

[\[Slide 1: Cover\]](#)

Brinlea Johnson, Investor Relations:

[\[Slide 2: Disclaimer\]](#)

Good afternoon, and welcome to DoubleVerify's first-quarter 2026 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 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:

[\[Slide 3: Q1 Performance Highlights\]](#)



Q1 2026 Earnings Call Script

Thanks, Brinlea, and good afternoon, everyone. We delivered strong Q1 results as we continued our solid execution on our product innovation, strategic and financial roadmaps.

In Q1, we achieved 10% year-over-year revenue growth, led by accelerating growth of our Social verification and optimization solutions, and delivered a 31% EBITDA margin, which exceeded expectations, largely due to AI-fueled operational efficiencies.

Advertiser growth was positive across all key industry verticals in the quarter, as we continued to benefit from our focus on further diversification of customer engagements and ad spend across various client types. We also repurchased 100 million dollars' worth of shares year to date, reflecting confidence in our business, and our commitment to returning capital to shareholders as a core element of our long-term value creation strategy.

We expect to deliver a strong 2026 as we successfully execute on our strategic plan to verify the quality, optimize the investment, and prove the impact of, digital ad impressions across any platform, media or market where advertisers spend.

[\[Slide 4: Product Innovation Driving Durable Growth\]](#)

The solid results this quarter were fueled by our core growth catalysts - Social activation and measurement products, Streaming TV verification and our dynamic suite of solutions that empower advertisers to better navigate the evolving ecosystem of AI advertising platforms and gen-AI content.



Q1 2026 Earnings Call Script

Across all of these sectors, our incredibly durable value proposition remains tantamount – DV is the independent, essential trust layer that marketers rely on to ensure their ad spend is protected from fraud and unsuitable context, and most importantly, delivers the highest possible return on investment.

And, this essential role in the ecosystem continues to expand as new product innovations power our growth flywheel. Let me share a few recent stats that underscore the impact of these investments.

[Slide 5: Product Growth Drivers: Social, Streaming TV, AI Platforms]

Driven by continued success on Meta, Social Measurement grew 23% year over year, a significant acceleration from Q4. Social Activation, our fastest growing solution set, grew 92% year over year in Q1, up from 62% in the fourth quarter.

Authentic Advantage on YouTube, which combines SciBids AI optimization with pre-bid filtering and post-bid measurement, launched in Q3 last year, and is also expanding rapidly. It is now on track to deliver \$10M of expected ACV in 2026.

CTV measurement impression volumes also grew, up 28% in the quarter. And, our ABS enabled, Streaming TV pre-bid Do-Not-Air-Lists entered general availability in January, with three Top 15 customers, representing hundreds of millions in CTV spend, implementing these DV-only streaming TV controls. DV continues to break new ground in the drive toward greater transparency in Streaming TV.



Q1 2026 Earnings Call Script

[Slide 6: New AI Tools Empower Advertisers in the Agentic Era]

AI measurement tools like Slop Stopper, which is now available on YouTube, and AI Agent ID, are showing meaningful engagement rates. Our AI SlopStopper measurement solution for mobile and online video and display is already applied to over 40% of measured impressions, and the pre-bid tool is being tested by 6 of our largest advertisers.

Our mid-term goal remains to increase the contribution of Social, Streaming TV, and AI-driven solutions from under 30% of total revenue today to approximately 50%. As we drive this evolution, our Mobile and Online Video and Display business remained stable in Q1, with approximately two thirds of the impressions that we engage with delivered on mobile in app and mobile web environments. We remain focused on creating a revenue mix that closely aligns with the fastest growing global digital ad sectors.

DV continues to drive new revenue opportunities, distance ourselves from competition, and create meaningful margin expansion through AI efficiencies and product innovation. AI solutions, Social activation tools, and Streaming TV quality solutions are positively impacting our customers ad performance and building a foundation for TAM and market share expansion for DV.

[Slide 7: AI Opportunity: Unlocking Growth in the ~\$400B+ Search Ad Market]

Shifting focus to the role that AI is playing in the ongoing expansion of our product-led growth cycle, we continue to lean into AI to operate more efficiently, launch products faster, and improve margins. And, as the emerging AI advertising evolves, it is creating



Q1 2026 Earnings Call Script

new revenue opportunities that expand our TAM, as we extend our essential role in this burgeoning environment.

Regarding this new environment, we have identified three main areas where DV has the largest AI growth opportunities, and which we are already seeing traction with customers. First, the agentic buying and selling of media, where we are building new products, connecting with, and leading the development of, the numerous protocols that will help advertisers safely lean into AI-based buying. Second, we are empowering advertisers to navigate the dynamic AI-impacted advertising landscape, as AI cyberfraud, and AI content slop become prolific. And third, we are digging into the massive potential ad market on LLM chat bots, where many of our current advertisers are beginning to deploy marketing dollars, yet have little in the way of transparency and independent measurement. Let me talk briefly about each one of these opportunities.

