Perion Q2 2023 Results

"Our business results demonstrate, once again, our consistent ability to outperform the industry. We accomplish that through focusing on profitability and margin expansion, driven by efficiency and innovation."

Tal Jacobson, CEO

Revenue	Adjusted EBITDA	Non-GAAP Diluted EPS
$178.5M	**$41.2M**	**$0.84**
22% YoY Growth	45% YoY Growth	65% YoY Growth

Contribution Ex-TAC 27% YoY Growth **$77.0M**

Contribution Ex-TAC Margin vs. 41% in Q2'22 **43%**

Q2'23 Highlights

CTV Revenue[1] increased by **104%** year-over-year to **$7.2** million, representing **7%** of Display Advertising revenue compared to **4%** last year

Retail Media[2] revenue increased by **63%** year-over-year to **$10.1** million, representing **10%** of Display Advertising revenue compared to **8%** last year

Video revenue increased by **14%** year-over-year, representing **41%** of Display Advertising revenue compared to **44%** last year

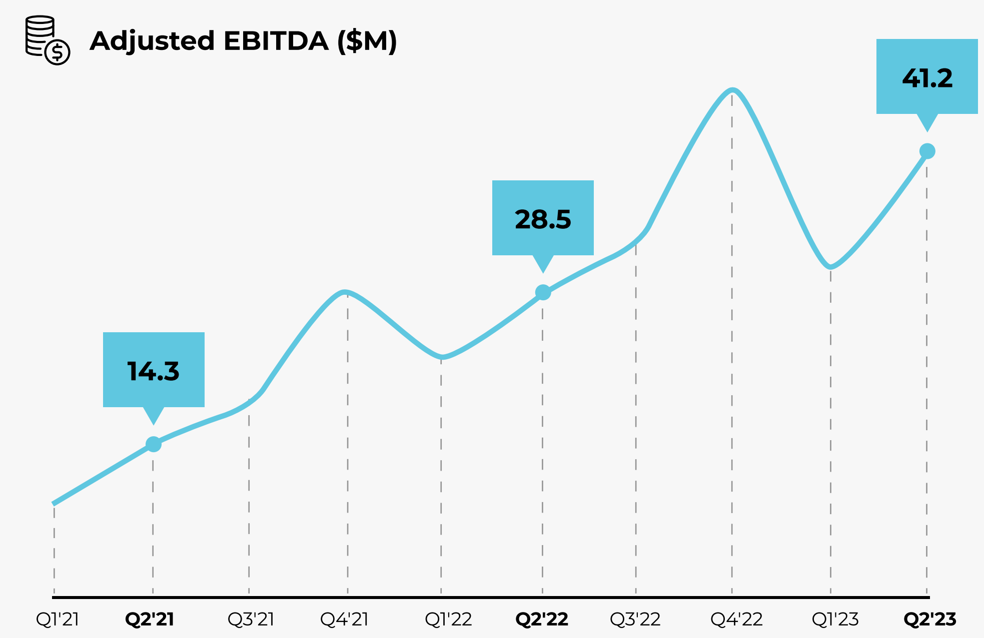
The number of Average Daily Searches increased by **68%** year-over-year to **28.6** million.
The number of Search Advertising publishers increased by **28%** to **159**

SORT®[2] revenue increased by **84%** year-over-year, representing **21%** of Display Advertising revenue compared to **14%** last year

[1] Starting this quarter, we changed our methodology for measuring our CTV activity. We moved from measuring CTV campaigns to measuring CTV channels. The CTV growth trend under both methodologies remains in the same trajectory. Under our updated methodology, revenue generated from CTV in the second quarter of 2022 was $3.5 million vs. $5.1 million under the previous methodology; and in the first quarter of 2023 $3.9 million vs. $6.2 million.
[2] Retail Media and SORT® revenue include all media channels, such as, CTV, video and others

