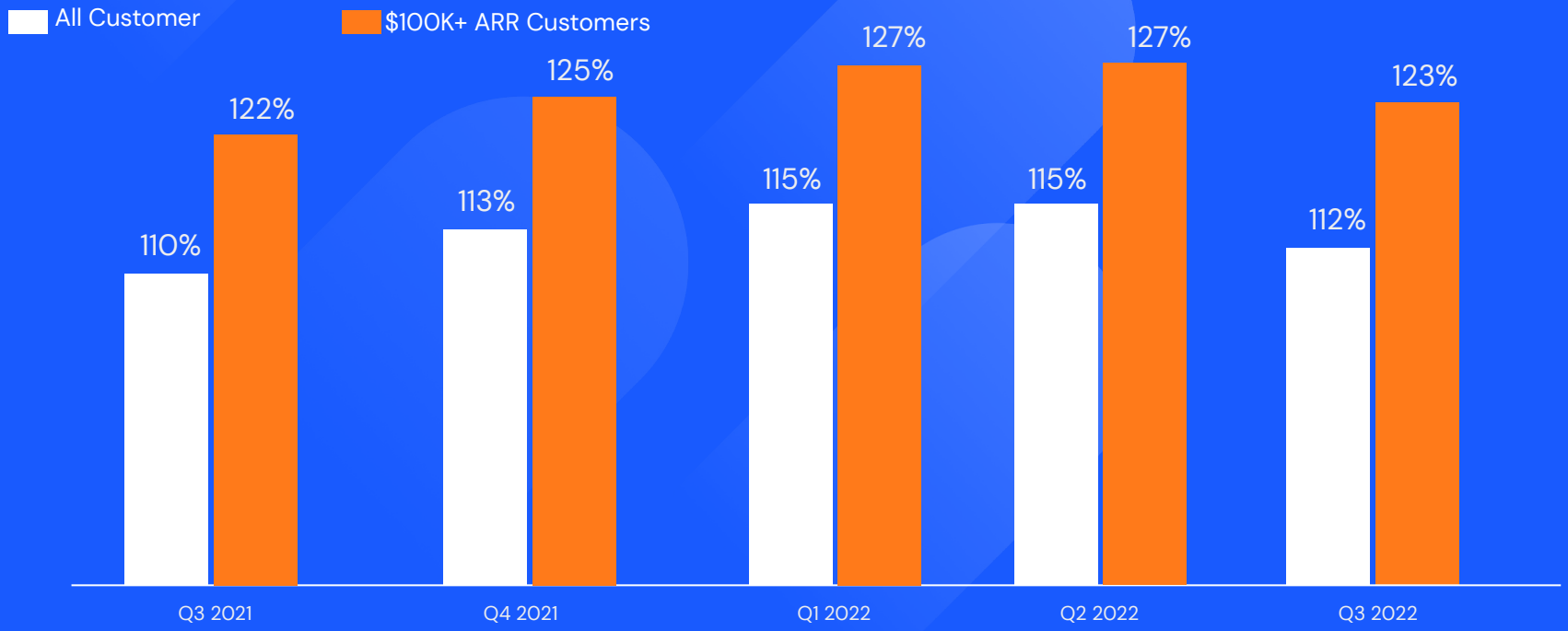
Strong revenue growth

Our large addressable opportunity and efficient business model have led to growing revenue sequentially and year-over-year.



