

# Supplemental 4Q'24 & FY'24 Earnings Presentation

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February 25, 2025

# 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 first quarter and full year 2025 guidance, the Zeta 2028 targets, and the timing of when we will achieve such targets, our ability to execute on KPIs and grow our scaled and super scaled customers, expected political candidate and LiveIntent revenues, anticipated stock based compensation reductions, expected shift to digital Marketing and Advertising vertical, the capabilities of AI and Zeta's platform, and the growth and expansion of the Zeta Marketing Platform, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning our anticipated future financial performance, market opportunities and 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 first quarter and full year 2025 guidance and Zeta 2028 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 2028 targets are subject to significant risks and uncertainties, including the risk factors discussed in the Company's reports on file with the Securities and Exchange Commission, that could cause actual results to differ materially. 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, 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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# Zeta delivered another strong quarter and year

## KEY THEMES

### Record close to 2024

- Achieved Zeta 2025 \$1 billion revenue target a year early
- 14th straight “beat and raise” quarter
- Record 4Q revenue growth of 50%, 31% excluding LiveIntent and Political
- Record 4Q Adj. EBITDA and margin, and positive 4Q GAAP dilutive EPS of \$0.06

### Initial 2025 guidance

- Revenue growth of 23%, \$33M ahead of consensus, which would represent our 6<sup>th</sup> straight year >20% growth
- Revenue growth excluding LiveIntent and adjusted for prior year political of 21%
- Increasing Adj. EBITDA margins by 150 bps YtY to 20.7%, ahead of consensus of 20.0%
- Increasing FCF margins by 120 bps YtY to 10%

### Introducing Zeta 2028

- Targeting at least \$2.1B in revenue by 2028, representing an at least 20% CAGR from '24 to '28
- Targeting at least \$525M in Adj. EBITDA, or a 25% margin by 2028, representing 145 bps of expansion per year from '25 to '28
- Targeting at least \$340M in FCF, or a 16% margin by 2028, representing 175 bps of expansion per year from '25 to '28

## RESULTS

	4Q'24 RESULTS	FY'24 RESULTS
<b>Revenue</b> <i>Y/Y Growth</i>	<b>\$315M</b> 50%	<b>\$1,006M</b> 38%
<b>Cash from Ops</b> <i>Y/Y Growth</i>	<b>\$44M</b> 62%	<b>\$134M</b> 48%
<b>Adjusted EBITDA<sup>2</sup></b> <i>Y/Y Growth</i>	<b>\$70M</b> 57%	<b>\$193M</b> 49%
<b>Adjusted EBITDA Margin %<sup>2</sup></b> <i>Y/Y Improvement</i>	<b>22.4%</b> 110 bps	<b>19.2%</b> 140 bps

See slide 47 for footnote definitions

See appendix for definitions of non-GAAP measures used herein and reconciliations to the most directly comparable GAAP measures

# Full year 2024 KPIs demonstrate consistent execution with strong underlying fundamentals

## Scaled Customer Count

TOTAL SCALED<sup>4</sup>

**527**

+17% Y/Y

FY'23: 452  
FY'22: 403

SUPER-SCALED<sup>5</sup>

**148**

+13% Y/Y

FY'23: 131  
FY'22: 103

## Scaled Customer ARPU

TOTAL SCALED<sup>6</sup>

**\$1.9M**

FY'23: \$1.6M  
FY'22: \$1.4M

SUPER-SCALED<sup>7</sup>

**\$5.7M**

FY'23: \$4.5M  
FY'22: \$4.5M

## Net Revenue Retention<sup>12</sup>

**114%**

FY'23: 111%  
FY'22: 112%

## GAAP Cost of Revenue<sup>13</sup>

**39.7%**

FY'23: 37.7%  
FY'22: 36.5%

## Direct Revenue Mix<sup>8</sup>

**70%**

FY'23: 72%  
FY'22: 77%

## Quota Carrier Headcount

**180**

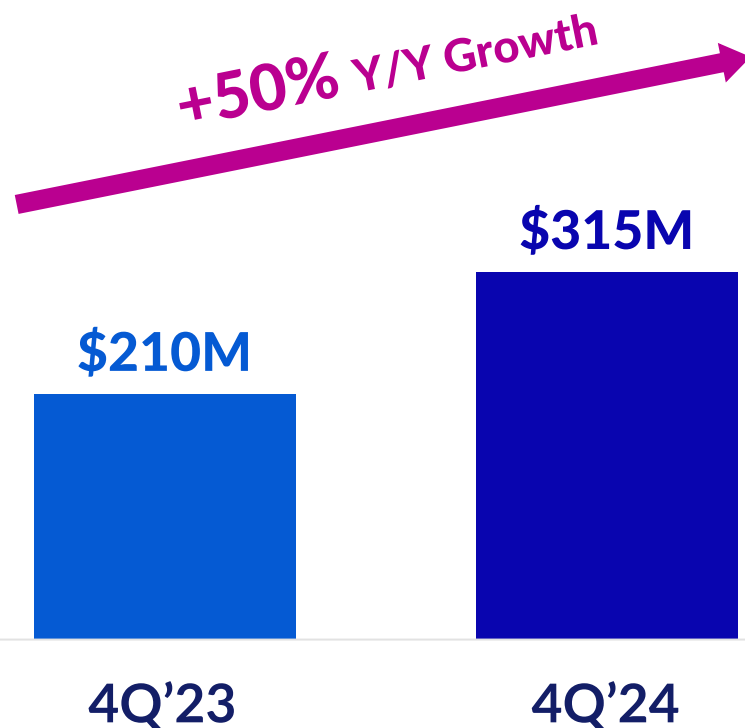
FY'23: 136  
FY'22: 123

See slide 47 for footnote definitions | The data on this slide is as of 12/31/24

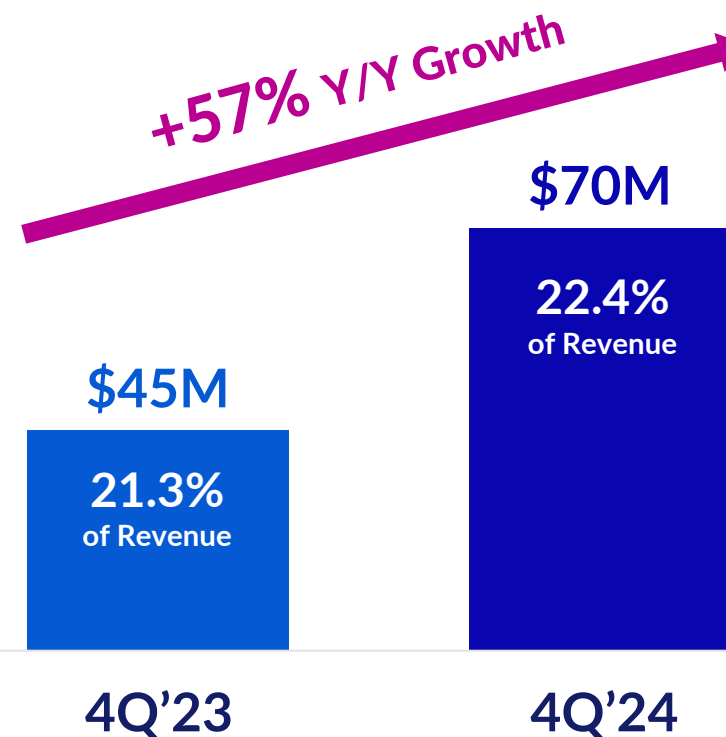
See appendix for definitions of non-GAAP measures used herein and reconciliations to the most directly comparable GAAP measures

# 12 straight quarters of >20% revenue growth and 16 consecutive quarters of expanding Adj. EBITDA margins Y/Y

## Revenue Growth



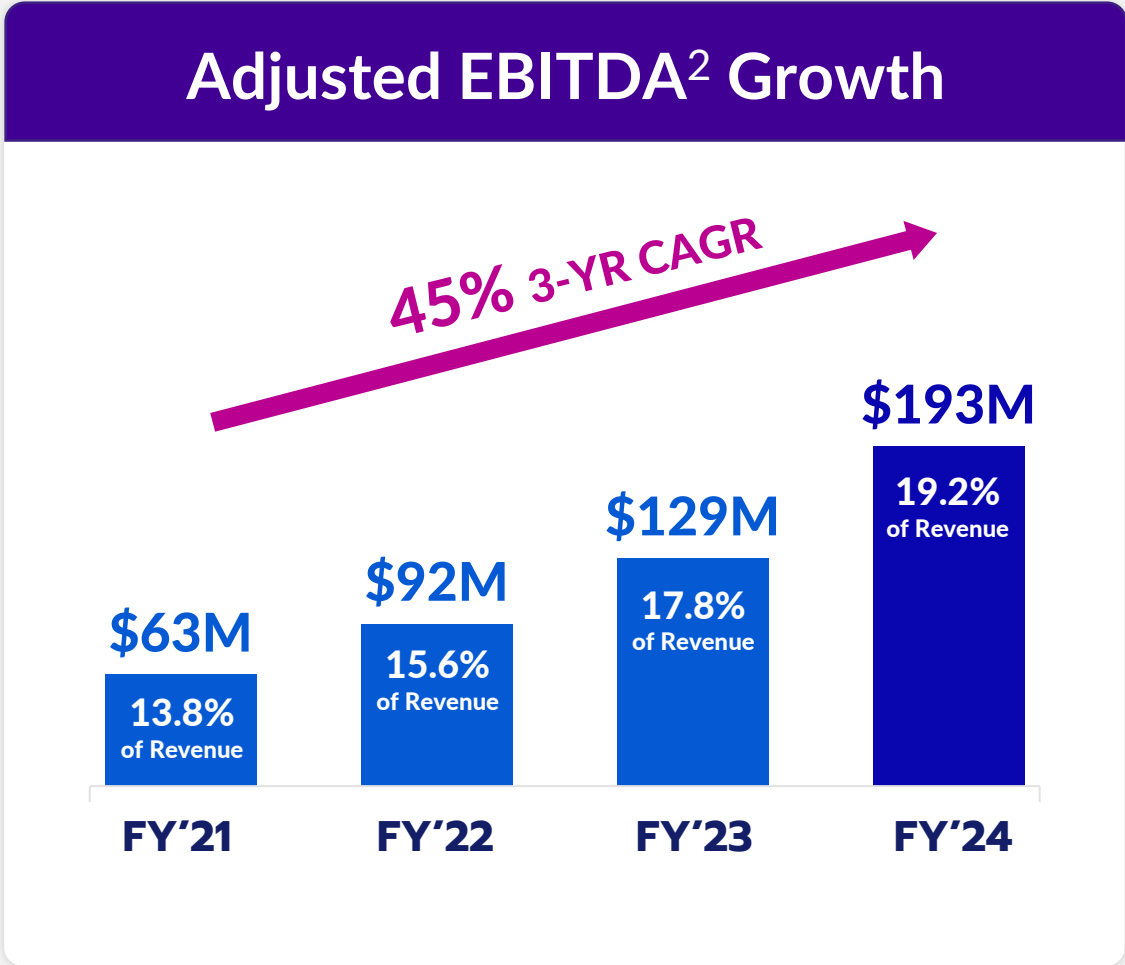
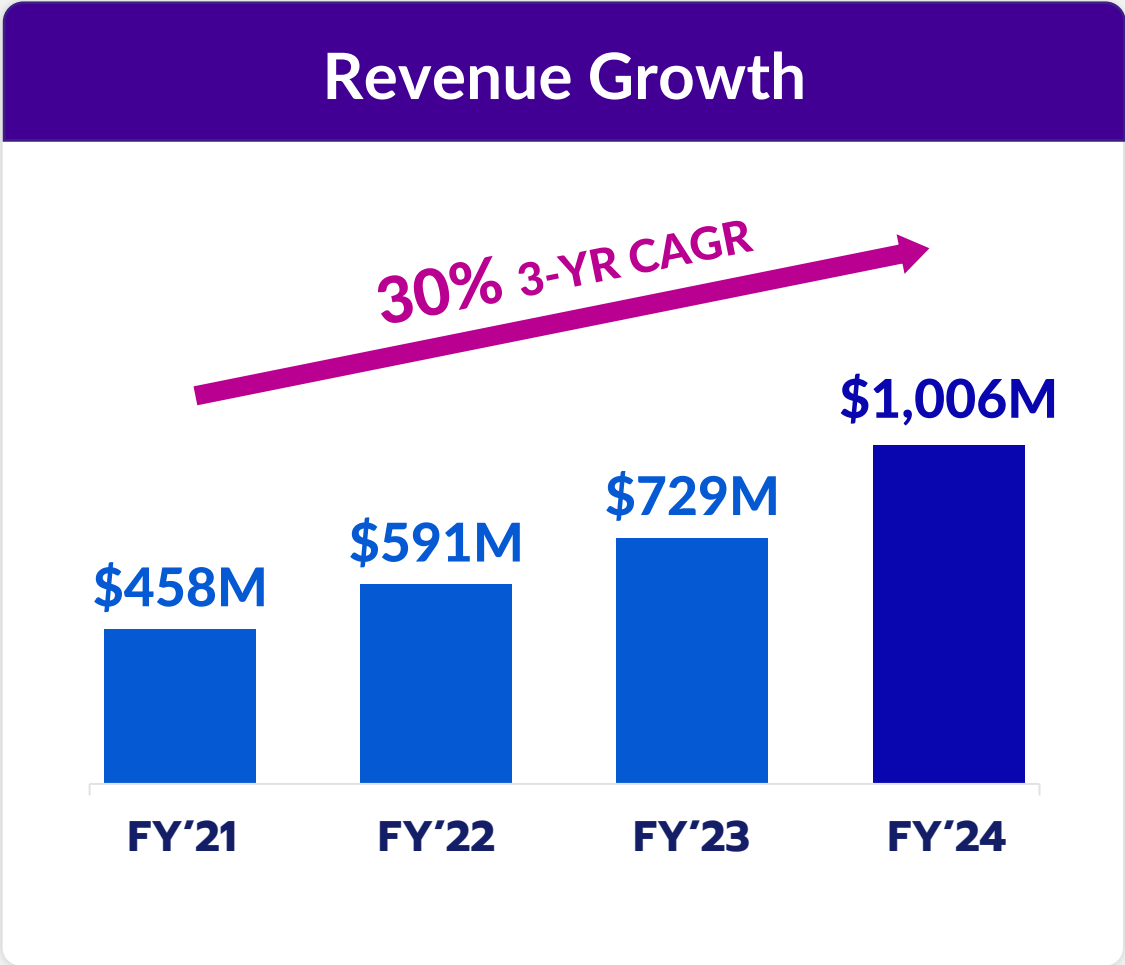
## Adjusted EBITDA<sup>2</sup> Growth



