

Perion Q4 and FY2023 Results



“ Our fourth quarter and annual results showed notable growth in Search, CTV and Retail Media, further demonstrating the positive impact of our business diversification and continued focus on technology and innovation. In 2023, we have generated industry-leading adjusted EBITDA to Contribution ex-TAC margins, giving us a solid foundation for 2024

Tal Jacobson, CEO ”

Revenue

\$234.2M

12% YoY Growth

Adjusted EBITDA

\$53.9M

12% YoY Growth

Non-GAAP Diluted EPS

\$1.04

16% YoY Growth

Contribution ex-TAC

3% YoY Growth

\$90.6M

Contribution ex-TAC Margin

VS. 42% in Q4'22

39%

Q4'23 Highlights

Retail Media¹ revenue increased **196%** YoY to **\$20.2** million, representing **17%** of Display Advertising revenue compared to **6%** last year

CTV revenue² increased **69%** YoY to **\$14.4** million, representing **12%** of Display Advertising revenue compared to **7%** last year

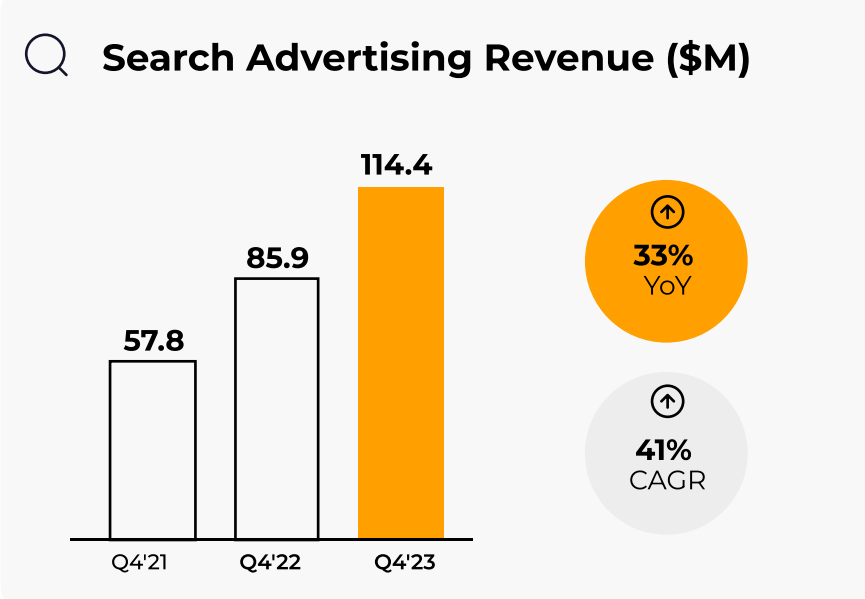
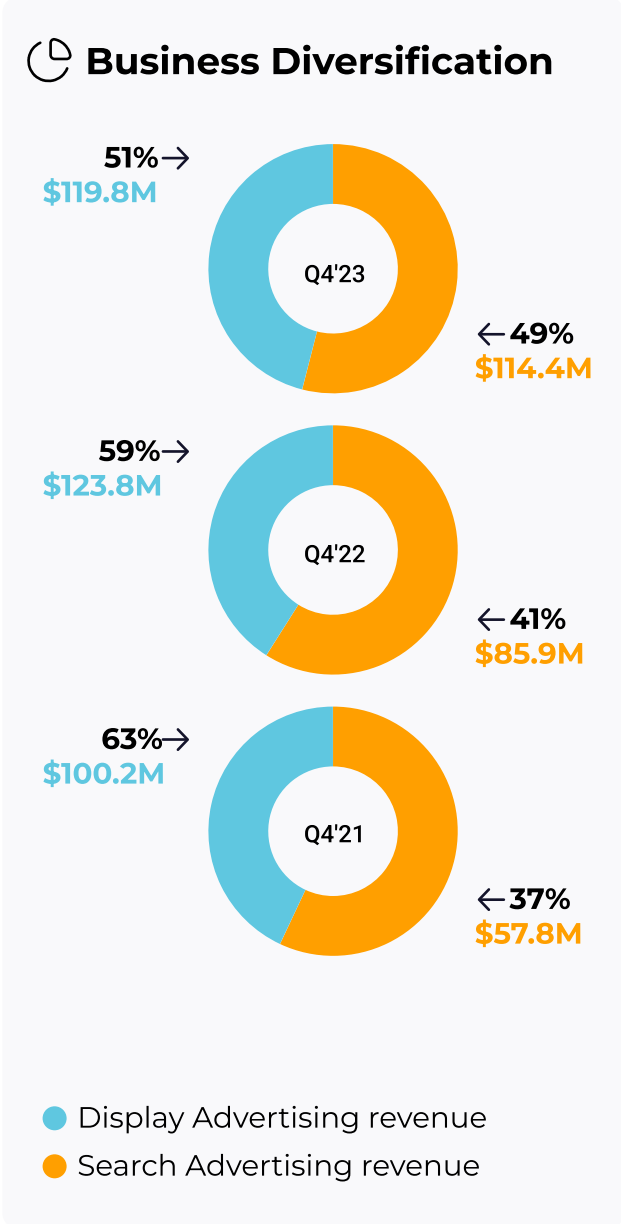
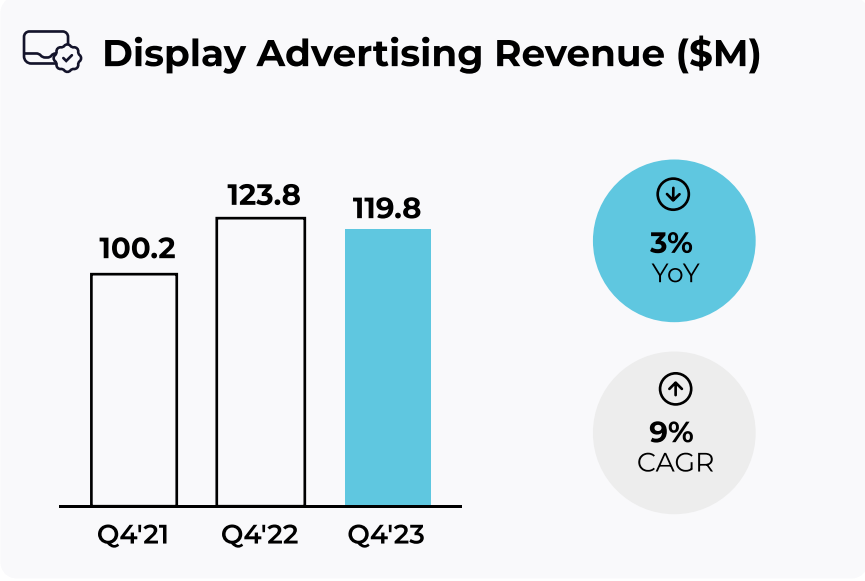
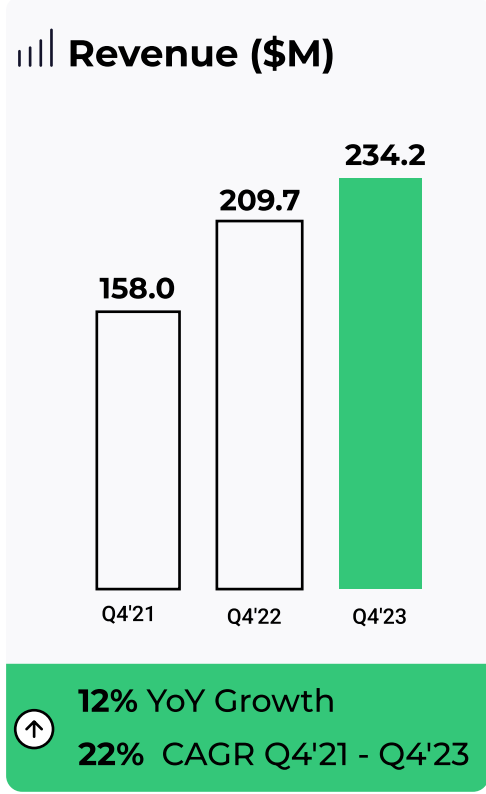
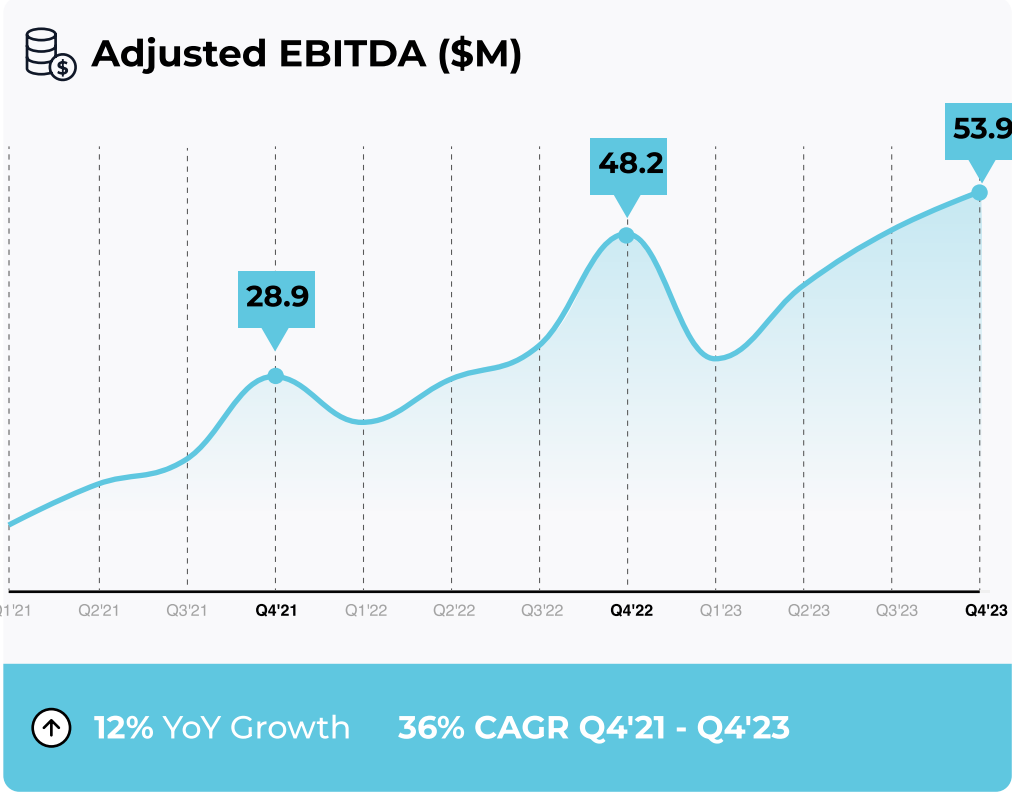
Video revenue decreased **33%** YoY, driven by shifting inventory from video to display to gain higher profit, representing **29%** of Display Advertising revenue, compared to **42%** last year