Consistent NRR Performance

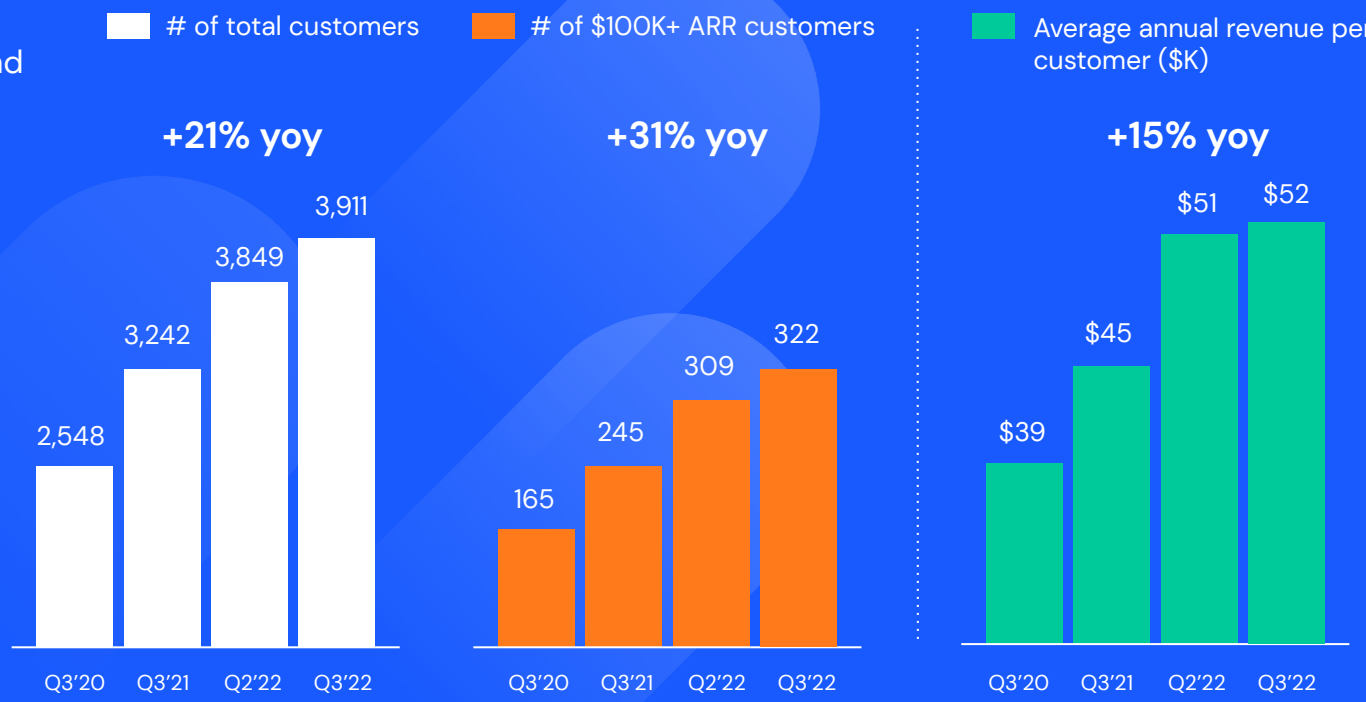
Our dollar-based net retention rate (NRR) over time indicates increased usage and the purchase of more than one solution by customers. In our largest and most strategic customer segment, customers that generate over $100K in ARR, our ability to retain and grow our business consistently exceeds our NRR for all customers.



Note: We calculate our NRR as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period-end, or the Prior Period ARR. We then calculate the ARR from these same customers as of the current period-end, or the Current Period ARR. Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers in the current period. We then divide the Current Period ARR by the Prior Period ARR to arrive at the point-in-time NRR. We then calculate the average of the trailing four quarter point-in-time NRR to arrive at the NRR.

