



Third Quarter 2021  
Earnings Conference Call  
October 26<sup>th</sup> , 2021

# FORWARD LOOKING STATEMENTS

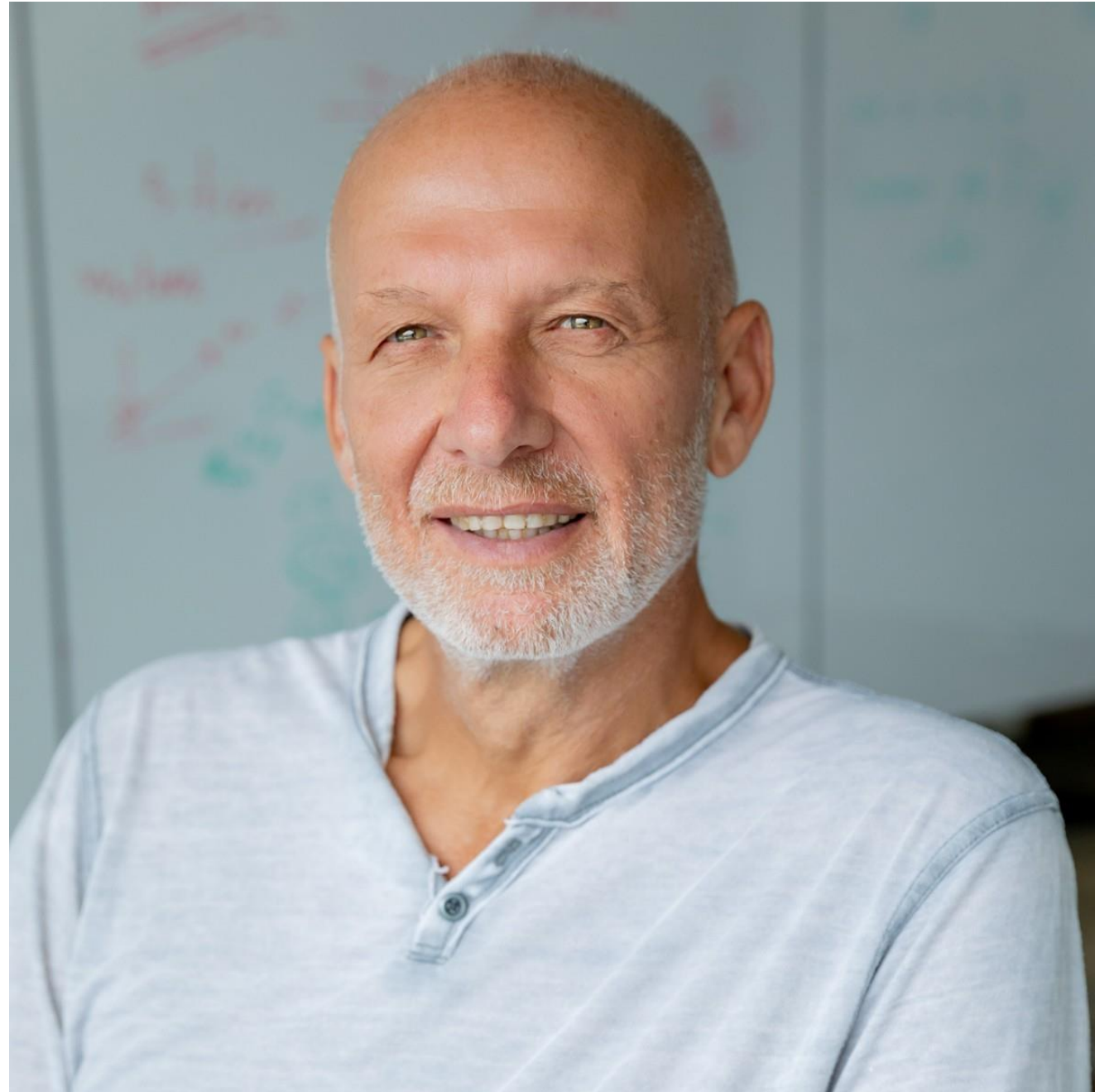
*This presentation and our remarks contain forward-looking statements (within the meaning of The Private Securities Litigation Reform Act of 1995) that involve substantial risks and uncertainties, including statements regarding our expectations and beliefs about our business, strategy, and future operating performance. The words “will”, “believe,” “expect,” “intend,” “plan,” “should” and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views, assumptions and expectations with respect to future events and are subject to risks and uncertainties. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, or financial information, including, among others, the failure to realize the anticipated benefits of companies and businesses we acquired and may acquire in the future, risks entailed in integrating the companies and businesses we acquire, including employee retention and customer acceptance, the risk that such transactions will divert management and other resources from the ongoing operations of the business or otherwise disrupt the conduct of those businesses, potential litigation associated with such transactions, the impact that COVID-19 will have on our operations going forward due to uncertainties that will be dictated by the length of time that the pandemic and related disruptions continue, the impact of governmental regulations that might be imposed in response to the pandemic and overall changes in consumer behavior and general risks associated with our business including intense and frequent changes in the markets in which our business operates and in general economic and business conditions, loss of key customers, unpredictable sales cycles, competitive pressures, market acceptance of new products, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, whether referenced or not referenced in this presentation. Various other risks and uncertainties may affect our results of operations, as described in our reports filed with the Securities and Exchange Commission from time to time, including our annual report on Form 20-F for the year ended December 31, 2019. Although we may elect to update forward-looking statements in the future, we disclaim any obligation to do so, even if our assumptions and projections change, except where applicable law may otherwise require us to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.*

*Perion Network Ltd. (the “Company”) has an effective shelf registration statement (including a prospectus) on file with the SEC. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any of the Company's securities. Any offering of securities will be made only by means of a prospectus supplement, which will be filed with the SEC. In the event that the Company conducts an offering, you may obtain a copy of the prospectus supplement and accompanying prospectus for the offering for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Company will arrange to send such information if you request it.*

# CAUTION CONCERNING NON-GAAP FINANCIAL INFORMATION

*This presentation and our remarks include certain non-GAAP financial measures, including adjusted-EBITDA, EBIT and P&L. These non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. We believe that the presentation of these non-GAAP financial measures, when shown in conjunction with the corresponding GAAP measures, provide useful information to investors and management regarding financial and business trends relating to our financial condition and results of operations, as well as the net amount of cash generated by our business operations after considering capital. Additionally, we believe that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures. Reconciliation tables between results on a GAAP and non-GAAP are provided at the Appendix included at the end of this presentation.*

# introduction



**Doron Gerstel**  
CEO



**Maoz Sigron**  
CFO



# the momentum **continues**

2020-2022: past, present and future

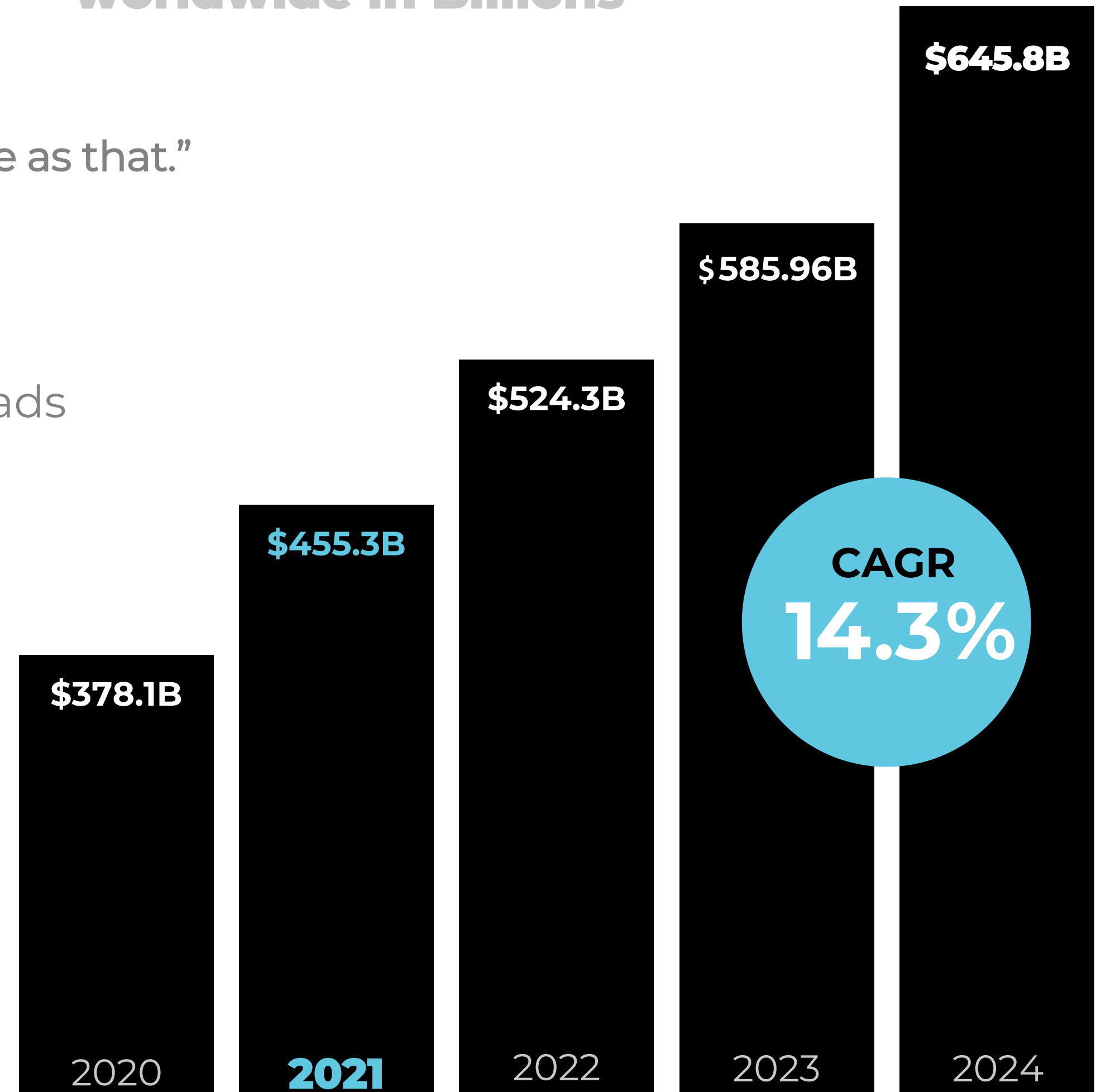
# macro perspective

## digital ad spend worldwide in Billions

"...if you want to sell, you have to spend. It's as simple as that."

