Perion Q3 2023 Results

> Once again, our business results proved that our strategically diversified model gives us the agility to deliver continued growth. Our diversification remains a key differentiator for Perion, powered by exceptional execution and ongoing investment in technology

Tal Jacobson, CEO

Revenue
$185.3M
17% YoY Growth

Adjusted EBITDA
$42.7M
29% YoY Growth

Non-GAAP Diluted EPS
$0.84
38% YoY Growth

Contribution ex-TAC
$77.3M
19% YoY Growth

Contribution ex-TAC Margin
42%
VS. 41% in Q3'22

Q3'23 Highlights

Retail Media[1] revenue increased **112%** year-over-year to **$13.0** million, representing **13%** of Display Advertising revenue compared to **7%** last year

CTV revenue[2] increased **39%** year-over-year to **$7.9** million,representing **8%** of Display Advertising revenue compared to **7%** last year

Video revenue decreased **16%** year-over-year, driven by shifting inventory from video to display to gain higher profit, representing **32%** of Display Advertising revenue, compared to **44%** last year

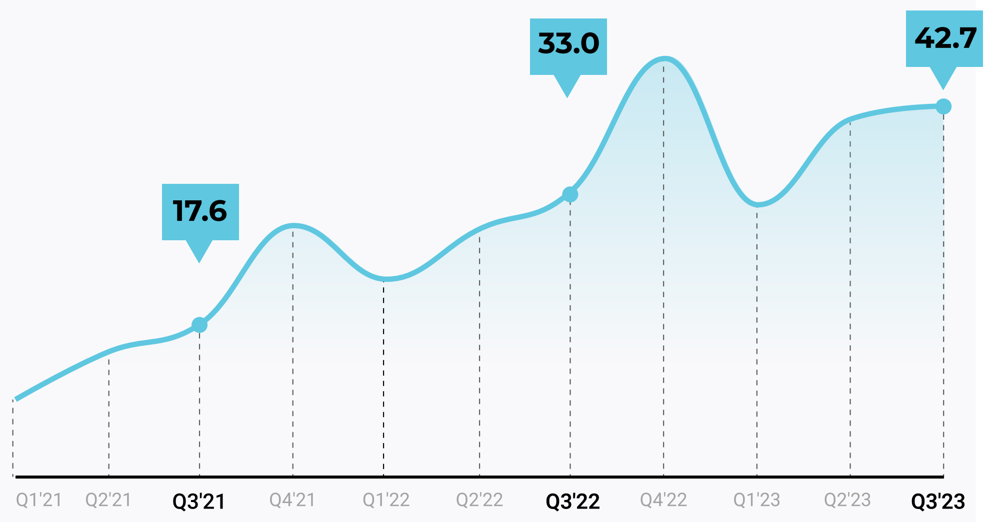
The number of Average Daily Searches increased by **86%** year-over-year to **31.3** million. The number of Search Advertising publishers increased by **16%** year-over-year to **164**

1 Retail Media revenue includes all media channels, such as, CTV, video and others

2 Starting in the previous 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 third quarter of 2022 was $5.7 million vs. $7.4 million under the previous methodology.

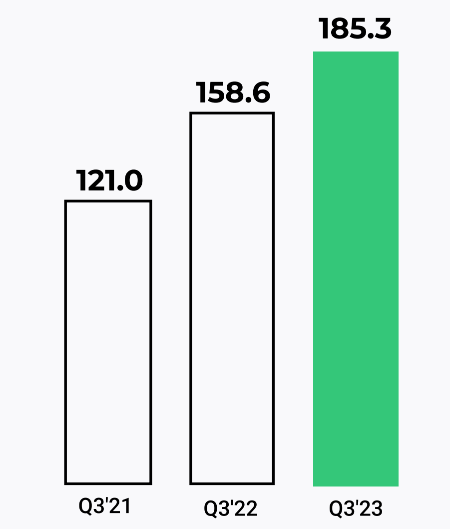
Quarterly Performance Overview

Adjust EBITDA ($M)