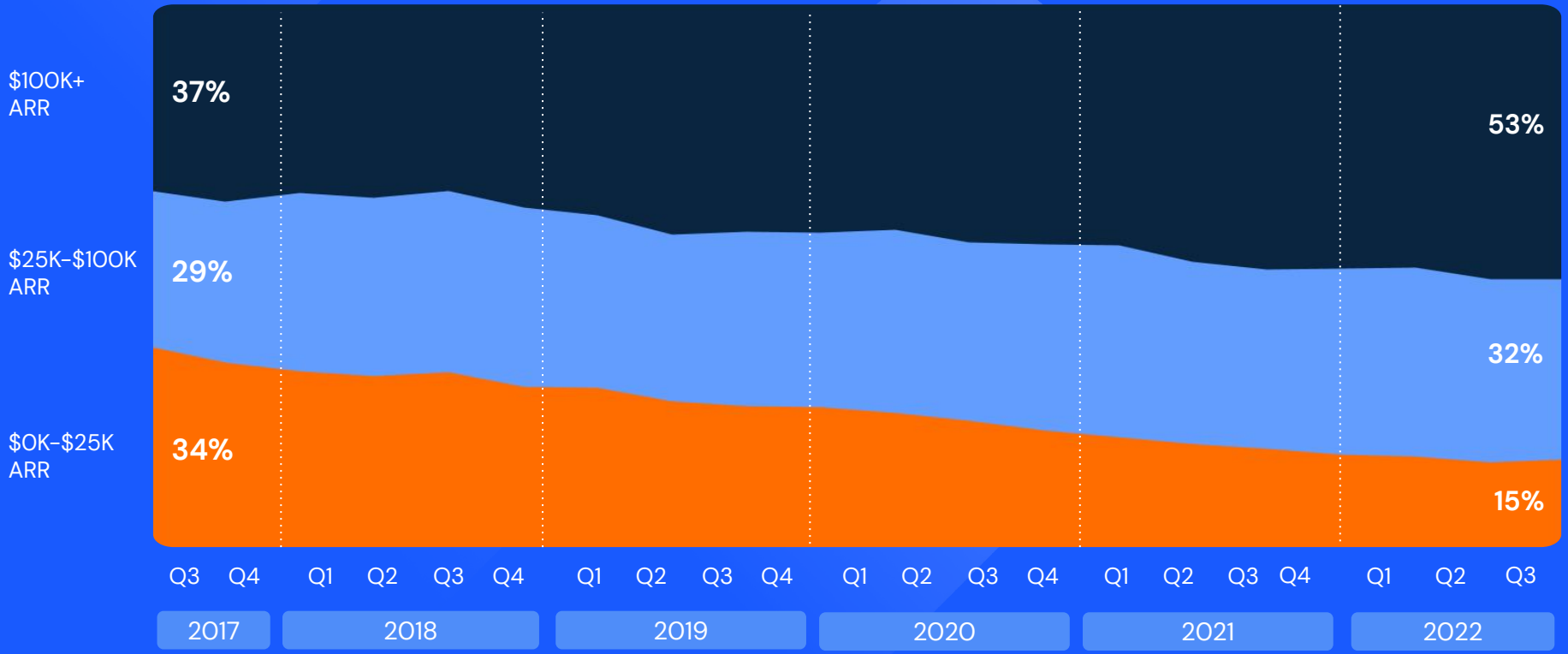
Positive momentum in customer and account growth

We have consistently acquired new customers and increased our average deal size as we enhanced our platform.