See slide 47 for footnote definitions

See appendix for definitions of non-GAAP measures used herein and reconciliations to the most directly comparable GAAP measures

# 5 straight years of >20% revenue growth with Adj. EBITDA margin expansion



See slide 47 for footnote definitions

See appendix for definitions of non-GAAP measures used herein and reconciliations to the most directly comparable GAAP measures

# Ending the year with \$44M of political candidate revenue and \$17M of acquired LiveIntent revenue

	1Q'24 Actuals	2Q'24 Actuals	3Q'24 Actuals	4Q'24 Actuals	4Q Y/Y %	FY'24 Actuals	FY Y/Y %
Zeta excluding Political Candidate & LiveIntent Revenue	\$195M	\$226M	\$247M	\$276M	31%	\$944M	30%
Political Candidate Revenue	NM*	\$1.5M	\$21M	\$22M	NM*	\$44M	NM*
LiveIntent Revenue <i>(stub 4Q'24 only)</i>				\$17M	N/A	\$17M	N/A
<b>Total Zeta Revenue</b>	<b>\$195M</b>	<b>\$228M</b>	<b>\$268M</b>	<b>\$315M</b>	<b>50%</b>	<b>\$1,006M</b>	<b>38%</b>

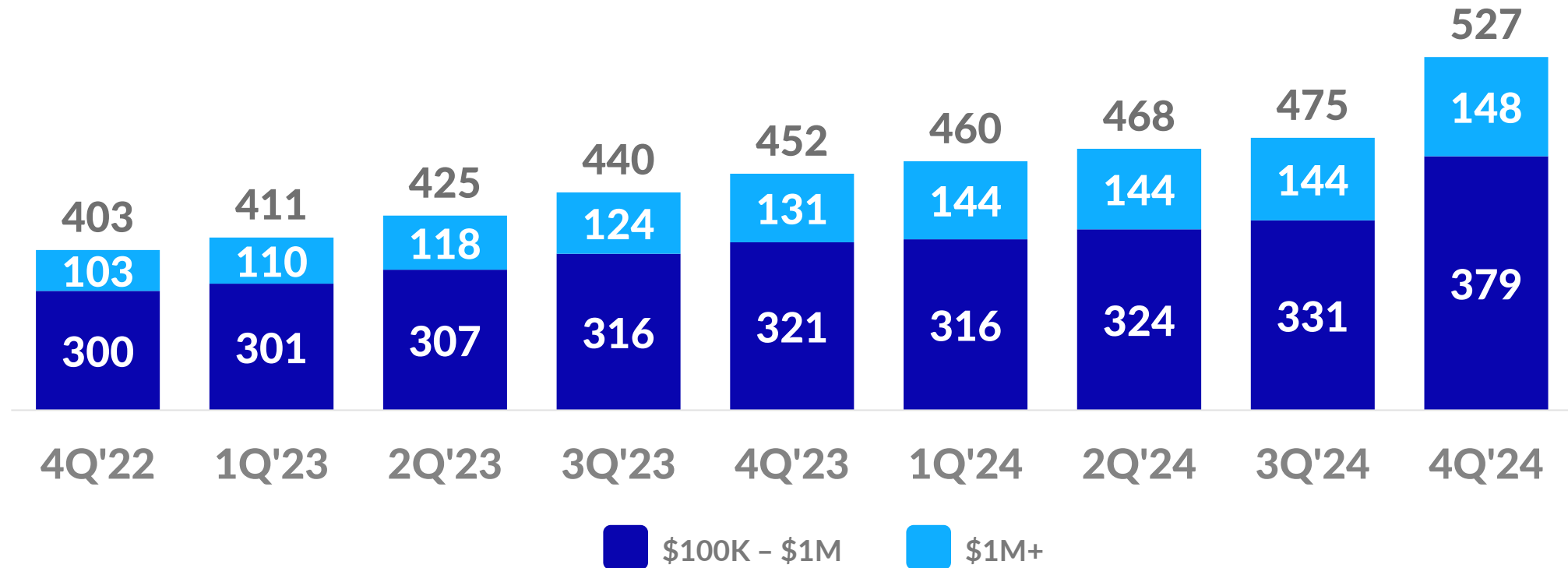
Note: Political Candidate Revenue in 2020 was \$15M (3Q: \$3M, 4Q: \$12M) and in 2022 \$7.5M (3Q: \$3.0M, 4Q: \$4.5M)

\*NM: Not Meaningful

LiveIntent stub period is from 10/21/24 through 12/31/24

# Accelerating Y/Y scaled customer count expansion

## 15 Consecutive Quarters of Sequential Scaled Customer Expansion



See slide 47 for footnote definitions | The data on this slide is as of 12/31/24

# Significant Y/Y scaled customer ARPU expansion

Y/Y ARPU Growth %

15%

10%

10%

10%

7%

11%

22%

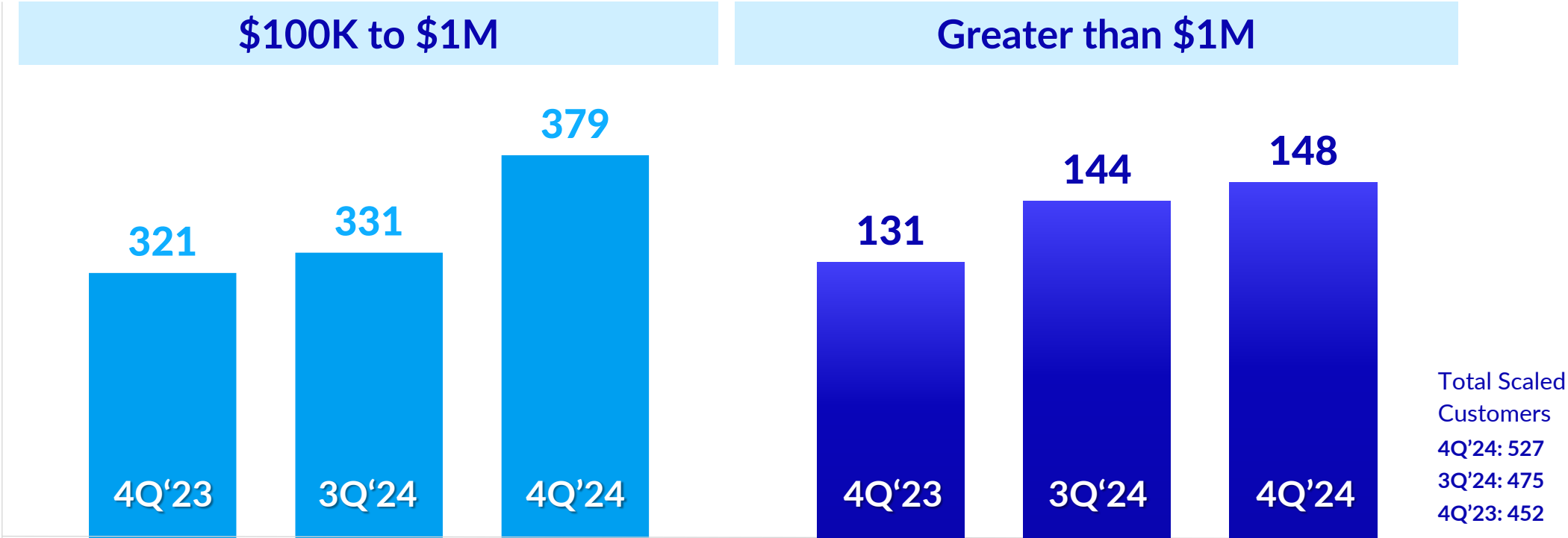
33%

27%



See slide 47 for footnote definitions | The data on this slide is as of 12/31/24

# Powerful revenue leverage as customers ramp to >\$1M spend

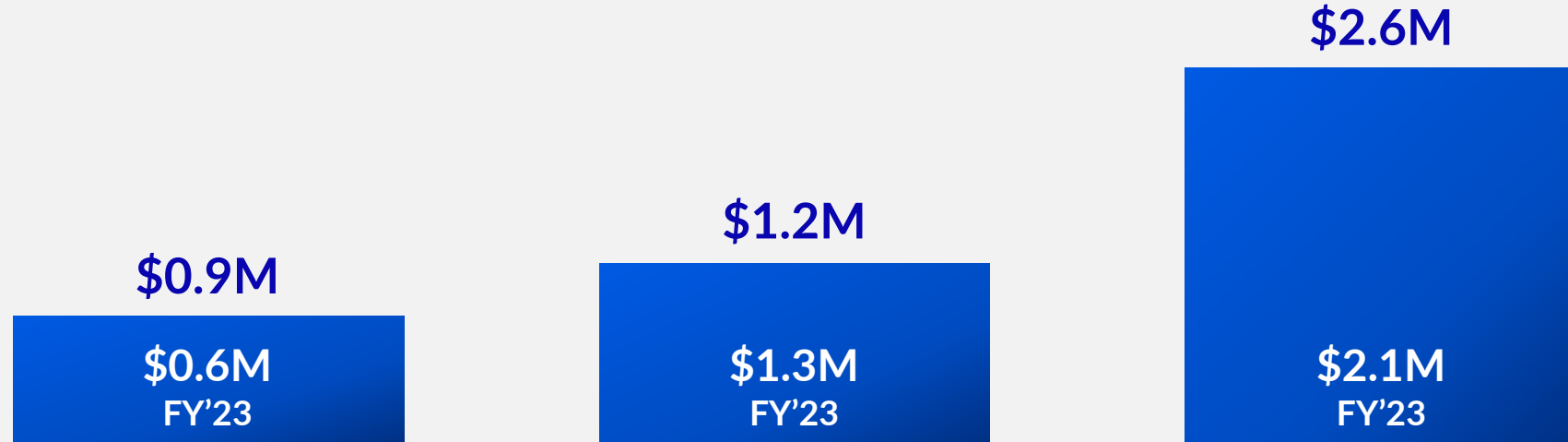


Quarterly ARPU	\$104	\$95	\$129	\$1,313	\$1,619	\$1,725	13X OPP.
Avg. Channels Per	1.8	1.9	2.0	3.0	2.9	3.0	~50%