First, we are focused on establishing security and trust in the agentic advertising ecosystem. Trust has always been essential in our industry and we recently joined the Ad Context Protocol (AdCP), a coalition of ad tech companies established by Agentic Advertising Organization (AAO) to define standards for ad buying and selling by agents. According to EMarketer, about two thirds of ad buyers plan to focus more time on agentic ad buying this year. While in the early days, we are actively engaged to make sure DV is at the forefront of establishing standards that will continue to preserve trust and transparency for its advertisers, wherever they choose to deploy their advertising investments. As with all of our engagements, we remain independent and agnostic, and



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Q1 2026 Earnings Call Script

the way we operate in the agentic advertising world will be the same, with the ability to plug into any agentic protocol from the IAB framework, to platform specific systems that are important to our customers.

Second, we are expanding tools to protect ad investments from AI-fueled challenges. We continue to enhance our market leading suite of AI tools that combat the increasing challenges of navigating “AI slop” and avoiding AI cyberfraud. With the launch of DV AI SlopStopper for Social, we have expanded our capability for advertisers to avoid low quality, AI generated content on YouTube and will broaden our coverage to other walled gardens in coming quarters.

Fueled by malicious AI, cyberfraud continues to become more sophisticated, threatening to challenge the ROI and efficiency gains driven by the positive use of AI.

In Q1 2026, DV’s Fraud Lab continued to harness AI to fight fraud, as AI powered fraud schemes proliferated at a record pace and became even more sophisticated. AI-powered bot schemes continue to evolve faster than ever, with 140% more bot scheme variants emerging in Q126 compared to Q125. In parallel, app-based fraud continues to accelerate dramatically, especially across mobile and CTV where we have classified over 1,300 apps as fraudulent since the beginning of 2026.

Finally, we are focused on capitalizing on the massive potential ad market that AI chatbot marketing will represent. According to e-Marketer, ad spend on LLMs is forecasted to grow by over \$25B by 2029, with ad spend expected to cannibalize over 14% of search



Q1 2026 Earnings Call Script

spend, a \$400B market that DV has historically not been able to access. OpenAI recently shared that they expect to generate \$100B in advertising revenue by 2030, underscoring how the market may be moving even more rapidly than analysts are predicting.

As has been the case for the open web, mobile, streaming and social environments, unbiased, independent measurement will play a key role in engendering the advertiser trust needed for this new ecosystem to thrive. 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. Our enterprise customers and agency partners have made it clear to us that expanding beyond test budgets in AI environments will require even greater transparency and trust than that is present today. We are confident that, as we have shown on social and streaming platforms, our role as an essential trust layer will extend to this new ecosystem, and we are engaged in discussions with several LLMs who are leaning into ad supported models.

As AI drives digital advertising to become 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.

[Slide 8: Social]



Q1 2026 Earnings Call Script

Moving to social verification, the social sector remains our fastest-growing business segment and is a core driver of our next phase of growth. No other verification or measurement provider has more, innovative solutions for advertisers seeking to protect their spend on social platforms and ensure it performs. Social Activation accelerated meaningfully to over 90% year-over-year growth in the first quarter, up from around 60% growth in Q4. This acceleration was driven by continued scaling of our Social Pre-bid solutions, elevated by enhanced product capabilities on Meta, as well as expanded capabilities across Tik-Tok and YouTube.

87 advertisers have utilized Meta activation since launch, up from 68 in the fourth quarter, with 31 of these customers coming from our Top 100 clients. As of the end of the first quarter, our Meta activation product was already at a \$12 million dollar annualized run rate.

On YouTube, DV Authentic Advantage has seen strong customer adoption. Some of our largest CPG customers have started scaling on the solution driven by the significant ROI improvements that it delivers. Through the combination of SciBids AI optimization with social pre-bid filtering and post-bid measurement with DV Authentic AdVantage, customers have seen their media CPMs decline by as much as 36% while reach has expanded by 64% and brand suitability integrity remained strong.

As with DV's Meta PreBid solution, we are just starting to scratch the surface with the impact that Authentic AdVantage can have on our customers' business and our growth profile, and we are excited about the significant opportunities ahead for both products.



Q1 2026 Earnings Call Script

As mentioned previously, our social suite of tools are ramping, and we recently announced the expansion of DV AI Verification™ to include DV's AI SlopStopper™ for social. This new industry-leading offering is designed to help advertisers navigate the growing challenges posed by low-quality, AI-generated content and safeguard brand reputation across social and video-centric environments, starting with YouTube. DV's AI SlopStopper for Social is another DV tool that empowers advertisers to ensure their brand investment is protected wherever they spend while driving stronger media outcomes.

