

Q4 & Full Year 2025 Earnings Script



Q4 & Full Year 2025 Earnings Call Script

Brinlea Johnson, Investor Relations:

Good afternoon, and welcome to DoubleVerify's fourth-quarter and full-year 2025 earnings conference call. With us today are Mark Zagorski, CEO, and Nicola Allais, CFO. Today's press release and this call may contain forward-looking statements that are subject to inherent risks, uncertainties, and changes, and reflect our current expectations and information currently available to us, and our actual results could differ materially. For more information, please refer to the risk factors in our recent SEC filings, including our Form 10-Q and our annual report or Form 10-K.

In addition, our discussion today will include references to certain supplemental non-GAAP financial measures and should be considered in addition to, and not as a substitute for, our GAAP results. Reconciliations to the most comparable GAAP measures are available in today's earnings press release, which is available on our investor relations website at ir.doubleverify.com. Also, during the call today, we'll be referring to the slide deck posted on our website. With that, I'll turn it over to Mark.

Mark Zagorski, CEO:

Q4 Performance Highlights:

Thanks, Brinlea, and good afternoon, everyone. Let me start today's call with a quick take on the most recent quarter. In Q4, we delivered a strong 38% adjusted EBITDA margin and 8% year-over-year growth in revenue, demonstrating the strength of our operating model, even as revenue came in below expectations. As we mentioned last quarter, while we anticipated some retail softness, our results were impacted by further pullbacks of customer campaign spend late in the quarter, primarily due to agency-related changes. We saw no broad-based spend decreases or detachment of DV services and noted exceptional strength across multiple sectors in the fourth quarter, including healthcare and technology. We reported strong customer retention during the quarter with no new deactivations among our Top 100 customers in Q4, and usage across Social and Streaming TV continued to scale.

In addition, our Programmatic business continued to grow, with nearly two thirds of the impressions that we engage with delivered on mobile in app and mobile web environments. Outside of mobile, both programmatic display and video measurement impressions grew at double-digits rates in 2025.

The investments we are making in building durable, diversified, long term growth in sectors that continue to thrive alongside the AI revolution, namely Social, Streaming and AI platforms, are becoming core catalysts for our future growth. Social Activation accelerated meaningfully, growing at approximately 60% year over year in Q4, and starting 2026 at an even stronger year over year growth rate, and Authentic Advantage on YouTube is entering the year with \$8M of expected ACV. CTV measurement impression volumes also grew impressively, up 22% in the quarter, continuing their cadence of outsized growth. We also saw strong interest in our ABS enabled Do-Not-Air-Lists for Streaming TV, which entered general availability with a strong debut this January, with three Top 15 customers, representing hundreds of millions in CTV spend, implementing pre-bid controls. AI measurement tools like Slop Stopper and Agent ID showed meaningful engagement rates and are now being tested by 6 of our largest customers with a broader rollout scheduled for the coming months.

Together, the areas which are most important for a durable growth story in the future are setting us

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up for a strong 2026.

Product Innovation Driving Durable Growth:

Before turning to the full-year 2025 results, I want to discuss the continuing evolution of our product-led growth cycle and, what is really on everyone's mind, our take on the potential impact of AI on advertising and DV's business.

DV's growth cycle and trajectory is foundationally shaped by the timing of product releases, platform enablement, and customer adoption. Over the past year, our new product development cycle accelerated across Social, CTV, and AI platforms, with several major releases rolling out in the fourth quarter of 2025. With Social and CTV innovations now broadly available, and AI capabilities continuing to expand, we've entered 2026 with a more diversified revenue mix driven by a broader product offering.

These new solutions fuel two main product-led growth engines. First, we have a significant opportunity to expand within our existing customer base. As we elevate product attach rates for our new Social, CTV, and AI platform verification capabilities, we drive higher wallet share, spur revenue growth, and create broader, stickier client relationships as enterprise customers adopt more of our platform. As a result, average revenue per top 100 customers grew by 7% for the year to \$4.5M.

Second, our accelerating product cycle is enabling us to win new customers and gain market share with proprietary solutions as entry points to new customer engagements. Our leadership in the fastest-growing areas of digital advertising, Social, CTV, and AI-enabled performance optimization, is expanding our relevance, increasing our competitiveness and landing us new logos. These differentiated solutions drove a 90% greenfield win ratio in Q4 - our highest ever recorded - meaning that we are winning deals with solutions in new areas in which there are no competitive incumbents to displace.

2025 Execution and Financial Performance:

Ultimately, our product innovation in 2025 harnessed the power of AI to expand TAM, improved solution efficacy and drove stronger margins and also helped deliver solid results that will set the stage for future growth. We grew total full year revenue 14% year over year, well exceeding the 10% growth outlook we provided at the start of the year. We also delivered double-digit growth across all three revenue lines. We continued to onboard large global enterprise customers, further strengthening our position as a trusted partner to the world's leading brands. This momentum delivered strong profitability and cash generation, with a 33% adjusted full year EBITDA margin and \$211 million dollars in net cash from operating activities.