See slide 47 for footnote definitions | \$ in thousands, unless otherwise noted | The data on this slide is as of 12/31/24

# The longer our customers stay with us, the bigger they become

## FY'24 Scaled Customer ARPU



Scaled Customer

<1 Year

1-3 Years

3+ Years

Count

106

138

283

Revenue

\$91M

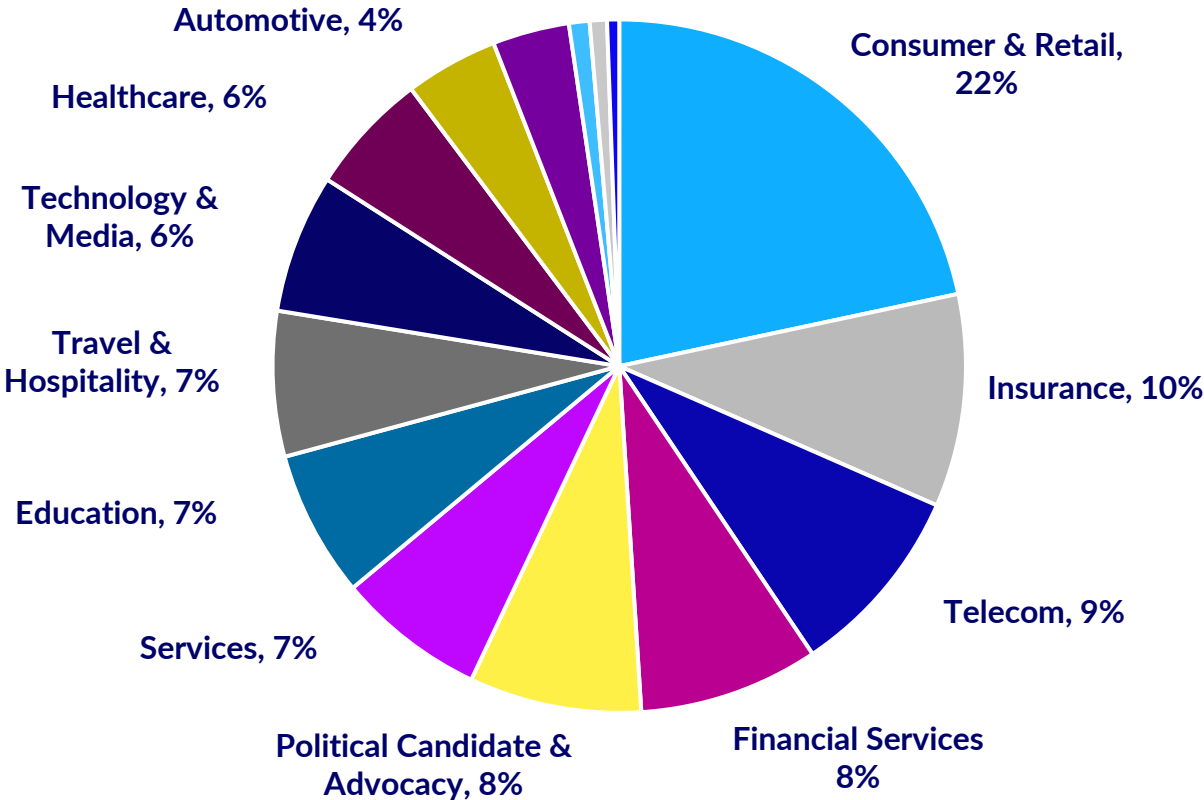
\$169M

\$725M

**~90% Revenue** driven by scaled customers who have been with Zeta >1 year

# Zeta is well-diversified across a wide range of verticals

## FY 2024 Revenue by Vertical



## Well-Diversified Customer Set

- Broad coverage across 15 different industry verticals
- 7 of the Top 10 verticals grew greater than 20%
- Top 5 fastest growing verticals were Automotive, Consumer & Retail, Insurance, Political Candidate & Advocacy, and Technology & Media

See slide 47 for footnote definitions | The data on this slide is as of 12/31/24

# Serving 44% of the Fortune 100<sup>14</sup>



11 of the 17 largest **Consumer & Retail** companies



2 of the 3 largest **Airline** companies



5 of the 10 largest **Insurance** companies in the world



5 of the largest **Agency Hold Cos**



6 of the 13 largest **Technology & Media** companies



4 of the 5 largest **Telecommunications** companies



3 of the 5 leading **Pharmaceutical** companies



4 of the 11 largest **Financial Services** companies



2 of the 3 largest **Automotive** companies in the world



Our experience working with category leaders led to a **higher propensity to modernize their marketing cloud AND invest to grow through tougher macro conditions.**

# Zeta 2028

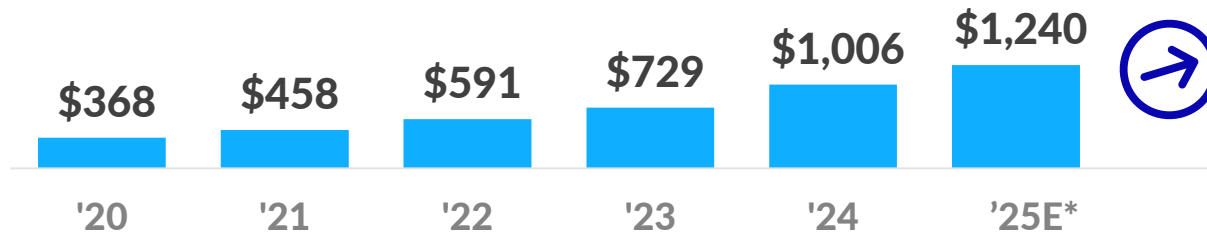
# Introducing Zeta 2028

2028 Targets

## 2028 REVENUE TARGET

# \$2.1B+

Implied 20% CAGR

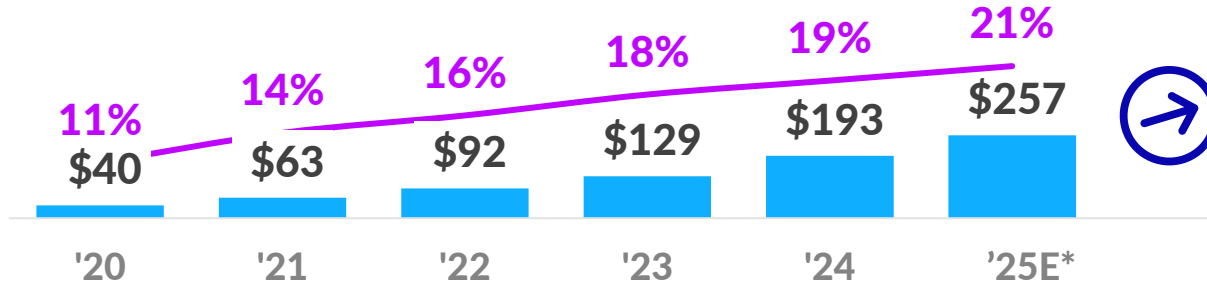


## 2028 ADJ. EBITDA<sup>2</sup> TARGET

# \$525M+

Implied 25% margin

ADJ. EBITDA\$ ■  
ADJ. EBITDA Margin ■

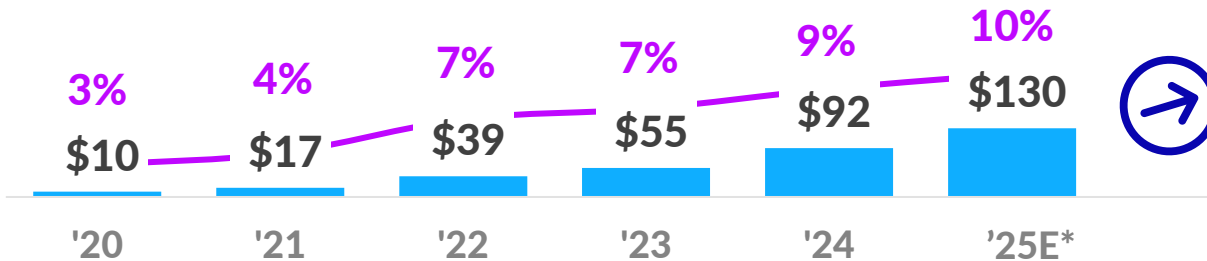


## 2028 FCF<sup>2</sup> TARGET

# \$340M+

Implied 65% conversion

FCF \$ ■  
FCF Margin<sup>17</sup> ■



\*2025 estimates are midpoint of guidance.

# Zeta guiding to materially outperform its first long-term model, Zeta 2025, across 3 key targets

## Revenue Growth

Original 4-year CAGR target:  
**22%**

FY'21 to guided FY'25\* 4-year CAGR:  
**28%** ✓

## Adj. EBITDA<sup>2</sup> Margin Expansion

Original 4-year expansion target:  
**620 bps**

FY'21 to guided FY'25\* expansion:  
**690 bps** ✓

## Free Cash Flow<sup>2</sup> Generation

Original 2025 target:  
**\$110M**

FY'25 guidance\*:  
**\$130M** ✓

\*At midpoint of guidance.

# Compound annual growth rates for Zeta 2028 key metrics

2021 - 2024

2024 - 2028

KEY METRICS	2021 - 2024		2024 - 2028	
	Revenue CAGR	30%	▶	20%
	Adj. EBITDA <sup>2</sup> CAGR	45%	▶	28%
	Free Cash Flow <sup>2</sup> CAGR	74%	▶	39%

KPIs	Scaled Count CAGR	14%	▶	4% - 8%
	Scaled ARPU CAGR	15%	▶	12% - 16%
	Quota Carrier CAGR	22%	▶	10% - 15%
	NRR Range	111% - 114%	▶	110% - 115%*
	Direct Mix Range	70% - 77%	▶	70% - 75%*

\*NRR & Direct Mix ranges are for 2025 through 2028  
See appendix for definitions of non-GAAP measures used herein and reconciliations to the most directly comparable GAAP measures

# Zeta 2028 calls for 4 more years of 20% growth and FCF margin expansion, which puts us in rarefied air

There are only 8 U.S. publicly listed technology companies that are...