Additionally in the quarter, we expanded brand suitability coverage across Snapchat's Discover Feed format, enabling our advertisers to have complete coverage across Snap DiscoverTiles placements.

And, we recently announced that we achieved Media Rating Council (MRC) accreditation for TikTok Video Viewability, becoming the first measurement vendor to receive the accreditation. As advertising investment continues to grow across video-centric social platforms like TikTok, independent verification plays a critical role in ensuring transparency and accountability. And, with accredited measurement informed by tens of trillions of historical ad transactions, advertisers can now evaluate campaign effectiveness with greater confidence and ensure their media investments deliver real value. This milestone underscores our commitment to delivering the highest standards of measurement accuracy and transparency, and further demonstrates the company's alignment with the MRC accreditation process as a critical layer of accountability in digital advertising.

[Slide 9: Expanding CTV]

Turning to Streaming TV, we continue to deliver product innovation to address advertiser demand for independent transparency and increasing fraud in Streaming environments. Our continued product innovations helped grow CTV measurement volumes by 28% year over year this quarter. We've already begun to see solid early adoption of ABS Do Not Air Lists from 8 of our largest advertisers as well as strong interest in our Authentic Streaming TV solution. And in this quarter, we announced that Spectrum Reach became the first partner to join DV's Certified Transparent Streaming program, reinforcing its commitment to secure, program-level transparency across streaming TV ad inventory. Spectrum Reach will share key show-level data across their programming including news and live sports, spanning both direct IO and programmatic buying. These insights will be available directly within DV Authentic Streaming TV™ reporting, giving advertisers verified, post-bid visibility into the specific programs their ads ran alongside. By combining real, not implied or aggregated, show-level transparency in a privacy-focused way with DV's performance analytics and optimization capabilities, advertisers can now better understand how contextual relevance drives outcomes and make smarter decisions to optimize future streaming investments.

This is just the start of our drive to deliver granular, unaggregated, show-level transparency across all streaming environments and we are seeing momentum from additional platforms to join our certified transparent streaming program.

[Slide 10: DV's Innovation Fuels Results]



Q1 2026 Earnings Call Script

The results of our innovation leadership are clear – we are growing client engagements, and winning deals with new solutions where there aren't competitors. We work with over 340 advertisers now generating more than \$200,000 dollars annually. And, our unique solution set underscored a 77% greenfield win ratio in Q1, meaning that we are winning deals with solutions in new areas in which there are no competitive incumbents to displace. Investment in innovation continues to be DV's "secret sauce" to get stickier with our customers, win new deals and gain market share. And, AI is enabling us to innovate more efficiently than ever, as we continue to expand margins while launching and expanding the tools that cement our role as the essential trust layer for buyers and sellers of digital media.

With strong execution in the first quarter, we are leaning hard into AI powered innovation that will continue to extend our leadership position. Looking ahead to the rest of the year, we remain focused on product development acceleration, partner expansion, and market share growth and continued strong margins and cashflow.

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

[\[Slide 11: Q1 2026 Financial Highlights\]](#)

Nicola Allais, CFO:



Q1 2026 Earnings Call Script

Thanks, Mark, and good afternoon everyone. For the first quarter, we achieved 10% year-over-year revenue growth and 31% EBITDA margins. Off this strong start to the year, we are reiterating guidance for the full year.

[\[Slide 12: Q1 2026 Revenue Growth Drivers\]](#)

For the first quarter, total revenue was \$181 million dollars, representing 10% year-over-year growth.

Total advertiser revenue, which includes activation and measurement, represented 90% of total revenue and grew 9% year-over-year, driven by 12% growth in volume, or MTM, partially offset by a 4% decline in fees, or MTF.

[\[Slide 13: Q1 2026 Revenue Growth Drivers \(Continued\)\]](#)

Activation revenue grew 6% with ABS representing 53% of activation revenue in the quarter. As of quarter end, over 75% of our top 500 clients were using ABS.

Measurement revenue grew 16% year-over-year, with Social measurement revenue increasing 23% and representing 49% of measurement revenue, and International revenue increasing 18% and representing 27% of measurement revenue.

Supply-side revenue represented 10% of total revenue in the quarter and grew 12% year-over-year. We are driving growth by adding new CTV and digital platform partnerships, and by continuing to expand DV solutions on Retail Media Networks.



Q1 2026 Earnings Call Script

[\[Slide 14: Cost Efficiency Drivers\]](#)

Moving to expenses, in the first quarter, we delivered 82% revenue less cost of sales. Our continued investments and use of AI capabilities are allowing us to scale at a consistently efficient rate, even as we measure increasing levels of volume.

We delivered 55 million dollars of adjusted EBITDA, representing a 31% margin as compared to 27% margin in Q1 of 2025. Total expenses for Product Development, Sales & Marketing, and G&A increased 2% as compared to 10% revenue growth. We are showing early signs of the benefit of using AI capabilities to grow through improved productivity across the organization and increased software capitalization related to product development. We are scaling the business more efficiently which results in increasing EBITDA margins.

