Prepared Remarks of



Second Quarter 2021 Earnings Call

August 9, 2021

Chris Toth, Vice President Investor Relations

Thank you, Operator. Hello and good afternoon to everyone. Welcome to The Trade Desk second quarter 2021 earnings conference call. On the call today are our Founder and CEO Jeff Green, and Chief Financial Officer Blake Grayson.

A copy of our earnings press release can be found on our website at thetradedesk.com in the Investor Relations section. Before we begin, I would like to remind you that, except for historical information, some of the discussion and our responses in Q&A may contain forward-looking statements, which are dependent upon certain risks and uncertainties. In particular, our expectations around the impact of the Covid-19 pandemic on our business and results of operations are subject to change. Should any of these risks materialize, or should our assumptions prove to be incorrect, actual financial results could differ materially from our projections or those implied by these forward-looking statements. I encourage you to refer to the risk factors referenced in our press release and included in our most recent SEC filings. In addition to reporting our GAAP financial results, we present supplemental non-GAAP financial data. A reconciliation of the GAAP to non-GAAP measures can be found in our earnings press release. We believe that providing non-GAAP measures combined with our GAAP results provides a more meaningful representation of the Company's operational performance.

I will now turn the call over to Founder and CEO Jeff Green.

Jeff Green

Thanks, Chris, and thank you all for joining us.

I'm pleased to report that The Trade Desk had a very strong second quarter this year. Our revenue was up 101% from a year ago to $280 million, significantly surpassing our own expectations. Our growth was across all channels and speaks to our position as the leading DSP for the Open Internet. More of the world's top advertisers and their agencies signed up or expanded their use of our platform, which just continues to validate our business strategy. They are increasingly embracing the opportunities of the open internet in contrast to the limitations of walled gardens.

Our performance this quarter and year-to-date was led by CTV and premium video. The move from broadcast and cable to digital on-demand content is happening all over the world. While each major media market and nation has different dynamics impacting adoption rates, every major market in the world is heading toward consumption of premium TV and movie content over the internet. Because of our product, including our new platform Solimar, our objectivity, and market shifts, CTV as a percentage of our business continues to grow very rapidly and is by far our fastest-growing channel. Heading into the pandemic, our CTV growth had been driven by our leading position in the US and Australia. And we continue to enjoy outsized growth in these markets. But now we're starting to see our CTV strategy scale more broadly around the world. For example, our CTV revenue in Europe was up more than tenfold in the second quarter. I'll expand on this in a moment, but I could not be more optimistic about our CTV business.

Overall, we fired on all cylinders in the second quarter, in large part because we realized the value of the investments we have made in our business over the last few years. Just as important, these investments leave us very strongly positioned for growth moving forward. And, of course, we continue to invest. Our latest platform launch, Solimar, is the result of more than 2 years of

engineering work, and it addresses many of the opportunities in front of agencies and brands today. I'll touch on this too.

In order to provide some more color on these results, and on our optimism for the future, I'd like to focus on three key areas.

First is our strength in CTV. Even as our overall business doubled over the second quarter last year, our CTV business significantly outpaced that growth, and I'd like to spend a moment on the various factors driving our progress there.

Second, I want to touch on how major advertisers are thinking about the value of the Open Internet in contrast to the limitations of Walled Gardens -- especially in terms of how they think about identity, first-party data, and performance measurement.

And third, I'd like to focus on International growth. Like last quarter, our International growth outpaced North America, and we are seeing some trendlines that give me great optimism for the years ahead.

So, first, CTV.

Just to provide some context on our growth in CTV: Through just the first half of this year, the number of brands spending more than $1 million in CTV on our platform has already more than doubled year-over-year. And it's not just larger advertisers that are taking advantage of CTV. The number of advertisers spending over $100 thousand has also doubled. In total, we have nearly 10,000 CTV advertisers on our platform, up over 50% compared to last year. Large and medium-sized advertisers alike are turning to us as the objective DSP for all digital media, but especially CTV and premium video.

That exponential growth speaks to how rapidly the TV landscape is evolving. We've spoken before about the accelerated consumer shift to digital video, including CTV. And that shows no signs of slowing down. In fact, we reach more households via CTV in the US today than are reachable through linear TV. Today we reach more than 87 million households. Those trends are now well established.

What is perhaps a little less appreciated is what's happening on the inventory side of TV, and how advertiser demand for that inventory is also fueling a shift to CTV.