Expected to grow revenue 20%+ annually from 2021-2025

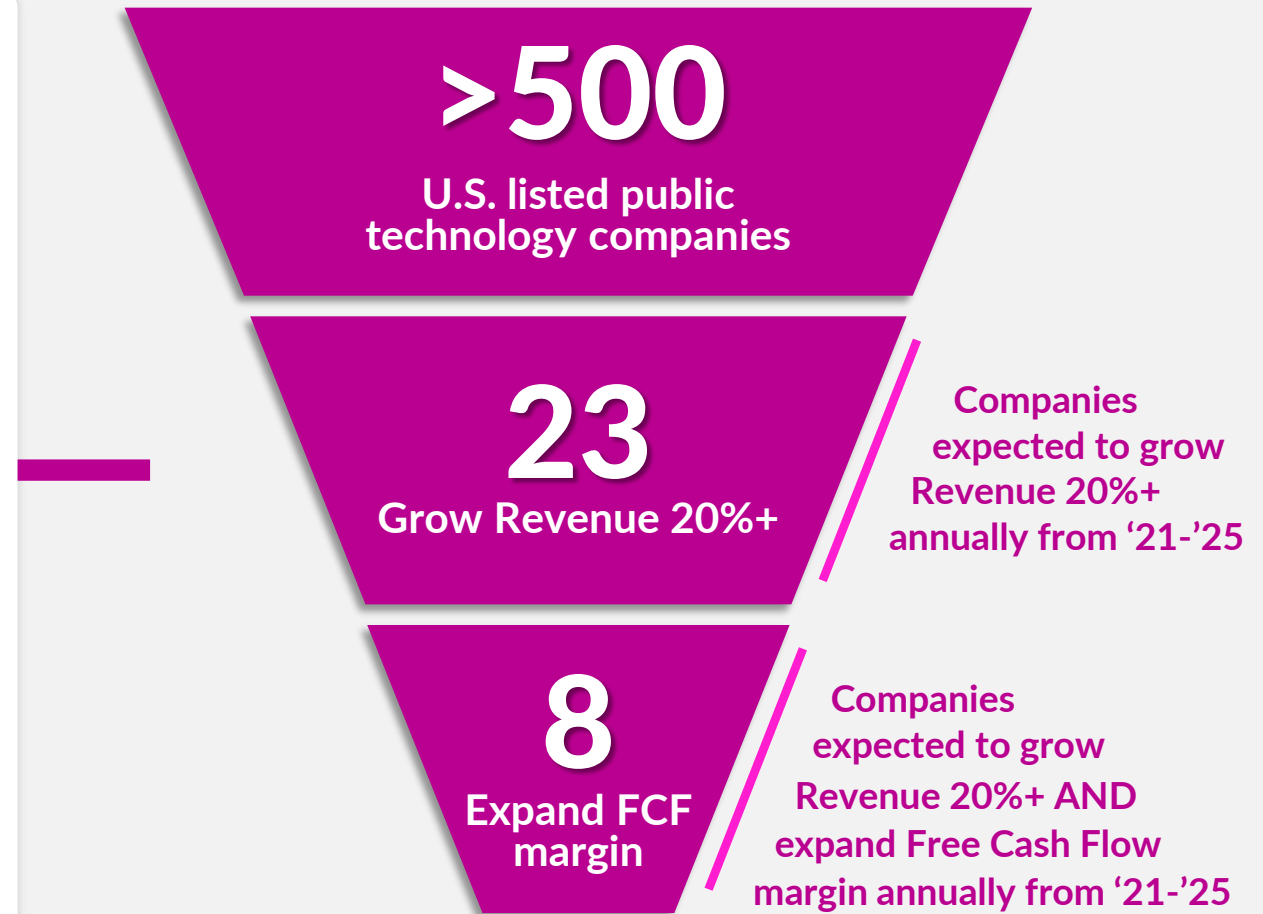


Expected to expand Free Cash Flow margin annually from 2021-2025<sup>16</sup>

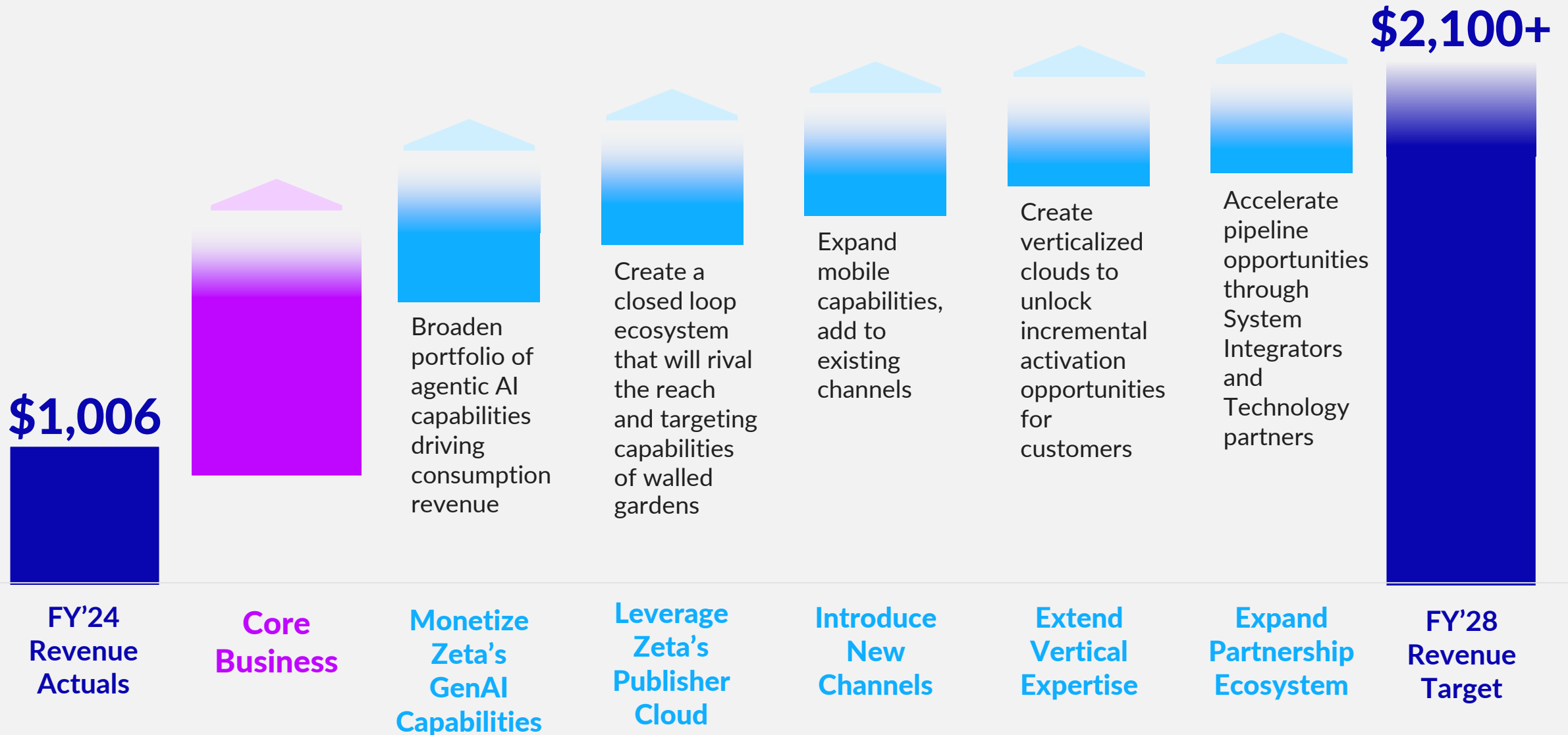


# ZETA

is 1 of the 8

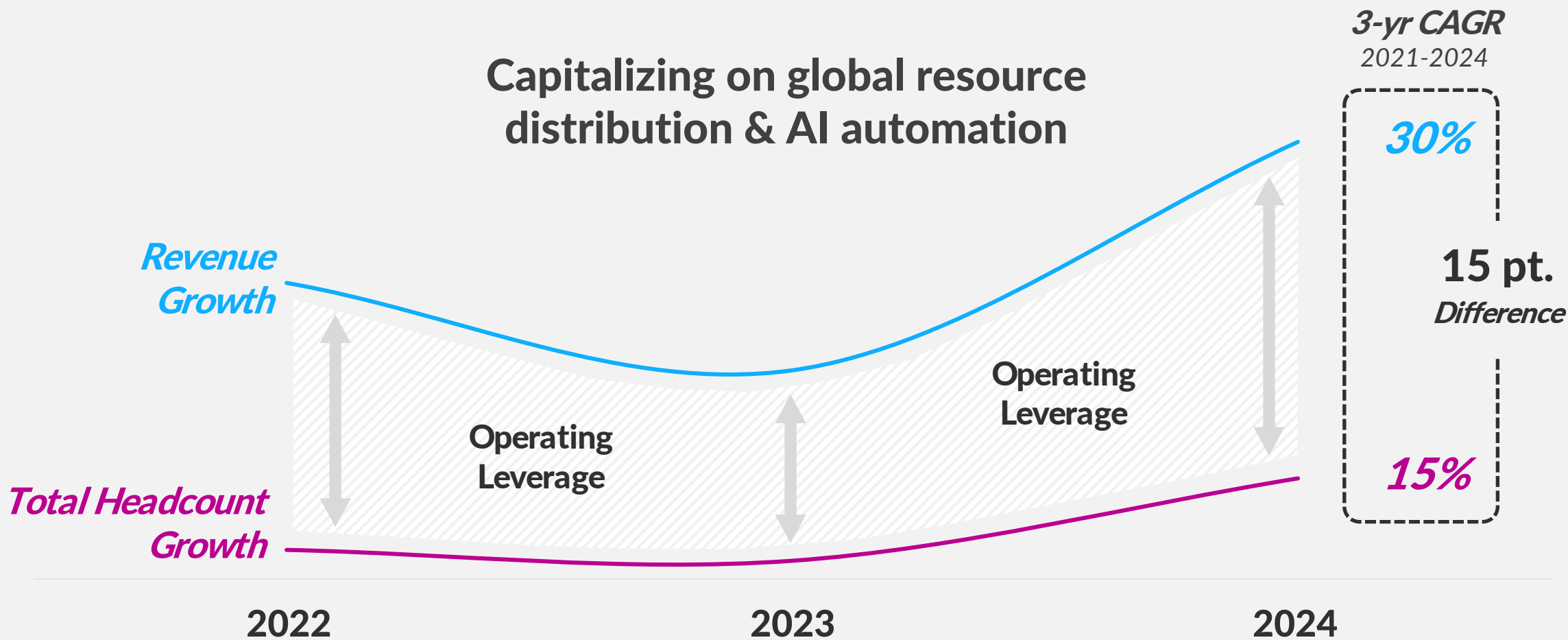


# Multiple drivers to achieve Zeta 2028 revenue target



# Revenue has been growing significantly faster than headcount creating substantial operating leverage and FCF expansion

Capitalizing on global resource distribution & AI automation



# Marketing & Advertising are anticipating a massive shift to digital over next 4 years, supporting our 2028 plan<sup>18</sup>

**10%**

Projected  
compounded annual  
growth rate  
between '24 & '28

**86%**

Digital advertising is  
expected to capture  
86% of \$90B in  
additional ad  
spending between  
'24 & '28

**40%**

By 2028, Digital  
video is expected to  
account for 40% of  
total digital ad  
spending

# 1Q'25 & FY'25 Guidance

# Guidance that is balanced between growth & operating leverage

	1Q'25 Guidance Range	FY'25 Guidance Range	1Q'25 Guidance Midpoint	FY'25 Guidance Midpoint
<b>Total Zeta Revenue</b>	\$253M – \$255M	\$1,235M – \$1,245M	\$254M	\$1,240M
<i>% Growth Y/Y</i>	30% – 31%	23% – 24%	30%	23%
<b>Adj. EBITDA<sup>2</sup></b>	\$44.2M – \$44.8M	\$255.5M – \$257.5M	\$44.5M	\$256.5M
<i>% Growth Y/Y</i>	45% – 47%	32% – 33%	46%	33%
Adj. EBITDA Margin <sup>2</sup>	17.3% – 17.7%	20.5% – 20.8%	17.5%	20.7%
BPS Change Y/Y	165 BPS – 205 BPS	130 BPS – 165 BPS	185 BPS	150 BPS
<b>Free Cash Flow<sup>2</sup></b>	–	<b>\$127.5M – \$131.5M</b>	–	<b>\$129.5M</b>

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 may 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.

We calculate forward-looking non-GAAP 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 non-GAAP Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow guidance to forward looking GAAP net income (loss), margin, and cash flow from operating activities 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.