Stock-based compensation was 24 million dollars in the first quarter, flat to the prior year. For the second quarter, we expect stock-based compensation of approximately 25 to 27 million dollars, and weighted average fully diluted shares outstanding of approximately 157 million shares. For the full year, we continue to expect stock-based compensation to range between 102 to 107 million dollars and decline year over year, reflecting the impact of our updated equity incentive plan that reduced the annual value of equity grants in 2026 by over 40% as compared to 2025.

[\[Slide 15: Strong Cash Generation and Strategic Capital Allocation\]](#)



Q1 2026 Earnings Call Script

Turning to cash, year to date we have repurchased 9.8 million shares for 100 million dollars, of which 7.3 million shares were repurchased in the first quarter for approximately 75 million dollars, and 2.5 million shares were repurchased in April for approximately 25 million dollars. Year to date the 9.8 million shares we repurchased represent approximately 6% of fiscal year end 2025 outstanding shares. Net cash from operating activities in the first quarter was 4 million dollars and was impacted by timing of collections and payments at the end of the quarter. For the full year, we expect free cash flow conversion of approximately 60%. We ended the first quarter with approximately 174 million dollars in cash, and no long-term debt.

[\[Slide 16: Q1 & FY 2025 Guidance\]](#)

Now turning to guidance. For the second quarter of 2026, we expect revenue to range between 199 and 205 million dollars, representing a year-over-year increase of approximately 7% at the midpoint. As a reminder, we are lapping our 21% growth rate in Q2 of 2025. And we expect adjusted EBITDA to range between 63 to 67 million dollars, representing a 32% adjusted EBITDA margin at the midpoint.

For the full year 2026, we are reiterating our prior guidance. We expect revenue to range between 810 and 826 million dollars representing an 8% to 10% year-over-year increase and expect adjusted EBITDA margins of approximately 34%.

As discussed on our prior call, incremental growth in 2026 will be driven by three product-led growth engines. First, continued adoption of our solutions across Social and



Q1 2026 Earnings Call Script

Streaming TV. Second, growth from existing enterprise clients scaling our product offering. And third, continued new customer acquisition driven by DV's differentiated products. Our first quarter results demonstrate progress on each growth driver with increasing social activation revenue growth, increased adoption and scaling of new products, and a consistently high win rate.

[\[Slide 17: Proven History of Growth & Profitability\]](#)

Our first quarter results show solid execution. With a clear focus on durable growth and expanding profitability, we are well positioned to continue 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. Your line is open.

Matthew Swanson

Great. Thank you so much and congrats on a solid start to the year. I think I'll pick up right where Nicola left off there. So I mean, it was a great quarter for social measurement. But I mean, really focusing on that growth opportunity in social activation, any time you have something with over a 90% growth rate, we should probably start there. Can you just kind of give us an update on how things are trending and kind of how the rollout has been going relative to your expectations with your customers especially on Meta?

Mark Zagorski

Yeah. Thanks for the question, Matt. So, obviously, we're really pleased with the scaling and speed of scaling on social activation, which is really being driven by all three prongs, the first, as you mentioned, Meta activation in the new Meta pre-bid tools we have there; the second, growth in YouTube through our Authentic AdVantage solution; and third, through TikTok as well, which is – continues to grow at a really nice pace on the pre-bid

Q1 2026 Earnings Call Script

side. So our social activation business is really running on all cylinders. And one of the things I think this really underscores is the fact that our solutions are really playing an essential role in the walled gardens. I think there were some questions about whether or not, hey, is DV as powerful or as needed in the walled gardens than is in the open web. And the growth of this is proving that out.

I think it also underscores the power of the pre-bid and kind of post-bid engine where we can launch pre-bid solutions where we already have measurement in place, we see a nice catalyst for growth. So it's scaling well. Meta in particular now is over 80 clients have engaged with it, some of our biggest advertisers are now engaged there. We mentioned, I think in the last call, we wanted to get to a \$15 million ARR by the end of 2027 or 2026, I'm sorry. And we're already at \$12 million. So like this is growing well. I think it's scaling well. And again, it's definitely being driven by Meta, but it's also that social activation 90% growth number is being supported by our innovations in TikTok and YouTube as well.

Matthew Swanson

Great. And then, Nicola, just kind of thinking more on the guidance side, I know over the last couple of years you've become less exposed to kind of CPG and retail sectors. But if there's anything from kind of a macro standpoint that you would point out to us? And then just any update on the advertiser who went through the agency change last quarter?