AI Opportunity & DV is Essential:

Now, turning to the impact of AI on marketer behavior—and more importantly for this call – on DV's business, to put it simply, we see this evolution only in terms of accretive, future opportunities for DV. The ad ecosystem has always been one in constant flux. Where marketers buy ads, how they buy ads and even how they create those ads changes with each advancement of media and technology. The current AI revolution is just the next evolution of this story. In all of these evolutionary cycles, what has never changed is why marketers buy ads, their need for measurement and their demand for trust and transparency. Whether it was ad networks in 2010, programmatic platforms in 2018, social networks in 2021, or agent based AI platform buying in 2026 and beyond, DV has been, and will be, essential in driving transparency and trust. Regardless of changes in media or mode of buying, our customer value proposition lies in the vast amount of data we gather, and the trust layer that supports the unbiased, independent analytics we provide. In the AI era, the question isn't who has the best model — it's who has the best data. DV generates a massive proprietary data set from the hundreds of terabytes of advertising data we process

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everyday across trillions of annual transactions. This isn't generic web data that anyone can access or scrape. These are proprietary signals tied to actual ad delivery, brand suitability, fraud detection, and business outcomes based on contracted relationships with leading platforms. LLMs can help us interpret this data faster and more efficiently, but they cannot replace its unique value. DV has never been about the media or the method - but about the data supporting the motive.

In addition, OpenAI's introduction of advertising marks the creation of an entirely new digital media environment, and DV is ready for this evolution. According to e-Marketer, ad spend on LLMs is expected to grow to over \$25B by 2029, cannibalizing over 14% of search spend, which is a \$400B market that DV has historically not been able to access. We believe advertising within LLM platforms has the potential to create a new, search-like digital channel where independent verification from companies like DV becomes foundational.

Independent metrics in this new environment are critical, and several dozen of our current customers who are experimenting in this new space have already indicated that they expect consistent measurement across everywhere they advertise. While AI platform ad models continue to evolve, advertiser demands remain the same: ensuring ad transactions are trusted and transparent and ads are viewable, brand-suitable, and delivered to legitimate traffic within authentic content environments.

As digital advertising becomes more automated, agentic, and opaque, and as AI slop becomes the "must avoid" content category for advertisers, the need for independent verification, protection, and performance measurement has never been greater. Regardless of platform, buying mode or message, DV will be an integral, trusted part of the ad equation.

Product Growth Drivers: Social, CTV and AI Platforms:

Building on our progress and product innovation in 2025, I'll now walk through updates on our key three product cycles, starting with Social, then Streaming TV, and closing with AI. As noted on previous calls, our goal is to increase the contribution of Social, Streaming TV, and AI-driven solutions from under 30% of total revenue today to approximately 50%, creating a revenue mix that more closely aligns with global digital ad spend trends.

Social:

Starting with social - it remains our fastest-growing environment and a core driver of our next phase of growth. As I mentioned, Social Activation accelerated meaningfully to approximately 60% year-over-year growth in the fourth quarter, up from around 20% growth in Q3. That acceleration was driven by continued scaling of Social Pre-bid, building upon the Meta-specific product enhancements we upgraded throughout the year. Expanded content-level avoidance across Feed and Reels nearly doubled filtering coverage and materially improved activation effectiveness.

By year end, 68 advertisers were live on Meta activation, up from 56 in the third quarter. Adoption is being driven by large enterprise advertisers, with 28 coming from our Top 100 clients. We exited December with Social Activation at an annualized run rate of approximately 8 million dollars, ahead of our expectations, and it continues to be our fastest growing area as we start 2026.

Adoption of DV Authentic Advantage on YouTube also expanded during the quarter, with estimated ACV of approximately \$8 million, driven by continued customer adoption. Some of our largest CPG customers have started scaling on the solution and we are excited about the opportunity to grow this business over the coming quarters.

Also driving social growth into 2026, we expanded Attention measurement on TikTok during the fourth quarter, becoming the platform's first badged marketing partner to deliver impression-level attention insights. In addition, we expanded our post-bid brand suitability measurement on Meta to include Facebook Reels Overlay placements, extending independent transparency across one of

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the platform's fastest-growing ad formats. Finally, we expanded our integration with Meta through the launch of Rockerbox Relay, which enables Rockerbox customers to send attribution results to Meta as an optimization signal. This launch improves advertisers' ability to drive performance against outcomes.

