



Supplemental 1Q'22 Earnings Presentation

May 10, 2022

Forward-Looking Statements and Non-GAAP Measures

This presentation, together with other statements and information publicly disseminated by the Company, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Any statements made in this presentation or during the earnings call that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning our anticipated future financial performance, our market opportunities and our expectations regarding our business plan and strategies. These statements often include words such as “anticipate,” “expect,” “suggests,” “plan,” “believe,” “intend,” “estimates,” “targets,” “projects,” “should,” “could,” “would,” “may,” “will,” “forecast,” “outlook,” “guidance” and other similar expressions. We base these forward-looking statements on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances at such time. Although we believe that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our business, results of operations and financial condition and could cause actual results to differ materially from those expressed in the forward-looking statements. These statements are not guarantees of future performance or results. The forward-looking statements are subject to and involve risks, uncertainties and assumptions, and you should not place undue reliance on these forward-looking statements. These cautionary statements should not be construed by you to be exhaustive and the forward-looking statements are made only as of the date of this presentation. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

The second quarter and full year 2022 guidance and Zeta 2025 targets provided herein are based on Zeta’s current estimates and assumptions and are not a guarantee of future performance. The guidance provided and Zeta 2025 targets are subject to significant risks and uncertainties that could cause actual results to differ materially, including the risk factors discussed in the Company’s reports on file with the Securities and Exchange Commission. There can be no assurance that the Company will achieve the results expressed by this guidance or the targets.

This presentation contains non-GAAP financial measures such as adjusted EBITDA, adjusted EBITDA margin, cost of revenue excluding stock-based compensation, and free cash flow (FCF). These measures are not prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and have important limitations as analytical tools. Non-GAAP financial measures are supplemental, should only be used in conjunction with results presented in accordance with GAAP and should not be considered in isolation or as a substitute for such GAAP results. Refer to the Appendix of this presentation for (i) the definitions of the non-GAAP measures used in this presentation and (ii) a reconciliation of the non-GAAP financial measures used herein to the most directly comparable financial measures calculated and presented in accordance with GAAP.

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1Q'22 Earnings Summary

KEY THEMES

1

CONSISTENT EXECUTION

- Zeta's value proposition is durable, driving outperformance against expectations
- Increasing 2022 guidance

2

PROFITABLE GROWTH

- Lowered cost of revenue 540 bps Y/Y to 33%
- Expanded Adj. EBITDA margin¹ 210 bps Y/Y while accelerating investments in the business

3

ON TRACK TO ZETA 2025

- \$1B+ of Revenue and 20%+ Adj. EBITDA margin²
- KPIs tracking at or ahead of plan

RESULTS

	1Q'22 RESULTS	YtY GROWTH %
Revenue	\$126M	24%
Adjusted EBITDA ¹	\$18.8M	44%
Adjusted EBITDA Margin % ¹	14.9%	210 bps

GAAP net loss of \$72M, or 57.1% of revenue in 1Q'22, includes \$73.7M of stock-based compensation. See the graded vesting schedule on slides 27 & 28 of the Appendix.

1. Adjusted EBITDA, Adjusted EBITDA Margin are non-GAAP metrics, see reconciliation in Appendix.

2. The Company's targets are based on a number of assumptions that are subject to change and many of which are outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