Nicola Allais

Yeah. So I'll start by saying from a vertical perspective, we spoke a lot about retail and the impact it had on our business for the end of the year. That has normalized, as we had expected. We already spoke about it on our last call. And overall, all of our key verticals showed growth in the first quarter of 2026. And we haven't seen material changes across the verticals. If anything, we've been able to diversify further into healthcare and technology, which allows us to not be as reliant on retail and CPG. So it feels more normalized and it feels that we are continuing to diversify in a way that's going to help to create a more predictable business for us.

In terms of macro, if you look at the verticals, I'll address the two verticals that are generally mentioned in terms of uncertainty based on what's happening in the macro for us, auto and travel are fairly small verticals, so we're not as exposed to those. And just a general comment on macro, we're obviously not assuming strong tailwinds, but we're assuming an environment that's going to remain fairly stable.

Operator

Your next question comes from the line of Brian Pitz with BMO Capital Markets. Your line is open.

Brian J. Pitz



Q1 2026 Earnings Call Script

Thanks for the questions. Mark, since I know SlopStopper is one of your favorite topics, maybe you could give us your latest expectation around penetration rate and maybe thoughts on the future opportunities around those products. And then maybe stepping back more broadly, as AI content continues to proliferate across the Internet, talk about what you're hearing from advertisers in terms of how they're adapting to this changing environment. Are they starting to get more comfortable? Maybe just a little bit more insight. Thanks.

Mark Zagorski

Thanks for the question, Brian. And, yes, I love SlopStopper because I love saying the name on these calls so much. As we noted in the call, SlopStopper is now being applied on the measurement side to about 40% of all of our impressions. That's a pretty – it's probably one of our fastest scaling attach rates for any different category that we've seen. So on the measurement side, it's really being picked up pretty quickly and that's a great thing. And it also shows, to your second part of your question, that advertisers are still just trying to figure out how they navigate this world of AI content. And SlopStopper is built for a specific reason. It's to avoid low-quality, questionable AI content, right? Not all AI content is bad, but there's certainly stuff out there that advertisers want to avoid. And that's what SlopStopper helps them do.

When we think about kind of what's next for that tool, so we launched a pre-bid SlopStopper solution on YouTube. We're going to expand that to additional social platforms over the next few quarters. And it's the platforms that – social platforms, particularly around video, that are the most kind of challenging for advertisers to kind of figure out where they should and shouldn't advertise against. So we see this as, again, another catalyst for higher attach rates for our solution. And another catalyst for folks to actually lean into working with DV, maybe even if they're not, because it gives them another tool to use to navigate challenging content.

And I think the other thing and as I mentioned in my earlier question, there's a growing need for our solutions within the walled gardens. And not because the content there is particularly better or worse than either platform, but the content there is becoming really overrun with a good amount of AI content, and the advertisers really are looking for tools to help navigate that. So the problems that advertisers saw in the open web are evolving to different types of challenges behind walled gardens, and the great thing is that we've got solutions to address all of them.

Operator

Your next question comes from Maria Ripps with Canaccord. Your line is open

Maria Ripps

Q1 2026 Earnings Call Script

Great. Good afternoon and thanks so much for taking my questions. Mark, you said that you were in discussions with several LLMs regarding sort of verifying ads on their platforms. Is this the same brand safety stack that you offered today or will the agentic ad environment require sort of a fundamentally different product? And how are you thinking about pricing, create sort of structuring pricing models for agentic ads?

Mark Zagorski

Thanks for the question, Maria, and it's a really great one. So when we think about what's going on with the ad-supported LLMs, what we've seen so far and even as recently as this week, there's been announcements that OpenAI is embracing third-party ad solutions, right, from demand solutions and creative optimization through companies like Cargo and Pacvue and Smartly. The next step for them, as we've noted, is really start looking at measurement and verification, and we're leaning into discussions with lots of different LLMs on that front.

And when it comes to kind of what we think about what our solution can do there, it really is to play the same fundamental role that we do in social and in streaming and in display and online video, which is acting as a trust and transparency layer. And that has to do with everything from ensuring that ads are viewable and visible by a real human, to ensuring that the context where it ends up with is aligned with what that brand and who that brand is and where they want to be. So from a general thesis perspective, the application of our solutions in that environment is pretty much the same. It's building trust between the buyer and the seller.

When it comes to the business model around it, we've got lots of different business models when we employ with platforms, but almost all of them are advertiser-paid and they're based on volume of engagement. So as we look at the opportunity within the LLMs, our assumption is that model will extend into there as well, which will be volume-based, advertiser-paid based on the scale and level of engagement of that advertiser with the impressions on those platforms.

Maria Ripps

Got it. That's very helpful. And then just following up on SlopStopper, so as we think about the product, do you view it primarily as a retention tool sort of bundled into existing relationships or is this a product that can be priced and sold independently? And just sort of you just launch it on YouTube, it's coming on other platforms, but sort of what's the realistic timeframe for this product to move the needle on revenue either directly or indirectly?