Expanding CTV:

Turning to Streaming TV, 2025 marked an important inflection point in our expanding CTV strategy. Over the course of the year, we launched a series of products to address growing advertiser transparency demands and increasing fraud in Streaming environments, including Verified Streaming TV measurement and pre-bid controls, automated Do Not Air workflows, and enriched program-level intelligence through our licensing of IMDb data. We've already begun to see solid early adoption of ABS Do Not Air Lists from our largest advertisers as well as strong interest in our Authentic Streaming TV solution which we launched at CES in January.

Expanding our growing CTV footprint, we launched our integration with LinkedIn to deliver measurement for CTV impressions. This expansion extends DV's independent verification and authentication to LinkedIn CTV Ads across existing streaming environments, increasing measured CTV coverage and reinforcing DV's leadership in transparent, cross-channel media measurement. Together, these innovations helped grow CTV measurement volumes by 33%, in full year 2025, reflecting continued advertiser demand for independent transparency in Streaming environments.

AI tools:

As mentioned previously, the tools that we launched in 2025 to combat the increasing challenge of navigating "AI slop" are gaining traction with our largest customers. This momentum will be bolstered in the first half of 2026 with the launch of DV Slop Stopper for Social - a premium solution to address a content arena rife with issues that advertisers are eager to avoid on platforms that attract the lion's share of advertiser spend.

2025 was a year of product development acceleration, partner expansion, meaningful growth across all of our business lines and continued strong margins and cashflow. Before turning it over to Nicola, I want to briefly address capital allocation. Returning capital to shareholders is a core element of our long-term value creation strategy.

And, as of today we have \$300 million authorized for share repurchases, the largest amount in DV's history, which we plan to actively deploy in 2026 at increased levels versus prior years. This reflects our confidence in our business, the continued strength of our balance sheet, and our commitment to creating long-term shareholder value.

With that, let me turn the call over to Nicola.

Nicola Allais, CFO

Q4 2025 Financial Highlights:

Thanks, Mark, and good afternoon everyone. Let me walk through our fourth-quarter and full-year 2025 results, and then discuss our 2026 outlook, including the key growth drivers and assumptions underlying our guidance.

For the fourth quarter, revenue was 206 million dollars, representing 8% year-over-year growth. For the full year, revenue was 748 million dollars, representing 14% year-over-year growth, despite variability driven by the Retail sector in the second half.

Q4 2025 Revenue Growth Drivers:

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In the fourth quarter, activation revenue increased 6% year-over-year, and measurement revenue increased 8% year-over-year, both driven primarily by Social. In the fourth quarter social activation and measurement together represented approximately 19% of total revenue. Supply-side revenue increased 17% year over year, supported by retail media platforms and expanded publisher and platform integrations.

In the fourth quarter, total advertiser revenue, which includes activation and measurement, grew 7% year-over-year, driven by 8% growth in volume, or MTM, partially offset by a 3% decline in price, or MTF, excluding the impact of an introductory fixed-fee arrangement for one large customer onboarded from Moat.

Fourth quarter activation revenue grew 6% with ABS representing 52% of activation revenue in the quarter. As of year end, 78% of our top 500 clients were using ABS.

Measurement revenue grew 8% year-over-year, with Social measurement revenue increasing 11% and representing 49% of measurement revenue, and International revenue increasing 5% and representing 29% of measurement revenue. Excluding the previously disclosed CPG customer suspension at the start of the year, Social measurement revenue would have grown 22% in 2025. Finally, revenue from Rockerbox was slightly ahead of expectations.

Full Year 2025 Financial Highlights:

Turning to full-year 2025, revenue grew 14%, driven by double-digit growth across each revenue line, including 15% growth in activation, 10% growth in measurement, and 25% growth in Supply-Side.

Volume-Driven Advertiser Revenue Growth:

Advertiser revenue growth remained primarily volume-driven, with MTM increasing 15% year-over-year to 9.5 trillion billable transactions measured, partially offset by a 3% decrease in MTF to 7 cents excluding the impact of an introductory fixed-fee arrangement for one large customer onboarded from Moat.

We expect volumes to remain the primary driver of growth in 2026, as we continue to verify more digital ad impressions through new product launches, and through new channel and geographic expansion.

Supply-side revenue grew 25% year-over-year by adding new CTV and digital platform partnerships, and through continued expansion on Retail Media Networks, with DV tags now accepted across 152 retail media networks, including 18 major platforms and 134 retailers globally.

Strong Retention and Enterprise Customer Expansion:

For the full year, we achieved a net revenue retention rate of 109% and gross revenue retention remained above 95% for the fifth consecutive year. Average revenue for Top 100 customers increased by 7% year-over-year to 4.5 million dollars, and we ended the year with 344 advertisers generating more than 200,000 dollars annually. Our long-term customer relationships remain strong, with Top 75, Top 50, and Top 25 customers working with DV for approximately 9 years. Moving to expenses, in the fourth quarter, we delivered 83% revenue less cost of sales, and 78 million dollars of adjusted EBITDA, representing a 38% margin.