Strong Underlying Fundamentals

Increasing Scaled Customer Count¹

359

4Q'21: 355
1Q'21: 333

Growing Scaled Customer ARPU

\$341K

4Q'21: \$386K
1Q'21: \$289K

Broad Industry Vertical Contribution

6 Of The Top 10 Verticals Grew Greater Than 25%

Increasing Quota Carrying Headcount

107

4Q'21: 100

Driving Positive Direct Platform Mix Shift²

81%

4Q'21: 77%
1Q'21: 74%

Reducing Cost of Revenue excluding stock-based compensation³

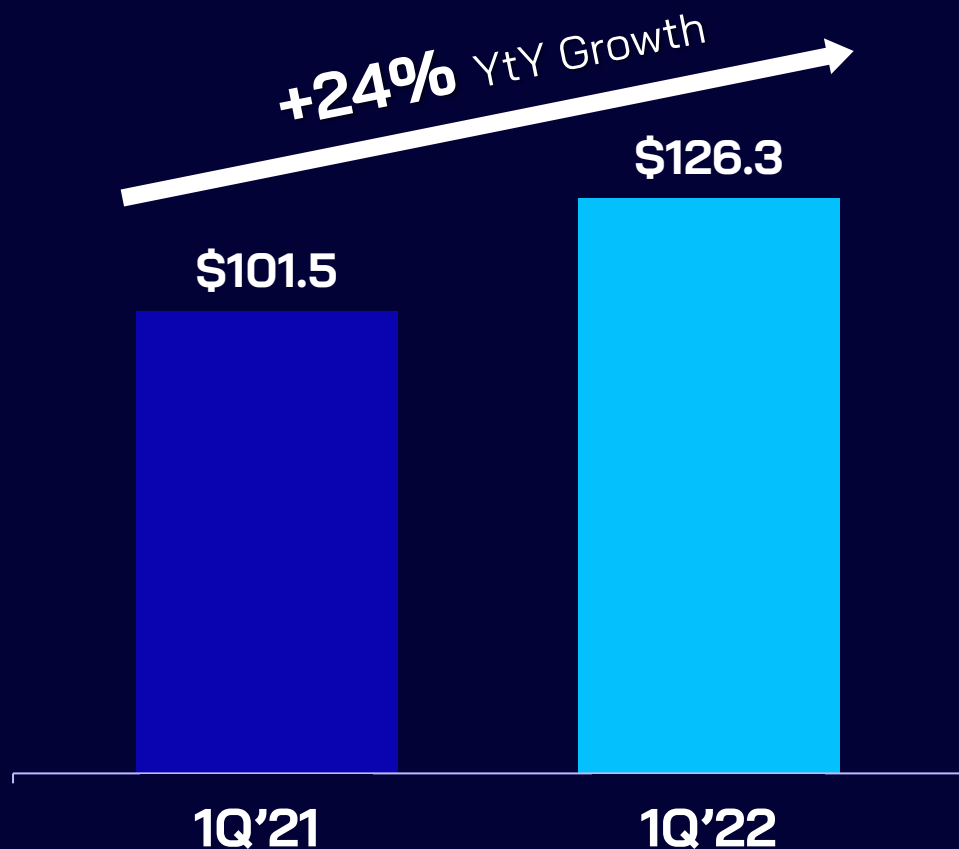
32.1%

4Q'21: 35.5%
1Q'21: 38.4%

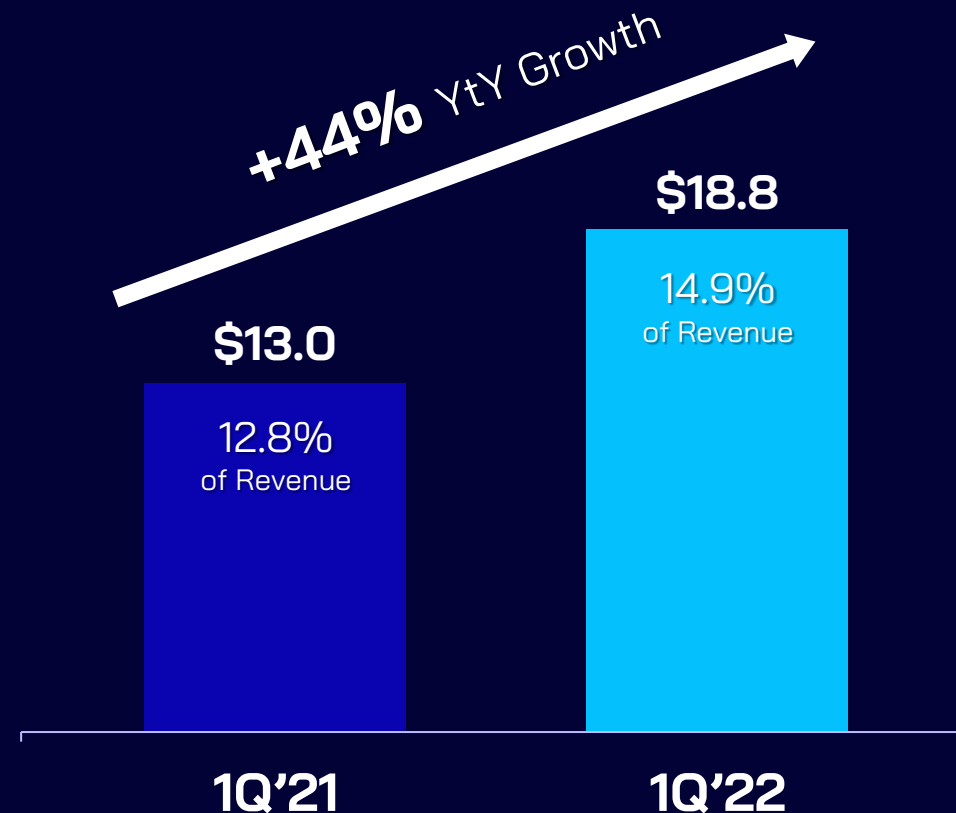
Revenue Growing Ahead of Guidance

Adjusted EBITDA Growing Faster Than Revenue

Revenue Growth

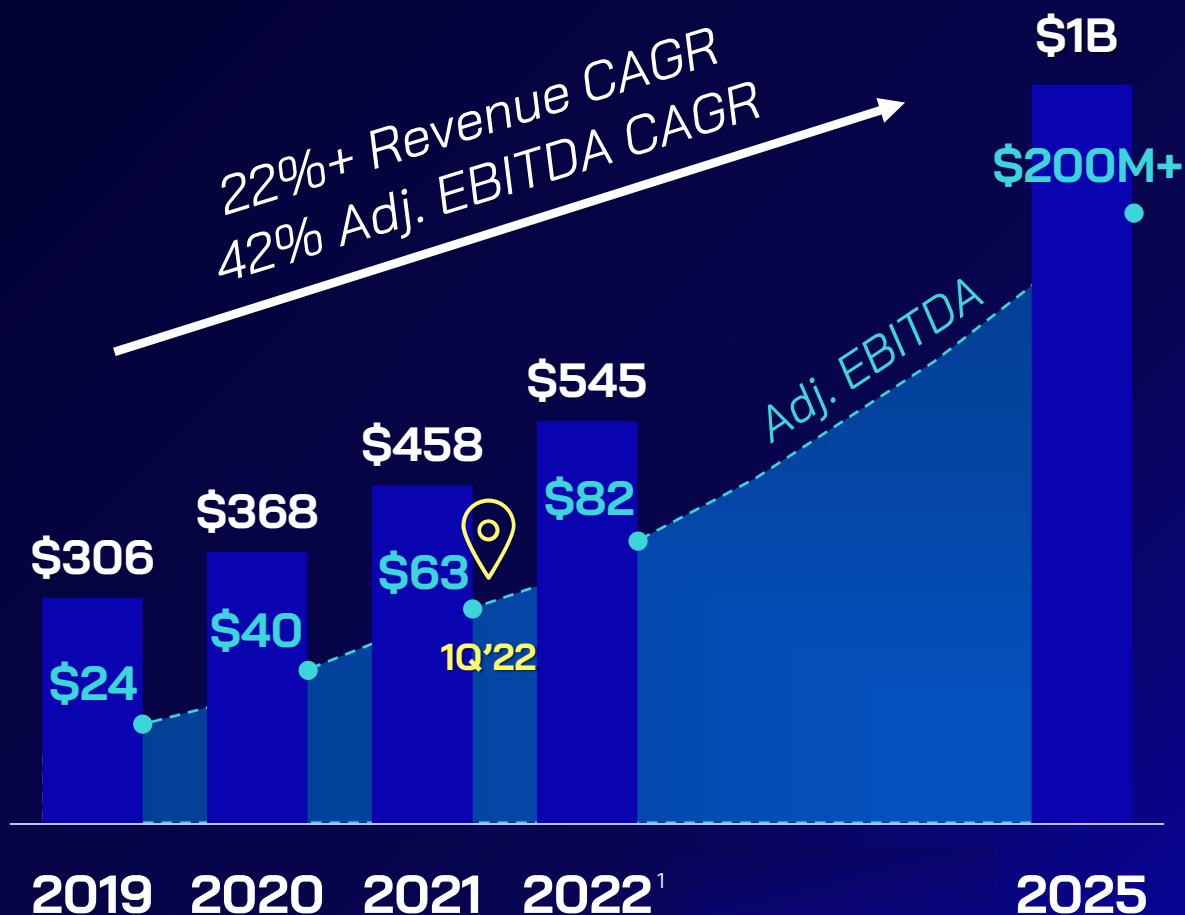


Adjusted EBITDA¹ Growth



Pacing Towards Zeta 2025 Targets

TRAJECTORY



TARGETS

\$1B+

REVENUE GROWTH

20%+

ADJ. EBITDA MARGIN²

450+

SCALED CUSTOMERS³

~80%+

DIRECT PLATFORM
REVENUE⁴

~\$2.1M

SCALED CUSTOMER ARPU

35% or better

COST OF REVENUE

CATALYSTS

- Go-to-Market Expansion
- Product Innovation
- Durable and Growing Identity-based Data Set

We Are Consistently Executing On Our Zeta 2025 KPIs

- Sales Headcount**
- Scaled Customer Count**
- Scaled Customer ARPU**
- Net Revenue Retention**
- Direct Platform Revenue Mix**