In Q1 and Q2 of 2020, nearly every major advertiser had to pause or rethink their advertising campaigns due to the global pandemic. Some adjusted in weeks, some took months, some are still adjusting. Some companies grew faster because of the pandemic. Some companies are still below their growth and revenue levels pre-pandemic. Many companies, such as some CPGs and Pharma companies, have enjoyed significant growth in that one year. They were able to adapt their businesses, pivot their message, and appeal to consumers as their lives were upended and changed. Others, such as those in the hotel, cruise, and airline industries, have been largely treading water because of the various new restrictions we've all been living with. But regardless of where a company is on the growth spectrum, we're seeing the same response today. Those companies that enjoyed accelerated growth now need to market effectively to sustain that growth. Those that were struggling and had hit the pause button are now playing catch-up, aggressively marketing to make up for lost time.

Advertising and marketing matter more than ever in the formula for business success.

The demand for growth, regardless of where a company is on the recovery curve, has major implications for advertising. Brands are looking to their CMOs to find new value in advertising that can help fuel new growth. The only way to find advertising efficiency in this market is with objective, data-driven technology.

And within that context, CTV offers some of the most effective advertising in the history of this space. The combination of moving picture, sound, and data creates effectiveness and value that is unprecedented. We have significant premium CTV inventory at scale via our platform and partnerships, as CTV growth moves to AVOD instead of the SVOD models that powered early adoption in the category.

Indeed, MoffettNathanson recently reported that the ad-supported video-on-demand market is growing from $4.4 billion in 2020 to about $18 billion as early as 2025. And every major ad-supported platform, whether it's Disney's Hulu, Peacock, Discovery+, ViacomCBS' Paramount+ and Pluto, Fox's Tubi, or Fubo TV and many others – are all reporting record viewership or ad spend figures. And we see the rapid growth in AVOD in our CTV spend, every quarter.

The shift from legacy TV to connected TV was especially apparent in this year's upfronts, which wrapped up in the second quarter. For the first time in the history of this annual process, every major broadcaster included programmatic packages. And there's a wide range of reasons for that, not least because CTV represents a greater percentage of their revenue than ever before.

But perhaps most important, broadcasters recognize that the traditional upfront process is a mismatch. It doesn't work in a digital world, where data and personalization are required to succeed. The legacy upfront process is really hard to run in an environment with lots of change and uncertainty.

I believe that this year will mark a turning point in how the process is managed. In today's fragmented TV environment, linear audiences continue to erode, linear supply is shrinking, and prices are rising simply because of the scarcity. This year, broadcasters used that scarcity to their advantage and locked up commitments as the demand for growth intensified. But it is becoming increasingly difficult to predict who will watch which show or which live sports event, which means linear viewership commitments are harder to make and stand by. Advertisers will then

have a rethink and then seek out greater value in a data-driven spot market and data-driven forward market for digital than the opacity and uncertainty of the legacy upfront market. They'll take budget back. They'll demand a new conversation next year. And broadcasters are adapting by making CTV and programmatic a more significant part of the process.

That conversation will also look at how to evolve the traditional focus on high Gross Ratings Points, or GRPs. In the chase for high GRPs, many advertisers are finding that they are underreaching some percentage of their target audience, and way overreaching others more than ever. The average may be in their target range, but the actual consumer experience at the edges is highly inefficient. On the extreme overreach side, brands are actually paying to make consumers dislike them—showing the same ad over and over to the same person. On the underreach side, showing the ad so rarely that it isn't noticed or remembered.

As a result, more advertisers are demanding that the data-driven agility of CTV become a larger component of the overall TV ad spend. That includes more measurement precision. GRPs become less important in a digital environment where you can have a direct interaction with the viewer and more precise measurement.

- For example, we recently worked with Ford to help build a CTV campaign that directly targeted households that were in market for a new car. That's very different from the traditional mass market linear TV campaign where there's a great deal of waste. It's precision marketing, using custom audience tools that identity when a consumer is coming off a lease or buying a car for the first time. With CTV, Ford can then reach that audience with ads that are relevant to the time and place that the ads are being consumed. This level of marketing precision is simply not possible on linear.