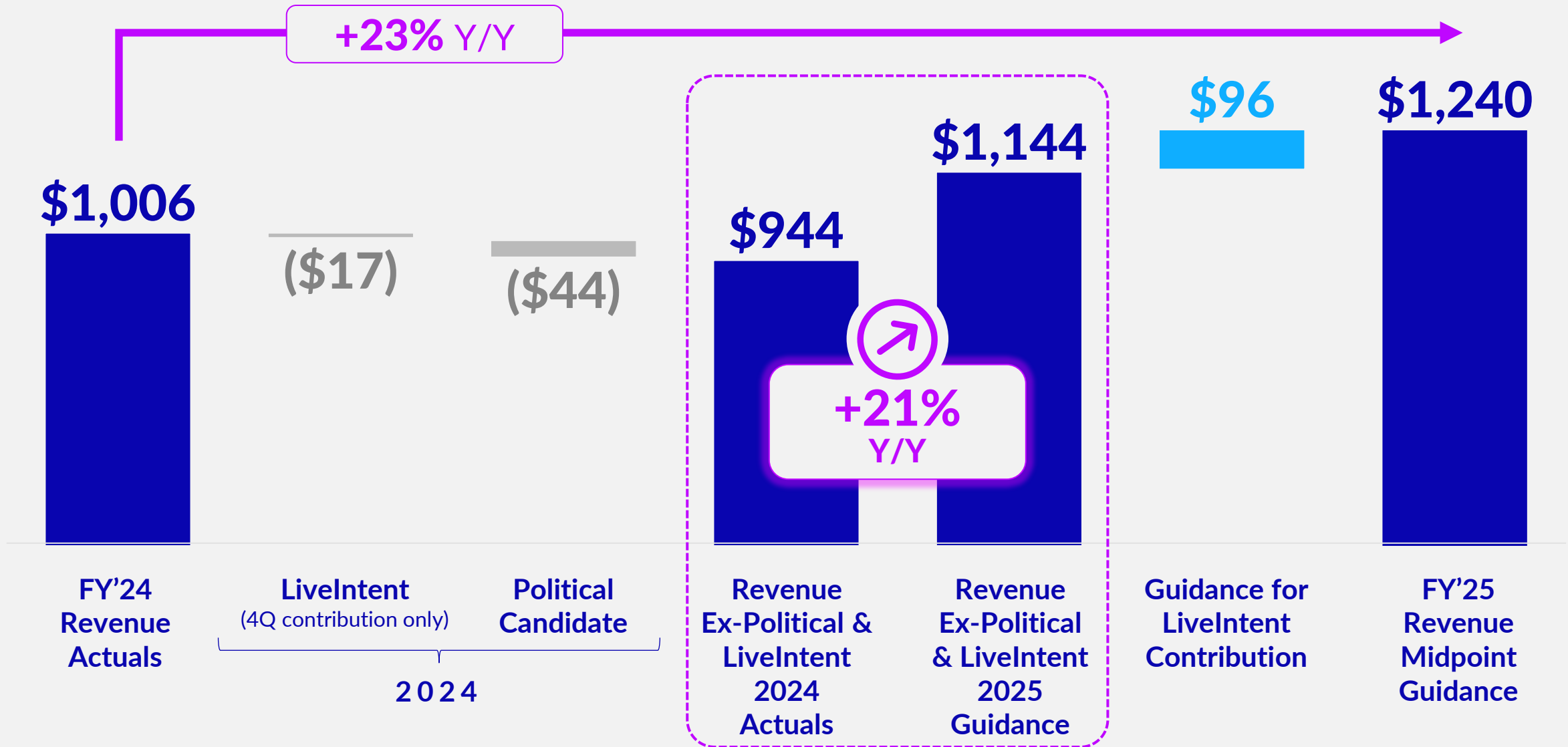
# ...and aligns with historical quarterly linearity

	1Q'25 Midpoint	2Q'25	3Q'25	4Q'25	FY'25 Midpoint
<b>Zeta Revenue excl. LiveIntent</b>	\$234M	\$273M	\$303M	\$335M	\$1,144M
<i>% Growth excl. LiveIntent &amp; Political Y/Y</i>	20%	20%	22%	21%	21%
LiveIntent Revenue	\$20M	\$22M	\$26M	\$28M	\$96M
<b>Total Zeta Revenue</b>	\$254M	\$295M	\$329M	\$363M	\$1,240M
<i>% Growth Y/Y</i>	30%	29%	22%	15%	23%
<b>Adj. EBITDA<sup>2</sup></b>	\$44.5M	\$54.4M	\$70.1M	\$87.6M	\$256.5M
<i>% Growth Y/Y</i>	46%	41%	31%	24%	33%
Adj. EBITDA Margin <sup>2</sup>	17.5%	18.5%	21.3%	24.1%	20.7%
BPS Change Y/Y	185 BPS	156 BPS	136 BPS	176 BPS	149 BPS

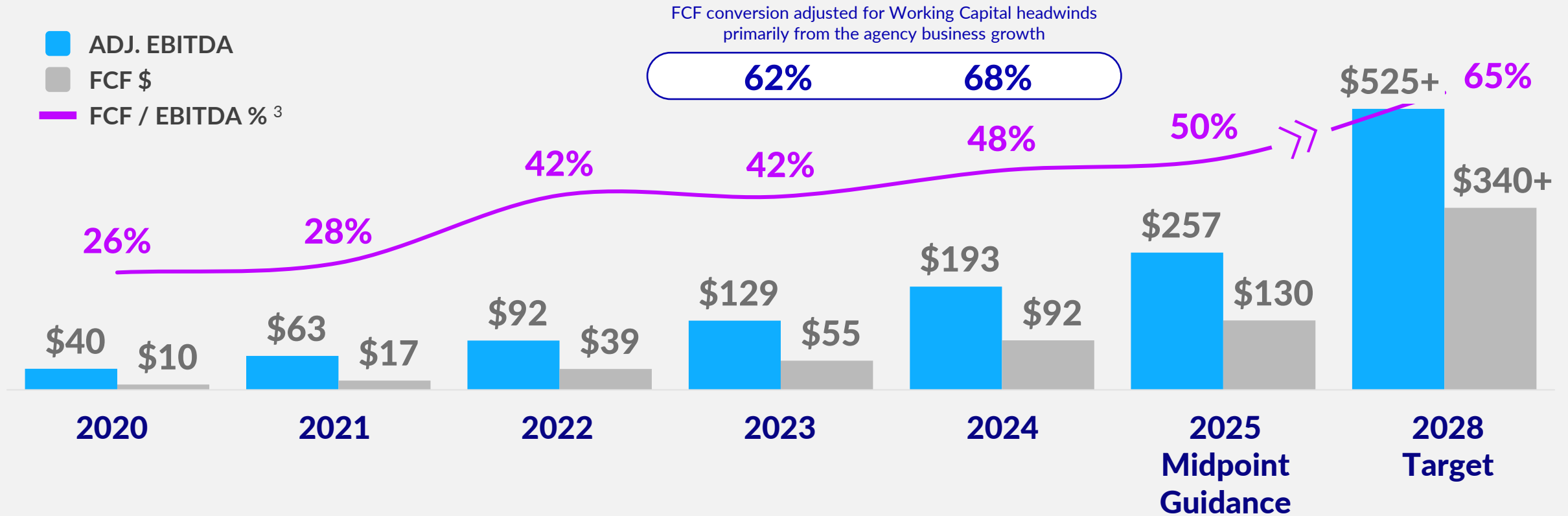
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# FY'25 Revenue Guidance Bridge



# Guiding to Free Cash Flow of \$130M in 2025, with a target of \$340M+ by 2028

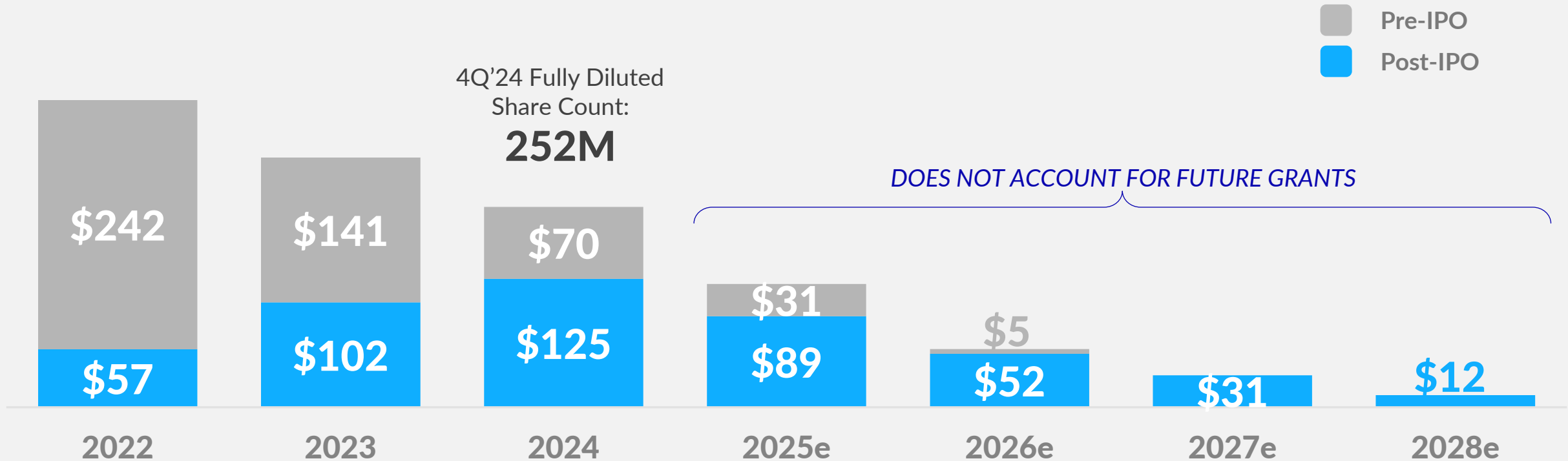


The FY'25 & FY'28 guidance provided herein are based on Zeta's current estimates and assumptions and are not a guarantee of future performance. Growth and margin percentages may not tie due to rounding. The guidance provided is subject to significant risks and uncertainties, including the risk factors discussed in the Company's reports on file with the Securities and Exchange Commission, that could cause actual results to differ materially. There can be no assurance that the Company will achieve the results expressed by this guidance.

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# Targeting to reduce dilution<sup>10</sup> and SBC

## Dilution May Be Impacted By Share Price Appreciation

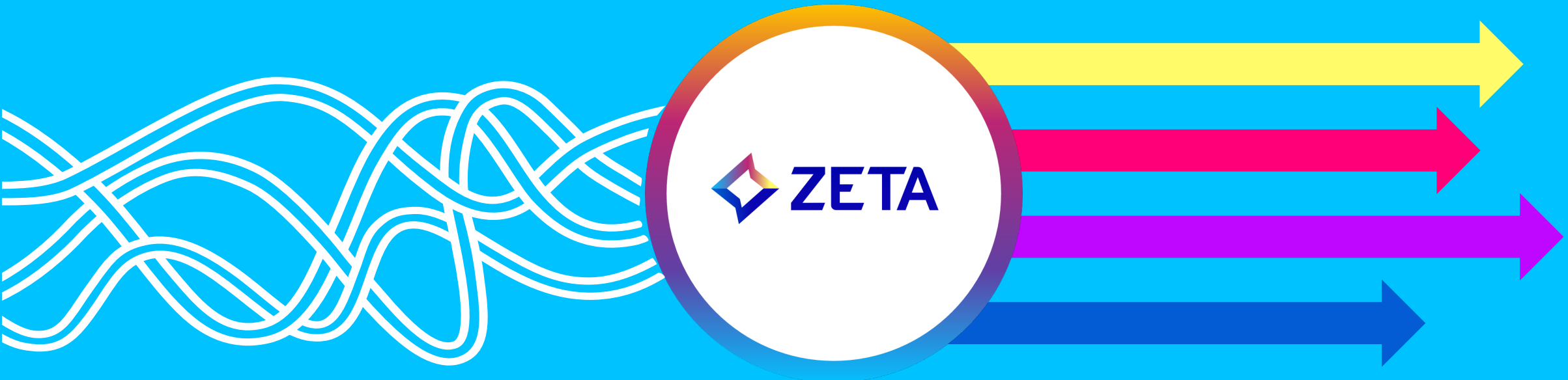


**Long-term Target: 3% - 4%**

Notes:

- Achievement of the long-term dilution target of 3% to 4% may be impacted by share price performance in 2025 as PSUs and options issued in prior years become earned and in-the-money, respectively.
- Fully diluted share count of 252M (241M as of 9/30/24); increase is driven by 7M of earned PSUs and 5.8M of equity issuances for LiveIntent acquisition

# Zeta makes sophisticated marketing **SIMPLE**





# Being a Sophisticated Marketer Is Harder Than Ever

With fragmented tools, processes, and poorly integrated data, **55% of marketers cannot identify the right strategies** to engage customers, impacting ROI<sup>15</sup>

59% of CMOs under increased pressure to prove the impact of marketing<sup>15</sup>

# Zeta helps marketers Acquire, Grow & Retain customers more efficiently and effectively by...

...enriching customer data with Zeta data...



...synthesizing data into Intelligence...



