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%
Q4 2021 Adjusted EBITDA Margin

34%
Q4 2021 Total Revenue Growth

$333 million
FY 2021 Total Revenue

33%
FY 2021 Adjusted EBITDA Margin

36%
FY 2021 Total Revenue Growth
Five Key Growth Drivers

Product Evolution

Channel Extension

International Expansion

Current Client Up-sell/Cross-Sell & New Client Acquisition

Strategic M&A
Authentic Brand Suitability Revenue Growth

ABS

Available on the following leading platforms:

- theTradeDesk
- Display & Video 360
- Amazon
- Adobe
- MediaMath
- PULSEPOINT
- Quantcast
- AMOBEE

77% GROWTH

$85M REVENUE

FY 2021 Revenue Growth

FY 2021 Revenue
### Only Provider With Comprehensive Pre-Bid Accreditations

<table>
<thead>
<tr>
<th>Media Rating Council Accreditations</th>
<th>Primary Competitors</th>
<th>Point Solution Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single segment for end-to-end protection</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>SIVT avoidance targeting</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>SIVT avoidance - CTV</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>Enterprise IVT avoidance (web, app and CTV)</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>Brand suitability targeting</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>Enterprise Brand Safety Floor avoidance</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>Contextual targeting</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
<tr>
<td>Viewability targeting</td>
<td><img src="#" alt="DV" /></td>
<td><img src="#" alt="IAS" /></td>
</tr>
</tbody>
</table>

Solution only: ![DV](#)
Accredited solution: ![DV](#) and ![DV](#)
Accredited for 30+ languages for web and app: ![DV](#)

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

AUTHENTIC ATTENTION™

CUSTOM CONTEXTUAL

comscore

OpenSlate
DV Authentic Attention

Exposure & Engagement
The data behind attention, building on the DV Authentic Ad™

DV Authentic Attention™
The New Standard for Media Quality and Performance
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

International 69%

EMEA 61%

APAC 84%

2021 REVENUE GROWTH
Number of Advertiser Wins in 2021

The World’s Largest Brands Rely on DV

176
NEW CLIENT WINS IN 2021

61%  39%
GREENFIELD  COMPETITIVE WINS
Potential For External Growth Opportunities

$73M
2021 NET CASH FROM OPERATING ACTIVITIES LESS CAPEX

$2222M
CASH BALANCE AT YEAR END 2021

$0M
LONG-TERM DEBT

INTERNATIONAL EXPANSION

PRODUCT/ TECHNOLOGY EXTENSIONS

PRODUCT /TECHNOLOGY ADJACENCIES
Strong Fourth Quarter Results

Total Revenue Growth

Q4 2020: $79M
Q4 2021: $106M
Year-over-year growth: +34%

Adj. EBITDA Growth and Margin

Q4 2020: $28M, Margin: 35%
Q4 2021: $40M, Margin: 38%
Year-over-year growth: +46%

1. See Appendix for reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to the nearest financial measures reported under GAAP.
Strong FY 2021 Results

Total Revenue Growth

- **Year-over-year growth**
  - **2020:** $244M
  - **2021E:** $333M
  - **Increase:** +36%

Adj. EBITDA Growth and Margin

- **Year-over-year growth**
  - **2020:** $73M, 30% MARGIN
  - **2021:** $110M, 33% MARGIN
  - **Increase:** +50%

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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

+45% year-over-year growth

2020: $116.1M
2021: $167.8M

Direct

+27% year-over-year growth

2020: $106.4M
2021: $135.5M

Supply Side

+38% year-over-year growth

2020: $21.4M
2021: $29.4M
## FY 2022 Guidance

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>LOW</th>
<th>MID</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$429M</td>
<td>$433M</td>
<td>$437M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADJUSTED EBITDA</th>
<th>LOW</th>
<th>MID</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$126M</td>
<td>$130M</td>
<td>$134M</td>
</tr>
</tbody>
</table>
## Q1 2022 Guidance

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Mid</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$89M</td>
<td>$90M</td>
<td>$91M</td>
</tr>
</tbody>
</table>

YOY Growth at midpoint: +33%

### Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Mid</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$21M</td>
<td>$22M</td>
<td>$23M</td>
</tr>
</tbody>
</table>

Adjusted EBITDA Margin at midpoint: 24%
Revenue Model

ADVERTISERS

ACTIVATION
- Programmatic
- Social and CTV

MEASUREMENT
- Direct
- Social and CTV

PLATFORMS & PUBLISHERS

SUPPLY-SIDE
- Platforms
- Publishers

Subscription-based

CUSTOMERS

PRODUCTS

INTEGRATIONS

MODEL

MTF X MTM

91% 99%
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

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended December 31,</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 (In Thousands)</td>
<td>2020 (In Thousands)</td>
</tr>
<tr>
<td>Net income</td>
<td>$28,308</td>
<td>$8,130</td>
</tr>
<tr>
<td>Net income margin</td>
<td>27%</td>
<td>10%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>8,296</td>
<td>6,428</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>9,787</td>
<td>2,422</td>
</tr>
<tr>
<td>Option cancellation payments</td>
<td>—</td>
<td>14,543</td>
</tr>
<tr>
<td>Interest expense</td>
<td>237</td>
<td>1,973</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>(11,848)</td>
<td>(5,119)</td>
</tr>
<tr>
<td>M&amp;A and restructuring costs (recoveries) (a)</td>
<td>2,382</td>
<td>(29)</td>
</tr>
<tr>
<td>Offering, IPO readiness and secondary offering costs (b)</td>
<td>1,099</td>
<td>1,915</td>
</tr>
<tr>
<td>Other costs (recoveries) (c)</td>
<td>2,825</td>
<td>(1,427)</td>
</tr>
<tr>
<td>Other income (d)</td>
<td>(674)</td>
<td>(1,244)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$40,412</td>
<td>$27,592</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>38%</td>
<td>35%</td>
</tr>
</tbody>
</table>
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 Zentrick.

(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 Zentrick 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.