- Just as important in this equation is the large and growing CTV footprint. When you combine premium quality, data and inventory scale, CTV becomes a very compelling proposition for advertisers and their agencies.
    - In that same work with Ford, we found that 48% of the households reached were incremental to anything addressable through linear. That means if you're limiting yourself to linear, you're missing out on almost half of your potential target market.
    - It was the same story with a large pharma and medical device company. When compared to parallel linear TV ad campaigns, CTV delivered a 51% incremental reach and a 4X improvement when analyzing cost per household reach.
- These are not isolated cases. We are seeing many brands shift TV budgets to the data-driven precision of CTV, and I expect this trend to accelerate through next year's upfronts. One major global food company is working with us to shift almost a quarter of its TV budget to CTV by next year so they can better manage targeting and frequency. A global entertainment brand is doubling down on CTV with us because it allows them to measure the full customer journey from exposure to purchase. And a major telco is enjoying measurable sales lift by shifting a significant portion of its TV budget to decisioned CTV on our platform.

The evolution of TV advertising is a great barometer for the advertising industry overall.

More and more, brands want to be able to apply data to optimize their CTV and premium video advertising. They want to be able to measure campaign performance, across channels. They are focused on the quality of the TV supply chain, and they want to ensure that their partners, including The Trade Desk, are delivering more value than they are extracting. We proved this in the US and we're seeing markets around the world evolve similarly. And I still believe we are merely at the very beginning of the CTV innovation cycle.

I can't put it any better than Jon Halvorson, Vice President of Consumer Experience at global food giant, Mondelez. Speaking last week with AdAge he said, and I quote -- "I've been positively surprised by the advancements that The Trade Desk and other partners in CTV have made versus digital platforms. Their focus on advertisers' needs for advanced targeting, inventory management, and guarantees are setting them apart from YouTube and the rest of the marketplace."

One last point on CTV. As the TV ecosystem gets more crowded and competitive, our strategic focus on objectivity is more valuable than ever. Some platforms that claim to be open and then primarily push their own content will lose favor with other content owners as the market progresses. We have great partnerships with content owners because we bring them objective demand from our customers, and we don't compete with them. We deliberately don't own or favor content.

This also brings me to my second point. Because CTV is also highly indicative of how advertisers are increasingly embracing the open internet, both as an alternative to walled gardens and as part of their digital media plans. And I notice this in various dimensions.

If you notice some of the recent deals we have signed and talked about publicly, some of the world's largest advertisers have signed new contracts with us in recent weeks and months, increasing and extending their commitment to our platform. We're just scratching the surface and demand for our platform is growing across industries, around the world. And as these brands work with us, they are making a commitment to the open internet.

This may be best summed up by something that Arun Kumar, Chief Data Officer at IPG, said at an AdWeek event with me a couple of weeks ago. He talked about how brands had relationships with consumers long before the major walled garden platforms came along. And how those brands are working harder than ever to preserve those direct relationships even as platforms try

to disintermediate them. He believes there's so much collaborative innovation going on to support of the open internet precisely for this reason.

What he's also getting at there is a point that I think is often misunderstood about the motivations of brand advertisers. Most brands have decades-long relationships with their consumers. These relationships have been nurtured and curated, carefully, over a wide range of interactions including long-term loyalty programs. In many cases, consumers volunteer preference information in return for some kind of value.

Given the effort they have put into this over many years, brands have no interest in jeopardizing the trust they have established with their customers. Brands want to provide a relevant and enjoyable advertising experience that respects their relationship with customers. And that experience is best managed and delivered across the open internet, where the advertiser has more insight and flexibility.

In addition to managing their existing customer relationships for the long term, brands also want to find the next generation of customers who share some of the same characteristics as their most loyal ones.

And that, in a nutshell, is why their first party data is so important. Brands know a lot about their most loyal customers. And they want to put some of that data to work to find others like them, or ad impressions that their prospects are most likely to interact with.

But unleashing the potential of that first party data requires a few things.

- It must respect the privacy of the customer and preserve the trusted relationship between the advertiser and the consumer.
- It has to be secure – not just from a data protection perspective, but also in terms of brands retaining control of their data.

- It must be easy. You have to have simple integrations and on-ramps.
- And as they put that first-party data to work, brands have to get symmetric performance data back. They have to know whether it's working and how their prospects are reacting.

Each of these requirements is challenging in a Walled Garden. None more so than the asymmetrical data relationship. Any data a brand puts into a Walled Garden is often usable by that platform too. As media owners, they will put that data to work for their own benefit as well as the advertisers.

And the advertiser won't get the same grain of data back on their campaign performance. They'll get a report card saying the campaign was successful, which is a bit like grading your own homework. But the results they get won't be the same kind of information that the brand can use to continue to refine their campaigns.