Tom Bueller

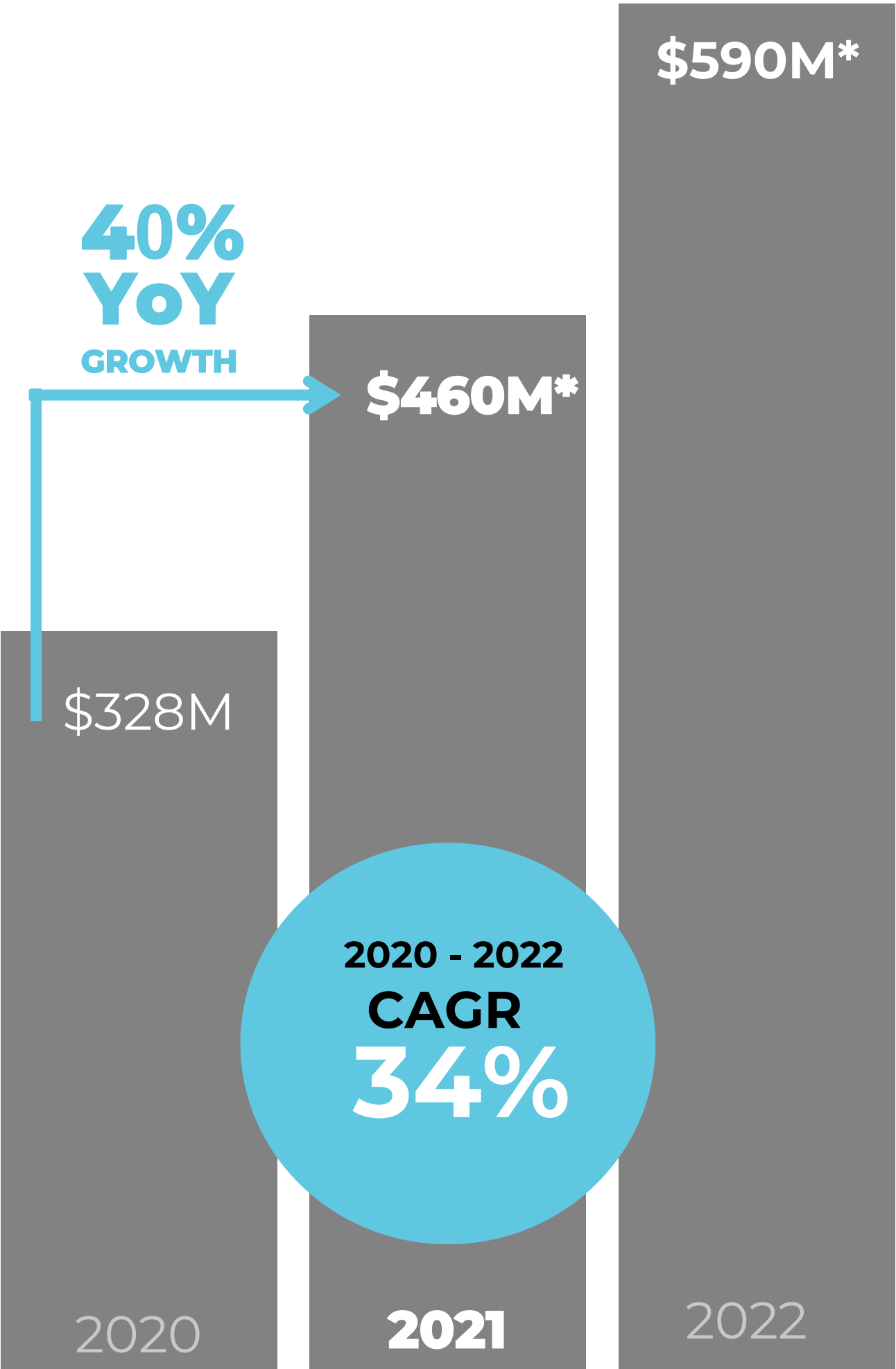
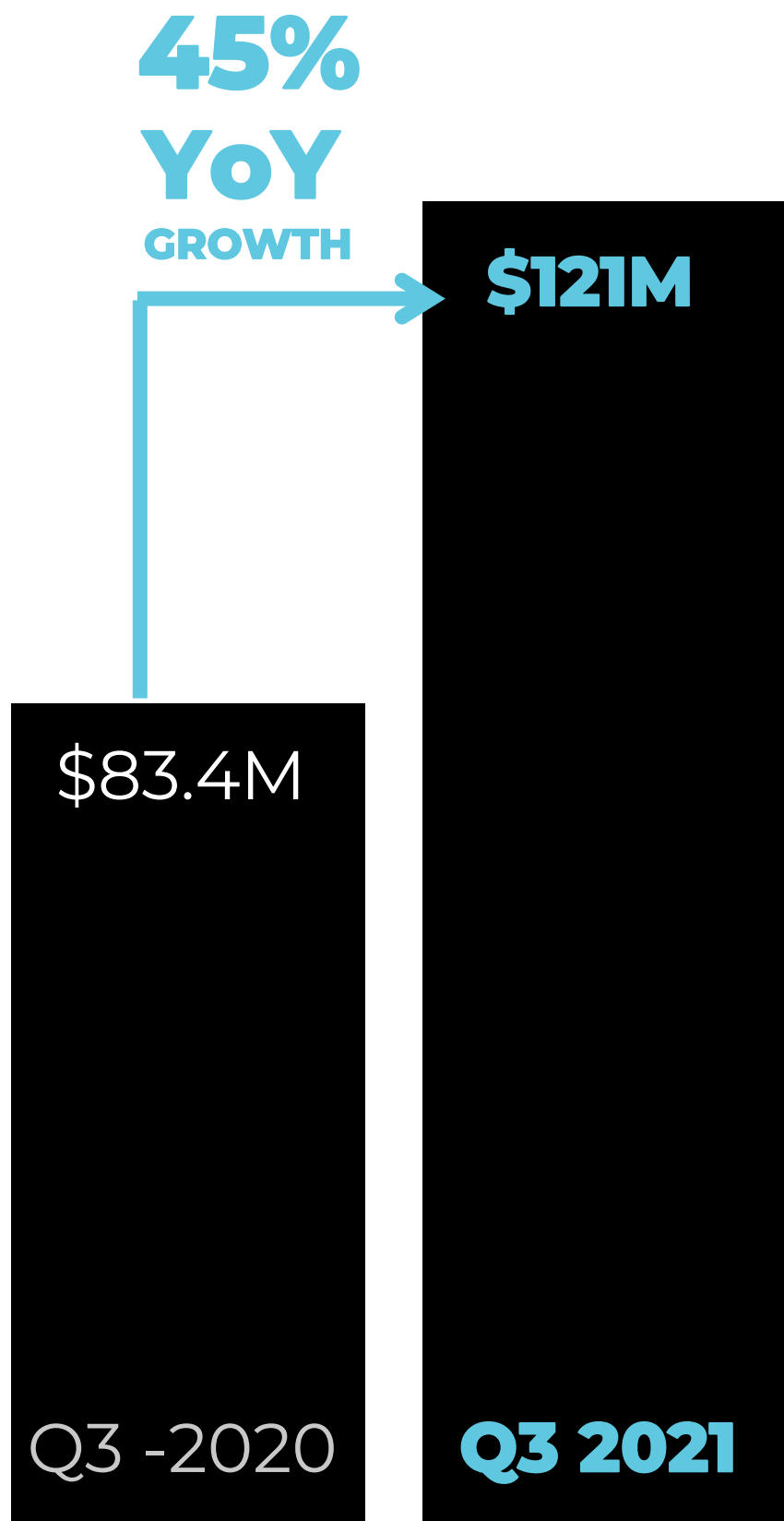
- A unique cocktail of a well-funded consumer, inflation, and the power of digital advertising leads to unprecedented growth outlook
- Continues shift from traditional advertising (tv, radio, newspapers etc) to digital format.
- The shift to e-commerce during COVID has led to a structural increase in performance advertising.



Source: Statista, 5/2021

# all time record revenues

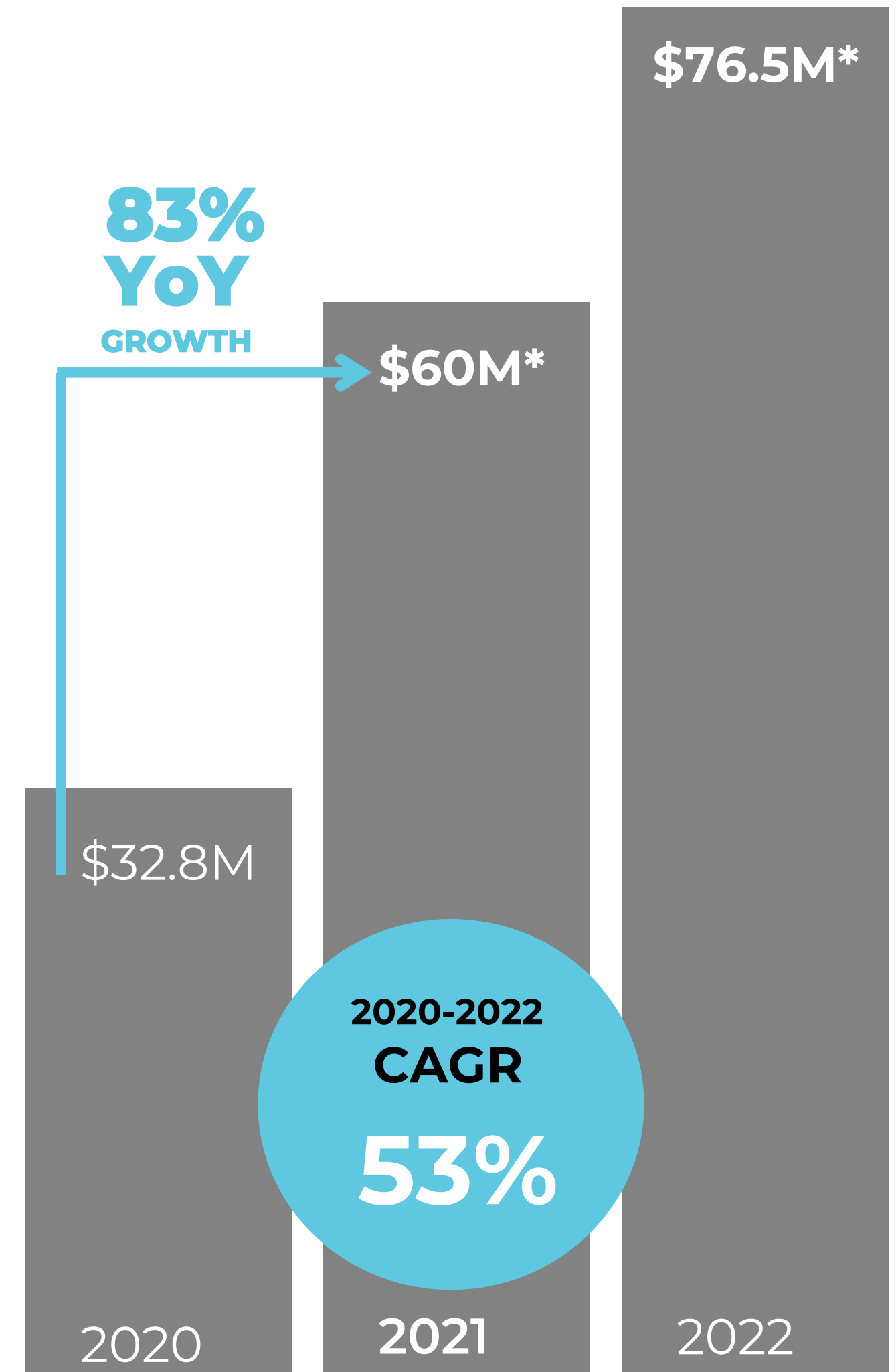
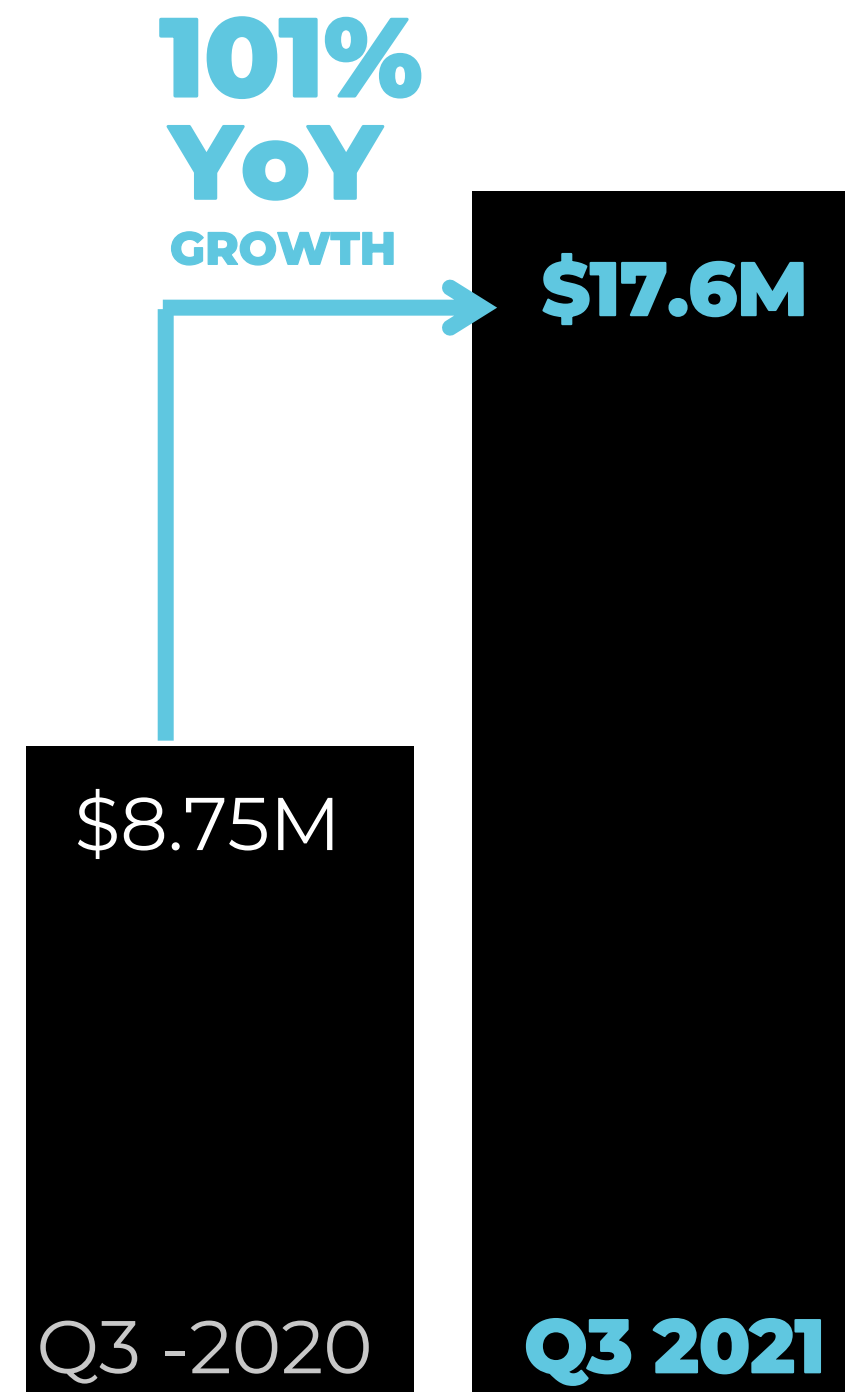
- Video and CTV revenue grew by 245% YoY
- Higher average deal size (32% growth YoY)
- Growth in customer retention 109%