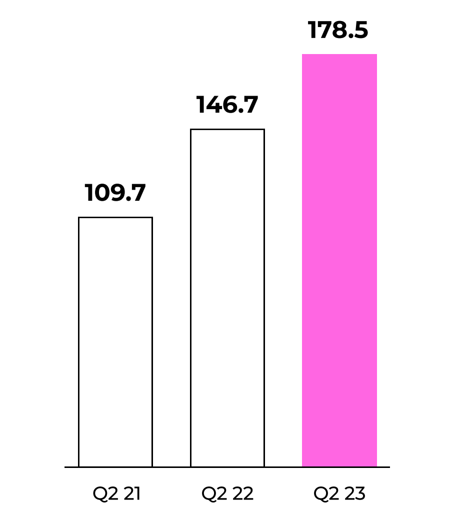
Quarterly Perfomance Overview

Adjusted EBITDA ($M)



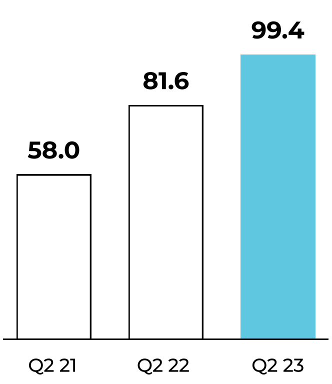
45% YoY Growth 70% Q2'21 - Q2'23 CAGR

Revenue ($M)



22% YoY Growth
28% Q2'21 - Q2'23 CAGR

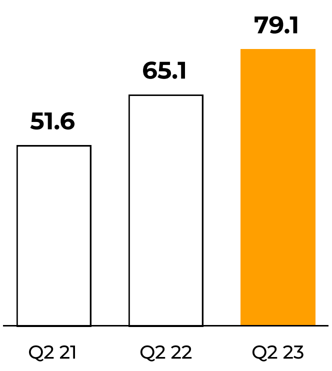
Display Advertising Revenue ($M)



22% YoY Growth

31% CAGR

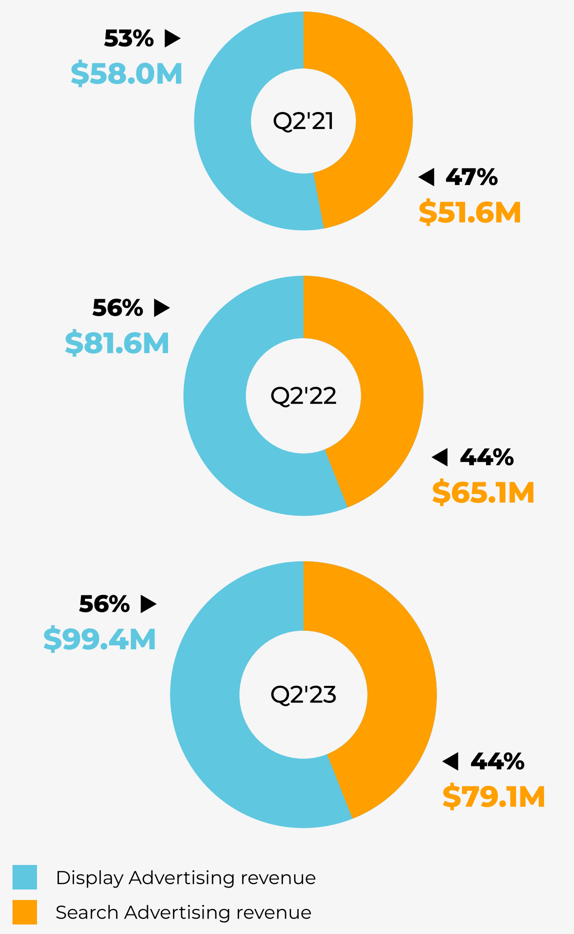
Search Advertising Revenue ($M)



21% YoY Growth

24% CAGR

Business Diversification



Outlook

Encouraged by the strong results we achieved in the first half of 2023, we are raising our annual revenue and adjusted EBITDA guidance to reflect increased profitability and margin expansion.

	2022	Prior 2023 Guidance	Current 2023 Guidance	YoY Growth %*
Revenue ($M)	$640.3	$725 - $745	$730 - $750	16%
Adjusted EBITDA ($M)	$132.4	$155+	$167+	26%
Adjusted EBITDA to Revenue	21%	21%*	23%*	
Adjusted EBITDA to Contribution ex-TAC	49%	50%*	54%*	

* Calculated at revenue guidance midpoint. Adjusted EBITDA year-over-year growth calculated based on $167 million.