And that's why, quarter after quarter, brands are gravitating to our platform – and to the open internet. Walled Gardens may provide easy access to scale. You can reach a lot of people very quickly. But they don't provide the precision and decisioning that are becoming so vital to today's marketer. And they don't provide much clarity on what content the brand is showing up against – what content they are funding and supporting and how to refine their campaigns into the future.

On July 7th, we launched a new version of our platform—Solimar. It is the biggest release in the history of the company and the reception has been fantastic. Again, it beat our hopes and expectations and has great traction.

At the current pace of adoption, by the beginning of next year, we expect a majority of the impressions on our platform bought using Solimar. A few of you joined us at our launch event in New York, and some of you joined the many thousands who watched online. I believe the remarkable interest in these events speaks to how rapidly our industry has evolved over the last

18 months, and how Solimar is helping solve for many of the issues and opportunities in front of marketers today.

Perhaps most important, with Solimar we believe we have created the industry's most advanced measurement marketplace. Not only can advertisers measure against traditional campaign performance metrics, but they can now integrate offsite measurement performance in a way that's only possible on the open internet.

That means they can finally reach that holy grail of connecting their ad spend to actual business goals – whether it's in-store sales, or foot traffic into a dealership, or demand for tickets. Solimar has an ever-growing roster of third-party measurement data sources, including retailers, who are eager to leverage the value of their shopper data so they can attract more advertising demand.

But you don't get to build that kind of measurement marketplace without simple and secure data onboarding, and without the ability of brands and partners to protect their data – to make sure it's only being used for the intended purposes. And you don't get to real performance measurement without the ability to enter more precise campaign goals.

And Solimar provides for all of that. And much more.

We launched Solimar at a time when UID2 is also reaching critical scale in the market. This is important because UID2 allows advertisers and partners to onboard their data in a manner that provides more consumer control and protects their data.

In recent months, three of the major advertising holding companies – Publicis, Omnicom and IPG – have announced their support for UID2. In addition, many of the major independent agencies, such as Horizon, are also now leveraging UID2. As well as the world's major agencies, many of the world's leading brands are also starting to use it. We're also working with many of the world's leading tech platforms as they look at use cases for UID2.

The publishing side is also embracing UID2. From the CTV perspective, major CTV industry tech consortiums, which are owned by the major networks, including BlockGraph and OpenAP, are making their identifiers interoperable with UID2. That's in addition to networks such as AMC and FuboTV who are integrating directly. Traditional publishing groups such as Maven, who own Sports Illustrated and TheStreet.com and Newsweek have also embraced UID2.

A couple of weeks ago Snowflake announced that it would deploy UID2. This one is a little different but very indicative of the scale that UID2 is achieving. Snowflake provides a cloud-based data service that sits on a company's cloud infrastructure and enables data to be managed across clouds. Snowflake acts as a hub for many companies' customer data – their first party data. That data can now be activated be turned into UID2 identifiers.

What's really interesting about all this momentum around UID2 is that it has accelerated since Google announced that it would delay the deprecation of cookies by at least 2 years. You may remember that when Google first announced their intentions, I was somewhat skeptical. And that's because the fundamental value exchange of the internet – free content in exchange for relevant advertising – is not going to change. What will change is how we give consumers more information about that value exchange, and how we provide better tools to pay off that exchange in a way that improves the experience for advertisers, publishers and consumers. And gives consumers more control.

That is what the industry is creating. UID2 is one leading example. But more important is the way that the industry is mobilizing to create a better approach to identity, one that reflects that fast-moving, cross-channel nature of today's digital advertising landscape.

I could not put this urgency any better than Joy Robbins, Chief Revenue Officer of the Washington Post organization, who spoke at our recent Solimar event in New York City. The Post, as you may know, through its Zeus platform, also powers the adtech stack for more than

100 other publications across the U.S., including many daily newspapers. So, Joy's perspective is very insightful.

To quote her directly, she said "We need to make sure we're controlling our destiny. If we do nothing, we give our ad revenue stream to the walled gardens."

It's that sentiment across the industry and around the world that's driving so much collaborative innovation in support of the Open Internet.

The last area that I want to touch on is our international growth. Once again, our international markets grew faster than the US in the second quarter. This is particularly encouraging. As this industry speeds toward a $1 trillion TAM, about two thirds of that will be outside the US. And we are investing to capitalize on that international growth and serve a global advertiser customer base.

Let me just give just a couple of examples that put our investments, and our growth, into perspective.