For the full year, we delivered 82% revenue less cost of sales and 246 million dollars of adjusted EBITDA, representing a 33% adjusted EBITDA margin to combine continued revenue growth with solid profitability.

We ended 2025 with 1,231 employees, slightly down year over year excluding the impact of the

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Rockerbox acquisition. In 2026, we expect to continue to invest in AI capabilities that will enable us to maintain revenue less cost of sales over 80%, accelerate product development and time-to-market, while also growing with fewer employees through improved productivity across the organization. This will allow us to scale the business more effectively, and increase EBITDA margins in 2026.

Strong Cash Generation and Strategic Capital Allocation:

Turning to cash flow, we generated approximately 211 million dollars in net cash from operating activities in 2025. Capital expenditures were approximately 39 million dollars, or 5% of total revenue, driven by investments in innovation and platform scalability. This resulted in free cash flow of approximately 173 million dollars, representing a conversion rate of approximately 70% up from 61% in 2024 and reinforcing the durability of our cash-generating model. Our strong cash generation enabled us to repurchase 8.4 million shares for approximately 132 million dollars in 2025, outpacing stock-based compensation expense, and driving a net reduction in shares outstanding of approximately 3%. We ended 2025 with approximately 162 million shares outstanding, approximately 260 million dollars in cash, and no long-term debt, providing us with significant flexibility to invest in growth, pursue strategic opportunities, and return capital to shareholders.

Reflecting continued confidence in our financial strength and long-term growth prospects, we have as of today \$300 million authorized for share repurchases which we plan to deploy in 2026 at increased levels versus prior years.

Q1 & FY 2026 Guidance:

Now turning to 2026 guidance. For the first quarter, we expect revenue to range between 177 and 183 million dollars, representing a year-over-year increase of approximately 9% at the midpoint, and adjusted EBITDA to range between 48 to 52 million dollars, representing a 28% adjusted EBITDA margin at the midpoint.

To provide context, fourth-quarter growth of 8% reflected elevated Retail pressure, driven by campaign pullbacks late in the quarter from a couple of large customers. Based on the current momentum we have seen to date, our first quarter guidance is 9% growth despite a 17% growth comparison in the first quarter of last year.

This improvement reflects expected higher contributions from our recently launched Social and CTV products, along with continued sector diversification toward healthcare and technology.

For full year 2026, we expect revenue to range between 810 and 826 million dollars representing an 8% to 10% year-over-year increase.

Our full year revenue outlook is driven by a recurring base of growth of core products to core clients which is reflected in our Net Revenue Retention of 109% in 2025.

Incremental growth in 2026 off the base will be driven by three product-led growth engines. First, adoption and scaled deployment of the recently launched solutions across Social and Streaming TV.

Second, incremental revenue growth from existing enterprise clients scaling across our product offering.

And third, continued new customer acquisition driven by DV's differentiated MAP product vision, which integrates independent verification with real-time optimization and outcomes measurement. Our 8% to 10% year-over-year revenue growth guidance assumes a measured take on the impact of these product-led growth drivers as they scale in 2026 and doesn't assume an improved macro

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advertising environment.

In terms of quarterly growth cadence, 2026 shapes into a stronger second half growth, as we lap 19% growth in the first half of 2025 as compared to 9% growth in the second half of 2025. For full year 2026, we expect adjusted EBITDA margins of approximately 34%. We are guiding to an increased adjusted EBITDA margin of 34% in 2026 as compared to 33% over the last three years, reflecting our ability to grow the business more efficiently while improving productivity across the organization.

Below the line, we are implementing an updated equity incentive plan that is projected to reduce the annual value of equity grants by over 40% as compared to 2025. As a result, we expect full year stock-based compensation to decline year on year and range between 102 to 107 million dollars. For the first quarter, we expect stock-based compensation of approximately 23 to 26 million dollars, and weighted average fully diluted shares outstanding of approximately 164 million.

We expect capital expenditures including capitalized software, to be approximately 46 million dollars in 2026, reflecting continued investment in product innovation, AI-driven automation, and platform scalability.

With zero debt and approximately 260 million dollars of cash on the balance sheet at the end of 2025, we remain well positioned to invest in growth and execute on our capital return strategy.

Proven History of Growth & Profitability:

In closing, 2025 was a year of product evolution for DoubleVerify. We launched the next generation of Social, Streaming TV, and AI products, delivered growth, maintained strong margins, generated meaningful cash flow, and returned capital to shareholders. As we move into 2026, we are well-positioned with a more diversified business, a clear focus on durable growth and expanding profitability to deliver long-term shareholder value.

And with that, we will open up the line for questions. Operator, please go ahead.

Operator

Your first question comes from the line of Matt Swanson with RBC Capital Markets.