ON TRACK



	ACTUALS '19 – '21 CAGR	ZETA 2025 '21 – '25 CAGR
REVENUE	22%	22%
ADJ. EBITDA ¹	61%	33%



2Q'22 & FY'22 Guidance

Guidance: Balanced Growth and Operating Leverage

	Current 2Q'22 Guidance May 10, 2022	Current FY'22 Guidance May 10, 2022	Prior FY'22 Guidance February 23, 2022	Versus Prior Guidance at the Midpoint
Revenue Excl. ArcaMax	\$127M – \$131M	\$549.5M – \$559.5M	\$540M – \$550M	+ \$9.5M
ArcaMax Contribution ²	\$1M	\$3.5M	-	+ \$3.5M
Total Zeta Revenue	\$128M – \$132M	\$553M – \$563M	\$540M – \$550M	+ \$13M
% Growth YTY	20% – 23%	21% – 23%	18% – 20%	+ 300 BPS
Adj. EBITDA³	\$16.9M – \$17.4M	\$83.4M – \$86.4M	\$80M – \$83M	+ \$3.4M
% Growth YTY	48% – 52%	32% – 37%	26% – 31%	+ 600 BPS
Adj. EBITDA Margin ³	12.8% – 13.6%	14.8% – 15.6%	14.5% – 15.4%	+25 BPS
BPS Change YTY	210 BPS – 290 BPS	100 BPS – 180 BPS	70 BPS – 160 BPS	+25 BPS

1. These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary, and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved, and the Company undertakes no duty to update its goals.

2. Acquired March 11, 2022.

3. We calculate forward-looking non-GAAP Adjusted EBITDA and Adjusted EBITDA margin based on internal forecasts that omit certain amounts that would be included in forward-looking GAAP net income (loss). We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA and Adjusted EBITDA margin guidance to forward looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

Zeta's Value Proposition

The Zeta Value Proposition

Enabling Enterprises to Identify, Reach, and Engage Consumers Across Channels

WHAT MARKETERS NEED		WHAT ZETA DELIVERS
EASIER	>>>	All-in One Platform
FASTER	>>>	Rapid Time-to-Value
BETTER	>>>	50% Greater ROI ¹