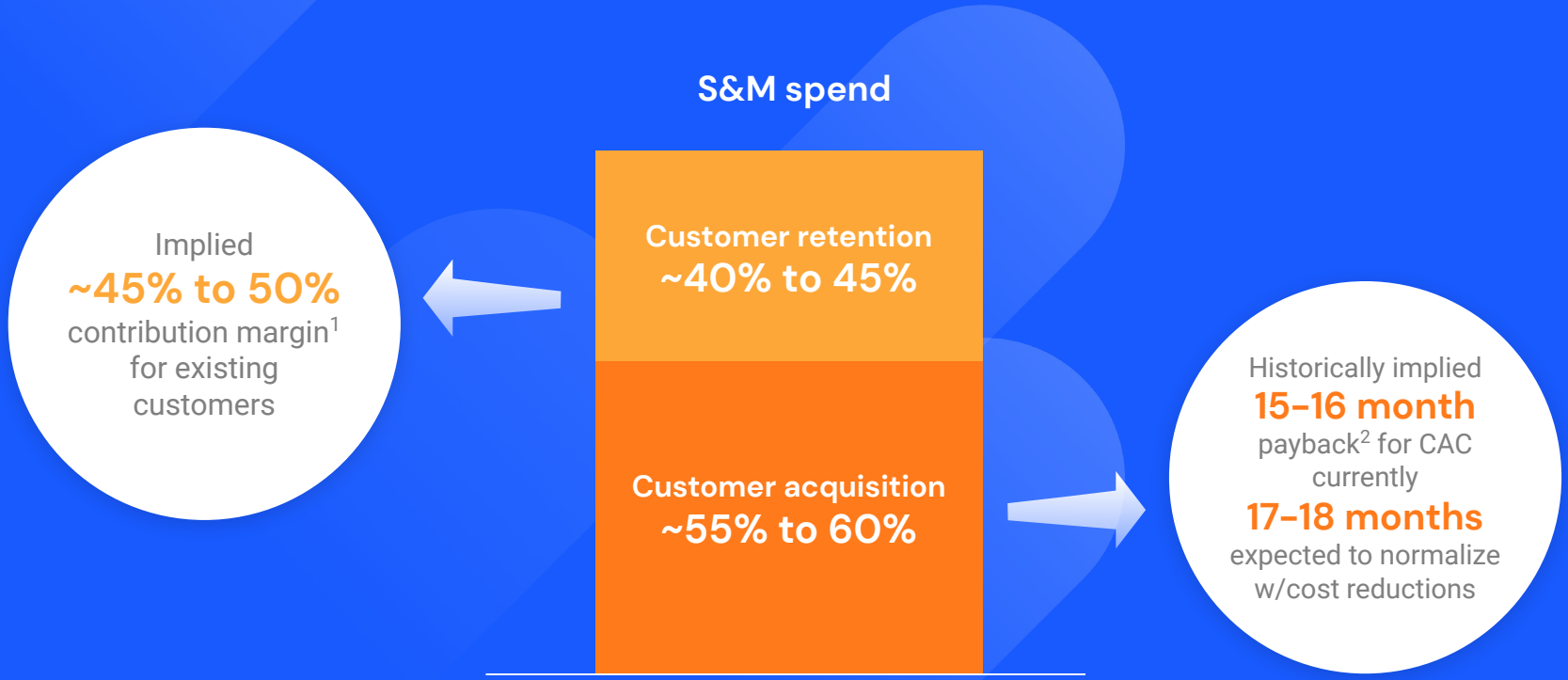
Note: We define ARR as the annualized subscription revenue we would contractually expect to receive from customers assuming no increases or reductions in their subscriptions.