Matthew Swanson

Mark, I really enjoyed all the color you were giving us on the kind of AI opportunities and maybe kind of explain to us why the risks might not be what some of the market participants might think they are. I also love the name SlopStopper.

But if you go a little bit deeper into just kind of what inning you think we are in terms of like this AI revolution, whether it be from the content side or from like your internal products?

And just how you think this is going to play out throughout 2026, but also kind of the changes you might be making for the long term.

Mark Zagorski

Yes. Thanks for the question, Matt.

I would say for both internal and external opportunities, we're early first inning. Like we're just scratching the surface right now which makes it so exciting.

As we noted, we see AI as nothing but a huge opportunity for DV.

Our role in the ecosystem has always been one to provide trust and transparency in buying and whether those are agents buying or DSPs buying or an exec sitting behind a keyboard somewhere

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15 years ago, we've always played that role.

When we think about those opportunities internally, they're about efficiency and driving operating margin.

And as you saw, we were able to raise our guide this year on our EBITDA expectations. A lot of that is driven by the fact that the things that we do, contextualize content, try to stamp out fraud, driving greater transparency. All those things are done faster, more seamlessly and cheaper through AI.

We mentioned before full the classification volume already 4x the productivity, 2,300x faster labeling of content. All of those things are real lifts for our business and drive better margins.

On the outside and the external, we look at not only the universe of challenging content that AI creates as being an opportunity.

So as you mentioned, SlopStopper, we'll be expanding that into social later on this year. and looking at AI as an opportunity for optimization through authentic advantage as well as just this big meatball that's out there is the chatbots which are now running advertising. And just as the other venues that we've entered, whether it was CTV through Netflix or social when we added Reddit in the last few years, that new platform is going to need verification.

We've got many of our customers already leaning in there and spending money and saying, "You guys need to be here next." So lots of opportunities to be more efficient, lots of opportunities to build new products and lots of opportunities to add new platforms to our mix, all driven by AI.

Matthew Swanson

Appreciate that. Are we sticking to the one question?

Mark Zagorski

You could ask another, Matt, go ahead.

Matthew Swanson

The other one I was going to ask was just on the MAP side and just kind of early responses you've seen from the bundling strategies that you laid out at your Analyst Day just anything. I know still early, but anything you're hearing from your customers right now?

Mark Zagorski

Yes.

So it's been a really solid response to our first integrated product which is authentic Advantage. That's for YouTube that is bundling together prebid social filtering plus post-bid measurement plus optimization on YouTube.

That helped drive Social Activation to 60% growth year-over-year. We're seeing an even stronger growth rate coming out of the gate on social activation.

So that strategy is working. It's also working to introduce new customers to totally new solutions within our realm.

We mentioned that really extremely high greenfield win rate for Q4 of 90%. That means 90% of the customers that we won that quarter weren't using a competitive product in that space. That means we're bringing in new customers into total use solutions, bringing them into that map system and giving them the ability to upsell over time.

So it's been early, but I think we're getting really good results out of the initial solutions we've launched from the MAP strategy.

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Operator

Your next question comes from the line of Matt Condon with Citizens.

Matthew Condon

First question, I just really wanted to ask on what happened at the end of the quarter. Just what are you seeing?

It seems like there's some agency partnerships, but maybe there are some pullback in spend. I was just wondering if you could elaborate on that. And just what gives you the confidence that you have in the 1Q and the implied acceleration of revenue growth?

Nicola Allais

Yes. So I'll take that.

So what happened at the end of the quarter is related to the retail vertical.

We had talked about that during the third quarter already and I had already mentioned that as a little challenged in terms of ad spend.

That continued into Q4 as we had expected.

What we didn't expect is towards the end of the quarter, additional pullback from specific customers that were going through at agency changes. That was not something that we had anticipated when we had given the Q4 guidance. Now that leads us to an ending growth rate in Q4 of 8%.

We're guiding to 9% going into Q1 2026, and that's based on visibility that we have to date into the quarter, uptick from the Social CTV products that we just launched and generally not seeing a continued degradation around the retail sector. In offsetting the retail sector, I have to say healthcare and technology did very well for us in 2025.

We're entering '26, we're more diversified mix across verticals with retail representing less than it used to in prior year.

So we feel good about having been able to diversify the mix across the various variables -- the various verticals.

Matthew Condon

Great. And maybe just a quick follow-up, Mark, just as we think about social prepaid ramping here, it's good to see the progress continue.

But how do we get that to even grow faster in 2026? And how are you planning on just driving further adoption?

Mark Zagorski

Yes. So we saw really strong social activation, as we noted, up almost to 70 customers now on Meta pre-bid and a large number of our top 10, top 15, top 20 customers now engaged in some pretty big brands, right?

So folks like (Lilly and Inspire Brands) and Capital One and even better themselves.