Proprietary
Data Cloud



Patented
Software & AI

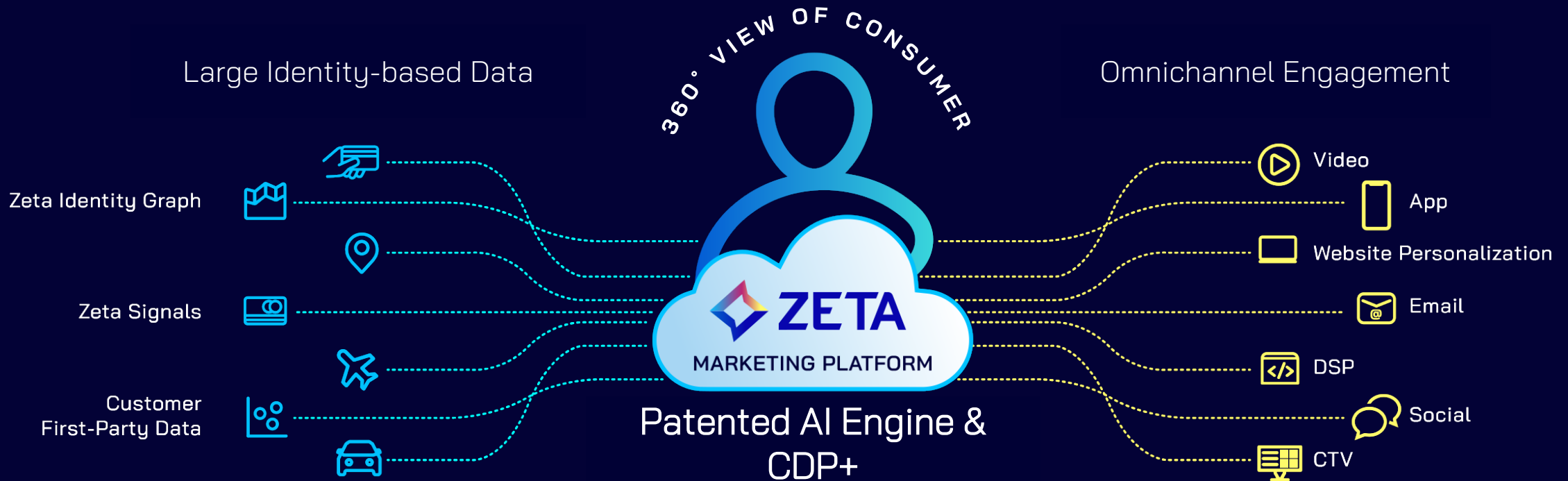


Omnichannel
Activation

Solving for 3 Primary Use Cases: **Acquire, Grow, and Retain Customers**

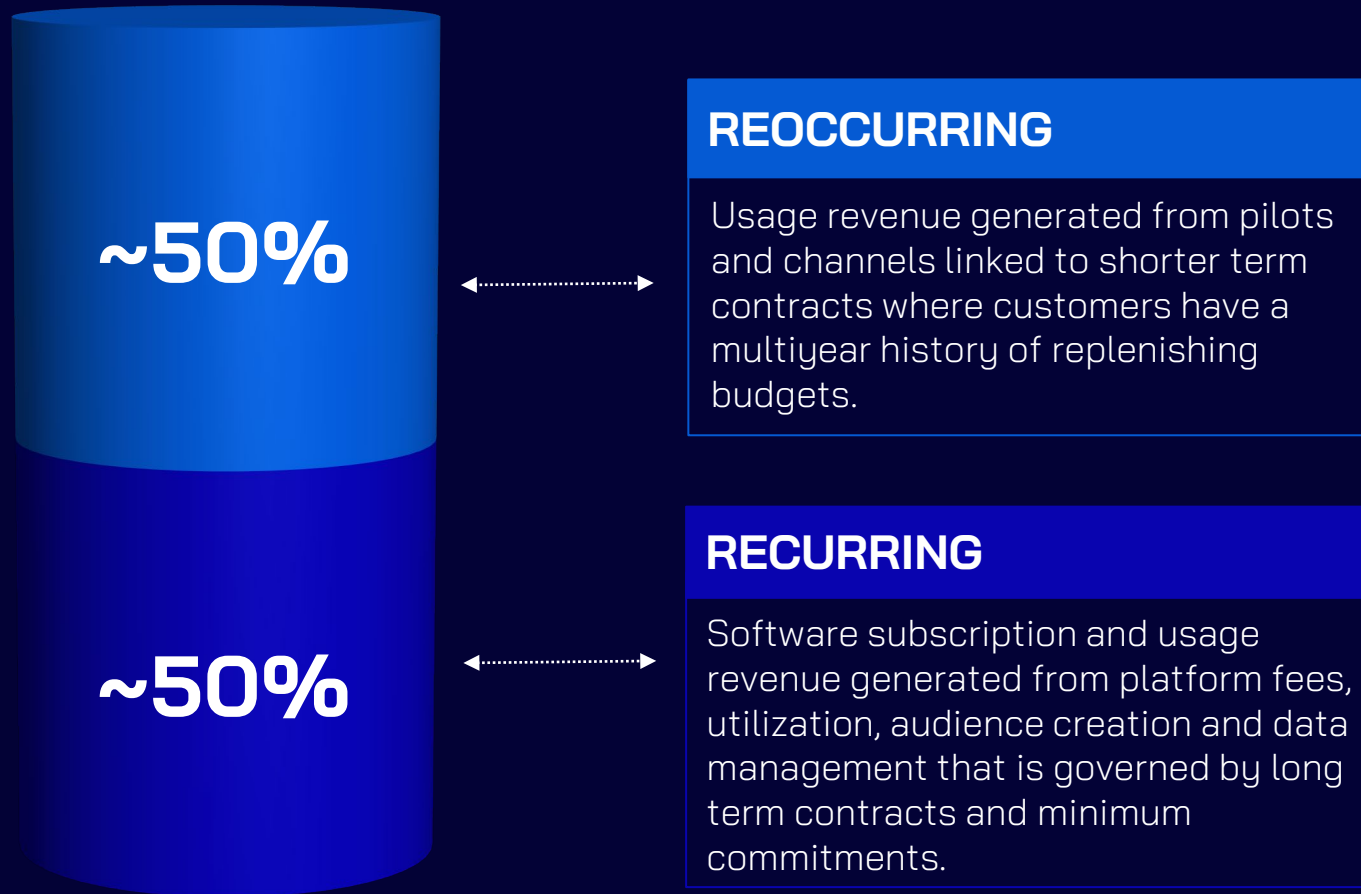
How We Do It

Zeta's Marketing Platform (ZMP) Enables Enterprises to Identify, Reach and Engage Consumers Individually Across All Channels