\* at guidance' midpoint

# Adj. EBITDA doubled YoY

- Successful implementation of hub and spoke
- Scale and costs leverage
- Improved budget control
- Enhanced process automation



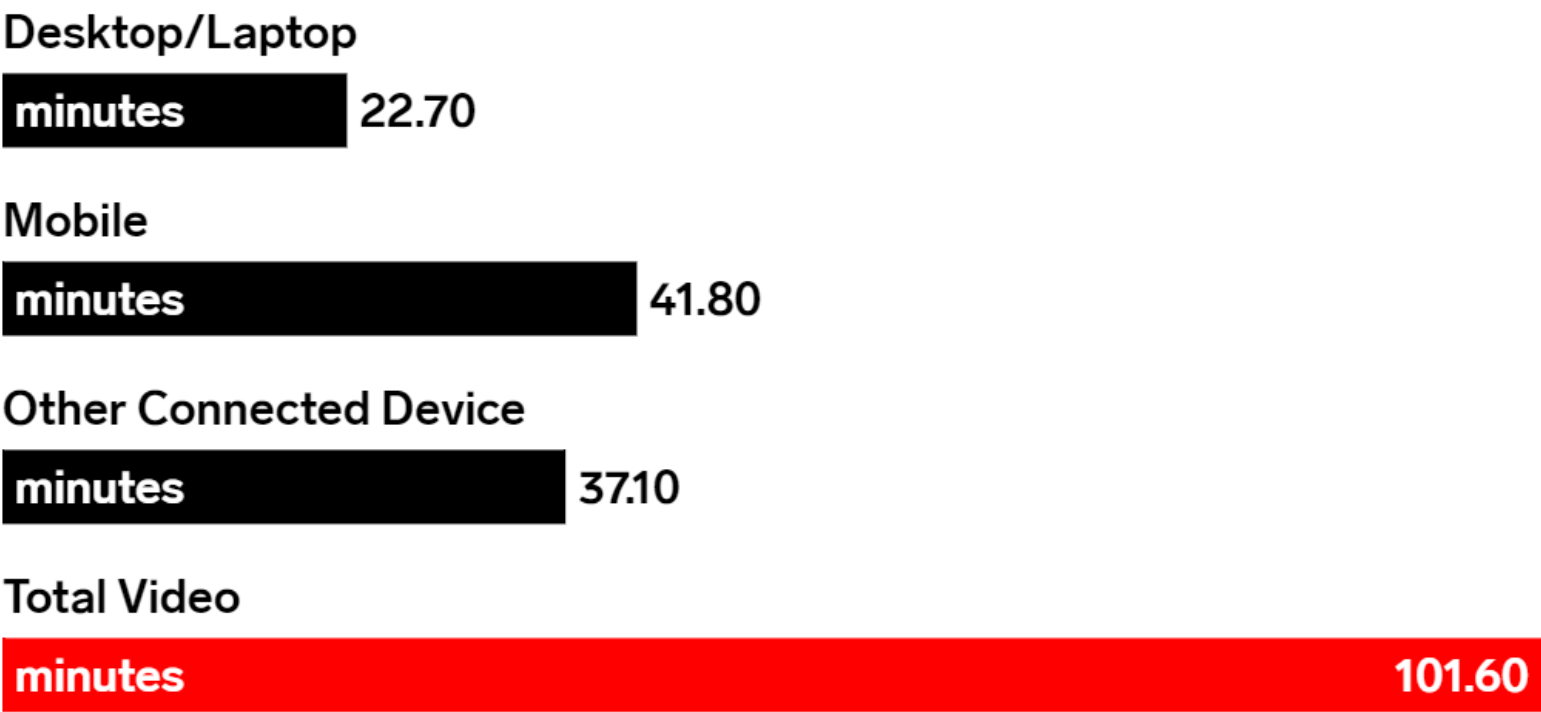
\* at guidance' midpoint



growth drivers:

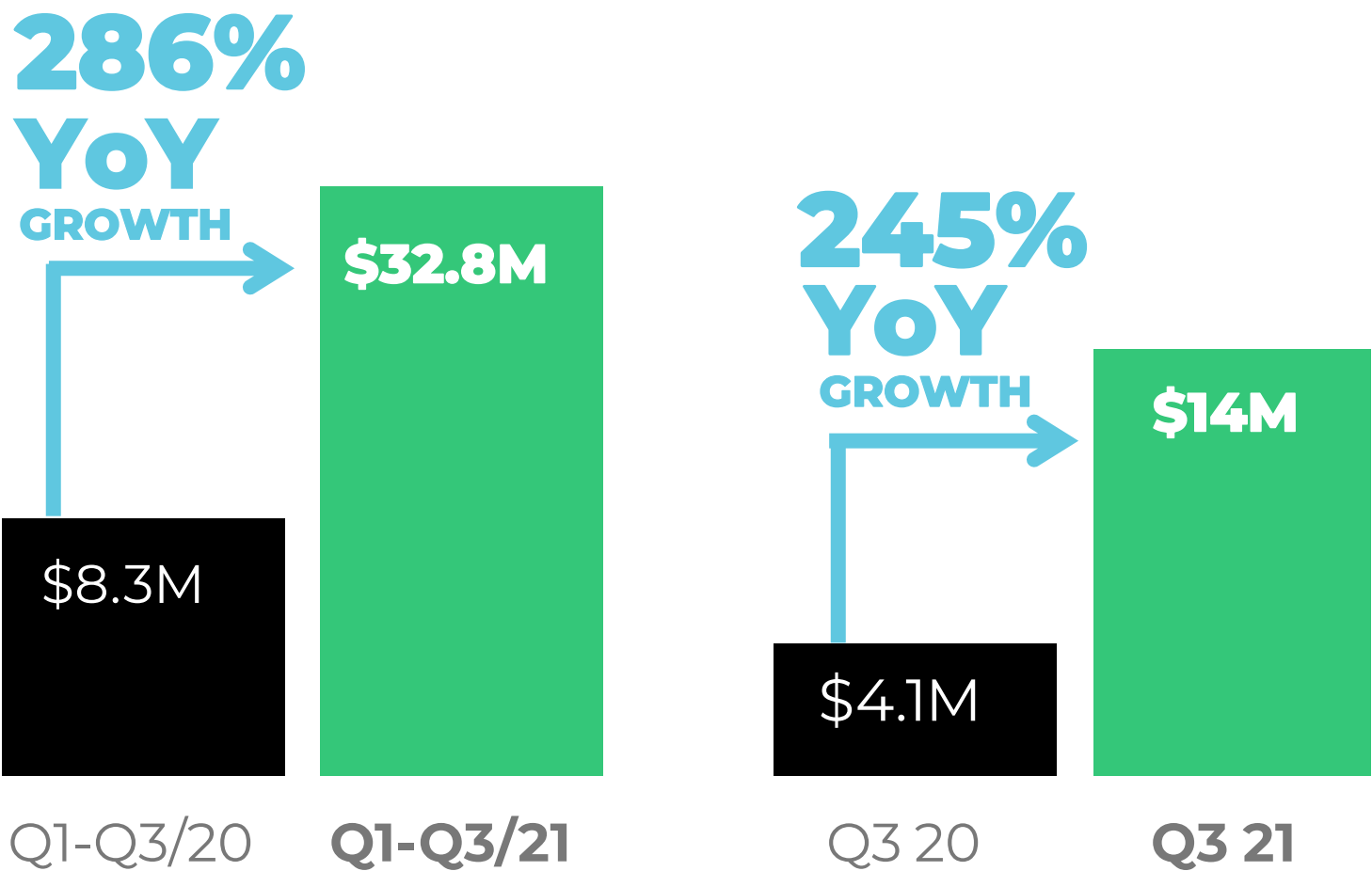
# Video and CTV revenue grew by 241% YoY