The number of Average Daily Searches increased by **37%** YoY to **30.2** million. The number of Search Advertising publishers increased by **4%** YoY to 162

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

2 Starting in the second quarter of 2023, 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 fourth quarter of 2022 was \$8.6 million vs. \$12.5 million under the previous methodology.

Quarterly Performance Overview



2023 Results

Revenue

 **\$743.2M**

16% YoY Growth

Adjusted EBITDA

 **\$169.1M**

28% YoY Growth

Non-GAAP Diluted EPS

 **\$3.33**

35% YoY Growth

Net Cash*

 **\$472.7**

10% YoY Growth

*Net Cash includes cash, short term deposits and marketable securities

2023 Highlights



Retail Media¹ revenue increased **114%** YoY to **\$49.7** million, representing **12%** of Display Advertising revenue compared to **6%** last year



CTV revenue² increased **56%** YoY to **\$33.5** million, representing **8%** of Display Advertising revenue compared to **6%** last year

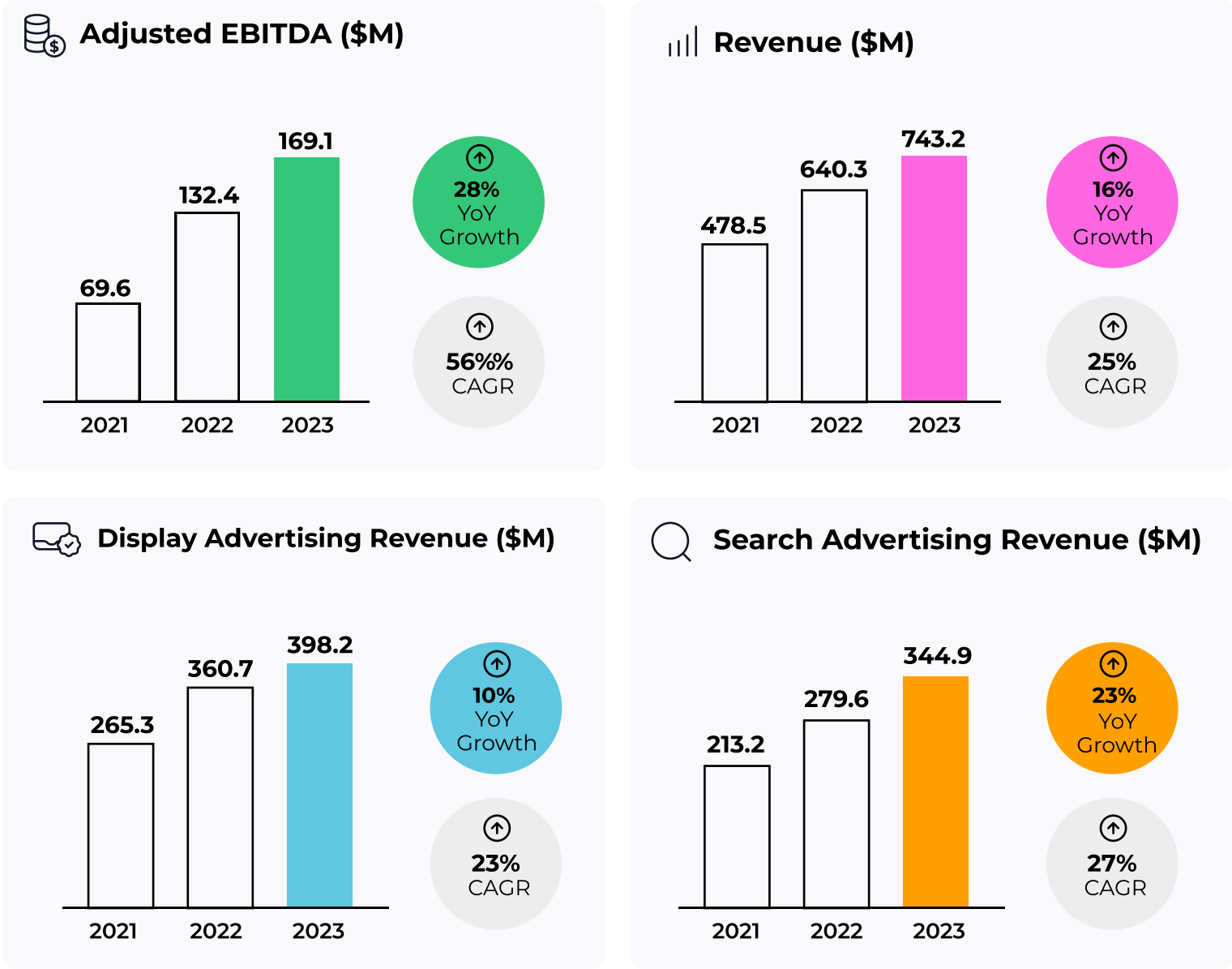


Video revenue decreased **7%** YoY, driven by shifting inventory from video to display to gain higher profit, representing **36%** of Display Advertising revenue, compared to **43%** in 2022



The number of Average Daily Searches increased by **57%** YoY to **29.1** million. The average number of Search Advertising publishers increased by **18%** YoY to **160**

2023 Performance Overview



Outlook

Our expectations for 2024 reflect increased investments in technology and innovation to enhance our multi-channel solutions, that combined with the acquisition of Hivestack will help Perion deliver strong double-digit revenue and adjusted EBITDA growth in the coming years.

	2023	2024 Guidance	YoY Growth %*	YoY proforma Growth %*
Revenue(\$M)	\$743.2	\$860- \$880	17%	10%
Adjusted EBITDA (\$M)	\$169.1	\$178-\$182	6%	10%
Adjusted EBITDA to Revenue	23%	21%*		
Adjusted EBITDA to Contribution ex-TAC	55%	51%*		

* Calculated at revenue and Adjusted EBITDA guidance midpoint