Strength of our revenue base



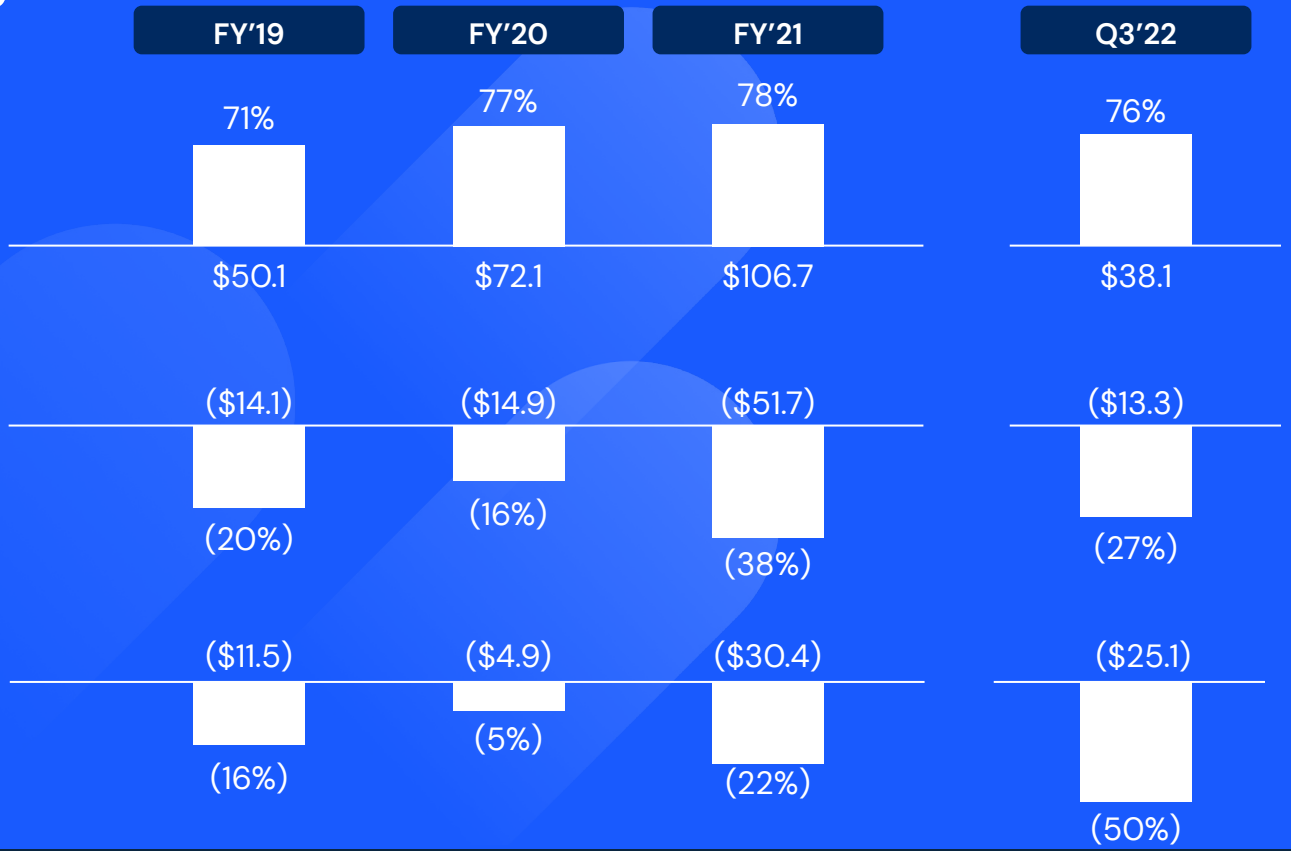
Note: We define ARR as the annualized subscription revenue we would contractually expect to receive from customers assuming no increases or reductions in their subscriptions.

Attractive Sales Efficiency and CAC Payback Metrics Historically



[1] Calculated as (TTM 9/30/2022 non-GAAP gross profit– 40% to 45% of TTM 9/30/ 2022 non-GAAP S&M) / TTM 9/30/2022 Revenue
[2] Calculated as 12 / ((TTM 9/30/2022 non-GAAP gross profit – TTM 9/30/2021 non-GAAP gross profit) / ((sum of TTM non-GAAP S&M from Q3 2021 through Q2 2022) * 55% to 60%)) . The calculation includes adjustments for the Embee Mobile acquisition.

Margin and cash flow performance



In accordance with SEC regulations, you can find the definitions of these non-GAAP measures, as well as reconciliations to the most directly comparable GAAP measures in this presentation and in our earnings press release and supplemental financials, which can be found on our investor relations website at ir.similarweb.com.

Disciplined execution accelerating path to profitability

	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22
	Percentage of Revenue						
Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of revenues, Non-GAAP	21%	21%	22%	25%	25%	26%	24%
Non-GAAP Gross Profit	**79%**	**79%**	**78%**	**75%**	**75%**	**74%**	**76%**
Non-GAAP Operating Expenses							
Research & Development, Non-GAAP	26%	26%	29%	32%	30%	31%	27%
Sales & Marketing, Non-GAAP	65%	66%	65%	66%	65%	63%	55%
General & Administrative, Non-GAAP	18%	20%	23%	23%	24%	22%	20%
Total Operating Expenses, Non-GAAP	**108%**	**112%**	**117%**	**121%**	**119%**	**116%**	**103%**
Non-GAAP Operating Loss	**-29%**	**-33%**	**-39%**	**-46%**	**-45%**	**-42%**	**-27%**

Long Term Model

Non-GAAP

% of revenue	2019A	2020A	2021A	Target Model
Gross Margin	**71%**	**77%**	**78%**	**85%**
Research & Development	22%	22%	28%	15%
Sales & Marketing	55%	57%	65%	35%
General & Administration	14%	14%	21%	10%
Operating Margin	**(20%)**	**(16%)**	**(38%)**	**25%**
Free Cash Flow Margin	**(16%)**	**(5%)**	**(22%)**	**30%**

The Company does not provide guidance for operating loss and gross margin, the most directly comparable GAAP measures to non-GAAP operating loss and non-GAAP gross margin, respectively, and similarly cannot provide a reconciliation to these measures to their closest GAAP equivalents without unreasonable effort due to the unavailability of reliable estimates for certain items. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.