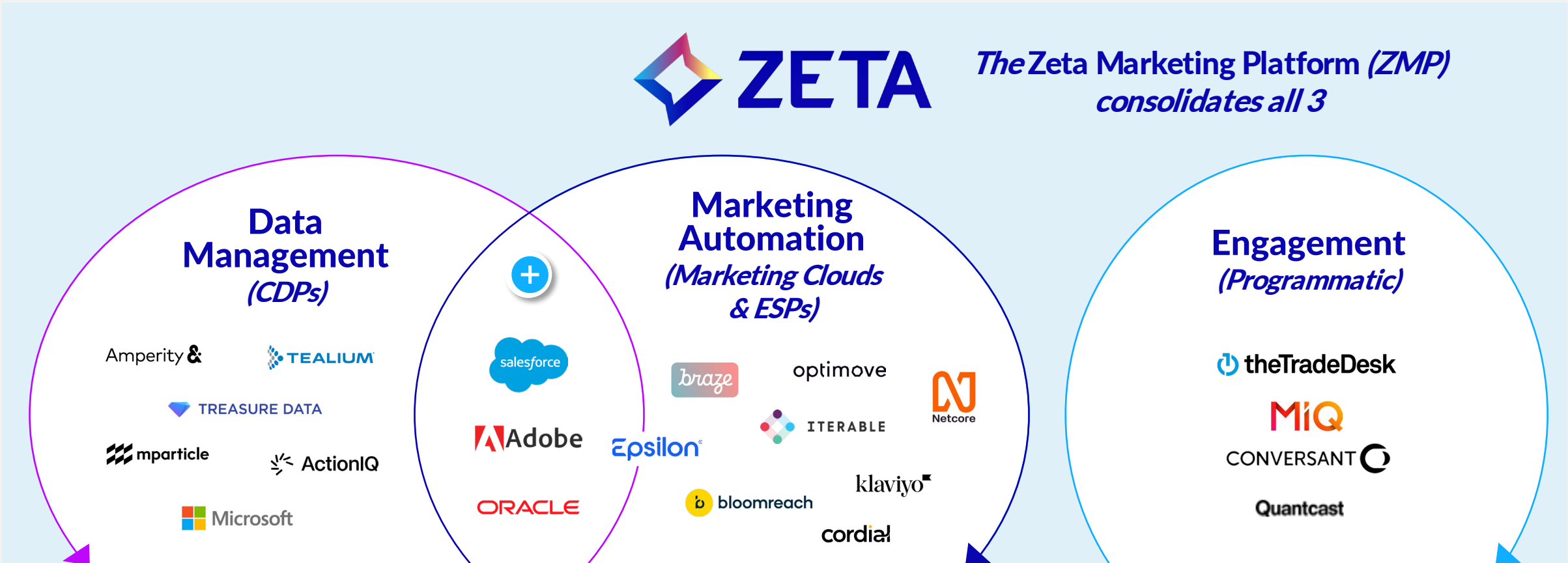
...and delivering real-time omnichannel engagement



# Zeta consolidates the fragmented marketing landscape



The Zeta Marketing Platform (ZMP) consolidates all 3



## Data Management (CDPs)

- Amperity & TEALIUM
- TREASURE DATA
- mparticle
- ActionIQ
- Microsoft

## Marketing Automation (Marketing Clouds & ESPs)

- salesforce
- braze
- optimove
- Netcore
- Adobe
- Epsilon
- ITERABLE
- bloomreach
- klaviyo
- cordial
- ORACLE

## Engagement (Programmatic)

- theTradeDesk
- MiQ
- CONVERSANT
- Quantcast

How brands create a **unified customer database** that can identify & create audiences

How brands **effectively reach and manage customers** via owned channels, like email & websites

How brands **acquire new customers** through paid channels, like display, CTV & social

Note: This is not an exhaustive competitor set

# The ZMP is Built For Results

Only Zeta's Purpose-Built Platform Can Replace Legacy Technology or Optimize Existing Tech

## The Zeta Advantage

Integrated Identity & Intelligence



Makes Generative AI Actionable



Real Time



Flexibility to Wrap Around Tech Stack

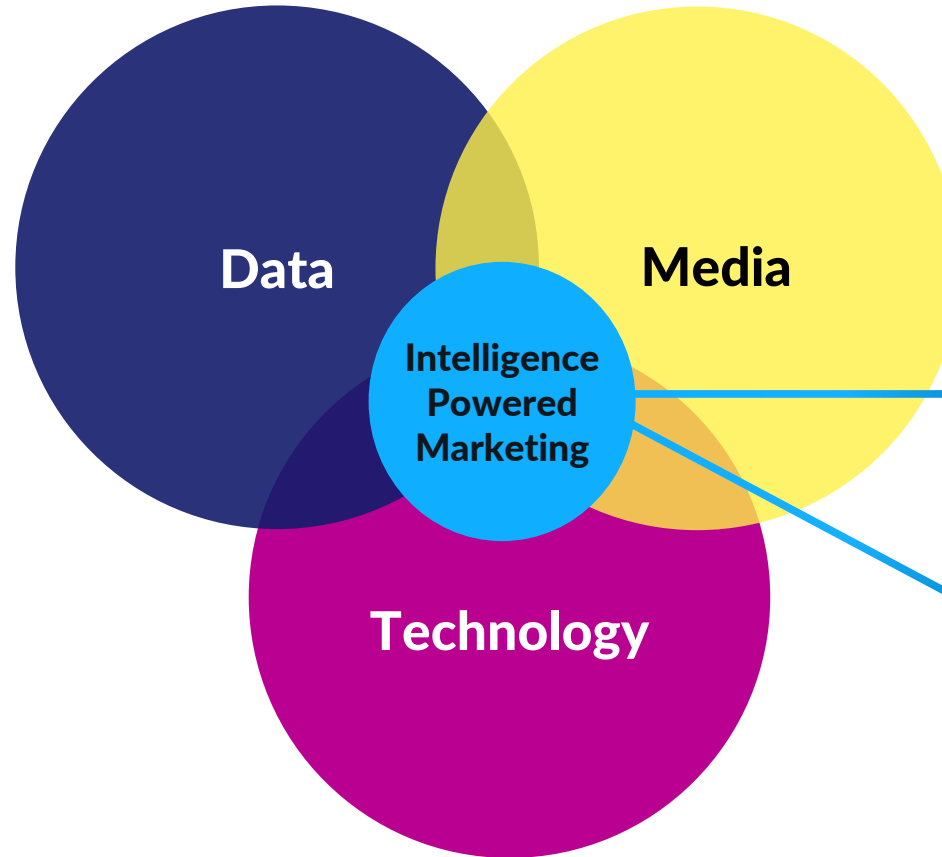


Lower Total Cost of Ownership



Generates Higher ROI

# The intelligence powered era is breaking boundaries



**U.S. TAM<sup>11</sup>  
2023**

**CAGR<sup>11</sup>  
'23 - '25**

**MarTech  
\$19B**

**14%**

**IPM  
Intelligence  
Powered Media  
\$64B**

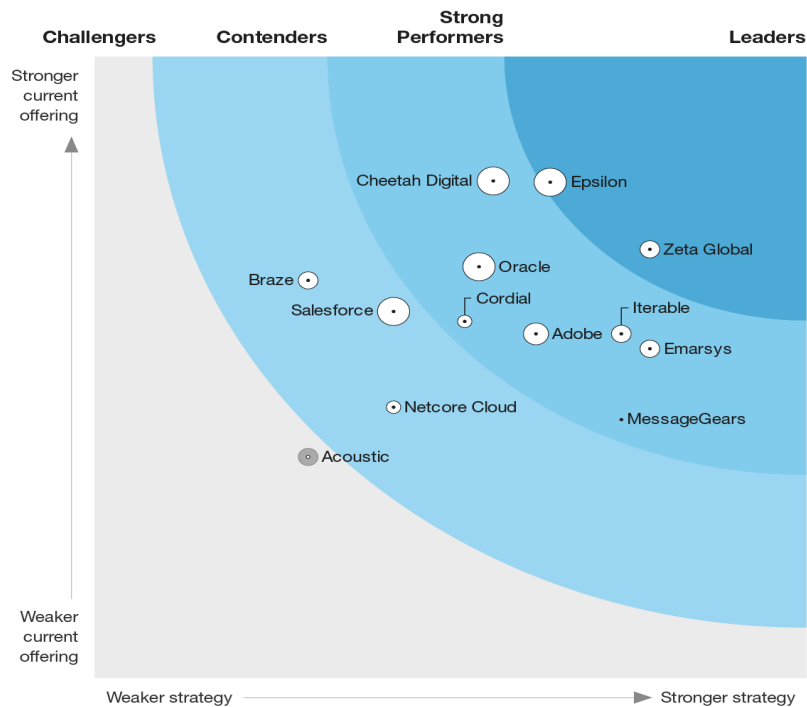
**12%**

See slide 47 for footnote definitions

# Zeta was named a Leader in the Latest Forrester Wave<sup>9</sup>

Zeta was named as the leader, by a wide margin, scoring highest possible rating in 13 of 22 categories.

## 1Q 2022



## 3Q 2024



## Highlights

“Zeta Global stands out with a solution that suits the most type of marketers.”

“Zeta’s current offering leads our study because it can personalize send-time, delivery frequency, channel, as well as content, product, offer and subject line.”

“Zeta’s detailed product roadmap links planned developments to its vision to make sophisticated marketing simple.”

“Reference customers say to expect a partnership, not just a software company [with Zeta].”

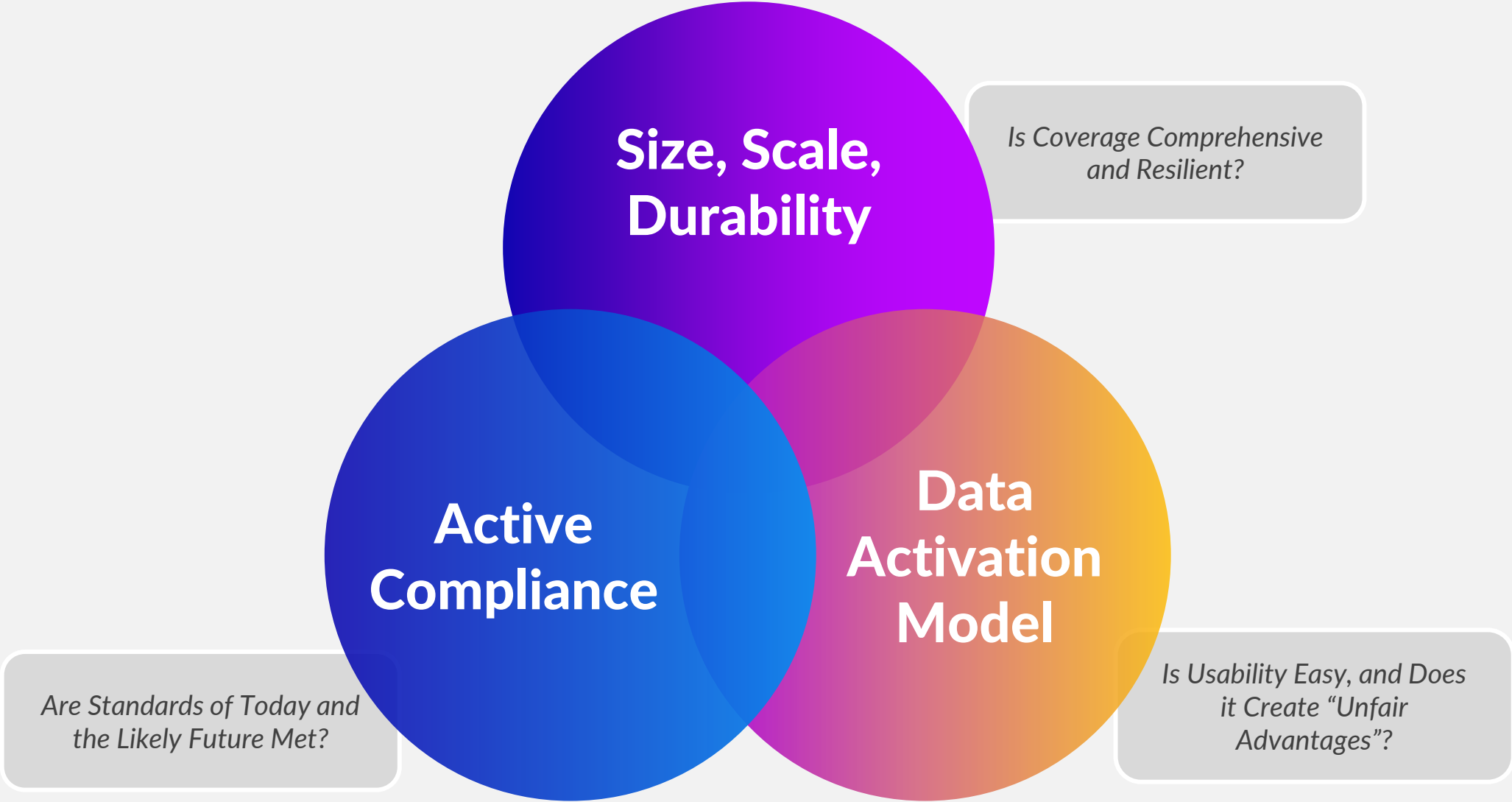
See slide 47 for footnote definitions

# Comprehensive Look Into Zeta's Data Cloud, Governance & Vision

Selection from Zeta Data Summit on December 9, 2024

# Finding Signal Through the Noise

*Zeta's POV on How Outsiders Should Value Data Assets, Capabilities, Compliance*



# Zeta's Types of Data

*Zeta's People-Based Data Includes Identities, Identifiers, & Signals*



## Identities

**Identities are unique individuals, represented by offline PII like an email hash that can be joined to a digital identifier via an authentication event**