Mark Zagorski

Q1 2026 Earnings Call Script

It's another great question. So think of SlopStopper really as having two positive impacts on our business. The first, as you noted, is a retention. It creates greater value in our engagements with our customers by giving them another category of content to have greater transparency on. So for current customers who already are using our measurement, I think it gives us kind of stickier, more ingrained relationship. That is always helpful as we go back to renegotiate deals and look at price increases down the road, right? So that's one. The second is it helps with attach rate, right? So it helps advertisers who maybe, for example, aren't using us on pre-bid on YouTube. But now knowing that they can avoid AI slop by using our solution, that drives up attach rates for our solutions there. So I think it has, again, a two-pronged impact the way it currently is structured. A, it helps us retain and grow our relationships with current customers, but it also drives up attach rate.

If there's a third aspect as well, it is a differentiator in the market, right, where it is a unique solution for DV that our competitors don't have. It allows us to win deals on a greater scale than we would if we didn't have it. So there's a direct impact to kind of the new customers that we're able to bring on as well. I think we're already seeing.

And so the last part of your question is like when does it create a financial impact to the business? I think we're already starting to see that a little bit. When you see kind of our measurement growing at 16%, which is a great rate for us there, when you see our social activation growing of which AI SlopStopper is part of social activation growing up 92%, those numbers are fueled by features like this which are unique to DV, which drive attach and create new customer engagements.

Operator

Your next question comes from the line of Andrew Marok with Raymond James. Your line is open.

Andrew Marok

Hi. Thanks for taking my question. Maybe just one from me on the chat bot service again. Obviously, we've seen OpenAI kind of evolve its offering from a CPM to a CPC over time and, of course, nothing is finished yet. But from the architecture of the chat bots ad offering itself, is there anything that they could do that would be more or less advantageous for you to partner with? Are there any kind of structures that you kind of hope that they might lean toward? Thank you.

Mark Zagorski

Thanks for the question, Andrew. You made some great points. The first is, is that the model is evolving and it's evolving very quickly, right, as both advertisers experiment and as the LLMs experiment with advertising rates. So they're changing pretty quickly. The

Q1 2026 Earnings Call Script

current setup of the structures actually leaned very well into what we do very well, which is analyzing content and context that's text-based at scale very rapidly. So the way that the engagements are set with consumers, the predominant nature of how consumers engage with those chat bots falls kind of very nicely into what DV has done for the last 15 years, which is analyze advertising in contextual or text environments. So that current structure actually fits well to what we do. Our experience working with walled gardens and getting real-time feeds of content, whether it's from folks like TikTok or others, gives us kind of a really strong legacy to build upon to be able to analyze the ads in those environments.

So I guess it's a long way of saying, we're pretty flexible. We've built from many different types of systems, from video systems, to short-form video systems, to text-based open web engagements. So the way that ChatGPT or any of the platforms are set up today are relatively easily engaged with our current system and our current classification system based on what we've done in the past. So we are ready. We built for very challenging environments before, real-time environments, unique environments based on an individual engagement, and I don't think this is going to be a significant lift for us to move beyond that.

Operator

Your next question comes from the line of Matthew Condon with Citizens. Your line is open.

Brianna Diaz

Hi. This is Brianna on for Matthew Condon. Just a question, you've raised the Authentic AdVantage on YouTube ACV to \$10 million from \$8 million last quarter. And then Meta activation, I think it was now \$12 million versus \$8 million to your prior. Just can you help us understand the incremental growth you're seeing within these two products? How much is it coming from new advertisers, or is it more so the existing advertisers ramping spend?

Mark Zagorski

So it's a combination of both. So it's current DV advertisers that we've upsold to this solution launching and the previous advertisers who we brought onboard actually scaling. As we've noted, we went from high-60s number of engagements to 80-plus now. So we've got new customers scaling the solution on Meta pre-bid. The same kind of scaling is happening on Authentic AdVantage. So it is a combination of both. What we love about it is once advertisers get engaged, they really do stay sticky and scale with us over time. And we've got a handful of our largest advertisers kind of growing at very solid rates

Q1 2026 Earnings Call Script

across both Meta and Authentic AdVantage. I mean, when you get a 90% growth rate on something like social activation, it's going to be fueled not just by new customers, but by current customers really starting to scale their business. And that's what we're seeing here.

Brianna Diaz

Got it. That's helpful. And then just on the social side activation grew 92%. Just on activation revenue, it slowed to 6% from the 4Q number. Just can you help unpack what's going on within that line item?