So big brands out there spending on the platform. Now it's just about scaling. There's always a testing process. There's always a testing cycle.

The great news is we've launched increasingly accurate, increasingly powerful versions of this solution on a regular basis.

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As it gets more accurate, as it gets to be a more effective arbiter of eliminating waste and finding challenges on those platforms, it's easier uptake for us.

So we see that as on a really nice acceleration pace, particularly across Meta. And again right now it's outpacing our expectations and we hope that will continue through the year.

Operator

Your next question comes from the line of Eric Sheridan with Goldman Sachs.

Alex Baglione

This is Alex Baglione on for Eric Sheridan. I just want to dig into some of the investments you're making this year to support the product development. Any planned investments in go-to-market to support the adoption curve of some of these social prebid products?

Or will the investments that you're making and what's implied in your guide? Just be more concentrated on product development and AI?

Mark Zagorski

Yes. As far as kind of headcounts and people investments. We're actually looking to stabilize or decrease those over time. The efficiencies that we're getting out of AI tools have been exceptional and particularly when it comes to classification and our ability to kind of do what we do best which is identify challenging content and drive greater transparency and trust.

We're doing that with fewer people at a faster pace and more accurately. So efficiencies there.

As far as go to market, I think we have a great team out there. We spent the last few years building out a super engaged global sales team. They've gotten deeper and deeper into brands, eight of our top 10 relationships are now brand direct.

I think that we've got the right folks in the right place telling the right story with the right products, and that is going to continue to drive growth for us throughout the year.

Operator

Your next question comes from the line of Brian Pitz with BMO.

Brian Pitz

Mark, maybe a follow-on regarding category comments. I know CPG is been challenging to you in the past few quarters. Has that category recovered? Any comments would be helpful.

Then any additional color on specific growth drivers going forward are the key success factors? Really how (inaudible) your guidance range?

Nicola Allais

Yes. I'll take the first question, Brian. The -- actually, CPG did well. And as you'll recall we had one client at the beginning of the year, suspending its service with us.

But the category did well because we acquired clients in 2024 that scaled into 2025.

So on balance, that category did well. There obviously are pressures that are tied to CPG that also impact retail.

We saw it more on the retail side than on the CPG side.

But I think CPG has remained strong for us because of the fact that we have large clients that are scaling within the product portfolio that we have.

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Mark Zagorski

Yes. Then just as far as growth catalysts that we're really focused on, we kind of hammered them in the script which is our social tools and social solutions.

So expanding authentic advantage beyond just YouTube and looking at TikTok as well as Meta. Expanding our SlopStopper solution into social and walled gardens which I think is going to be a huge hit.

Then continuing to invest in CTV and right now our ABS Do Not Air List or really live on Trade Desk, but we've got the opportunity to expand that to additional DSPs.

So I think for us, it's all about a focus on social, a focus on CTV, and then our AI tools that cover both of those products with an opportunity out there as the AI platform start to scale advertising, looking at that down the road is a big opportunity for us as well.

Operator

Your next question comes from the line of Tim Nollen with SSR.

Timothy Nollen

I'd like to come back to the CTV topic, if I could. TV has always had its own measurement systems and the TV network groups have never historically relied on their own platforms to provide the measurement and attribution reporting. So I'm curious, what is different about CTV for you guys versus web or mobile?

Meaning, is it easier for you to penetrate this medium given your differentiated tools that you can bring to CTV now? Or is it difficult given how TV measurement has always operated under its own terms?

Mark Zagorski

Yes. It's a great question. I think the difference in the CTV universe versus kind of the linear universe is the fact that the metrics that advertisers are using to evaluate success go well beyond just reach and frequency, right?

They go to driving results effectiveness of results. But you also have challenges to that.

So things like fraud pop up, things like screen is not being on while ads are playing, you've got views which drive viewability issues which all drive the effectiveness of CTV.

So I think our role in CTV is a different role than the measurement companies played in the kind of linear world.

Our role is not just to determine whether or not something works, but determine whether or not something is valid. That's why we see a more and more advertisers turning us on and our scale growing significantly in CTV.

We saw a 33% year-over-year growth in volume because, again it's a world that's not as transparent as the linear world has been.

We see bigger opportunities there as advertisers demand greater transparency. So getting show level data on a granular basis and being able to expose that.

We're already doing some of that, and we're starting to do that at scale with our Authentic Streaming TV solution because, believe it or not, advertisers, in many case, on a lot of programmatic platforms are buying CTV that's not really CTV.

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We can ensure that it is that it was delivered on a full episode player in a highly branded environment. So those things are starting to become a bigger and bigger deal to advertisers as the billions and billions of dollars, they're scaled quite a bit.

So I think we play a unique role in that universe. I think that role continues to expand as we see CTV volumes expand. The number of tools that we provide to address those problems is this going to grow over time.