We started planting the seeds of Connected TV in Europe a few years ago, and we are now seeing the green shoots. CTV in Europe is still relatively early in its lifecycle compared to the US. But with the exponential revenue growth I mentioned earlier, it won't stay small for very long. In Europe, there is a significant consumer shift to streaming platforms, even for live sports. European broadcasters have developed their own streaming platforms which is driving the inventory scale that is so important to advertisers.

For example, we're working with Sky, the largest media company in Europe, as they make their content available over the internet. In fact, our partnership has significantly expanded this year. Sky has a huge presence in the UK, but they also enjoy strong market share across Europe. Like so many broadcasters today, Sky is also investing heavily in original content to attract new

viewers. They are a dominant force in European TV landscape and hold significant clout with brands and agencies.

Along with our existing partnership with Channel 4, as well as premium content providers in France, Germany, Spain and Italy, our relationship with Sky gives us access to the majority of CTV ad impressions across the continent.

I want to again underline the significance of our objectivity in our inventory partnerships as we expand around the world. Because we don't own content, we are able to cleanly and clearly partner with the biggest content and broadcast companies around the world.

Let me also spend a moment on APAC, and one new market in particular, India. We've only recently opened an office in India, earlier this year, but we have already made some incredible progress. It's worth reiterating how large this potential market is. According to research by Global Web Index, Indians are spending an average of 8 hours a day online, most of it on the open internet, led by OTT content. These dynamics are fueling the rapid expansion of the digital advertising market in India, expected to exceed $7 billion by 2024, up more than tenfold since 2015.

It's those same market dynamics that informed our premium video and CTV-first approach to India. And this was somewhat atypical for us. In nearly every other market, we have led with display.

So as we opened in India, the first thing we did was strike important inventory partnerships in CTV. These included a deal with Samsung Ads which gives us access to inventory on Samsung's Smart TV devices, reaching 50 million highly coveted viewers. We also struck a partnership with Xiaomi, one of the world's largest smartphone manufacturer – bigger even than Apple. Xiaomi serves more than 10 billion ad impressions per day to those devices, all of which we have access

to. In addition to device manufacturers, we've also established relationships with the leading content providers, such as Disney+ Hotstar, the leading OTT streaming service in India.

And these partnerships are already yielding results. Brands such as GSK are working with us in India to drive much more data-driven precision in their ad campaigns, particularly with OTT content, and seeing significant performance improvements.

Our initial progress in India is starting from a small base but it has been very rapid. And over time, we will build on these relationships and scale our business methodically, just as we are doing across Asia and the rest of the world.

All this progress gives us a great deal of optimism for the quarters and years ahead. And this has just been a snapshot.

In every market where we operate, NA, EMEA and Asia and Austrailia, we are seeing significant growth.

That's because we continue to innovate more quickly and efficiently than others in our industry. Whether it's the future of television, new approaches to identity, or trading platforms that bring advertisers closer to the business results of their work, we are able to invest in the success of our advertising clients. We are not maximizing profit for the short term. We have discipline around profitability so we can invest for the future of our business and theirs. And this quarter, more than ever, we can see how our prior investments can yield impressive results. And even as we make these investments, we are still generating EBITDA at rates much higher than nearly all of our high-growth software peers.

In the second half of the year, we expect this approach to show more green shoots as we expand our work in retail. WalMart will launch a new DSP, which integrates WalMart shopper data, and is built on our platform. This is a leading example of how we are working with our advertising customers to help unlock the value of retail data – estimated at a $100 -$200 billion market. Each retailer will approach this differently, but we are working with many of them, both here and around the world. But one position they do all share – they are all convinced that the value of their data is best realized on the open internet, not within the confines of walled gardens.

Our progress is also increasingly rooted in our ability to drive industry consensus around important issues that build overall trust in our industry. Our strategy will raise all boats. You're seeing that most clearly in the work we are doing around identity. But it's also present in how we approach the supply chain, fraud management, CTV scale, and many other areas. We remain convinced that the Open Internet is the best platform for our customers to achieve their marketing goals. And there's a large and growing coalition of advertisers, publishers and partners who not only share that perspective, but who are actively working with us to realize it.

All of that contributed to a great second quarter. We have very strong momentum, and with these investments and the hard work of The Trade Desk employees around the world, I expect the wind to stay at our backs.

And for that reason, as pleasing as the numbers are for the quarter, I am even more excited about our future growth prospects.

Now I'd like to turn the call over to Blake before moving to Q&A.

Blake Grayson, CFO

Thank you Jeff, and good afternoon everyone.