Average Time Spent per Day with Digital Video, by Device  
US, 2019



Source: eMarketer, April 2020

eMarketer | InsiderIntelligence.com

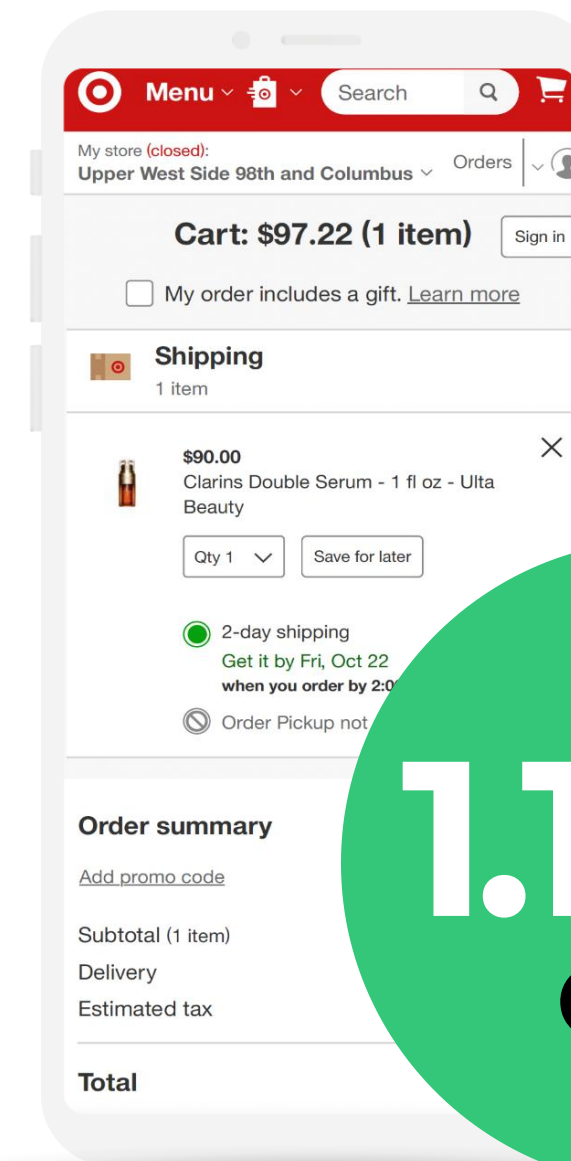
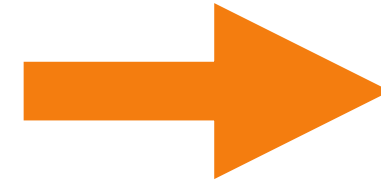




growth drivers:

# high impact ctv suite from your Smart TV to shopping cart in one click

*Take your brands' shopping experience to the big screen with QR Codes and Direct-to-Cart Technology*



**1.14%**  
**CTR**

growth drivers:

**high impact ctv suite**

## Introducing Live CTV



“...we were looking for something **new and exciting**. With Perion Live CTV, our ads are integrated into the game broadcast, making them nearly **unmissable!**”

**OLIVIA SUTHERLAND**

Senior TV Growth Marketing DraftKings

**19:1**  
**ROAS**

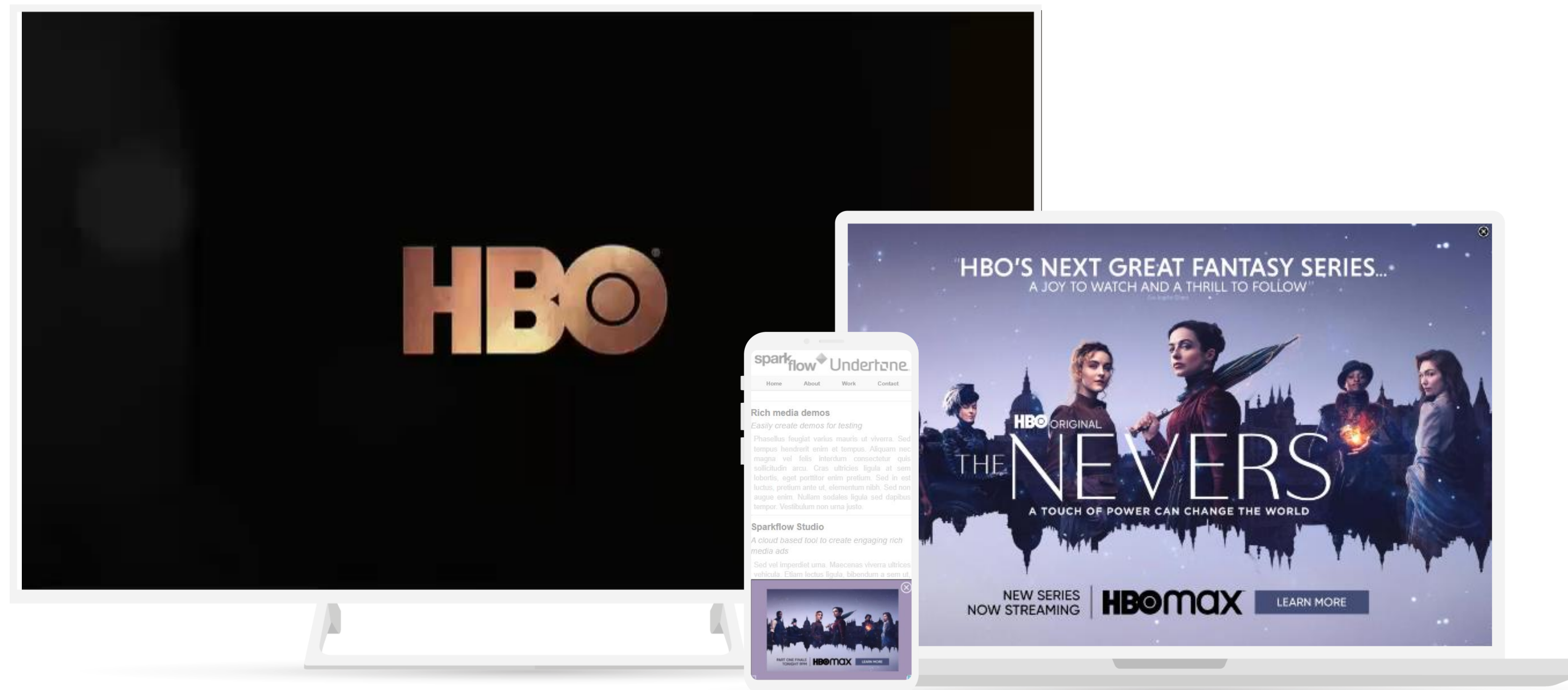


growth drivers:

**Average deal size**

**grew by 40% from 79K to 103K YoY**

**Making impact on EVERY screen**



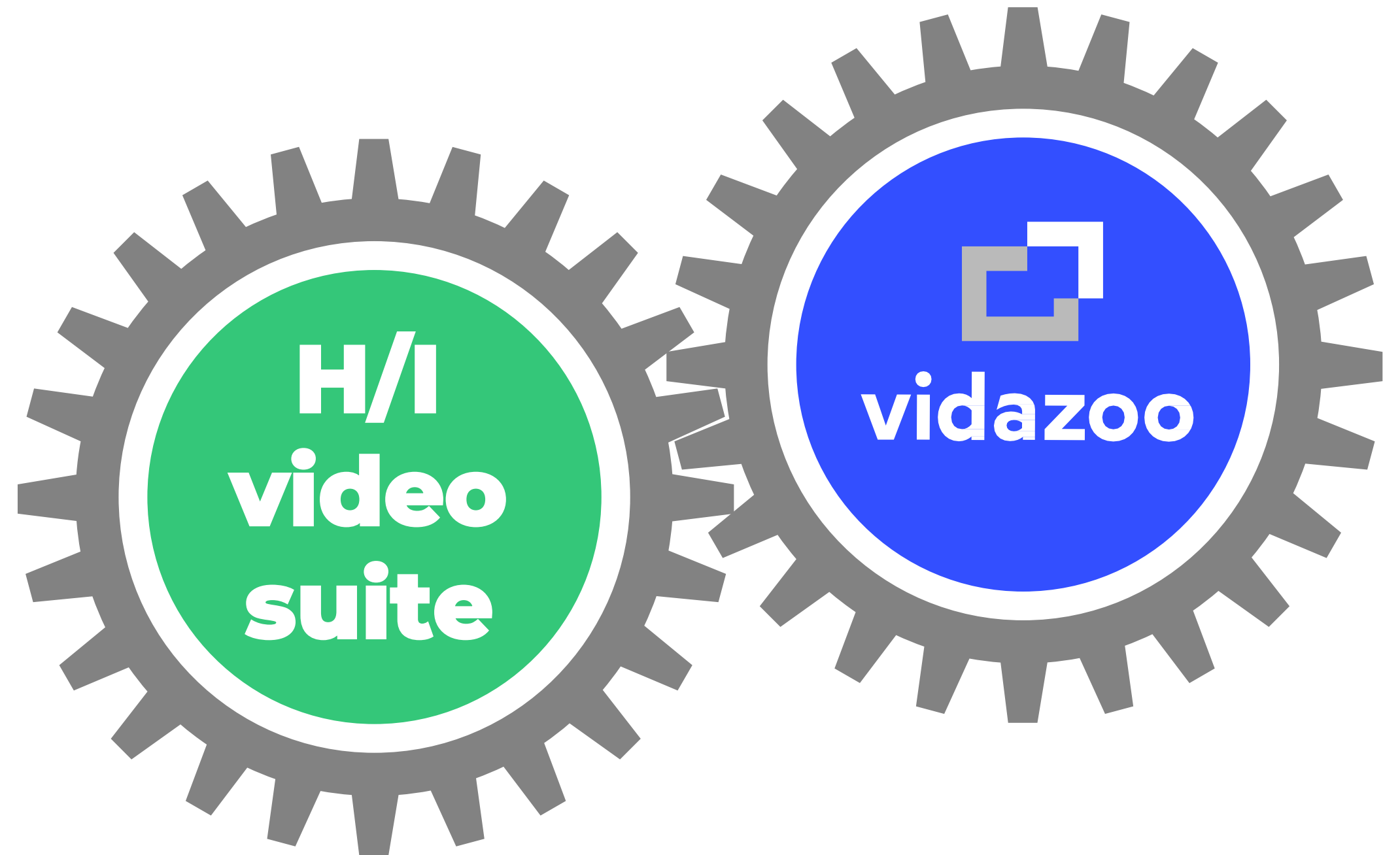
**7.9%**

**Interaction  
rate**

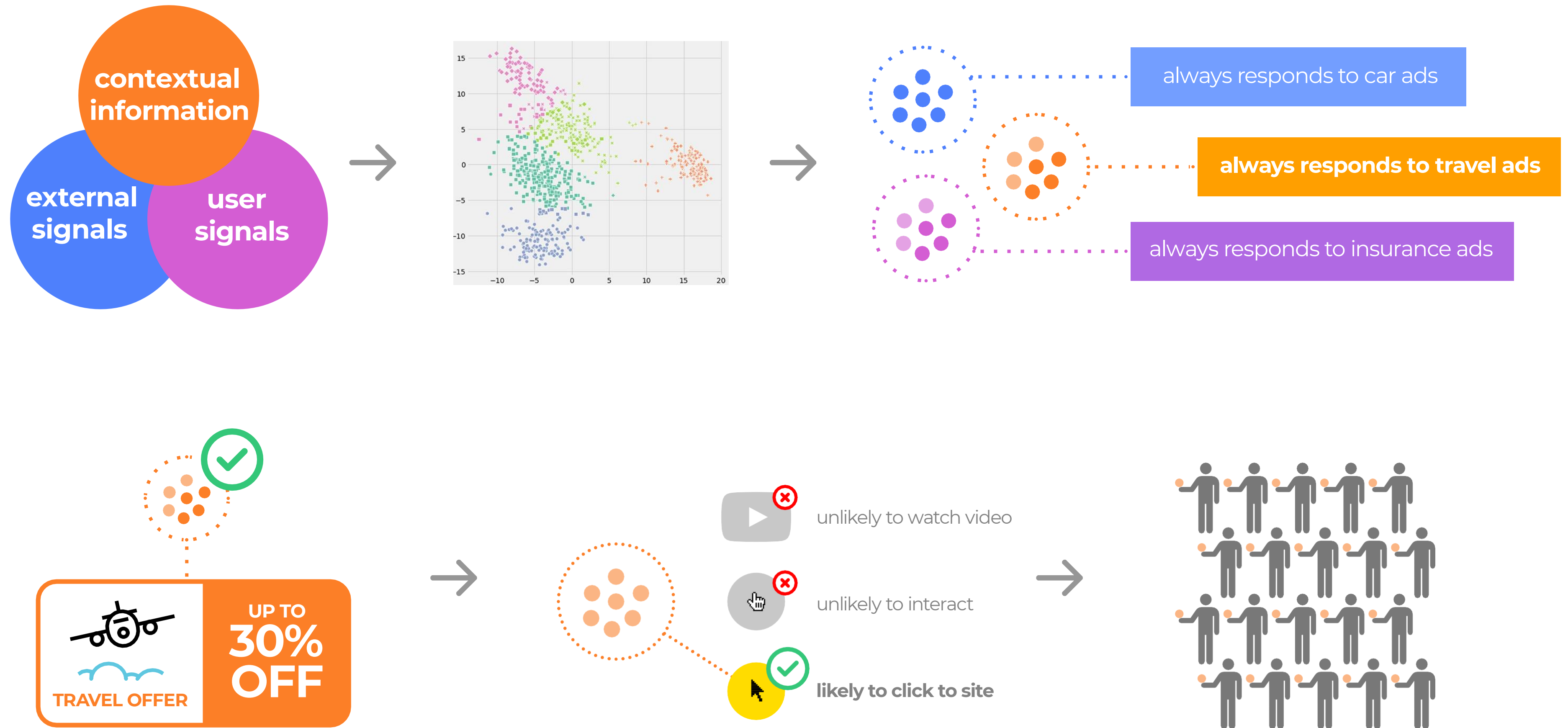
growth drivers:

## Enhance publisher offering

- ✓ Enhances Perion's high impact and video offering
- ✓ An END to END offering for advertisers and publishers eliminating all existing intermediaries
- ✓ Accretive from day 1
- ✓ Prudent M&A model – 1/3 cash, 2/3 earnout



# growth drivers: SORT™





growth drivers:



# privacy – first Cookieless targeting



**+77%**  
**CTR**

**+21.5%**  
**IR**



**“a scalable, cookieless targeting solution,  
on par with or better than third-party  
cookie-based targeting options.”**

**Timur Yarnall**  
CEO and Co-Founder of Neutronian

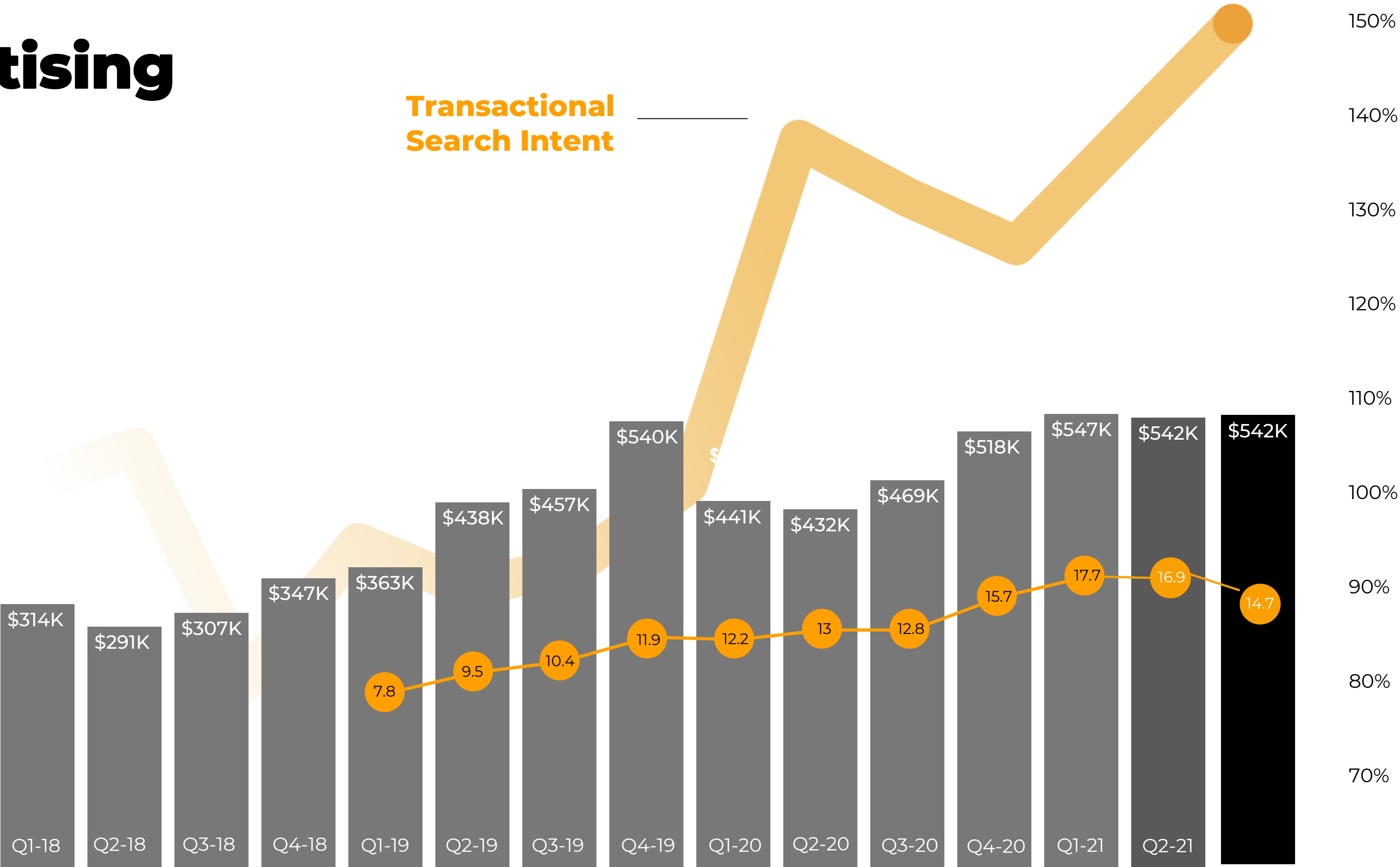
growth drivers

# Search Advertising

↑ Transactional search

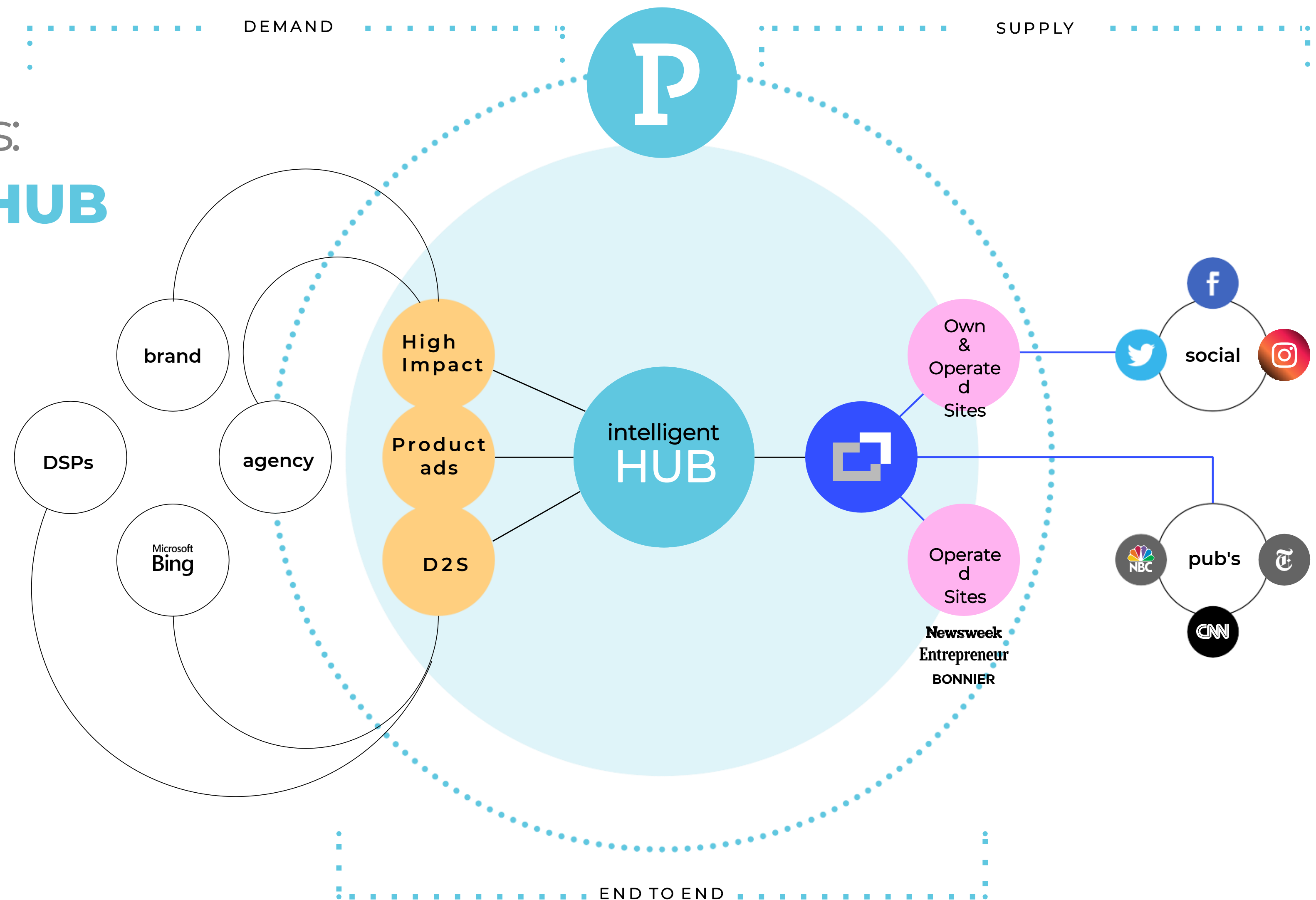
● Avg. Daily Searches (M)  
■ Avg. Daily Revenue