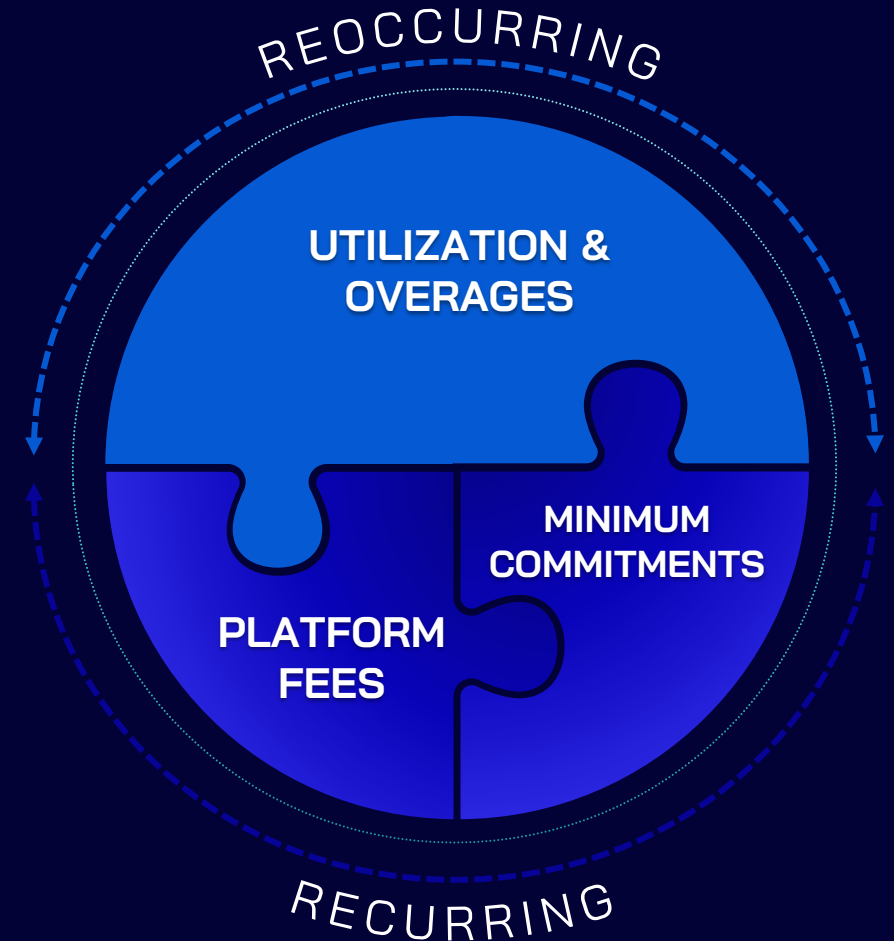


Revenue Mix Split Evenly Between Recurring and Reoccurring Business

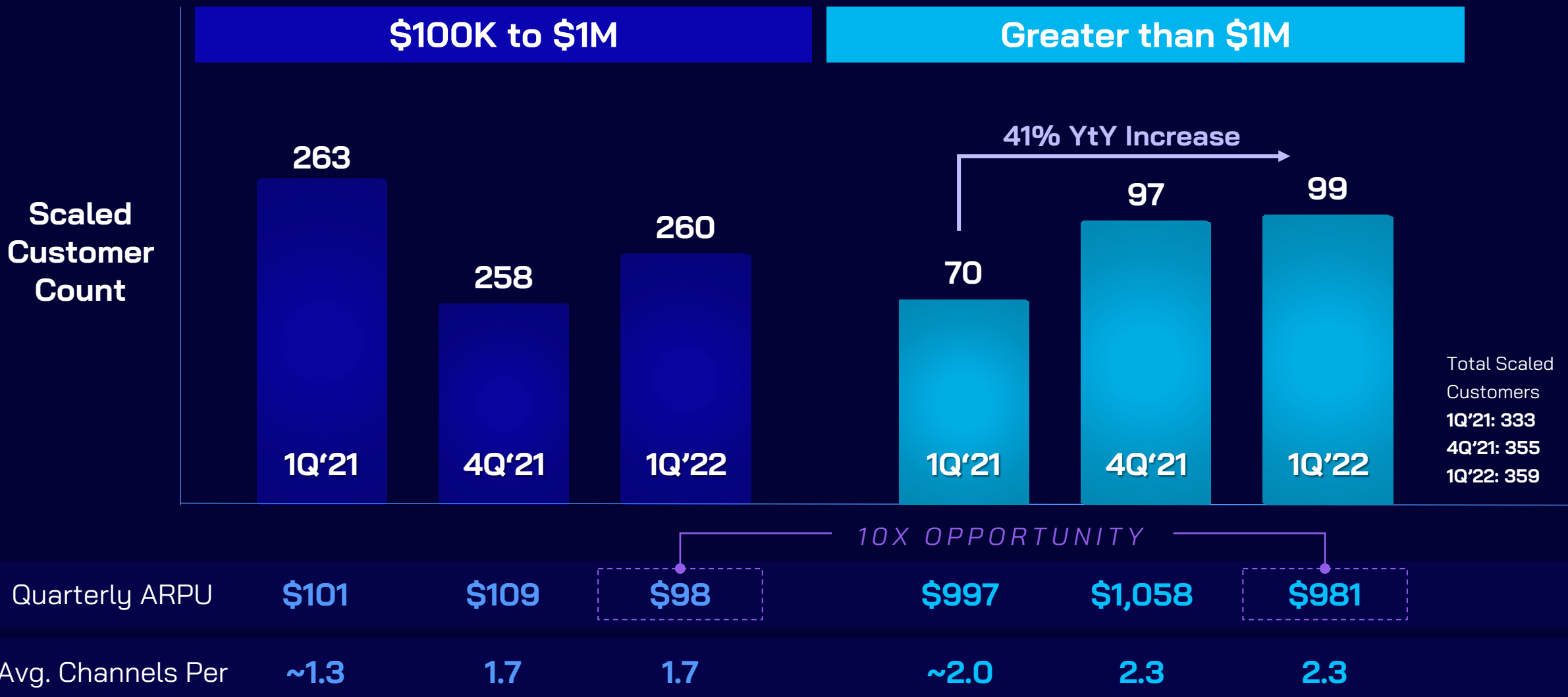
Revenue Model



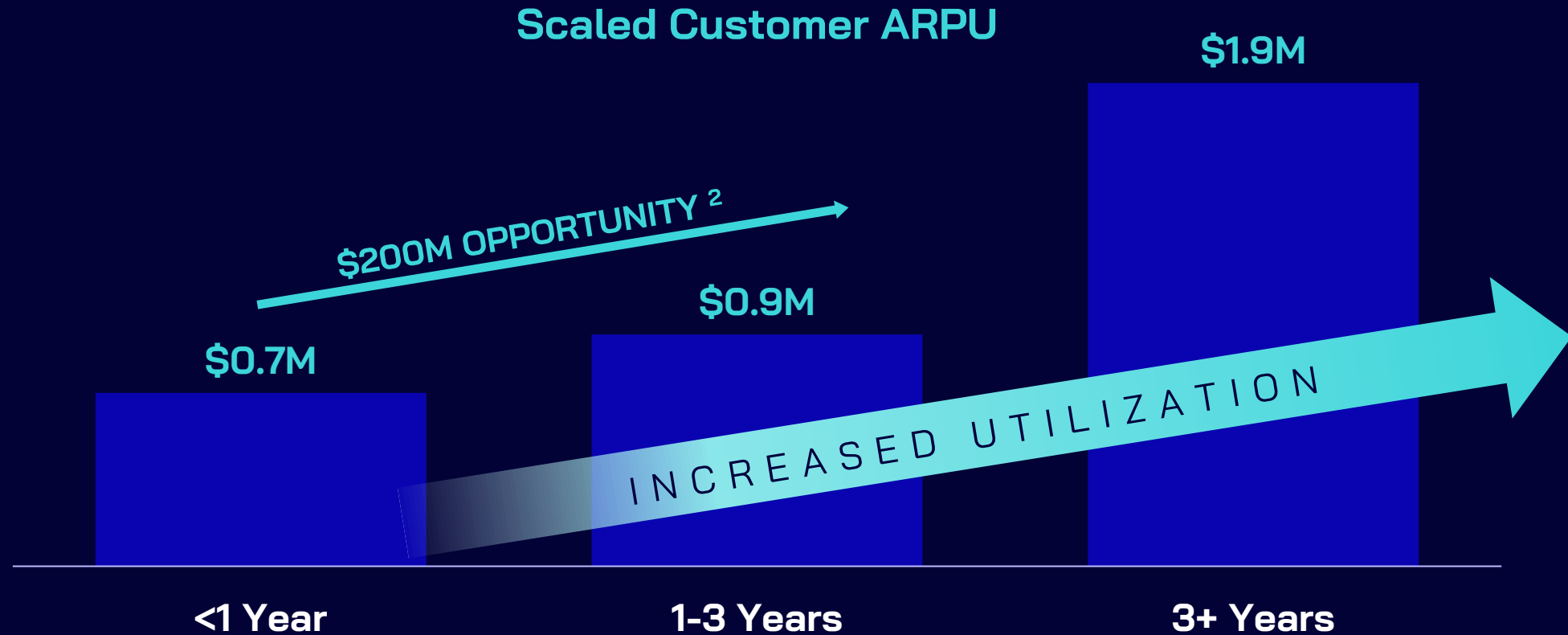
Pricing Model



41% Growth In Super Scaled Customers YtY Is Continuing To Drive ARPU Expansion



The Longer Our Customers Stay With Us, The Bigger They Become¹



Scaled Customer Count	61	150	144
Scaled Customer Revenue	\$41M	\$133M	\$267M



CASE STUDY:
ACQUIRE
Insurance Customer

ZMP Helps Customers Realize A Strong ROI

Zeta's Revenue Scales With Platform Expansion

LAND

- Started as \$50k pilot
- Started with 1 channel & 1 use case
- Started as a spoke in the customer's \$2B+ marketing ecosystem