(e.g. login, signup, click-thru)

*High Stability & Persistence*



## Identifiers

**Identifiers are indices that determine the best way to reach an identity across digital and offline channels**

(e.g. email hash, MAID, IFA, phone number)

*Stable & Refreshing*



## Signals

**Signals are data-in-motion and data-at-rest processed by Zeta AI to infer intent, interest, and attributes**

(e.g. intent to buy a car or travel, kids in household)

*Refreshing Regularly*

# Defining Zeta's Sources of Data

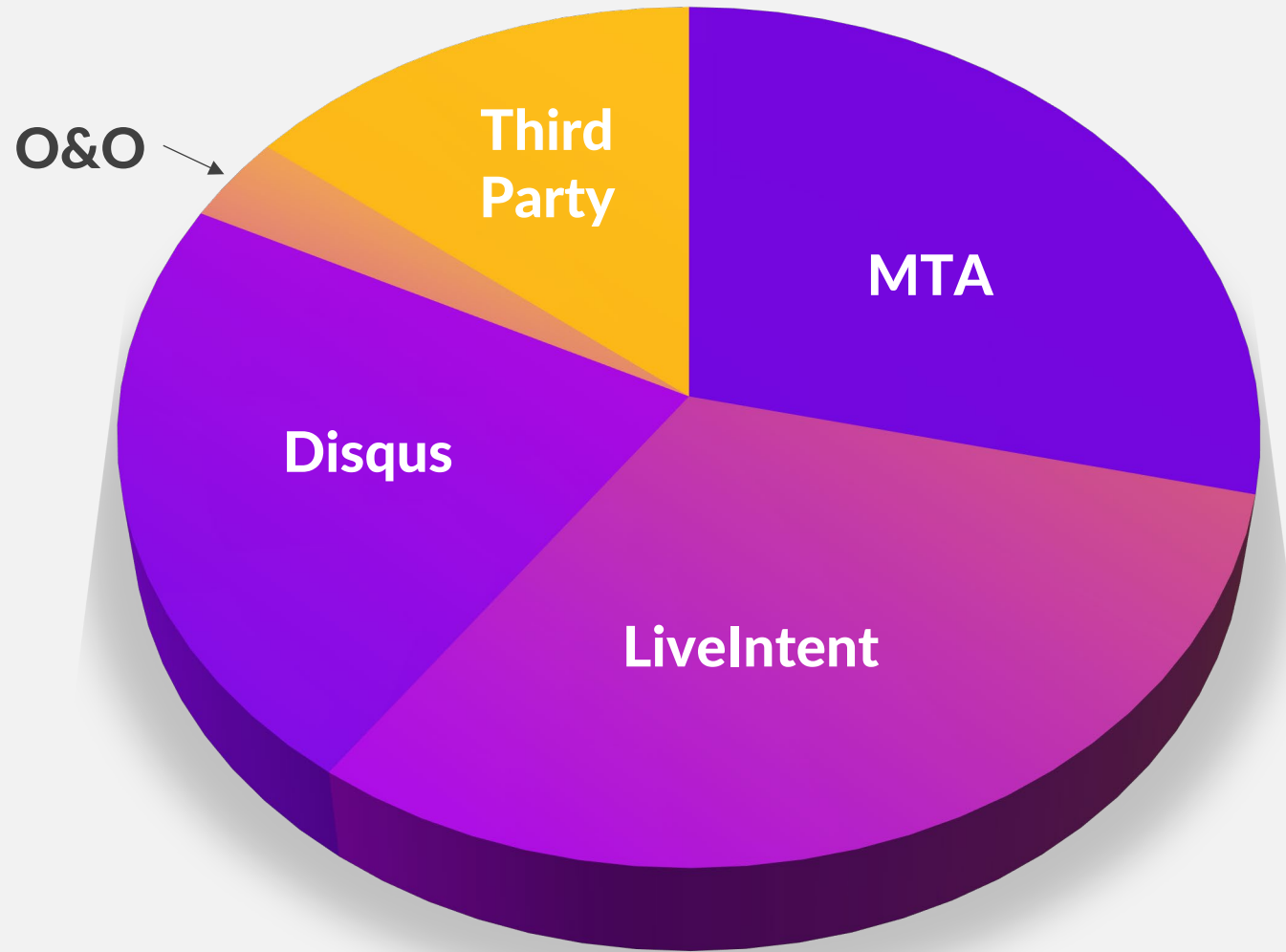
Zeta Data Sources	Description
Zeta Demand Side Platform (DSP)	Technology enabling advertisers to participate in online, programmatic auctions
Zeta Supply Side Platform (SSP)	Technology enabling publishers to participate in online, programmatic auctions
Zeta Message Transfer Agent (MTA)	Email infrastructure technology powering messages and activity to Zeta-permissioned records
Disqus	Publisher toolset powering features like comments and polls that drive reader engagement; generally leveraged by smaller publishers
LiveIntent	Publisher toolset enabling monetization of email newsletters and website traffic; generally leveraged by larger publishers
O&O Properties (e.g. ArcaMax)	Content Newsletters and Web Publishers providing information and services to registered consumers
Third Party Sources (e.g. LiveRamp)	Ecosystem partners providing permissioned, incremental data to Zeta's graph

**Strategic, Durable Approach Spanning Multiple Years**

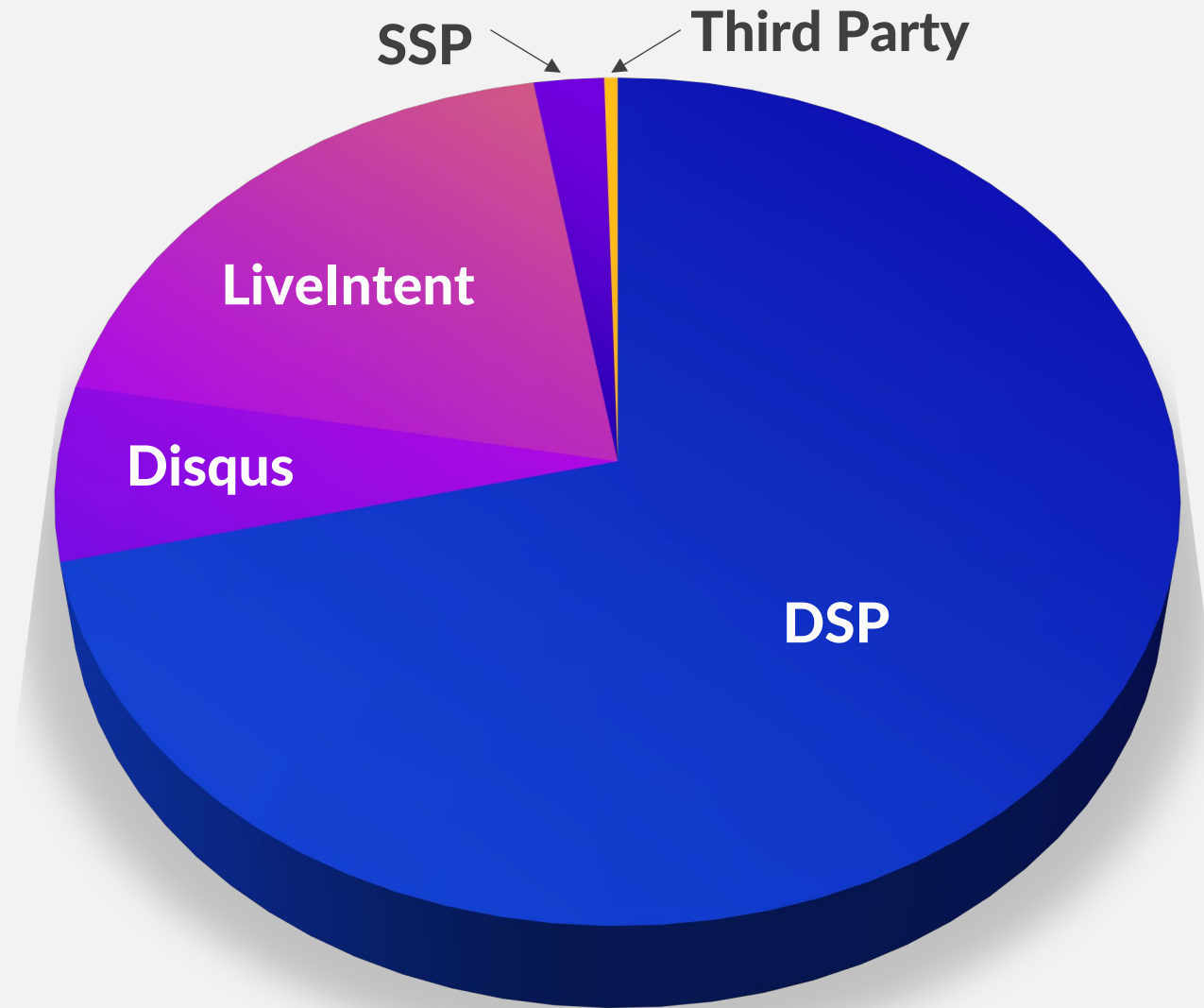
# Contribution Value of Zeta's Technology and Networks

Zeta Data Sources	Identities	Identifiers	Signals	Est. Contribution to Total Graph
Zeta Demand Side Platform (DSP)		✓	✓	15-20%
Zeta Supply Side Platform (SSP)		✓	✓	3-5%
Zeta Message Transfer Agent (MTA)	✓			10-15%
Disqus	✓	✓	✓	15-20%
LiveIntent	✓	✓	✓	20-25%
O&O Properties (e.g. ArcaMax)	✓		✓	0.5-1%
Third Party Sources (e.g. LiveRamp)	✓	✓	✓	10-15%
<b>Weighting</b>	<b>45%</b>	<b>20%</b>	<b>35%</b>	