Transactional  
Search Intent





growth drivers:  
**Intelligent HUB**



# iHUB Values

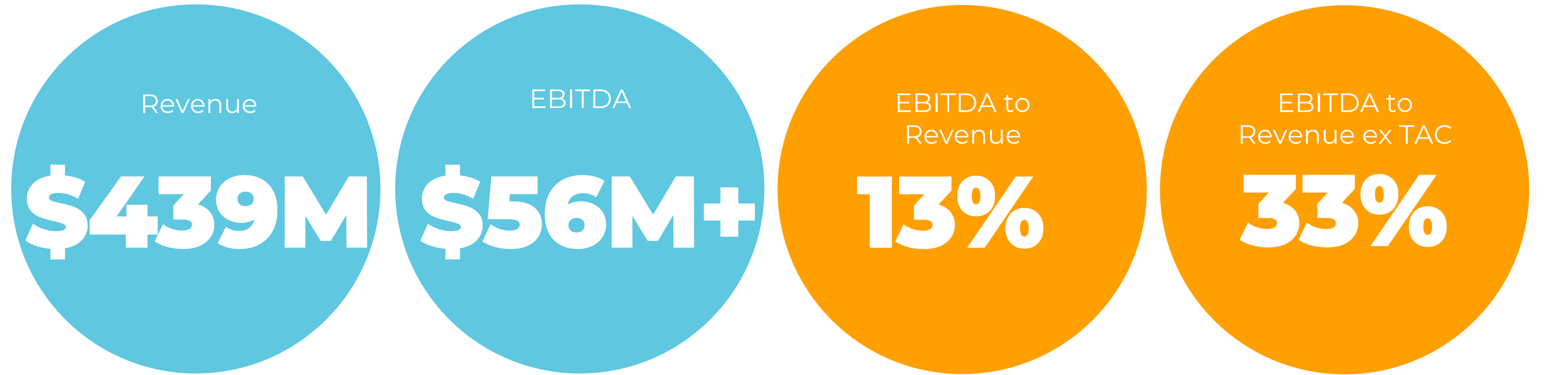
reduced  
operational  
cost

reduced  
TAC  
closing the loop

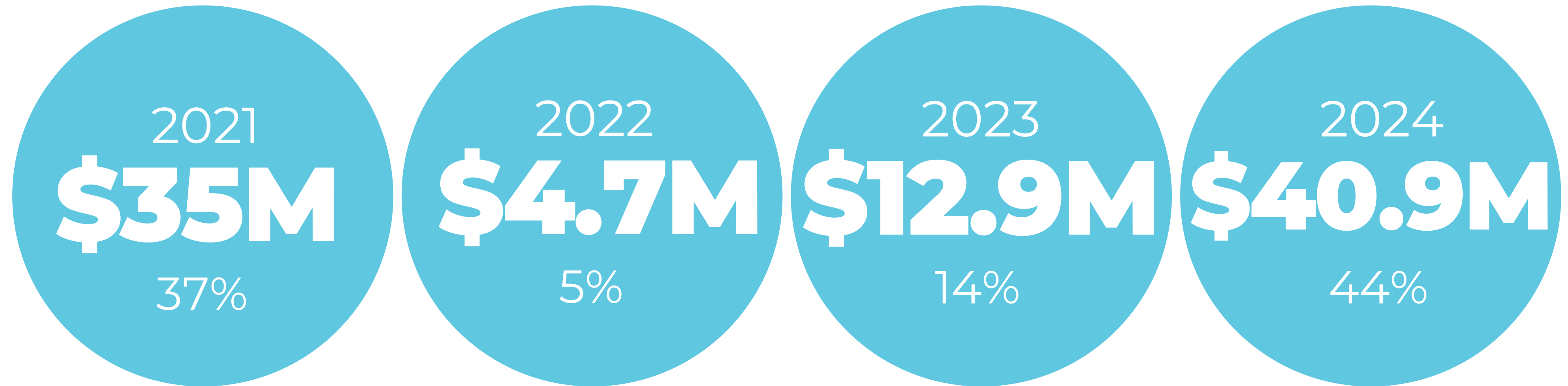
increased  
customer  
value

# **financial results Q3 2021**

# Strong momentum continues over the last 12 months



# Immediately accretive acquisition of Vidazoo

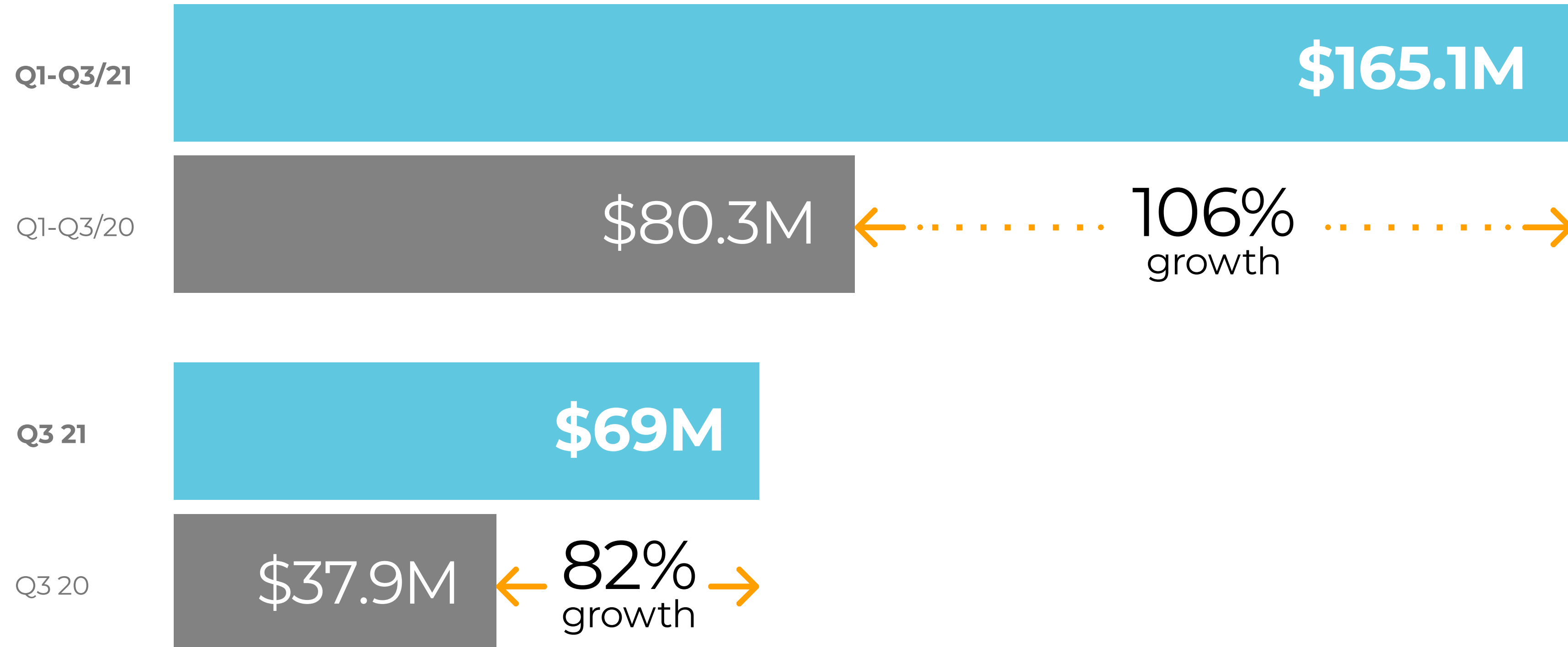


**Accumulative EBITDA of \$32.4M**

# Revenue growth accelerates



# Display advertising revenue grew by 82% year over year

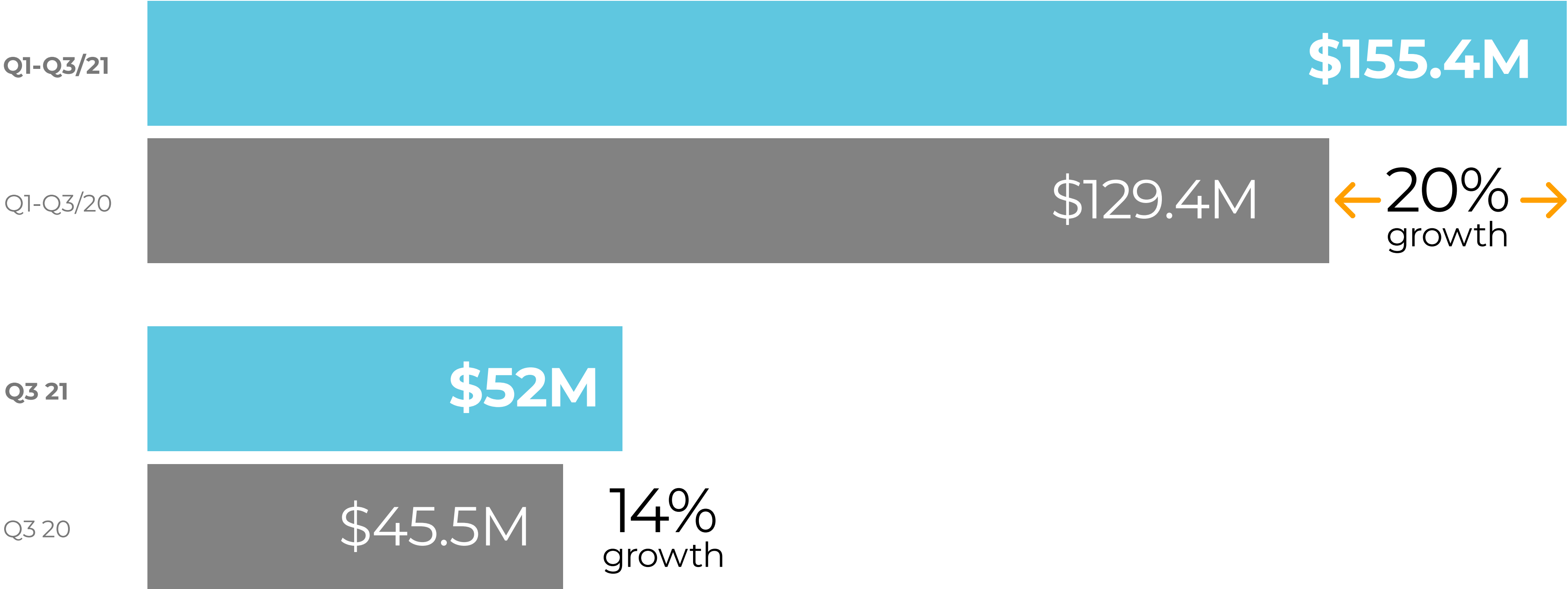