Nicola Allais

Yes. So activation for the quarter was up 6%, which equates the growth that we had in the fourth quarter of last year. Mark spoke of the social activation growth, which is a high percentage on a smaller base. The rest of the business, as we said in our remarks, has remained fairly steady in the first quarter, and the majority of that business would be driven by mobile and online video and display business. Now, we are obviously focused on being able to verify and continuing to grow where the advertisers are spending. And so tied to that growth that you see on social activation is the social measurement growth of 23%. Those are the vectors that we're focused on so that we're able to continue to verify wherever the advertiser is spending.

Operator

Your next question comes from the line of Mark Murphy with JPMorgan. Your line is open.

Mark R. Murphy

Thank you so much. I'll add my congrats. Interested in behaviorally, what are you seeing out of the group of six or seven of the large retail and CPG companies that had started to drag on your growth rates? I think there was about a year and a half ago. And with the understanding, obviously, you would have lapped that slowdown, is there any signaling from those companies relating to their own internals or how they're coping with commodity prices or consumer spending trends? I'm just wondering if you – wondering if you see any kind of different behavior there. And I have a quick follow-up.

Nicola Allais

Mark, we're not seeing any different behavior than the overall vertical, right, for both CPG and retail. And as I said earlier, retail in particular, we've sort of seen the spend patterns normalize after the end of last year, which is a positive for us. And then, in general, across the verticals, basically, all of our key verticals showed growth in the first quarter. So the performance we had was spread. We are diversifying away from CPG and retail because we have large clients that are scaling, especially in healthcare and technology. And so as



Q1 2026 Earnings Call Script

much as we can diversify as a result of us signing larger brands in different verticals, that obviously helps the business. But to go back to the initial part of your question, what we saw in Q1 is more of a normalized pattern of spend for CPG and retail.

Mark R. Murphy

Okay. That's encouraging. So my other question is coming back to the prospect of working with the LLM providers, whether it's OpenAI or Perplexity or someone else, I'm curious when you think might be the earliest opportunity for some of those ads to maybe run in scale where they could conceivably be measured and verified in a way that would start to contribute noticeably. And then also is the push to do this coming more from the LLM providers themselves, or do you think it's coming more from the brand advertisers?

Mark Zagorski

Yeah. Hey, Mark. It's great question. Things are moving very rapidly on the LLMs with regard to advertising. We've mentioned in the last call, in this call, that our advertisers are more than excited to test them out. But to scale budgets, and they've been very clear with us and their agents have been clear us, to scale budgets, they've let the platforms know that they're going to need third-party measurement, they're going to need more transparency and more verification. So the drive to kind of integrate into the platforms is really coming from our partners and the brands who want the same level of transparency, the same level of currency-type measurement on the LLMs that they get everywhere else. I mean, on Meta, on YouTube, on TikTok, on the open web, on streaming, they get that kind of agnostic verification and they're demanding it on the LLM. So things are evolving rapidly there.

We saw this week that ChatGPT and OpenAI opened their ad platform to numerous third parties to allow for buying and creative optimization on those platforms. So it's clear that they're definitely embracing the marketplace. They're embracing third parties to come in and help build that business. And when you throw a number out there, like \$100 billion by 2030 in ad revenue, they're going to need partners to do that. So we're very positive and bullish on the opportunity. It certainly hasn't materialized yet and we've been very clear on that. But we do believe that if we can use history as a guide with what's happening with social with us and streaming and mobile, et cetera, that we think this will be a great opportunity for DV down the road.

Operator

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

Tim Nollen

Hi. Thanks for taking the question. Can I switch topics to CTV? Actually, you've had an announcement or two during the quarter. And I'm just curious, what are you bringing to

Q1 2026 Earnings Call Script

TV measurement to CTV that is new and different versus what has existed thus far? And I'm using the term measurement loosely. There's a lot of new ways to measure TV. I'm just curious what is the opportunity DV in a much more complicated TV market these days than it used to be. And just relatedly, you mentioned MTMs for CTV were up 28%, I think, in the quarter. Could you just put that in a bit of context for us? I assume that's accelerating on the new products and kind of where is that trending for the rest of the year. Thanks.

Mark Zagorski

Yeah. Tim, thanks for the question. We've said that of our – we've got three pillars we're focused on for growth, social, AI, which we spend a lot of time on. But streaming is incredibly important to us as well. Impression growth last quarter was up 28% and it was driven by higher attach rates for some of our new solutions. So the launch of Verified Streaming TV, which gives advertisers the ability to actually measure and ensure that their ads are being delivered on a high-quality, full-episode player, not on an outstream or embedded video someplace, that it is a truly streaming TV environment. That is gaining traction and driving attach rates up on the post-bid measurement part of our business. We've also seen with our tools like the automated Do Not Air lists which allow advertisers to create dynamic exclusion list, a programming that they don't want to be around. Our attach rate has almost tripled for that across our pre-bid solutions on specific DSPs.