Operator

The next question comes from the line of Alinda Li with William Blair.

Alinda Li

Awesome. I wanted to just learn about how have conversations evolved with the driving interest of AI solutions? And have you observed any changes in customer interest in the way that you're looking in approaches?

Mark Zagorski

It's a really interesting question.

So I think a lot of the stuff that you hear around advertising and agentic-based tools is really -- it's still relatively early days. Vast majority of buying is still being done through programmatic platforms or through platform-enabled tools on the social networks, et cetera. So first and foremost, advertisers still want to ensure that what they're buying is what they think they're buying, and it's going to drive a result that they expect.

That's the role we play on those platforms. It's the role we'll play with agents when that starts to scale. So the dialogue is today with most advertisers is, how are you guys going to play in that new world, right?

And what role will you play? And I think the role we play is exactly the same one we play today which is driving trust and transparency.

In those cases, it will be with an agent who's going to search for a buy needs to make sure that, that buy is safe, so it's going to contact us first. The same way a DSP pings us first. Within 200 milliseconds, we return a response that says this is good or bad. We'll just be talking to an agent in the future.

So -- and we're ready to do that which is pretty cool.

The other aspect of the kind of the AI discussion has to -- is really as to focus on how are you guys leveraging tools, but with human guidance to make sure that what you're contextualizing, what you're calling brands suitable is going to be relevant invested.

So beyond the accreditations that we have which guide us to what we do, RAI and the efficiencies that we're driving from AI and conceptualization are always guided by humans and we always have a human hand in there because we think that's important.

Our customers think that's important, too. So that's the second, and I'll just do one more quick one which is an increasing number of advertisers are just getting frustrated with the fact that a lot of their ads are running against slop, right? And it's a big deal, and you see statistics out there that at some point in the next few years, 90% of all content will be AI generated.

On the web, some of that will be okay and some of it won't be. That's part of the role that we're going to play. We did that with made for advertising sites and content and we're doing that now with AI slop.

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So lots of questions. I think all of them are really interesting and all of them are places we're leaning in, building solutions and providing trust.

Operator

Your next question comes from the line of Laura Martin with Needham.

Laura Martin

Sure. My first one is on events.

So you guys are two months in the year, 3-month quarter, and I'm really surprised the guidance for Q1. Is it for more of an acceleration given the social media talking about Bad Buddy and the Super Bowl and all of the sort drama around the Olympics that ended up on social media.

So can you remind us like why those big events don't drive higher impression and therefore faster growth rates for you?

Mark Zagorski

I think volumes are still scaling pretty rapidly around social. I mean our products there are still relatively early stage. But as we know do we exit the year for example, on social activation growing 60%. I think it's starting the year out even faster at a higher growth rate.

So we're seeing those numbers grow pretty quickly as well.

We're also starting to lap the customer that we had paused services last year which was a big social customer. So we will see social show meaningful growth in Q1 based on that engagement and that event's activity which brings up another good point.

I mean look, you have a year ahead of us which should be really interesting around -- we've got elections. we've had Olympics, we've got World Cup. All of those will be interesting factors to see where that activity and where that activity ends up, whether it will be social or open web or streaming or all of the above?

Laura Martin

Okay. Great. Then my other one is on pricing. I'm so sad to revisit this with you, Mark.

So when we went public, I think your average price was \$0.09, and now it's down to \$0.07.

And I feel like we've set -- you've set four years investing in cool new products, new capabilities, you're bundling and yet we're under pricing pressure here. Pricing down 3%, although it sounds like it was worse because you had a onetime moat customer that (inaudible) a contract to.

So what's going on with pricing here? Why don't we get -- when are we gaining pricing pressure given all the value you're adding to the product?

Nicola Allais

Yes, Laura, I'll take the first part of the answer which is what is driving the price down right now which is really a mix shift between environments where we have a full slate of products that is fully penetrated, and that would be ABS as a premium-priced product, along with measurement for the open web.

On the social side, as you know we are we now have the products, and we are increasing penetration of the premium price side of that equation on social versus the measurement side that we've had for a while.

So as impressions are shifting from open web to social until we have rule penetration of our pre-bid social premium products. that is not a dollar-for-dollar switch. The opportunity, of course is now that

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we have the product, we're going to see the benefit of the premium price product.

What I can say is on the social side, we are able to charge a premium price the same way as we're able to charge a premium price for ABS versus basic brand safety and measurement.

Operator

Our last question comes from the line of Youssef Squali with Truist Securities.

Youssef Squali

All right. Maybe, Nicola, if you can just help me reconcile a couple of things you said earlier.

So your NRR is about 109%. You're guiding for the year at 8% to 10%, and you said that we should see better performance or faster growth in the second half than the first half, yet you're guiding to Q1 at 9%. So what's -- what am I doing wrong in my math that doesn't make sense?