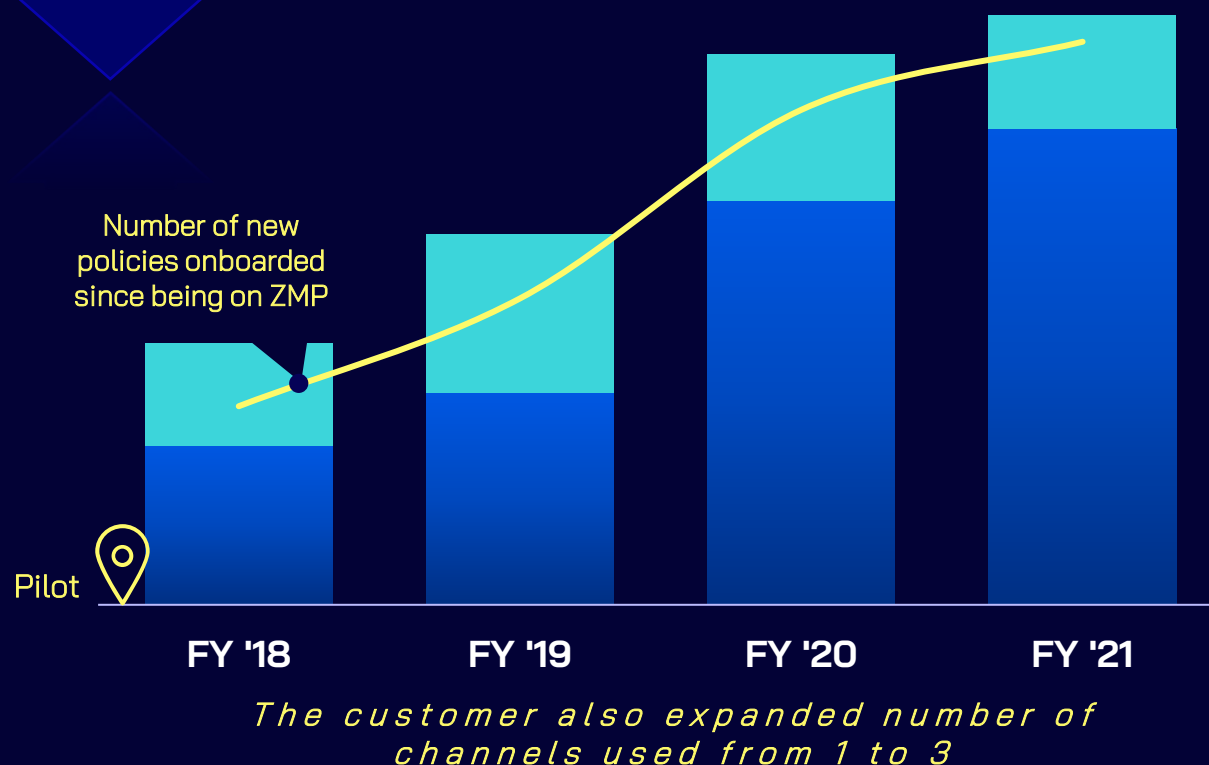
EXPAND

- Reduced Customer Acquisition Cost (CAC) by 300%
- Expanded into 3 channels
- Committed to larger annual minimums

REVENUE MODEL

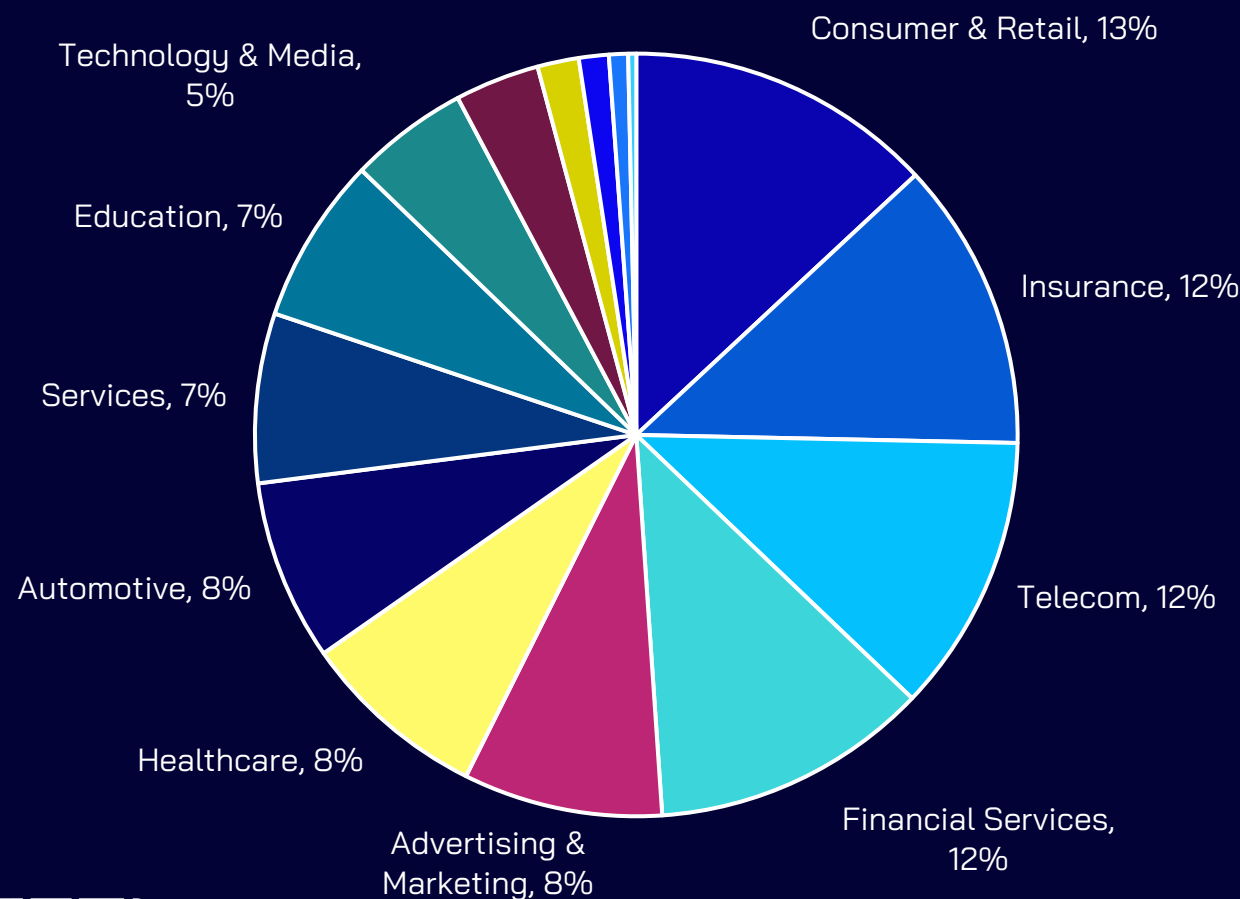
- ~25% Incremental Utilization
- ~75% Recurring Platform Fees + Minimum Usage

Zeta lowered the customer's CAC **200%** in Yr 1
Zeta lowered the customer's CAC **300%** from Yr 1 to Yr 3



Zeta Is Well-diversified Across A Wide Range Of Verticals

FY 2021 Revenue by Vertical



Well Diversified Customer Set

- Broad coverage across verticals
- 7 of top 10 verticals grew greater than 25% in 2021
- Largest customer accounts for ~6% of revenue

Zeta Is Building Hyper Growth Sales Factories



PIPELINE CREATION

Brand Awareness



Demand Generation



PIPELINE PROGRESSION

Sales Funnel Velocity



Sales Development
Rep (SDR) Scaling



SALES PRODUCTIVITY

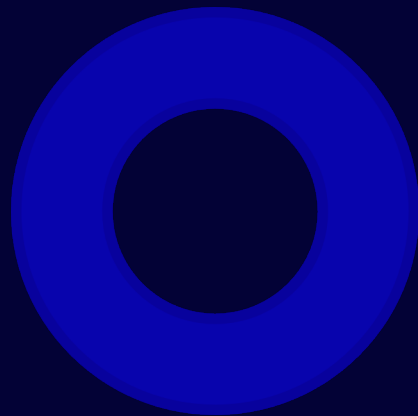
Activity-based Measurement



Sales Capacity Expansion

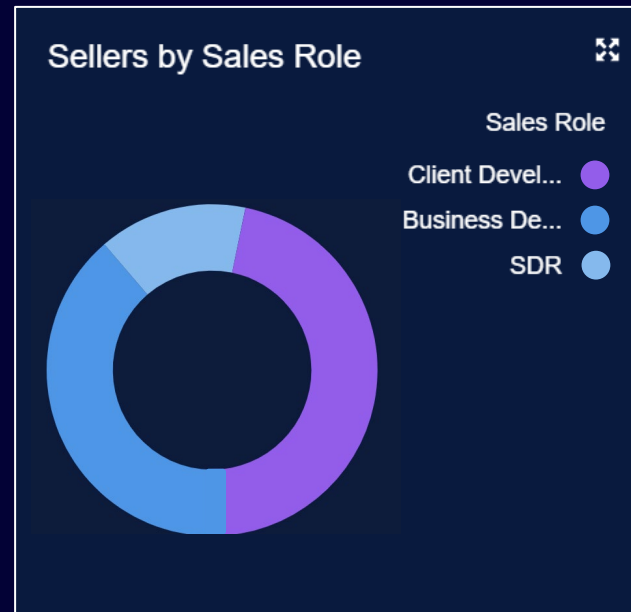
We've Evolved Our Salesforce Into Hunters/Farmers And Built A Sophisticated Pipeline Measurement Engine