# Video and CTV are key growth drivers



# Search advertising revenue grew by 14% year over year



# 14.7M daily average monetizable searches

search advertising  
& other

↑14%

Year-Over-Year

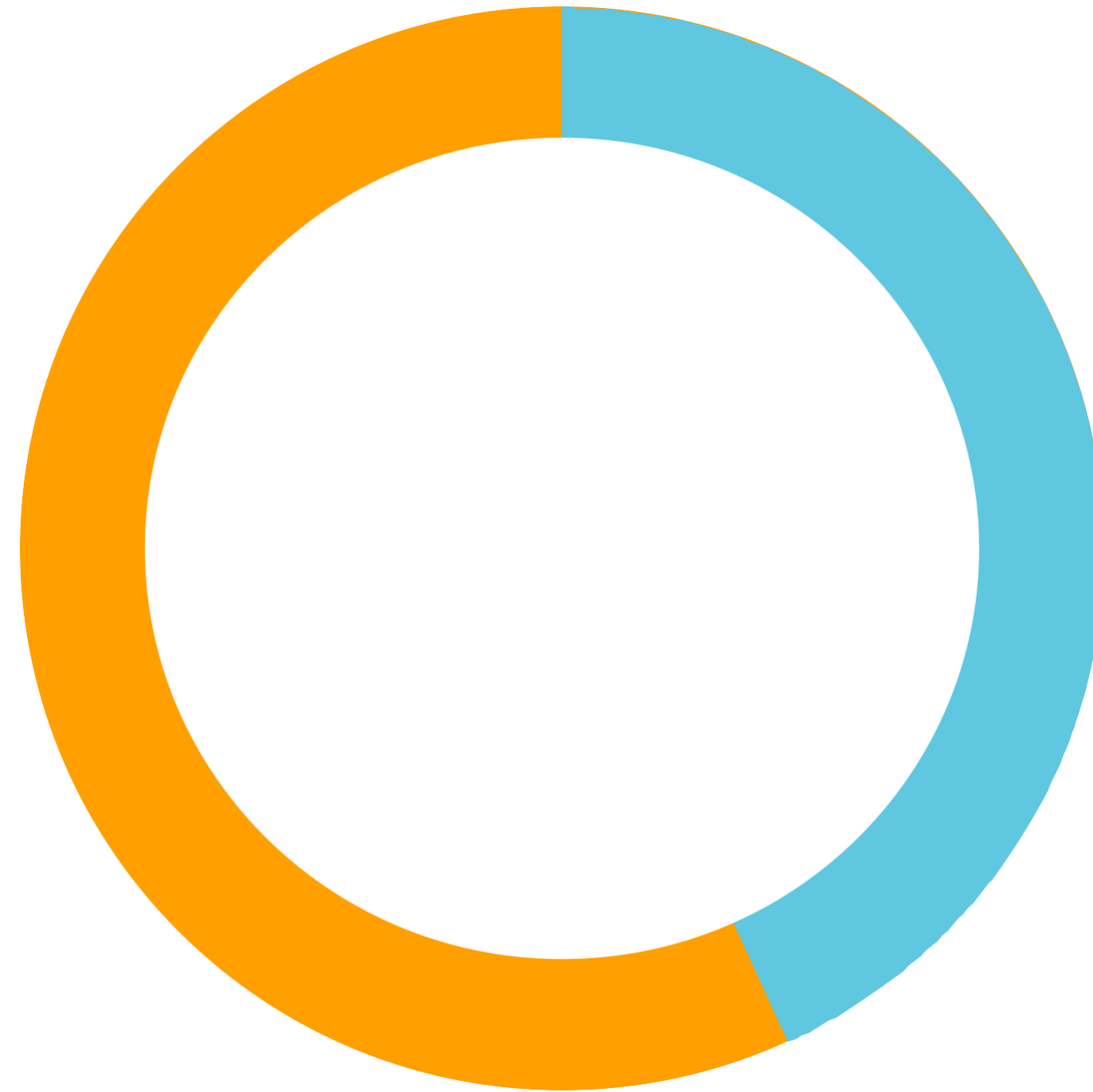
daily number  
of searches

14.7M

12.8M last year

# Display Advertising revenue reached 57% of revenue

**57%**  
**\$69M**  
Display Advertising  
revenue

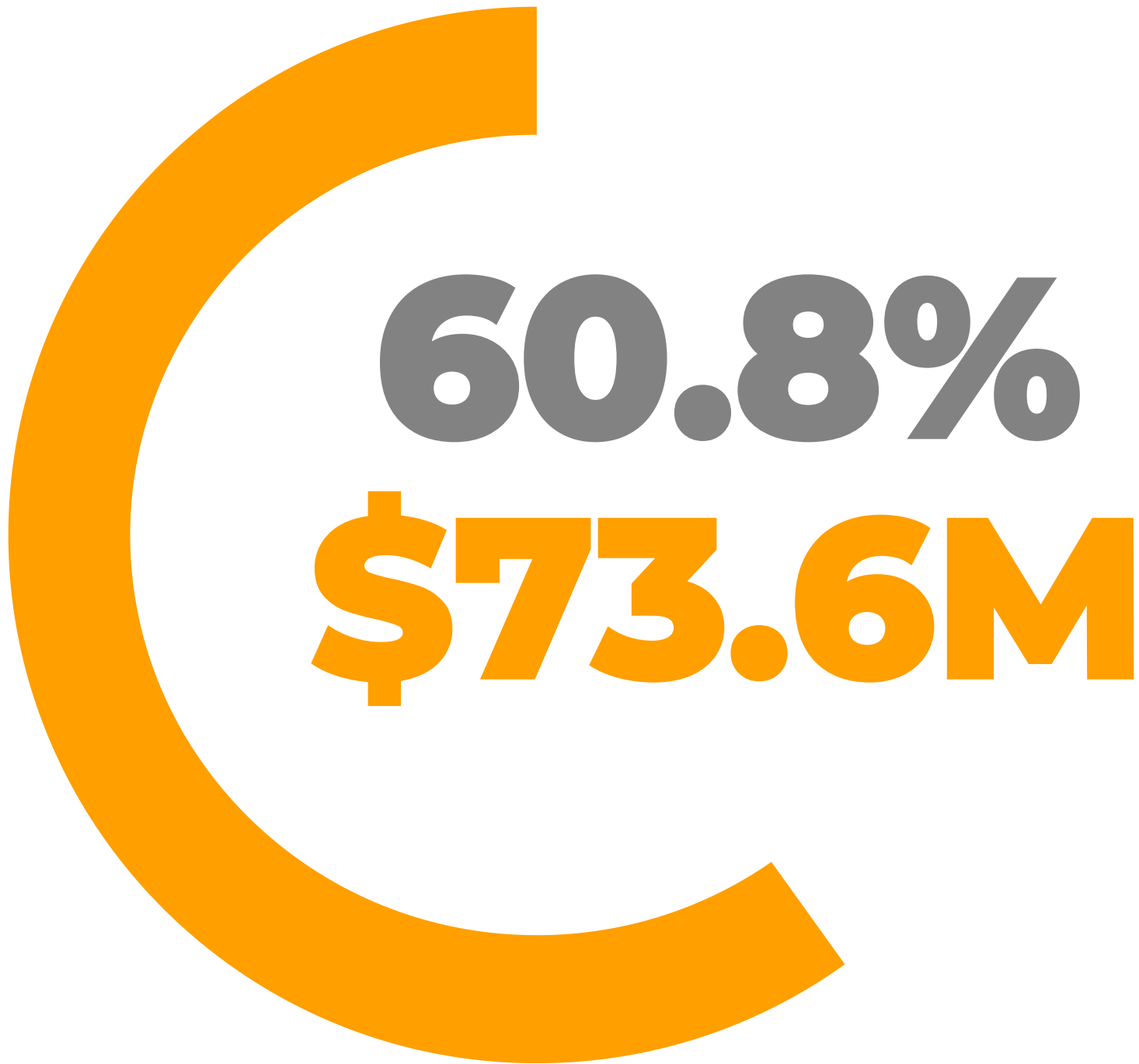


**43%**  
**\$52M**  
Search Advertising  
and Other revenue

**Stable TAC level over the last year**



Q3 2020

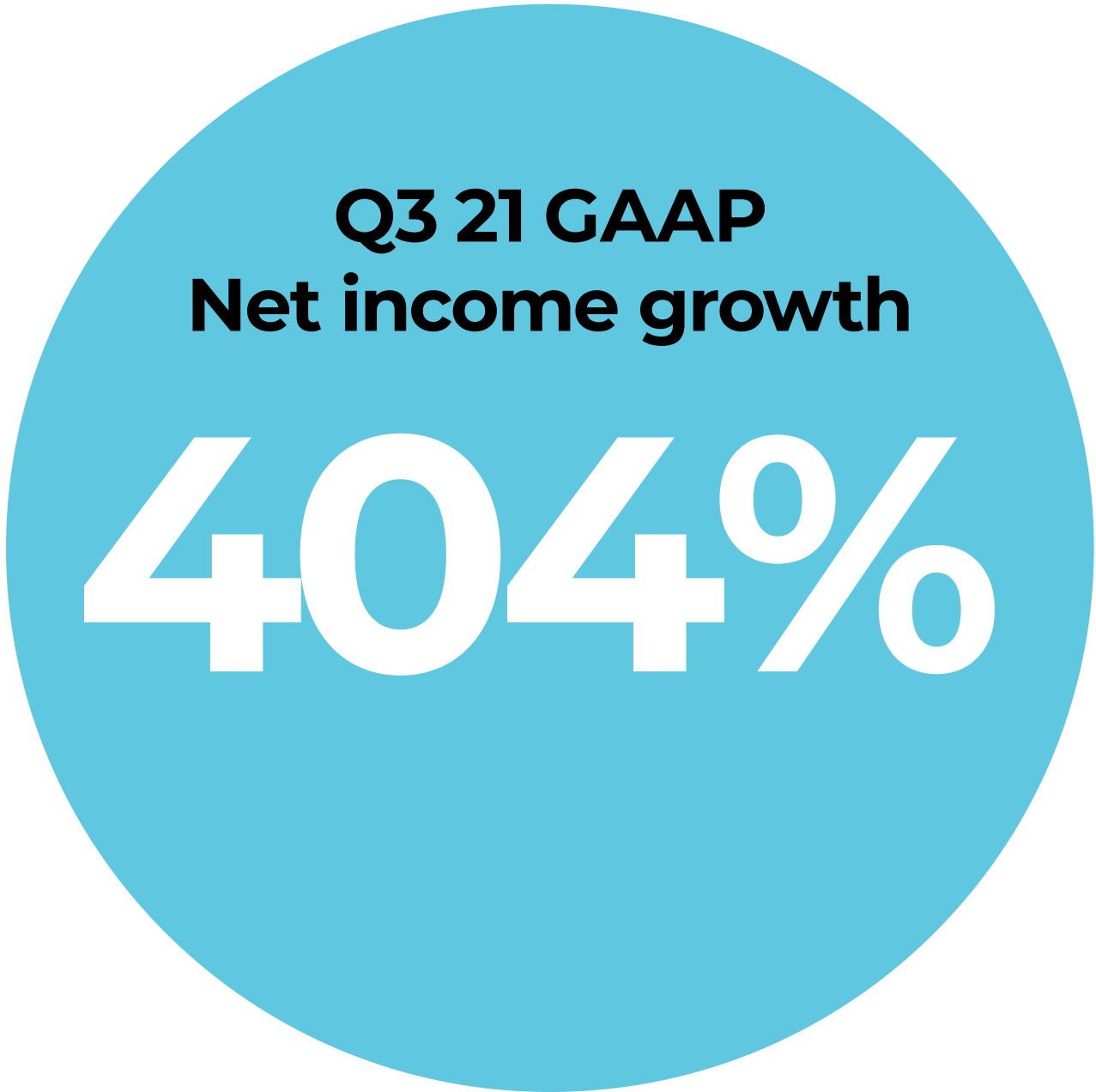
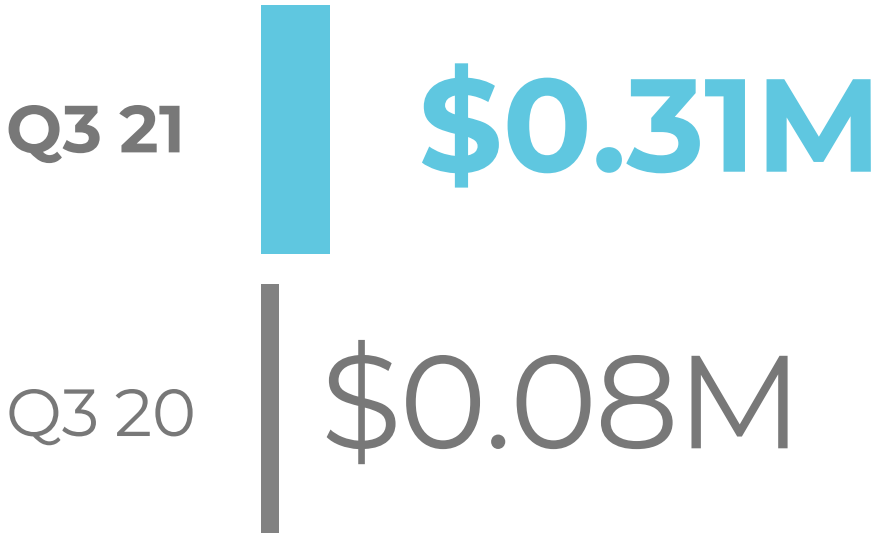