As you have seen in our results, Q2 was a very strong quarter. Revenue of $280 million was up 101% from a year ago. Excluding political spend related to the US elections last year which represented a low-single digit percentage share of our business in Q2 2020, revenue increased around 103% year-over-year. During the quarter, we benefitted from continued improvement in the digital advertising environment from both agencies and brands. Growth was broad-based across all regions, channels and verticals. We saw continued strength from CTV, which again led our growth from a channel perspective. Our year-over-year revenue growth rates benefitted from lapping slower growth related to the pandemic during the second quarter of 2020.

With the continued strong top-line performance in Q2, we generated $118 million in adjusted EBITDA, or about 42% of revenue. EBITDA continues to benefit from temporarily lower than expected operating expenses partly driven by the virtual environment. This includes items such as travel and live company events that have only just started to slowly resume. I'm proud of our sustained efforts to consistently generate meaningfully positive EBITDA while continuing to invest in the critical areas of our business that can drive our future growth.

From a channel perspective, Video, Audio, and even Display, all more than doubled in Q2 from a year ago. Exiting Q2, Mobile, currently our largest channel, represented a low 40's percentage share of our business. Video, which includes CTV, represented a high 30's percentage share of our business. Video as a percent of our mix continued to grow very rapidly. The increase in Video was driven by CTV, which by a wide margin, again led our growth during the quarter. And finally, Display and Audio represented about 15% and 5% of our business respectively.

Geographically, North America represented 87% of spend and International represented 13% as International's faster growth year-over-year resulted in a rising share of spend. In APAC, Shanghai and Hong Kong spend growth were both very strong. In terms of our overall growth, Europe led the way growing well over 100% year-over-year in Q2. All of our offices in Europe: London, Hamburg, Paris and Madrid showed particularly strong growth. As Jeff highlighted, CTV drove our EMEA performance growing over tenfold year-over-year. CTV more than doubled its relative share of spend in Europe. While still small relative to the share of CTV spend produced in North America, we are optimistic about the trends we are seeing during the first half of 2021.

In terms of the verticals that represent at least 1% of our spend, the majority of them at least doubled during the quarter. Those verticals most impacted by Covid showed the most improvement overall including Travel, Shopping and Automotive. Home & Garden, Personal Finance and Food & Drink were also very strong. We believe there is still a lot of recovery ahead of us in these segments and we remain cautiously optimistic as we continue to see signs of improvement.

Operating expenses were $218 million in Q2, up 41% year-over-year. The growth in operating expenses in the quarter was primarily driven by stock-based compensation. Operating expenses excluding stock-based compensation grew 32% year-over-year. As we discussed last quarter, the majority of the growth in stock-based compensation expense in the first half of the year was related to the company's employee stock purchase plan. Our growth in operating expenses excluding stock-based compensation on a year-over-year basis is influenced not only by lower expense growth in the prior year associated with impacts related to Covid, but also by continued investments in our team, particularly in areas like sales and marketing, technology and development and the teams supporting that progress as we continue to scale for longer term growth.

Income tax was $13.9 million for the quarter representing a tax rate of about 23%.

Adjusted Net income for the quarter was $88 million or $0.18 per fully diluted share.

Net cash provided by operating activities was $10.4 million in Q2. This was driven by a change in working capital driven by strong sequential growth from Q1 to Q2. I would like to remind you that the timing of cash collections and payments can significantly impact quarterly results. DSOs exiting in Q2 were 82 days, down 14 days from a year ago. DPOs were 67 days, down 8 days from a year ago. The resulting 15-day gap between DSOs and DPOs is the smallest in the company's history.

We exited Q2 with a strong cash and liquidity position. Our balance sheet had $705 million in cash, cash equivalents and short-term investments at the end of the quarter. We have no debt on the balance sheet.

In June, we refinanced a new revolving credit facility and currently have $443 million available under the facility. In addition, we also executed a 10-for-1 stock split.

Turning to our outlook for the third quarter. We estimate Q3 revenue to be at least $282 million which would represent growth of 30.5% on a year-over-year basis. Excluding US political election spend which represented a mid-single digit percent of spend that we benefitted from in Q3 2020, our estimated growth rate in Q3 of this year would be about 38% on a year-over-year basis. We estimate adjusted EBITDA to be approximately $100 million in Q3.

In closing, we are extremely pleased with our strong performance in the quarter. We continue to execute and build on our solid foundation. I could not be more excited about building on our progress in the second half of the year.

That concludes our prepared remarks. And with that, operator, let's open up the call for questions.