Evolution From
Generalist Sales Model

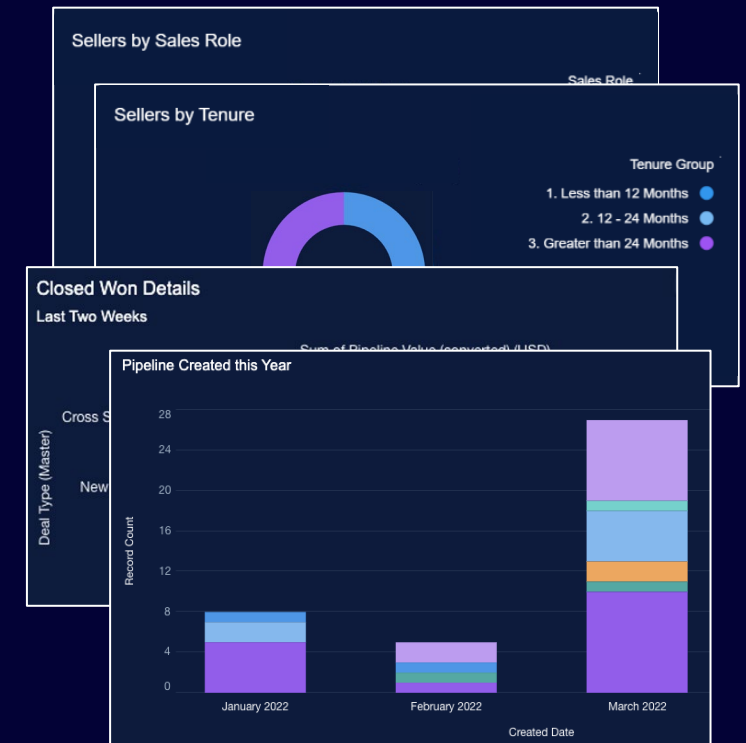


■ Sellers

...To Industry Aligned,
Hunter-Farmer Model

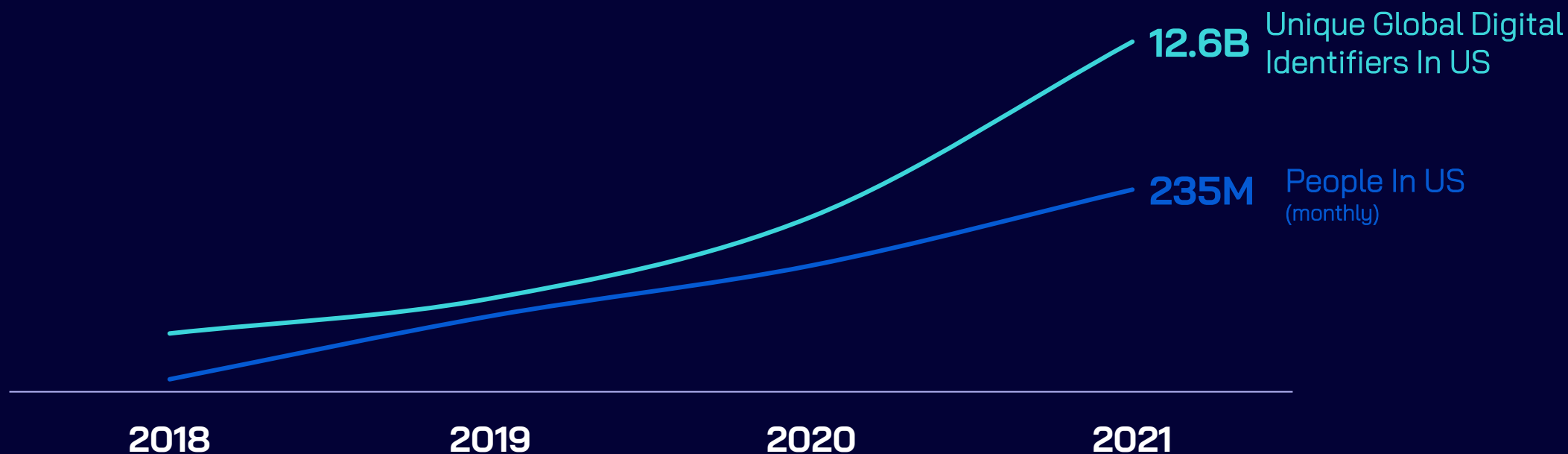


...To Detailed Sales
Productivity Tracking



Our Data Is Durable

In an Evolving Data Privacy Environment, Zeta's Proprietary Identity Data Set has Consistently Grown



*Data Privacy
Regulation
& Browser
Updates*



GDPR



Apple ITP
2.1/2.2



TCF 2.0



Google SameSite



CCPA



Apple IDFA

Our Data Is Differentiated

Three Pillars of Zeta Data



IDENTITY

Create a real-time 360-degree view of an individual using durable identifiers from multiple sources



SIGNALS

Capture interest and intent through Artificial Intelligence to enrich customer data sets



CONNECTIVITY

Attach identity to an individual and activate to deliver personalized experiences at scale



Click [Here](#) for a Video Series of Commonly Asked Questions About the Zeta Data Cloud Including Use Cases

A Leading Marketing Platform Provider

FORRESTER®

Now Tech, Customer Data Platforms: Zeta is one of 5 CDPs in the large market presence segment and recognized as an Automation CDP, which is the segment with the most “high-functionality” capabilities.



CUSTOMER
DATA PLATFORM
INSTITUTE



Certified Zeta's CDP as a 'Real CDP' in the most advanced 'Delivery CDP' level with perfect scores across all evaluation criteria.

THE FORRESTER WAVE™
Email Marketing Service Providers
Q1 2022

2022



Appendix

Non-GAAP Measures

In order to assist readers in understanding the core operating results that our management uses to evaluate the business, we describe our non-GAAP measures referenced in this presentation below. We believe these non-GAAP measures are useful to investors in evaluating our performance by providing an additional tool for investors to use in comparing our financial performance over multiple periods.