Q3 2021

# Net income growth of 404%



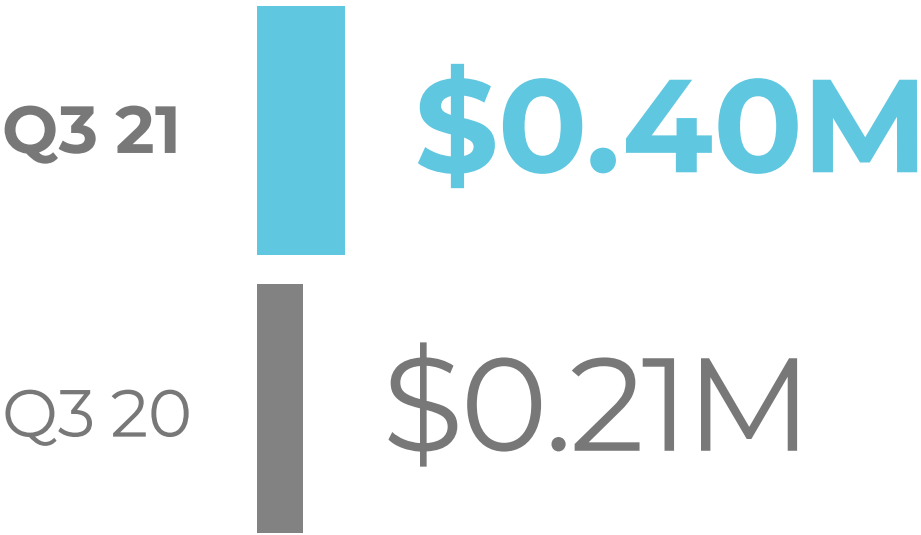
## Q3 21 GAAP EPS



# Non-GAAP Net income growth of 161%

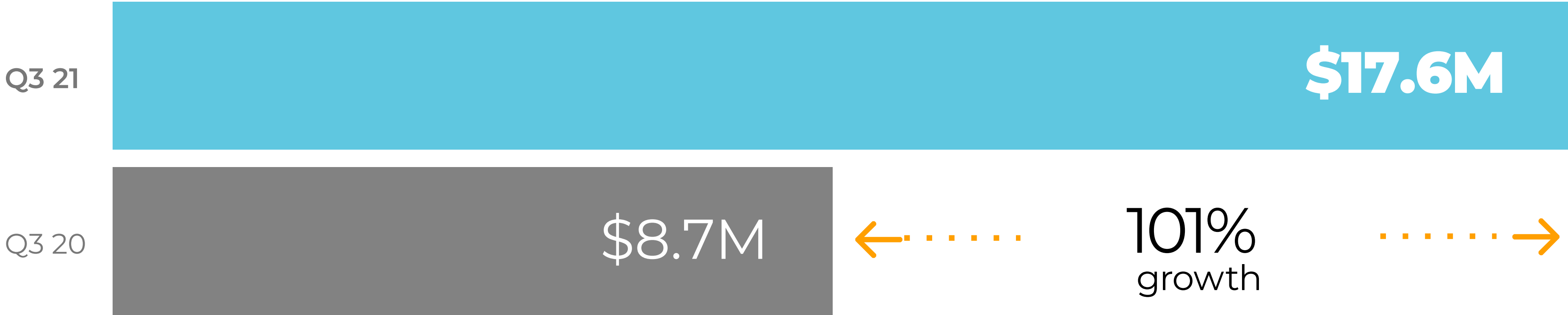


## Q3 21 non GAAP EPS

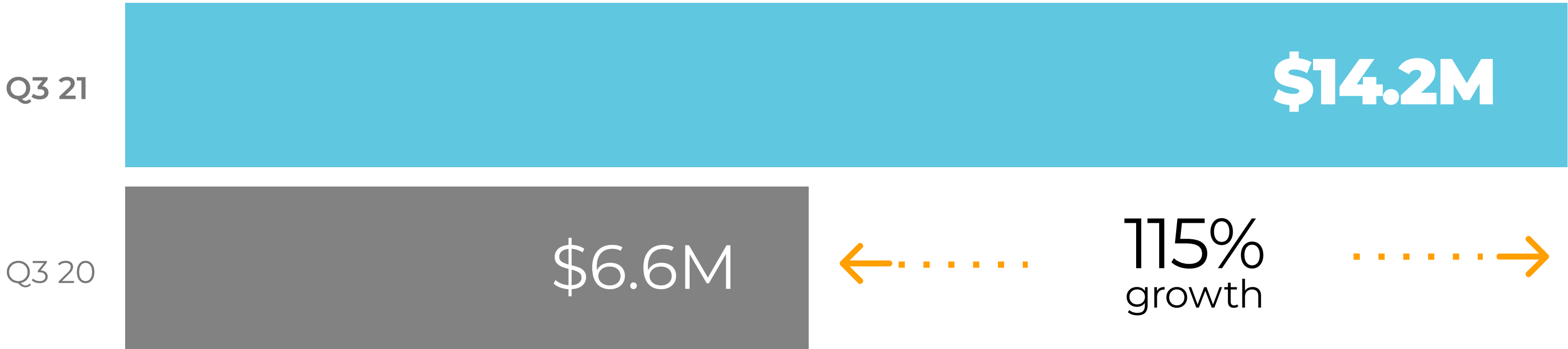




# Adjusted EBITDA growth of 101%



## Q3 Cash flow





**\$60M**

2020

**\$156M**

unrestricted cash, cash equivalent  
and short-term bank deposits

2021

# Guidance

# Revised Guidance 2021-2022

(\$M)	2021 Guidance	YoY Growth%*	2022 Guidance	YoY Growth%*
Revenue	\$455-\$465	40%	\$580-\$600	28%
Adjusted EBITDA	\$59-\$61	83%	\$75-\$78	28%
EBITDA to REV E-TAC	33%*		34%*	

“Perion is firing on all cylinders. Our diversified revenue streams coming from both sides of the open web and the synergies derived from our ability to connect all of our operating assets to a central iHub increases our confidence in over-delivering on our commitment to become an Ad Tech unique market leader. As a result, we have increased our 2021 and 2022 guidance.”

**Doron Gerstel, CEO**

\* At guidance midpoint

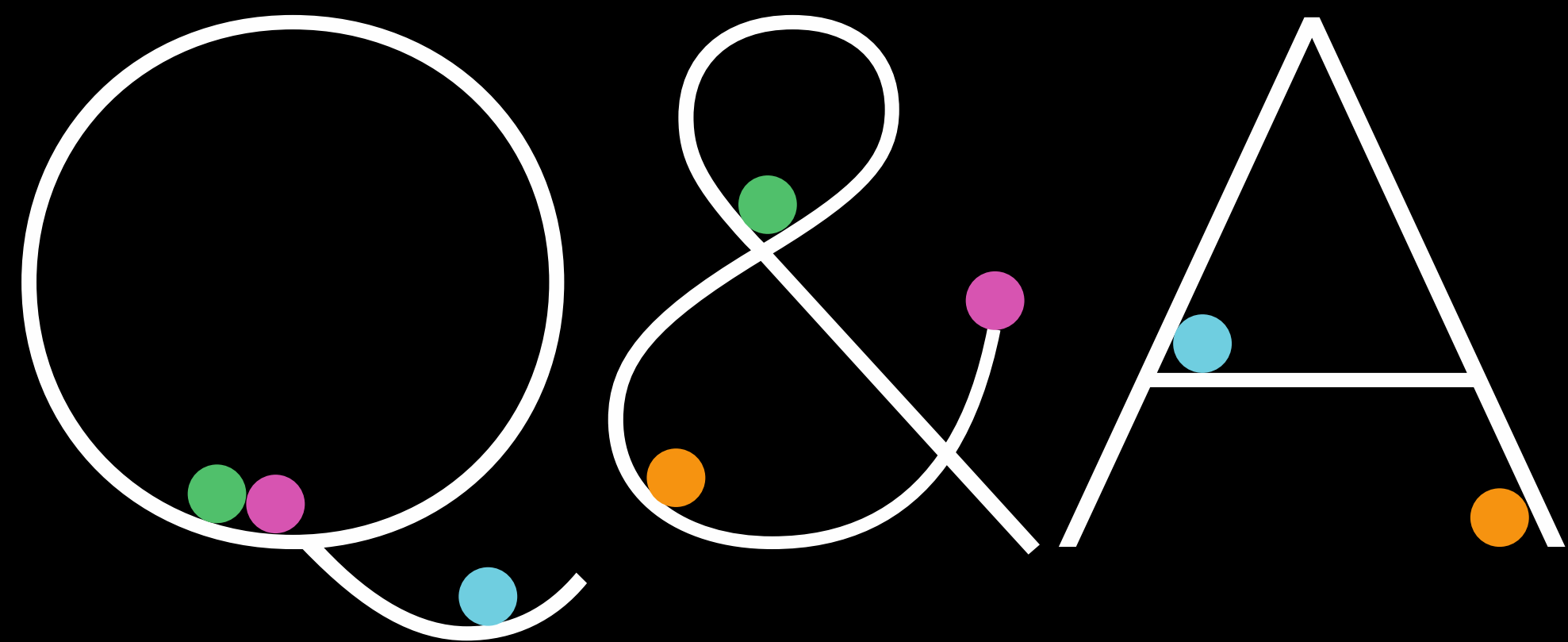






thank you

Q&A



The image features the text "Q&A" in a white, minimalist, sans-serif font against a solid black background. The letters are composed of thin white outlines. Several small, solid-colored circles are placed around the text: a green dot is inside the top loop of the 'Q', a pink dot is inside the bottom loop of the 'Q', a blue dot is at the end of the tail of the 'Q', an orange dot is inside the bottom loop of the '&', a green dot is inside the top loop of the '&', a pink dot is at the end of the tail of the '&', a blue dot is on the horizontal bar of the 'A', and an orange dot is at the bottom right of the 'A'.