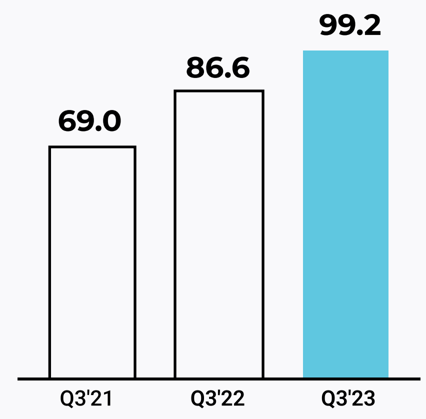
29% YoY Growth **56%** Q3'21 - Q3'23 CAGR

Revenue ($M)



17% YoY Growth
24% Q3'21 - Q3'23 CAGR

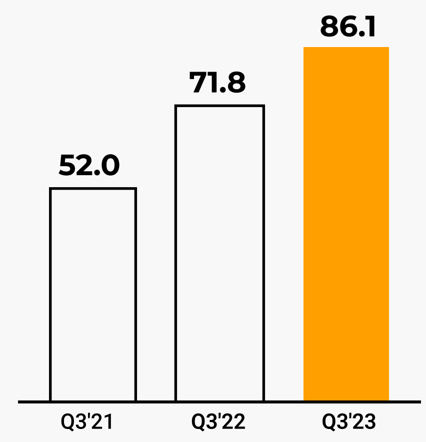
Display Advertising Revenue ($M)



14% YoY Growth

20% CAGR

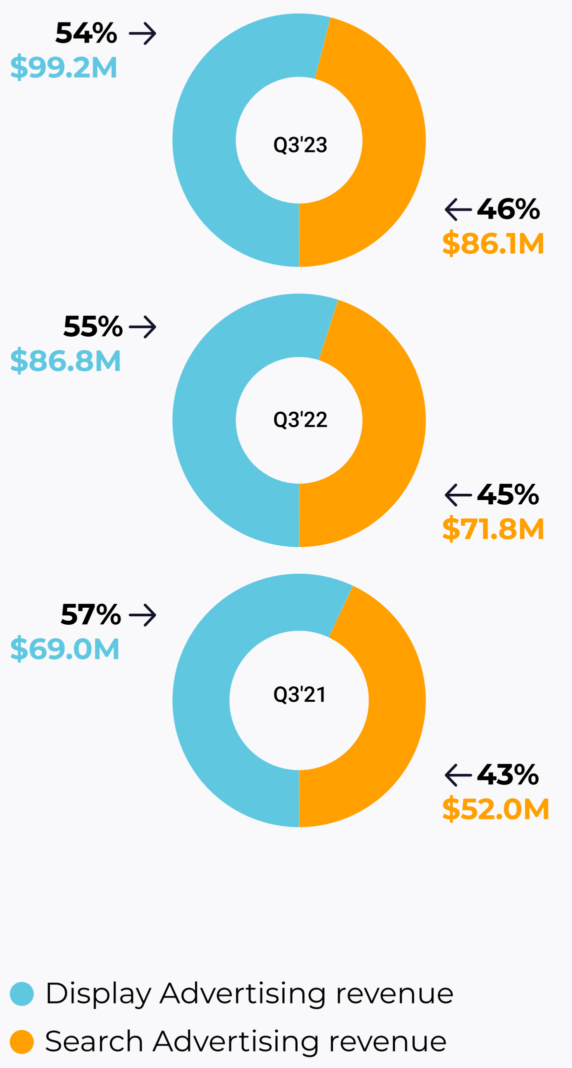
Search Advertising Revenue ($M)



20% YoY Growth

29% CAGR

Business Diversification



- Display Advertising revenue
- Search Advertising revenue

Outlook

With the first three quarters of 2023 behind us, Perion reiterates its annual revenue and adjusted EBITDA guidance

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

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