Adjusted EBITDA: is a non-GAAP financial measure defined as net loss adjusted for interest expense, depreciation and amortization, stock-based compensation, income tax provision / (benefit), acquisition related expenses, restructuring expenses, change in fair value of warrants and derivative liabilities, certain dispute settlement expense, certain non-recurring IPO related expenses and other expenses / (income). Acquisition related expenses and restructuring expenses primarily consist of severance and other personnel-related costs which we do not expect to incur in the future as acquisitions of businesses may distort the comparability of the results of operations. Change in fair value of warrants and derivative liabilities is a non-cash expense related to periodically recording “mark-to-market” changes in the valuation of derivatives and warrants. Other expenses / (income) consist of non-cash expenses such as changes in fair value of acquisition related liabilities, gains and losses on extinguishment of acquisition related liabilities, gains and losses on sales of assets and foreign exchange gains and losses. In particular, we believe that the exclusion of stock-based compensation, certain dispute settlement expenses and non-recurring IPO related expenses that are not related to our core operations provides measures for period-to-period comparisons of our business and provides additional insight into our core controllable costs. We exclude these charges because these expenses are not reflective of ongoing business and operating results.

Adjusted EBITDA margin: is a non-GAAP financial measure defined as Adjusted EBITDA divided by the total revenues for the same period.

Cost of revenue, excluding stock-based compensation: is a non-GAAP financial measure defined as cost of revenue less stock-based compensation.

Free Cash Flow: is a non-GAAP financial measure defined as cash from operating activities, less capital expenditures and website and software development costs.

Adjusted EBITDA, Adjusted EBITDA margin, cost of revenue, excluding stock-based compensation, and Free Cash Flow provide us with a useful measure for period-to-period comparisons of our business as well as comparison to our peers. We believe that these non-GAAP financial measures are useful to investors in analyzing our financial and operational performance. Nevertheless, our use of Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow has limitations as an analytical tool, and you should not consider these measures in isolation or as a substitute for analysis of our financial results as reported under U.S. GAAP. Other companies may calculate similarly-titled non-GAAP financial measures differently than us, thereby limiting the usefulness of these non-GAAP financial measures as a comparative tool. Because of these and other limitations, you should consider our non-GAAP measures only as supplemental to other GAAP-based financial performance measures, including revenues and net loss.

We calculate forward-looking Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow based on internal forecasts that omit certain amounts that would be included in forward-looking GAAP net income (loss). We do not attempt to provide a reconciliation of forward-looking Adjusted EBITDA, Adjusted EBITDA margin or Free Cash Flow guidance to forward looking GAAP net income (loss) because forecasting the timing or amount of items that have not yet occurred and are out of our control is inherently uncertain and unavailable without unreasonable efforts. Further, we believe that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

Bridge To Adjusted EBITDA And Adjusted EBITDA Margin

	1Q'22	1Q'21
Net loss	(72,037)	(24,374)
Net loss margin	57.1%	24.0%
Depreciation and amortization	12,766	10,117
Restructuring expenses	-	287
Acquisition related expenses	344	707
Stock-based compensation	73,736	-
Other expenses	5,273	1,284
Change in fair value of warrants and derivative liabilities	-	23,600
Interest expense	1,298	2,961
Income tax benefit	(2,599)	(1,577)
Adjusted EBITDA	18,781	13,005
Adjusted EBITDA margin	14.9%	12.8%

1Q' 2022 and 2021 P&L Bridge

	For the three months ended March 31, 2022					For the three months ended March 31, 2021			
	As Reported	Stock Based Comp.	One-time Other Items	Depr. & Amort.	As Adjusted	As Reported	One-time Other Items	Depr. & Amort.	As Adjusted
Revenues	\$126,268	\$-	\$-	\$-	\$126,268	\$101,463	\$-	\$-	\$101,463
Operating expenses:									
Cost of revenues	41,725	(1,162)	-	-	40,563	38,972	-	-	38,972
General and administrative expenses	53,349	(29,775)	-	-	23,574	19,132	-	-	19,132
Selling and marketing expenses	68,918	(36,807)	-	-	32,111	20,570	-	-	20,570
Research and development expenses	17,231	(5,992)	-	-	11,239	9,784	-	-	9,784
Depreciation and amortization	12,766	-	-	(12,766)	-	10,117	-	(10,117)	-
Acquisition related expenses	344	-	(344)	-	-	707	(707)	-	-
Restructuring expenses	-	-	-	-	-	287	(287)	-	-
Total operating expenses	\$194,333	(\$73,736)	(\$344)	(\$12,766)	\$107,487	\$99,569	(\$994)	(\$10,117)	\$88,458
Operating (loss) / income	(\$68,065)	\$73,736	\$344	\$12,766	\$18,781	\$1,894	\$994	\$10,117	\$13,005
Interest expense	1,298	-	-	-	1,298	2,961	-	-	2,961
Other expenses	5,273	-	-	-	5,273	1,284	-	-	1,284
Change in FV of warrants and derivatives	-	-	-	-	-	23,600	-	-	23,600
Stock based compensation	-	73,736	-	-	73,736	-	-	-	-
Restructuring and acquisition related expenses	-	-	344	-	344	-	994	-	994
Depreciation and amortization	-	-	-	12,766	12,766	-	-	10,117	10,117
Total other expenses	6,571	\$73,736	\$344	\$12,766	\$93,417	\$27,845	\$994	\$10,117	\$38,956
Loss before income taxes	(74,636)	-	-	-	(74,636)	(25,951)	-	-	(25,951)
Income tax benefit	(2,599)	-	-	-	(2,599)	(1,577)	-	-	(1,577)
Net loss	(\$72,037)	\$-	\$-	\$-	(\$72,037)	(\$24,374)	\$-	\$-	(\$24,374)

Overview Of Stock-based Compensation Expense

- Historically, Zeta did not recognize any stock compensation expense for grants of restricted stock awards or restricted stock units (collectively, "the RSA's/RSU's"). Pursuant to the Company's stock compensation plan, the RSA's/RSU's did not vest until a "change of control" and as such the expense was not recognized.
- In March 2021, the Board of Directors of the Company approved the modification of the plan to:
 - Include the IPO in the definition of change of control.
 - Extend the vesting schedule of certain grants.
- This modification resulted in a repricing and expensing of the modified grants post-IPO.
- Zeta adopted the graded vesting attribution method for expensing stock-based compensation, which results in a greater stock-based compensation expense in the first 1-2 years and lower expense in years 3-6. Zeta elected to recognize forfeitures as they occur and does not estimate forfeitures.

Estimated Stock-based Compensation Expense

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Stock-based compensation	286.3	168.7	90.9	39.3	8.2
Capitalized stock-based compensation	5.0	4.0	2.5	1.0	-
Stock-based compensation in P&L	281.3	164.7	88.4	38.3	8.2

Notes:

1) All amounts shown above are in millions.

2) Stock-based compensation shown above estimates.

3) The stock-based compensation estimate presented here is based on the unvested stock as of 3/31/2022 and does not include any future grants. Further, the Company estimates to grant approximately 6M-8M restricted stock on an annual, go-forward basis. The company issued 4.2M of restricted stock and forfeited \$0.8M restricted stock (due to termination) in 1Q'22.

Number of shares	1Q '22
Basic (weighted average)	134.1
Fully Diluted *	204.5