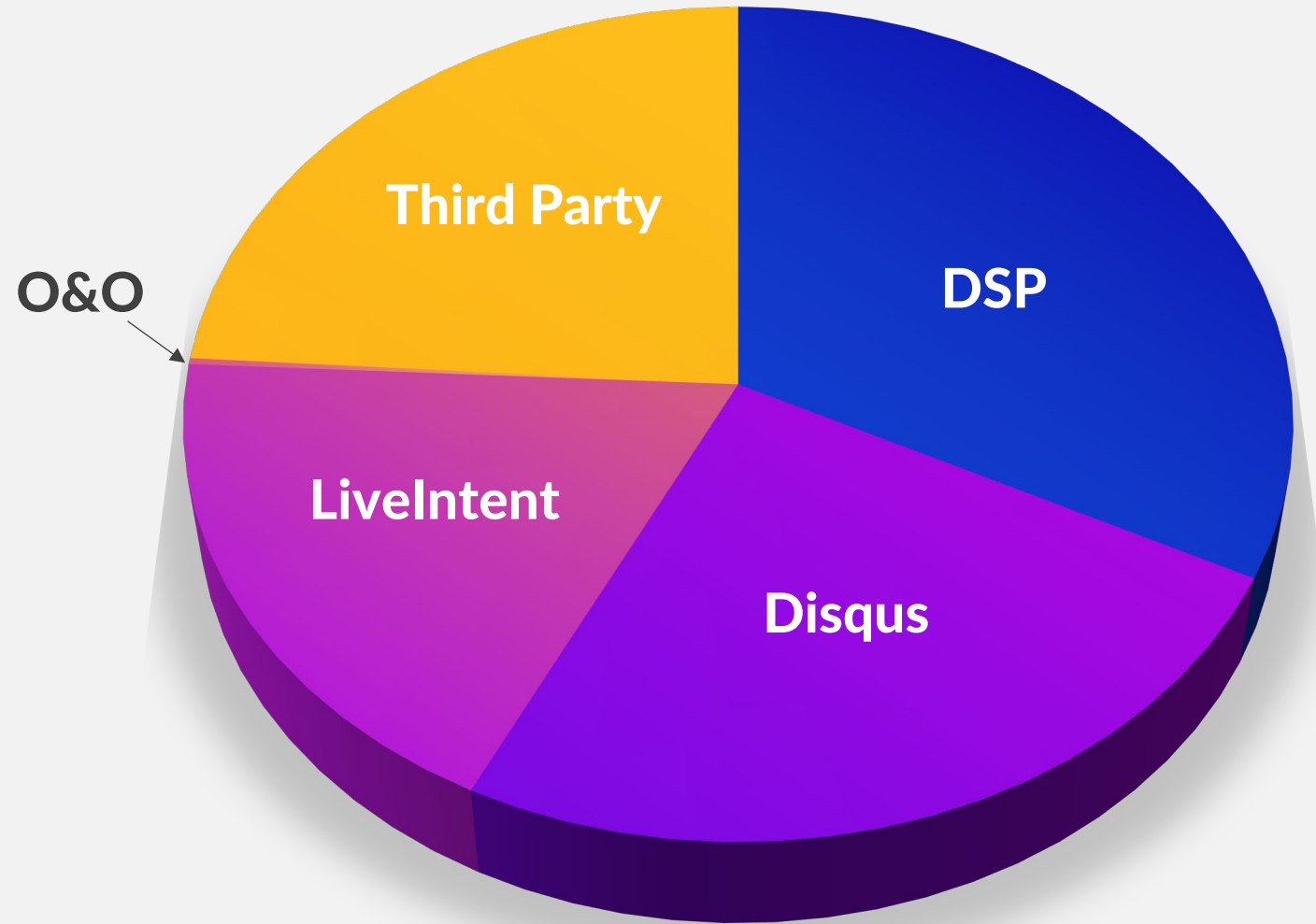
# MTA, LiveIntent, Disqus Contribute > 75%+ of Identities



# DSP, LiveIntent, Disqus Contribute > 95% of Identifiers



# Disqus, DSP, LiveIntent Contribute > 75%+ of Signals



# Digital and Email Permission Have Different Requirements

*Zeta Collects Permissioned Data for Web Monitoring and Email Using Methodologies Compliant with Federal Laws, State Laws, and Self-Regulatory Programs*

Zeta Data Cloud Counts as of November 2024	
US Individuals Providing Permission to Online Tracking by Agreeing to Publisher Terms of Service	245M
US Individuals Providing Permission to Email via Opt-in Action	110M

**Digital Permission:** Identities, Signals and Identifiers are synthesized via explicit value exchange with Publishers through which they are enabled to drive engagement and monetize.

**Email Permission:** Identities are synthesized via explicit opt-in from a Consumer through which they are receiving services.

# Data Durability

*Zeta's People-Based Assets Have Demonstrated Stability and Antifragility Amidst a More Stringent Regulatory Environment*

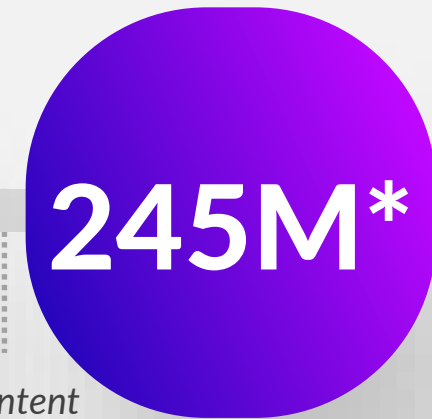
December 2021



January 2024



November 2024



LiveIntent  
Acquisition  
Completed

## Data Privacy Regulation & Browser Updates



GDPR



Apple ITP  
2.1/2.2



TCF 2.0



Google  
SameSite



CCPA



Apple  
IDFA



Email  
Deliverability



3<sup>rd</sup> Party Cookies

\* US Individuals Eligible for Online Tracking via Acceptance of Zeta Publisher Terms of Service

# How Hard it is to Replicate

*In Short, It Would Be Challenging to Recreate Zeta's Model*



## Data

Own identity-based assets that provide real value to Publishers, and generate identities, signals and identifiers at significant scale



## AI

Leading AI-capabilities to synthesize data into actionable intelligence across customers, competitors, prospects



## Convergence

Platform capable of operating across the entire consumer lifecycle (acquire, grow, retain)

# Appendix

# Footnotes

- 1 | 4Q'24 GAAP net income of \$15.2M, or 4.8% of revenue, includes \$43.0M of stock-based compensation. See the graded vesting schedule on slide 27.
- 2 | Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow are non-GAAP measures, see reconciliations in the Appendix.
- 3 | Free Cash Flow to Adjusted EBITDA ratio is a non-GAAP financial measure defined as Free Cash Flow divided by Adjusted EBITDA for the same period.
- 4 | We define scaled customers as customers from which we generate at least \$100,000 of revenue on a trailing twelve-month (TTM) basis.
- 5 | We define super scaled customers, which is a subset of scaled customers, as customers from which we generate at least \$1,000,000 of revenue on a trailing twelve-month (TTM) basis.
- 6 | We calculate the scaled customer average revenue per user ("ARPU") as revenue for the corresponding period divided by the average number of scaled customers during that period. We believe that scaled customer ARPU is useful for investors because it is an indicator of our ability to increase revenue and scale our business.
- 7 | We calculate the super-scaled customer average revenue per user ("ARPU") as revenue for the corresponding period divided by the average number of super-scaled customers during that period. We believe that super-scaled customer ARPU is useful for investors because it is an indicator of our ability to increase revenue and scale our business.
- 8 | Direct Platform Revenue Mix: Percent of revenue generated by the ZMP comprised of subscription software and utilization fees generated by channels owned and operated by Zeta, resulting in stronger operating leverage.
- 9 | The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.
- 10 | The stock-based compensation estimate presented here is based on the unvested stock as of 12/31/2024 and does not include any future grants.
- 11 | Source: Gartner, ISBA, InsiderIntelligence, Statista. Compound Annual Growth Rate ("CAGR") is for 2023 through 2025.
- 12 | Net Revenue Retention ("NRR"): We use an annual NRR rate as a measure of our ability to retain and expand business generated from our existing customer base. We calculate our NRR rate by dividing current year revenue earned from customers from which we also earned revenue in the prior year, by the prior year revenue from those same customers. We exclude political and advocacy customers from our calculation of NRR rate because of the biennial nature of these customers.
- 13 | GAAP Cost of Revenues excludes depreciation and amortization and consists primarily of media and marketing costs and certain employee-related costs.
- 14 | Source: Fortune.com
- 15 | Source: Forrester 2023; Deloitte 2022
- 16 | Analysis based on FactSet data; Only includes U.S. technology services companies listed on the NYSE or NASDAQ and are expected to be Free Cash Flow positive in 2025.
- 17 | Free Cash Flow margin is a non-GAAP financial measure defined as Free Cash Flow divided by Revenue for the same period.
- 18 | Source: <https://www.emarketer.com/content/us-ad-spending-2024>

# 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 income / (loss) adjusted for interest expense, net, depreciation and amortization, stock-based compensation, income tax (benefit) / provision, acquisition related expenses, restructuring expenses, change in fair value of warrants and derivative liabilities, certain dispute settlement expenses, gain on extinguishment of debt, certain non-recurring capital raise related (including IPO) expenses, including the payroll taxes related to vesting of restricted stock and restricted stock units upon the completion of the IPO, and other expenses. Acquisition related expenses and restructuring expenses primarily consist of professional services fees, severance and other employee-related costs, which may vary from period to period depending on the timing of our acquisitions and restructuring activities and 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 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 capital raise related (including IPO) 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.

**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 for the effect of exchange rates on cash and cash equivalents.

**Free Cash Flow to Adjusted EBITDA Ratio:** is a non-GAAP financial measure defined as Free Cash Flow divided by Adjusted EBITDA for the same period.

Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow provide us with useful measures 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 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 income / (loss).

We calculate forward-looking non-GAAP 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) margin and GAAP cash flows from operating activities, respectively. We do not attempt to provide a reconciliation of forward-looking non-GAAP Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow guidance to forward looking GAAP net income / (loss), margin, and GAAP cash flows from operating activities respectively, 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.

# Reconciliation for Adj. EBITDA and Adj. EBITDA margin

\$ in '000s, unless otherwise noted

	3Q'24	4Q'24	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
<b>Net (loss) / income</b>	\$ (17,375)	\$ 15,236	\$ (38,465)	\$ (53,225)	\$ (249,563)	\$ (279,239)	\$ (187,481)	\$ (69,771)
<b>Net (loss) / income margin</b>	(6.5)%	4.8%	(12.6)%	(14.5)%	(54.4)%	(47.3)%	(25.7)%	(6.9)%
Stock-based compensation	47,177	43,010	216	105	259,159	298,992	242,881	194,984
Depreciation and amortization	12,590	16,805	34,340	40,064	45,922	51,878	51,149	56,100
Acquisition-related expenses	4,583	3,646	5,916	5,402	1,953	344	203	8,229
Restructuring expenses	-	-	1,388	2,090	727	-	2,845	-
Capital raise related expenses <sup>(1)</sup>	1,624	-	-	-	2,705	-	-	1,624
Interest expense, net	1,945	17	15,491	16,257	7,033	7,303	10,939	7,147
Other expenses / (income)	2,851	(2,073)	239	(126)	(279)	13,983	7,820	(115)
Change in fair value of warrants and derivative liabilities	-	-	4,200	28,100	5,000	410	-	-
Income tax provision / (income)	200	(6,258)	1,009	919	(598)	(1,491)	1,037	(5,176)
Gain on extinguishment of debt	-	-	-	-	(10,000)	-	-	-
Dispute settlement expense	-	-	-	-	1,196	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 53,595</b>	<b>\$ 70,383</b>	<b>\$ 24,334</b>	<b>\$ 39,586</b>	<b>\$ 63,255</b>	<b>\$ 92,180</b>	<b>\$ 129,393</b>	<b>\$ 193,022</b>
<b>Adjusted EBITDA margin</b>	<b>20.0%</b>	<b>22.4%</b>	<b>7.9%</b>	<b>10.8%</b>	<b>13.8%</b>	<b>15.6%</b>	<b>17.8%</b>	<b>19.2%</b>

1. Includes certain IPO related expenses incurred during FY'2021.

# Free Cash Flow Reconciliation

\$ in '000s, unless otherwise noted

	3Q'24	4Q'24	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
<b>Cash Flows from Operating Activities</b>	<b>\$ 34,402</b>	<b>\$ 43,683</b>	<b>\$ 30,599</b>	<b>\$ 35,539</b>	<b>\$ 44,292</b>	<b>\$ 78,486</b>	<b>\$ 90,523</b>	<b>\$ 133,861</b>
Capital expenditures	(4,893)	(8,269)	(3,300)	(2,249)	(9,482)	(22,232)	(20,483)	(25,727)
Website and software development costs	(3,898)	(3,930)	(19,374)	(22,958)	(17,274)	(17,004)	(15,487)	(16,040)
Effect of exchange rate	121	184	(75)	(208)	(41)	(165)	(34)	227
<b>Free Cash Flow</b>	<b>\$ 25,732</b>	<b>\$ 31,668</b>	<b>\$ 7,850</b>	<b>\$ 10,124</b>	<b>\$ 17,495</b>	<b>\$ 39,085</b>	<b>\$ 54,519</b>	<b>\$ 92,321</b>