Because that would imply that you should ultimately either grow at least at the high end of the range at 10% or even better? Or is the assumption that maybe NRR's are coming down a little bit?

Nicola Allais

So I mean you have the right dynamics.

So just -- I'll explain how we're thinking about it. So the base the base for the view for 2026 is this NRR number of 109%. That is how we're exiting 2025.

We're seeing that as basically the recurring base of growth of core products to core clients, and that's the 109%. And on top of that, of course what is going to drive our growth is product-led engines, right, so adoption of the new products incremental revenue from enterprise clients that are scaling and then acquisition of new customers.

One item that I will mention for the year in '26 is entering the year, we are lapping Q1 growth last year of 17% and Q2 growth of 21%.

So the 9% growth that we're guiding to in Q1 is off very high year-on-year comps.

So that creates a year where the better part of the growth will be in the second half. Now your statement around what could lead to growth that is higher than what we're guiding to.

It would be faster adoption around the new products. We've taken a measured view of the adoption of these new products.

We feel it's the right thing to do in terms of how we're planning for the year.

But in order to achieve numbers that are ahead of the guidance, that's what we would have to see.

We're entering the year with \$8 million of NRR on some products, at least two of them that we've mentioned, that's already \$50 million of revenue. It's all going to be about the speed of adoption for us to be on the higher end of that number.

Youssef Squali

Okay. That's helpful. And maybe just one other one for Mark. More of a high kind of color kind of question. If we kind of zoom out historically, we've talked about growth in digital advertising as being like a base or how fast you guys can grow over time.

The market is very large, penetration of measurement and verification remains relatively low across several pockets and you've highlighted, done a great job highlighting many of these.

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What needs to happen to get you guys back to growth to be at least in line with that of the overall digital ad market which I don't know the estimate to be maybe in the low double digits, maybe 12%, 13%.

Mark Zagorski

Yes. It's a great take Youssef.

The data point we have this year, I think we have digital ad growing around 6% so we're seeing -- we're expecting obviously better than that which we should because that should be a tailwind to what we do, but new products should help accelerate that.

I think the key is that 6% is not all places are equal, right? And you're seeing areas like social continue to eat up dollars. You're going to see streaming eating up more dollars.

Then you see other areas which I think are going to grow considerably lower.

So for us, it's all about getting that focus on the areas that are growing faster, so that we can grow faster than the overall digital market and we noted in the call we've always been tilted towards open web.

And our goal now is to get 50% of our revenue from Social, Streaming and AI platform, so really kind of closed areas. That will get us in a place there where the dollars are going, where they're growing faster and I think gives us a more accelerated view on the future.

So that's why we're talking about those areas. That's where our product innovations are, that's where our investments will continue to be, and I think that's where the future growth opportunities lie.

Operator

We have a next question from Maria Ripps with Canaccord.

Maria Ripps

So as we think about mode customers sort of maturing on the platform and heading into year two with you, do you expect growth from this cohort to accelerate and maybe become a larger contributor to your overall growth?

And I guess what are you seeing in terms of upsell rate from these customers?

And what's factored in your outlook from this cohort?

Nicola Allais

Yes. So Maria, you're correct.

We are assuming that we will see continued scaling from the mode customers. You will know this, right, we acquired those customers with base product because they were coming from a platform where some of our premium priced product was not available.

So -- and we've always said it would take two to three years before we see the full scale of the mode customers on our platform.

It's going very well with some clients. It's slower with others just because it takes time for the client to unlock some of the budgets that are needed for some of the premium priced products that we have.

It is going as we planned. So yes, the answer is it will contribute more in 2026 than it did in 2025.

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As you know some of these customers are very large and have a large opportunity to be sold into our premium priced products.

Mark Zagorski

And I'll add one more thing. So going to add one more thing. Not specific to most clients, but an interesting thing to look at is year three of our customer engagement actually has the highest growth rate in aggregate of all the years that we're engaged with customers.

So on average, in aggregate, it's like 18% growth, year two with them and 22% growth year three with our top clients.

So it's interesting to see as our upsell cycle that we talk about usually takes several years and that third year of upsell is usually where the biggest is.

So just kind of a rule of thumb when we think about all customers.

Operator

That concludes our Q&A session. I will now turn the call back over to Mark Zagorski for closing remarks.

Mark Zagorski

Thank you, all for joining us this evening.

As we look ahead, we have confidence in the performance of our business and our priorities are clear: deepen adoption of core products with core customers, accelerate the growth of our solutions for Social, Streaming TV and AI, and drive industry-leading margins by leveraging the power of AI.

We appreciate your continued support and look forward to connecting with many of you at the upcoming conferences.

Operator

Ladies and gentlemen. that concludes today's call. Thank you, all for joining. You may now disconnect. Everyone have a great day.