So we've seen attach rates grow, which drives pre-bid. We've seen – and when pre-bid attach grows, post-bid attach measurement grows as well. And I think it's because that advertisers have been demanding more transparency on CTV, right? Believe it or not, they probably get less granular verification data on CTV than they get on social or even on like short-form video and YouTube. So I think our solutions are starting to touch a nerve with the advertisers. It's driving up attach rates and it's increasing, obviously, the number of impressions that we're measuring across streaming TV as well. This is all good for us. Attach rates mean more money, (00:50:17) people are using our solutions more.

Nicola Allais

And, Tim, on your question for the volume of impressions, so yes, it grew 28% in the first quarter, and we do expect that to continue to outpace the overall revenue growth of the company just because it is the area that is growing. So we do expect that to continue.

Tim Nollen

Okay. And just a quick follow-on, when you're talking about, I'll use the term CTV again kind of loosely, and you mentioned streaming, Mark, are you specifying this from video that you've been measuring on in other areas like in social?

Mark Zagorski



DoubleVerify

Q1 2026 Earnings Call Script

Yes. CTV, we designate as something that actually ends up on a large player in a living room. Streaming TV includes CTV, but includes high-quality, branded entertainment that may end up, for example, on a mobile device or a tablet. But it's Hulu. It's not a TikTok video. It's Paramount. It's not a reel. That's different. So streaming TV, think of includes all high-quality TV. CTV includes stuff that ends up in your living room on a big screen.

Operator

Your next question comes from the line of Youssef Squali with Truist. Your line is open.

Robert Zeller

This is Rob on for Youssef. Thanks for taking the questions. On the gross margin expansion due to AI, I'm just curious if we could unpack that. And then is this the new norm for 2026 or are you still targeting the 80%? And then I'm just curious on the drivers behind the sequential trend in large advertising customers and ARPU for that as well. Thanks.

Nicola Allais

Yeah. So on the gross margin, we achieved 82% in the quarter. And the way we're able to do that is that we are using AI tools to essentially allow us to verify and classify content a lot more efficiently. And our expectation is that even though the volume of impressions that we measure will continue to grow, we'll be able to maintain a healthy gross margin. Whether it's 80% or 82%, it's going to depend a little bit on the volume that comes from the new batch of verification that we will have to do, including on the AI platforms. So it's hard to say. But one thing is certain is that we will be able to continue to remain efficient as the volumes grow. And so 80% is a safe benchmark and it's a very healthy benchmark.

And then on the other question, which was trending on large advertisers, what we're seeing and we call this out in the last call, which is the average dollars per client for the top 100 is continuing to grow year-over-year. We look at that on an annual basis, but it is certain that our large advertisers are being absorbed to the new solutions and are part of the growth rates that we've mentioned on social activation. So the ARPU is growing as we're able to offer them new products, especially on social and soon on CTV.

Operator

Your final question comes from the line of Justin Patterson with KeyBanc Capital Markets. Your line is open.

Jacob Armstrong

Q1 2026 Earnings Call Script

Thanks for taking my question. This is Jacob on for Justin. I guess kind of hitting on that last point about how you're using AI internally on classification, can you talk about maybe some of the areas that DoubleVerify is using AI internally in terms of ramping engineer productivity, maybe how you're keeping that, keeping a scaling token cost (00:54:27) in mind while kind of ramping adoption internally these tools?

Mark Zagorski

Yeah. Thanks for the question, Jacob. We look at, obviously, two large buckets of how we are leveraging AI. First is in kind of internal execution where we focus on efficiency and effectiveness and better client engagement. And the second major bucket is kind of AI product development, which we've talked about a lot on this call. When it comes to kind of internal AI execution, we are focused really on agentic development and using agents to create code. So far, we've seen 40% faster software development. We're triaging IT tickets at rates we've never seen before. And it's allowed us to, as we've said before, maintain a head count that will continue to show efficiencies over the coming year. So, A, just in general, engineering operations, we've been able to balance the cost of tokens with the kind of the impact of – and we look at everything from an ROI perspective when we lean in on using AI.

You also mentioned core classification. And we've been using that to help our core systems kind of do what they do much faster. It's increased our productivity by 4x in classification. We're driving labeling, what we do when we label content, by about 2,000 times faster. And we've been very clear that we've got a decent number of contractors that have been helping us with the labeling and feeding our models. That number of contractors will be reduced by over 100 by the end of the year. So we're seeing efficiencies by using AI and the (00:56:17) engineering team across core classification. And eventually, we're going to see this with client interaction as well as we start moving towards more natural language interfaces that enable better client interactions with less client service engagement and overhead. So it's a big impact on our operations. That's why we're seeing not only increasing margins, but faster go-to-market with products and more efficient client engagements.

Mark Zagorski - Closing Remarks

Thank you all for joining us this evening. As we look ahead, we remain confident in the performance of our business, and our priorities are clear: deepen adoption of the 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.



Q1 2026 Earnings Call Script

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