Led by a focused and experienced team

Or Offer
Co-Founder &
Chief Executive Officer

similarweb

Benjamin Seror
Co-Founder &
Chief Product & Marketing Officer

similarweb

Jason Schwartz
Chief Financial Officer

Shopping.com NICE · ACTIMIZE

Lior Degani
Chief Operation Officer

similarweb

Maoz Lakovski
Chief Business Officer

similarweb

Sigal Gill More
Chief People Officer

Microsoft NICE

Carrie Lazorchak
Chief Revenue Officer

NUANCE

Ron Asher
Chief Technology Officer

bond IBM

Uri Perelman
Chief M&A and Corporate
Development Officer

NICE

We are just getting started

A leading platform addressing mission-critical use cases

Strong and accelerating growth

Attractive sales efficiency and CAC payback metrics

Innovative technology based on durable barriers to entry

Early innings of a multi-billion $ TAM opportunity

Founder-led leadership team and exceptional culture

Appendix - GAAP to non-GAAP reconciliation (USD thousands)

	FY'19	FY'20	FY'21	Q3'21	Q3'22
Reconciliation of non-GAAP gross profit					
Gross profit	50,078	72,069	105,916	27,802	36,273
Stock-based compensation expense	(38)	(40)	(211)	(54)	(143)
Retention payments related to business combinations	0	0	0	0	(511)
Amortization of intangible assets related to business combinations	0	0	(608)	0	(1,168)
Non-GAAP gross profit	50,116	72,109	106,735	27,856	38,095
Non-GAAP gross margin	71%	77%	78%	78%	76%
Reconciliation of non-GAAP operating loss					
Operating loss	(16,112)	(19,674)	(66,107)	(16,721)	(20,615)
Stock-based compensation expense	(2,004)	(4,800)	(11,171)	(2,729)	(4,849)
Non-recurring fees related to initial public offering	0	0	(1,214)	0	0
Retention payments related to business combinations	0	0	(1,103)	(118)	(736)
Amortization of intangible assets related to business combinations	0	0	(608)	0	(1,202)
Non-recurring expenses related to termination of lease and other agreements	0	0	(315)	0	(418)
Earnouts fair value adjustments related to business combinations	0	0	0	0	(62)
Non-GAAP operating loss	(14,108)	(14,874)	(51,696)	(13,874)	(13,348)
Non-GAAP operating margin	-20%	-16%	-38%	-39%	-27%

Appendix - GAAP to non-GAAP reconciliation (USD thousands)

	FY'19	FY'20	FY'21	Q3'21	Q3'22
Reconciliation of free cash flow					
Net cash used in operating activities	(9,692)	(3,760)	(27,625)	(16,592)	(21,669)
Purchases of property and equipment, net	(285)	(748)	(2,311)	(395)	(6,705)
Capitalized internal-use software costs	(1,522)	(387)	(502)	(115)	(1,120)
Free cash flow	**(11,499)**	**(4,895)**	**(30,438)**	**(17,102)**	**(29,494)**
Free cash flow margin	*-16.3%*	*-5.2%*	*-22.1%*	*-48.0%*	*-59.0%*
Cash payments related to new headquarters	0	0	0	0	7,161
Cash received in connection with purchase of property and equipment	0	0	0	0	(3,174)
Deferred payments in relation to business combinations	0	0	0	0	413
Normalized free cash flow	**(11,499)**	**(4,895)**	**(30,438)**	**(17,102)**	**(25,094)**

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THANK YOU.